

# Department of Homeland Security **Office of Inspector General**

Review of U.S. Immigration and Customs  
Enforcement's Reporting of FY 2012 Drug Control  
Performance Summary Report





**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

JAN 29 2013

MEMORANDUM FOR: Radha Sekar  
Acting Executive Associate Director  
Management and Administration  
U.S. Immigration and Customs Enforcement

FROM: Anne L. Richards *Anne L. Richards*  
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's  
Reporting of FY 2012 Drug Control Performance Summary  
Report*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Reporting of FY 2012 Drug Control Performance Summary Report*. U.S. Immigration and Customs Enforcement's management prepared the Performance Summary Report and management assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.

We contracted with the independent public accounting firm KPMG LLP to perform the review. KPMG LLP is responsible for the attached independent accountants' report, dated January 22, 2013, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report or management's assertions. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Mark Bell, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

## Independent Accountants' Report

Deputy Inspector General  
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2012. We have also reviewed the accompanying management's assertions for the year ended September 30, 2012. ICE's management is responsible for the Performance Summary Report and the assertions.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertions. Accordingly, we do not express such an opinion.

Management of ICE prepared the Performance Summary Report and management's assertions to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 (the Circular).

Based on our review, nothing came to our attention that caused us to believe that (1) the Performance Summary Report for the year ended September 30, 2012, is not presented, in all material respects, in conformity with the Circular, or that (2) management's assertions referred to above are not fairly stated, in all material respects, based on the criteria set forth in the Circular.

This report is intended solely for the information and use of management of DHS and ICE, the DHS Inspector General, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

January 22, 2013

*Office of the Chief Financial Officer*

**U.S. Department of Homeland Security**  
500 12th Street, SW  
Washington, D.C. 20536



**U.S. Immigration  
and Customs  
Enforcement**

January 22, 2013

Ms. Anne L. Richards  
Assistant Inspector General for Audit  
U.S. Department of Homeland Security  
Office of the Inspector General  
1120 Vermont Avenue NW, 10<sup>th</sup> Floor  
Washington, DC 20005

Dear Ms. Richards,

In accordance with the Office of National Drug Control Policy circular, Drug Control Accounting, dated May 1, 2007, enclosed is Immigration and Customs Enforcement's report of FY 2012 drug performance metrics and targets.

If you require further assistance on this information, please contact Jamie Sturgis at (202) 732-6188.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew McIlroy".

Andrew McIlroy  
Deputy Director, Office of Budget and Program Performance  
U.S. Immigration and Customs Enforcement



**U.S. Department of Homeland Security  
U.S. Immigration and Customs Enforcement**

**Performance Summary Report of Drug Control Funds during FY 2012  
International Affairs**

**Metric 1: Percentage of overseas investigative hours spent on drug-related cases.**

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 <i>Target</i>	FY 2012 Actual	FY 2013 <i>Target</i>
4.4%	3.8%	4.9%	6.3%	5.0%	6.3%	6.3%

**(1) Description**

The outcome metric for International Affairs as a whole is the percentage of overseas investigative hours spent on drug related cases. This metric evaluates the percentage of ICE's overall overseas investigations that impact counter-narcotics enforcement.

International Affairs supports U.S. drug control policy, specifically Office of National Drug Control Policy (ONDCP) initiatives such as the National Counter Narcotics Strategy, Southwest Border Counter Narcotics Strategy and Northern Border Counter Narcotics Strategy, by building international partnerships to detect, disrupt and dismantle smuggling organizations. Increased hours spent on drug related cases directly leads to increased detection, disruption and dismantlement of drug smuggling and money laundering organizations. International Affairs investigative resources are directed at organizations smuggling contraband (including narcotics) into the United States. International Affairs partners with domestic ICE components and with U.S. law enforcement agencies overseas to leverage overseas resources mitigating global narcotics threats to the U.S. This includes utilizing investigative and intelligence techniques to support domestic cases and interagency cross-border initiatives.

This counter-narcotics performance metric is evaluated on a consistent basis for International Affairs. It is, in some cases, put into Senior Executive Service (SES) performance plans, and is also tracked at a high managerial level by way of processes such as Homeland Security Investigations (HSI) Trak, ICE Trak, programmatic monitoring, financial monitoring and quarterly expenditure reports.

**(2) FY 2012 actual performance results**

In FY 2012, 6.3% of overseas investigative case hours were spent on drug related cases, exceeding the target of 5.0%. The percentage of overseas investigative hours spent on drug related cases is derived by dividing the drug related case hours by the total investigative case hours of overseas agents.

**(3) The performance target for FY 2013**

The performance target for FY 2013 is 6.3%. The 6.3% target is based on the prior year actual results. In establishing this metric, International Affairs plans to have sufficient resources to support the same level of effort on drug related investigations.

**(4) Quality of Performance Data**

The database used to obtain International Affairs performance data is the TECS, which is ICE's automated case management system that records investigative hours. International Affairs relies on the TECS system to ensure the performance data is accurate, complete, and unbiased in presentation and substance. ICE conducts quality control verification on all data received through the TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance.

**Performance Summary Report of Drug Control Funds during FY 2012  
Intelligence**

**Metric 1: Number of counter-narcotics intelligence requests satisfied.**

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 <i>Target</i>	FY 2012 Actual	FY 2013 <i>Target</i>
82	1,969	338	2,721	3,500	552	560

**(1) Description**

Intelligence supports its customers by satisfying their intelligence requirements – providing products and services that inform customers and close existing “intelligence gaps.” Customer requirements are formally documented and captured within the Intelligence Information Management System (IIMS). Levied requirements are then either “satisfied” by Intelligence, or not. In the latter case, an intelligence gap remains. Satisfaction of customer requirements represents the “outcome” of Intelligence production in that satisfying customer requirements closes the gap in their information needs and allows customers to make informed decisions about executing law enforcement actions.

This counter-narcotics performance metric is evaluated on a consistent basis for Intelligence, and is in some cases put into SES performance plans, but is also tracked at a high managerial level via such processes as HSI Trak, ICE Trak, programmatic monitoring, financial monitoring and quarterly expenditure reports.

**(2) FY 2012 actual performance results**

In FY 2012, Intelligence accounted for 552 satisfied requests, as reported in the IIMS. The FY 2012 target of 3,500 satisfied requests was not met.

In FY 2012, ICE revised the process and criteria for designating Requests for Information (RFI) to align with the DHS Intelligence Enterprise Policy Directive 8310 (DHS PD8310). The decision to revise the process was unrelated to ONDCP reporting, but implemented to obtain more accurate data in compliance with DHS PD8310. As a result, a narrower scope of intelligence products meet the revised criteria for RFI and fewer RFI are recorded in IIMS.

**(3) Performance Target for FY 2013**

The performance target for FY 2013 is 560 counter narcotics intelligence requests satisfied. The target is based on the prior year actual data. ICE Intelligence is examining other ways to create more robust performance measures in the area of drug enforcement, to include intelligence production metrics based on drug related intelligence hours recorded in TECs. ICE recommends replacement of the current measure and target and will coordinate with ONDCP to identify and establish a new metric and performance target in FY 2013.

**(4) Quality of Performance Data**

The database used to validate Intelligence's performance data is the IIMS. Intelligence conducts quality control verification on the IIMS data to ensure the performance data are accurate and unbiased in presentation and substance.



## Domestic Investigations

**Metric 1: Percentage of significant high-risk transnational criminal investigations that result in a disruption or dismantlement.**

FY 2012 <i>Target</i>	FY 2012 Actual	FY 2013 <i>Target</i>
16.0%	18.0%	18.0%

### **(1) Description**

ICE coordinated with the Office of National Drug Control Policy (ONDCP) and established new performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. These new metrics support the National Counter Narcotics Strategy objectives and initiatives to disrupt and dismantle transnational and domestic drug trafficking and money laundering organizations. The new performance metric is “the percentage of significant high risk transnational criminal investigations that result in a disruption or dismantlement.” Agents submit enforcement actions that meet the definition of either a disruption or dismantlement, which are cases deemed significant or high risk based on a pre-defined set of criteria reviewed by a Significant Case Review (SCR) panel. The SCR panel reviews enforcement actions and examines each submission to ensure that it meets the requirement of a disruption or dismantlement. A disruption is defined as actions taken in furtherance of the investigation that impede the normal and effective operation of the target organization or targeted criminal activity. Dismantlement is defined as destroying the target organization’s leadership, network, and financial base to the point that the organization is incapable of reconstituting itself.

This new performance metric replaced a previous Domestic Investigations counter-narcotics performance metric in FY 2012. ICE does not have performance data for this new metric prior to FY 2012 and ICE is unable to report prior year performance results as required in ONDCP Circular: Drug Control Accounting dated May 1, 2007.

### **(2) FY 2012 actual performance results**

In FY 2012, 18.0% of significant high-risk transnational criminal investigations resulted in a disruption or dismantlement and exceeded the FY 2012 target of 16.0%.

### **(3) Performance target for FY 2013**

The performance target for FY 2013 is 18.0%. The target is based upon the actual data in FY2012. As more data is gathered with the new metric, the target will be based on an average of actual performance results for three consecutive years. In establishing this metric, Domestic Investigations plans to have sufficient resources to support the same level of effort on drug related investigations.

### **(4) Quality of Performance Data**

The database used to validate Domestic Investigations performance data is TECS. Domestic Investigations relies on the TECS system to ensure the performance data are accurate, complete, and unbiased in presentation and substance. Domestic Investigations conducts quality control verification on all data received through TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance.

**Metric 2: Percentage of significant high-risk drug related illicit trade and illicit travel and finance investigations that result in a disruption or dismantlement.**

FY 2012 <i>Target</i>	FY 2012 <i>Actual</i>	FY 2013 <i>Target</i>
11.0%	12.0%	12.0%

**(1) Description**

ICE coordinated with the Office of National Drug Control Policy (ONDCP) and established new performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. ICE supported ONDCP initiatives that include the National Counter Narcotics Strategy objectives such as disrupting and dismantling transnational and domestic drug trafficking and money laundering organizations. The new performance metric is “the percentage of significant high risk drug related illicit trade and illicit travel and finance investigations that result in a disruption or dismantlement.” Agents submit enforcement actions that meet the definition of either a disruption or dismantlement, which are cases deemed high impact or high risk based on a pre-defined set of criteria and are reviewed by a Significant Case Review (SCR) panel. The SCR panel reviews enforcement actions and examines each submission to ensure that it meets the requirement of a disruption or a dismantlement. A disruption is defined as actions taken in furtherance of the investigation that impede the normal and effective operation of the target organization or targeted criminal activity. Dismantlement is defined as destroying the target organization’s leadership, network, and financial base to the point that the organization is incapable of reconstituting itself.

This new performance metric replaced a previous Domestic Investigations counter-narcotics performance metric in FY 2012. ICE does not have performance data for years prior to FY 2012 and is unable to report four years of performance data as required by the ONDCP Circular 7.a. (2).

**(2) FY 2012 actual performance results**

In FY 2012, 12.0% of significant high-risk drug related illicit trade and illicit travel and finance investigations resulted in a disruption or dismantlement. Thus, the FY 2012 target of 11.0% was met.

**(3) Performance target for FY 2013**

The performance target for FY 2013 is 12.0%. The target is based upon the actual data in FY 2012. As more data is gathered with the new metric, the target will be based upon an average of three prior years of performance results. Domestic Investigations has taken proactive steps, including the use of the Significant Case Report Module in the TECS, to enhance its management practices to better allocate investigative resources.

#### **(4) Quality of Performance Data**

The database used to validate Domestic Investigations performance data is the TECS. Domestic Investigations relies on the TECS system to ensure the performance data are accurate, complete, and unbiased in presentation and substance. Domestic Investigations conducts quality control verification on all data received through the TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance.

## **ICE Management Assertion Report**

### **Management Assertions**

**1. Performance reporting system is appropriate and applied.**

ICE uses the TECS and IIMS investigative and intelligence case tracking systems of record to capture performance information. The TECS and IIMS data is well documented, accurately maintained, and reliable, and those systems were properly applied to generate the most recent performance data available for the FY 2012 performance period

**2. Explanations for not meeting performance targets are reasonable.**

In FY 2012, ICE provided reasonable explanations for established performance targets that were not met. ICE recommends developing a new performance metric and target in FY 2013 for Intelligence based on Intelligence TECS hours, and ICE will coordinate to obtain ONDCP approval of the new measure and target.

**3. Methodology to establish performance targets is reasonable and applied.**

The methodology described above to establish performance targets for FY 2013 is reasonable given past performance and available resources

**4. Adequate performance metrics exist for all significant drug control activities.**

ICE has established more than one acceptable performance metric for its Drug Control Decision Unit—Salaries and Expense. These measures were developed in consideration and support of the ONDCP National Counter Narcotics Strategy as well as DHS and ICE Strategic plan objectives and initiatives.

**Exhibit 1: Additional Drug Enforcement Statistics**

Domestic Investigations keeps track of additional statistics to monitor their drug enforcement efforts. Domestic Investigations does not set targets for seizures and only provides year end data. Note “high impact” as discussed in statistics 3 through 6 is defined as the weight limit for a seizure that would constitute a federal drug identification number from the El Paso Intelligence Center.

**Statistic 1: Dollar value of real or other property seizures derived from/and/or used in drug operations.**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
\$47.2 Million	\$53.7 Million	\$337.1 Million

**Statistic 2: Dollar value of seized currency and monetary instruments from drug operations.**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
\$115.2 Million	\$232.4 Million	\$155.7 Million

**Statistic 3: Percentage of total cocaine seizures considered high impact.**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
60%	54%	49%

**Statistic 4: Percentage of heroin seizures considered high impact.**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
71%	68%	54%

**Statistic 5: Percentage of marijuana seizures considered high impact.**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
57%	48%	43%

**Statistic 6: Percentage of methamphetamine seizures considered high impact.**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
56%	65%	63%



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

**Appendix A**  
**Report Distribution**

**Department of Homeland Security**

Secretary  
Deputy Secretary  
Chief of Staff  
Deputy Chief of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Liaison Office  
Assistant Secretary for Office of Policy  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs  
Acting Chief Privacy Officer

**Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

**Office of National Drug Control Policy**

Associate Director for Planning and Budget

**U.S. Immigration and Customs Enforcement**

Director  
Chief Financial Officer  
Audit Liaison

**Congress**

Congressional Oversight and Appropriations Committees, as appropriate



## ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this document, please call us at (202) 254-4100, fax your request to (202) 254-4305, or e-mail your request to our Office of Inspector General (OIG) Office of Public Affairs at: [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov).

For additional information, visit our website at: [www.oig.dhs.gov](http://www.oig.dhs.gov), or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).

## OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at [www.oig.dhs.gov](http://www.oig.dhs.gov) and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to: DHS Office of Inspector General, Attention: Office of Investigations Hotline, 245 Murray Drive, SW, Building 410/Mail Stop 2600, Washington, DC, 20528; or you may call 1 (800) 323-8603; or fax it directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.