STATEMENT OF FRANK W. DEFFER

ASSISTANT INSPECTOR GENERAL FOR INFORMATION TECHNOLOGY

U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

**SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES,
BORDER SECURITY, AND INTERNATIONAL LAW**

COMMITTEE ON THE JUDICIARY

U.S. HOUSE OF REPRESENTATIVES

MARCH 23, 2010

Chairwoman Lofgren and Members of the Subcommittee:

Thank you for the opportunity to discuss the United States Citizenship and Immigration Services' (USCIS) efforts to transform its business and modernize the information technology (IT) used to support that business.

My testimony today will address USCIS' transformation and IT modernization, progress made thus far, and future concerns and remaining challenges for IT transformation and IT management. The information provided in this testimony is contained in our reports: *USCIS Faces Challenges in Modernizing Information Technology* (OIG-05-41), *and U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology* (OIG-07-11), (OIG-09-90).

BACKGROUND

Upon its inception on March 1, 2003, the Department of Homeland Security (DHS) assigned responsibility for delivering citizenship and immigration services to the USCIS. USCIS' mission is to secure America's promise as a nation of immigrants by providing accurate and useful information to its customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system.

Each year, USCIS receives more than 7.5 million immigration applications and petitions for a range of benefits, including employment authorization, lawful permanent residency, and naturalization and citizenship. To accomplish its mission, USCIS has more than 15,000 employees and contractor personnel in more than 250 offices worldwide, including asylum offices, application support centers, service centers, forms centers, a National Benefits Center, and a National Customer Service Call Center.

We reported in September 2005 that effective use of information technology, coupled with updated processes, is vital to increase efficiency and address demands in immigration benefits processing. We noted that USCIS' IT environment for processing immigration benefits was inefficient, hindering its ability to carry out its mission. In addition, we reported that USCIS' processes were primarily manual, paper-based and duplicative, resulting in ineffective use of human and financial resources to ship, store, track, and process immigration.

USCIS recognizes that its paper-based processes hinder its ability to verify the identity of applicants, efficiently process immigration benefits, and provide other government agencies with relevant information on possible criminals and terrorists. In 2005, USCIS embarked on an enterprise-wide transformation program to transition its fragmented, paper-based operational environment to a centralized and consolidated operational environment, using electronic adjudication. USCIS established the Transformation Program Office (TPO) to oversee all transformation initiatives within USCIS. The TPO's mission is to improve customer service and management of customer data by acquiring electronic capabilities and enabling IT.

To facilitate progress made toward achieving its long-term IT transformation goals of deploying integrated, electronic benefits processing capabilities, USCIS has elevated its transformation program to an agency-wide priority to more efficiently and effectively meet its mission. The agency has developed a strategy to establish a new operational environment, which will be deployed over a six-year period. This approach is made possible by a new fee structure used to support transformation costs. USCIS has also strengthened overall IT management and improved IT governance.

USCIS' Progress in Transformation and IT Management

In 2008 we conducted a follow-up audit to determine USCIS' progress in implementing IT transformation initiatives. We reported that USCIS established a structure to manage transformation initiatives, finalized acquisition and funding strategies, established an approach to deploy new business and IT capabilities, and has begun upgrades to its IT infrastructure. In addition, USCIS implemented pilot programs to test some of these capabilities.

Also, we found that USCIS strengthened IT management by restructuring its Office of Information Technology (OIT) and realigning field IT staff. OIT improved IT governance functions and issued guidelines for local IT development.

Transformation Structure Established

USCIS has taken a number of steps to improve its transformation program. Specifically, USCIS established a transformation program structure and has restructured its organization to provide more centralized management of enterprise-wide transformation initiatives. As part of this revised structure, the TPO is headed by a new Senior Executive Service Coordinator, which should result in more efficient decision-making, executive-level awareness, and agency commitment to transformation success.

Further, USCIS has established a TPO governance structure as a framework for decision-making, authority, and accountability, and to ensure that all transformation project activities involve agency stakeholders. Within this structure, the TPO has defined roles, responsibilities, oversight, and reporting functions at the DHS level, agency level, and TPO level. To achieve the necessary coordination within the agency, a Transformation Leadership Team provides oversight of the transformation program. The TPO Project Management Team oversees strategic planning, acquisition planning, program management, and day-to-day program activities.

Under the Project Management Team oversight, integrated project teams (IPT) lead specific transformation projects for business, technical, and release activities. Each team includes a cross-functional membership of agency business and IT personnel who are responsible for their assigned project's plans, schedules, costs, and performance. The TPO implemented the IPT approach to increase stakeholder involvement and ensure appropriate representation from USCIS subject matter experts. This is a key strategy for increasing stakeholder involvement in its transformation planning efforts. The TPO expects this IPT structure to enhance its existing staff resources and, in turn, project

decisions can be made by members with appropriate business or technical knowledge and who best represent the needs of users who will be affected by new processes and systems.

Transformation Funding and Deployment Plans Finalized

USCIS developed a funding mechanism for its transformation efforts and finalized a plan for acquiring the support services and equipment necessary to implement new business processes and enabling technology. USCIS is almost entirely funded by fees paid by applicants seeking immigration benefits. A new schedule for premium processing fees went into effect in July 2007 that incorporates the anticipated costs of the transformation effort. According to TPO leadership, the agency will structure the transformation in a way that can be supported by this new line of funding.

TPO also developed an acquisition strategy in January 2007 to provide a road map for the agency to acquire the resources, such as program support and IT services, necessary to implement the transformation. According to TPO management, the strategy reflects industry best practices, employs an incremental development approach, and will use strategic sourcing to acquire the needed capabilities. A key element of the strategy is the reliance on an IT services provider to develop the enabling IT operational environment for the electronic adjudication process. Based on the transformation funding plan and acquisition strategy, management approved a formal Acquisition Plan in October 2007, and awarded a contract for a transformation IT service provider, referred to as the Solutions Architect (SA), in November 2008.

USCIS also established a strategy for deploying the transformed business capabilities. Specifically, USCIS developed a multi-year strategy for deploying the capabilities needed to achieve the transformed USCIS business processes and support IT. This strategy calls for creating new business processes and systems incrementally over a six-year period. This approach will allow the agency to leverage work done in each increment to better define the requirements and scope for succeeding increments.

IT Infrastructure Upgrades

At the time of our last review, the OIT was implementing IT upgrades for 236 sites to deliver standardized desktops and increased network bandwidth. During FY 2008, USCIS deployed more than 5,000 standardized workstations to all USCIS domestic offices and most overseas operations, which represent approximately 20% of the enterprise workstations. In addition, USCIS replaced and standardized the operating systems for all servers that run USCIS' applications across the enterprise.

Transformation Pilot Programs Begun

USCIS implemented three pilot programs and one proof-of-concept to test the viability of a number of fundamental IT system capabilities required for the transformation. Efforts supporting electronic adjudication processing include the Integrated Digitization and Document Management Program, Biometric Storage System, Enumeration, and the

Secure Information Management Service proof-of-concept. These actions have positioned USCIS to better plan and prepare for the next phase in the agency's transformation.

IT Management and Organization Strengthened

USCIS has made progress in strengthening IT management to support the agency's citizenship and immigration services mission and its transformation efforts. Specifically, OIT developed a new organizational structure to facilitate IT services, and it has realigned field IT staff under the CIO. USCIS OIT has also taken steps to improve IT oversight and control of the historically decentralized USCIS IT environment. Specifically, the OIT instituted a governance structure and processes, completed an IT strategic plan, developed an enterprise architecture framework, and implemented a system life cycle management approach.

At the time of our last audit, a new OIT organization structure was being implemented. The OIT is consolidating the IT Services Engineering and Enterprise Architecture offices into an Enterprise Architecture and Engineering Division to provide systems engineering support through standard tools, guidance, and enterprise architecture policy and administration. According to the CIO, this organizational structure will better align IT services with USCIS' strategic goals.

We reported in November 2006 that centralization of IT employees, as well as IT assets and budgets, was on hold pending organizational improvements. Since then, the OIT has realigned IT field staff under a centralized OIT organization structure. According to the CIO, 300 IT field staff now report to the CIO through a defined hierarchy within the OIT Service Support Division. This realignment has increased the CIO's ability to centrally manage staff resources and ensure that field offices follow standard IT policies and procedures. The staff realignment has also been an effective means to improve the CIO's oversight of agency IT initiatives. As a result, the realignment represents an essential step in establishing centralized IT management.

IT Oversight and Governance Improvements

USCIS OIT has taken steps to improve IT oversight and control of the historically decentralized USCIS IT environment. Specifically, the OIT has sought to improve IT governance functions by using agency-wide review boards and processes as a formal method to review IT investments. The governance structure includes DHS-level and USCIS-level review boards to ensure that stakeholders are involved and to achieve oversight of investments.

Further, the OIT completed an IT Strategy that aligns its enterprise IT strategic direction with the USCIS Strategic Plan for FY 2008–FY 2012 and the USCIS enterprise architecture. According to the CIO, each objective in the IT Strategy aligns with one or more of the USCIS strategic objectives. Thus, fulfilling an OIT strategic objective completes a step toward USCIS enterprise strategic objectives. The strategy ensures that

the alignment is realized through the use of common elements in the plans, such as vision, mission, and strategic goals and objectives.

USCIS has developed an enterprise architecture framework to support and guide agency programs and IT investments. The OIT placed a high priority on developing its enterprise architecture in alignment with the department's, and established a branch staffed with six full time employees, plus contract support, who serve as architects to ensure this alignment. According to the CIO, the USCIS enterprise architecture has matured to a point where it can be used to support agency programs such as the USCIS transformation.

Finally, USCIS implemented a formal IT life cycle management approach in 2007 to guide development and maintenance of all IT systems within USCIS. As a result, all USCIS technology solution implementations, software development, and infrastructure-related projects must comply with related processes and guidelines. According to IT systems engineering personnel, this approach has helped OIT to ensure that processes, documentation, and technology adhere to organizational standards and best practices.

Transformation Challenges

Previous initiatives to reengineer business processes and modernize technology did not succeed because USCIS had not executed them in an integrated manner with sufficient stakeholder involvement. Although USCIS has made progress in advancing its business transformation, some of these problems persist. Specifically, pilot efforts have been of limited value, process engineering efforts have not been completed, and stakeholder coordination has been limited. Further, collaboration and effective partnership between TPO and the OIT could be improved.

Transformation Pilots Yield Limited Value

According to the USCIS Transformation Program Acquisition Plan, program pilots should create IT capabilities that can be used to support the full transformation effort. Although USCIS implemented three pilot programs to evaluate potential business process and technology solutions, successful execution of these pilots has been limited by ineffective planning, management challenges, insufficient staffing, and limited post implementation performance reviews.

USCIS has spent $28 million on the transformation pilot programs thus far. However, USCIS has not been able to capture enough of the knowledge gained or measure and communicate the successes and failures of the pilots. Although pilot performance measures were developed, USCIS has not consistently performed post implementation reviews to determine the impact or success of its IT systems or business processes. Without consistent or complete pilot post implementation reviews of pilots, it is difficult for transformation management to identify impacts on the current IT environment or plan for future improvements.

Process Engineering Efforts Not Completed

According to OMB Circular A-130 Revised, agencies should simplify or redesign work processes before implementing new technology.[1] USCIS has made progress in defining high-level business processes. The TPO completed a process analysis in early 2007 that examined the "as-is" environment (how existing operations work and perform) and the "to-be" environment (a roadmap for proposed IT initiatives). This analysis provided the agency with alternatives for implementing the TPO's vision. However, the efforts to date provide only high-level requirements that are not detailed enough to drive business process implementation. Without effective business process reengineering, USCIS risks developing new IT systems that support ineffective and outdated processes.

Stakeholder Participation Limited

In 2008, lack of sponsorship continued to be a risk because TPO's ability to implement transformation was limited by its dependence on agency and stakeholder commitment. Further, ineffective collaboration between TPO and the OIT created a growing risk for transformation success.

The TPO has not consistently achieved buy-in and agency-wide support for transformation activities.   Despite efforts to engage agency stakeholders, the TPO has not been able to obtain consistent membership in working groups, such as pilot project teams. For example, one transformation pilot was tasked with identifying business requirements. However, the group did not accomplish this task because members have not attended the meetings consistently. Without sufficient subject matter expert involvement, requirements cannot be vetted or finalized adequately or timely.

TPO and OIT Partnership Needs Strengthening

USCIS business units and IT stakeholders are closely aligned in setting the direction and managing the transformation effort; however, collaboration and effective partnership between TPO and the OIT could be improved. TPO and OIT management stated that a difference in their approaches to the transformation has generated ongoing conflict between the two organizations. Prior to 2005, initial transformation efforts resided within the OIT as part of an IT modernization effort. However, as of 2006, the program was restructured as an all-encompassing "business-driven" transformation, meant to incorporate agency-wide business and IT elements. The impact of this change in direction has hindered effective partnership. The establishment of the TPO moved control of the transformation effort outside of CIO authority.

Although the CIO is closely aligned with the TPO Chief in setting the direction and managing the transformation effort, collaboration and partnership in executing the transformation program has at times been ad hoc or unproductive. The CIO is a member of

---

[1] Transmittal Memorandum 4, *Management of Federal Information Resources*, November 28, 2000.

the Transformation Leadership Team, which provides oversight of the transformation program. According to the Transformation Program Management Plan, the CIO represents the interest of the USCIS technical environment, ensuring the alignment of strategic direction of the TPO and OIT, the development of joint capabilities, and the budget alignment for common efforts. Primary responsibilities of the CIO include advising the TPO on transformation requirements, their impact on current and future technical systems, and necessary changes based on the direction of the technical strategic environment set by the IT Strategic Plan. However, OIT officials stated that the CIO's roles and responsibilities are not defined to a level that would support day-to-day execution of the transformation.

Further, the CIO stated that conflicting IT direction often requires escalation to agency leadership for resolution. For example, the USCIS IT development life cycle requires that IT that is developed should accommodate those with disabilities.[2] However, TPO pilot systems, such as SIMS, were not originally aware of this requirement. Once the TPO was aware of the requirement, a waiver was requested to deploy the pilot system. However, for the next pilot release, the CIO provided conditions for which pilot systems will meet IT controls and standards. After the SIMS application was developed, the TPO requested a waiver of the requirement.

According to TPO and OIT management, the lack of coordination between the two offices has caused delays in decision-making and contract procurements. For example, to extend contract support for the SIMS pilot, the TPO had to obtain OIT approval. However, the CIO would not grant an approval based on lingering unresolved system development testing and reporting requirements. However, a delay in obtaining that approval caused the TPO to elevate the paperwork to agency leadership so the TPO could move forward with the contract.

To increase collaboration and alignment, at least three full-time OIT staff members are embedded within TPO. However, the relationship between the TPO and OIT remains a point of contention. The working relationship between the two has evolved on an "as-needed basis" rather than as a steady partnership. This is evidenced by the ad hoc nature of OIT's involvement in pilot program activities. For example, deployment plans for pilot programs did not include realistic timeframes for procuring IT equipment or services. As a result, pilot initiatives, such as Scan on Demand within the Digitization pilot, were delayed.

Additionally, TPO pilot programs did not consistently comply with OIT testing procedures. For example, the OIT recommended independent verification and validation testing of TPO pilot programs early during the testing stage, specifically on the scanning resolution requirements. However, TPO did not consistently budget for or comply with

---

[2] Section 508 compliance requirements are outlined by the DHS Office on Accessible Systems and Technology for Web-based Intranet and Internet Information and Applications. *Department of Homeland Security Acquisition Instruction/Guidebook #102-01-001: Appendix B*, November 2008.

such testing for pilot projects during initial pilot phases. Further, the TPO permitted piloted systems to be implemented without completing this step in order to meet schedule demands or to stay within cost estimates. In these cases, the OIT has performed testing after initial releases have been deployed or at the end of the pilot increments.

IT Management Challenges Remain

Despite the progress made to improve IT management functions, significant challenges remain for the OIT to carry out centralized, enterprise-wide IT management responsibilities. CIO staffing remains inadequate to administer support and guidance across all USCIS offices, and field IT staff received insufficient support. Further, effectively managing the array of locally developed IT systems has been difficult. Although the CIO has established guidance and tools to help standardize local IT development practices, the agency has yet to achieve effective centralized management of its IT. These challenges must be addressed for the CIO to meet the increasing demands to further improve the IT infrastructure and deliver IT service support for the agency's transformation program.

CIO's Staffing Levels

We reported in July 2009 that OIT staffing was insufficient to effectively deliver IT services and support, with about 37% of the 242 authorized full time positions remaining unfilled. Although OIT in headquarters administers the staffing decisions for all field offices and informally tracks and manages vacancies and recruiting efforts, there is no formal, overarching staffing plan. The CIO tracks staffing goals, but current documentation does not contain a clearly defined strategy with specific actions and milestones for recruiting and retaining qualified full-time IT employees.

Field IT Employees Need Better Support

IT field personnel recently realigned to the CIO have not received the support needed for effective and efficient operations. During the last audit, most field IT staff we spoke to stated that they have not been able to execute day-to-day operations efficiently since the realignment. This staff found administrative tasks, such as preparing time and attendance records and obtaining approvals for leave requests, time consuming or confusing. For example, a number of personnel claimed that they must fax, email, and call contacts at headquarters numerous times to obtain the required approvals for overtime, leave, or training. In addition, obtaining funding or reimbursements for expenses, such as overtime or training, is often time consuming or difficult. To address these concerns, the OIT recently awarded an administrative support contract to assist with day-to-day operations. Contract personnel will be responsible for, among other things, assisting IT field personnel with reports, purchase requests, and general office tasks.

USCIS Has Not Achieved Centralized IT Management

Although the USCIS OIT has made progress in establishing its IT governance functions, IT systems development efforts remain, in part, outside the purview of the CIO. The USCIS CIO does not have effective budgetary authority over IT investments. Although the CIO was granted IT budget authority by DHS-level management policies, consistent execution of that authority within the agency has been difficult to achieve. Field offices and business units with direct fee revenue or appropriated funds have not historically complied with budgetary control processes. Many OIT personnel stated that business representatives are too heavily involved in system and infrastructure change decisions, and the CIO does not have consistent investment decision-making authority.

The continuation of decentralized IT program efforts has led to a growing number of local systems that are beyond the CIO's current budget or staffing level to manage effectively. Although OIT still does not know the total number of local IT systems, USCIS field offices have reported thousands of applications that were developed "in-house." Historically, these systems were developed to improve workflow of local business processes, and staff rely upon them to perform mission operations. IT management challenges are further compounded when locally developed systems compromise agency-wide IT infrastructure standards or security protocols.

Further IT Infrastructure Improvements are Needed

USCIS has improved the IT infrastructure over the past three years; however, funding cuts have stalled current efforts. The OIT planned to complete network improvements for 243 of 300 U.S. domestic offices and 31 of 71 overseas operations. However, these plans were delayed because of budget cuts. As a result, upgrades in only 25 locations were completed as of January 2009. The OIT is also conducting a full assessment to determine what changes must be made to the current IT environment to adequately prepare for the transformation effort. According to the OIT, considerable work remains to identify specific infrastructure requirements.

Conclusion and Recommendations

Over the past five years, USCIS has elevated the transformation program to an agency-wide priority to more efficiently and effectively meet its mission of administering the nation's immigration laws. The agency has developed a strategy to establish a new operational environment, which will be deployed over a six-year period. This approach is made possible by a new fee structure. USCIS has also strengthened overall IT management and improved IT governance.

Overall, the agency has made moderate progress toward achieving long-term transformation goals to improve operations by deploying integrated, electronic benefits processing capabilities. USCIS has spent more than $117 million since 2005 to develop updated business processes and test the underlying technologies needed for electronic

operations. However, business process engineering efforts have yet to be completed, and pilot programs have been implemented without the completion of operational performance reviews. In addition, stakeholder understanding of and participation in the transformation program has been limited, staffing remains a weakness, and USCIS has not achieved effective centralized management of IT.

Since USCIS was established in 2003, the agency has encountered a significant backlog of cases which impedes its ability to adjudicate the increasing number of applications received each year, thus delaying the delivery of citizenship and immigration benefits to customers. In addition to addressing current operation needs, USCIS must also prepare for potential increases in benefits processing workloads that could result from proposed immigration reform legislation. Consequently, transformation will be critical to support the agency's current workload, address the ongoing backlog, and prepare for potential future increases in demand for immigration benefits processing.

We recommended in our report that the Acting Deputy Director, USCIS:

1. Develop an updated transformation approach, strategy, or plan to communicate end-state business processes and IT solutions to stakeholders.
2. Develop and implement a plan to achieve sufficient and consistent stakeholder participation in process reengineering and requirements definition activities.
3. Complete evaluations to document the results and lessons learned from the pilot and proof-of-concept programs.
4. Develop a USCIS OIT staffing plan that includes specific actions and milestones for recruiting and retaining fulltime employees.
5. Communicate guidelines and procedures for acquiring, developing, and managing IT solutions, as defined by the DHS and USCIS CIOs, to stakeholders.
6. Provide the CIO agency-wide budget and investment review authority for all USCIS IT initiatives and system development efforts.

The Acting Deputy Director concurred with our recommendations.

Report Update

USCIS provided us a status update in November 2009. At that time, USCIS stated it had drafted a transformation program communications plan and a comprehensive stakeholder involvement approach. USCIS also completed lessons learned documentation for two pilot efforts. Progress made within the OIT was evidenced by the development of a staffing plan to increase the OIT's staffing levels and preparation of formal communications to inform personnel of IT lifecycle management guidelines. Finally, USCIS stated that the USCIS CIO has agency-wide investment authority for IT initiatives. After OIG evaluation of these updates, Recommendation #3, to complete pilot evaluations, was closed. All other recommendations remain open at this time. We expect USCIS will provide the next compliance response in March 2010.

Madam Chairwoman, this concludes my prepared statement. I appreciate your time and attention and welcome any questions from you or Members of the Subcommittee.