

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

Independent Review of the U.S. Customs and Border  
Protection's Reporting of FY 2011 Drug Control  
Performance Summary Report





Homeland  
Security

JAN 30 2012

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report presents the results of the review of the Performance Summary Report of the U.S. Customs and Border Protection (CBP) for the year ending September 30, 2011, for the Office of National Drug Control Policy (ONDCP). We contracted with the independent public accounting firm KPMG LLP to perform the review. The CBP prepared the Performance Summary Report and management assertions to comply with requirements of ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. Based on the review, nothing came to KPMG LLP's attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2011, is not presented, in all material respects, in conformity with ONDCP's Circular, or that management's assertions are not fairly stated, in all material respects, based on the criteria set forth in ONDCP's Circular. KPMG LLP is responsible for the attached independent accountants' report dated January 20, 2012, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report and management's assertions.

We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Anne L. Richards".

Anne L. Richards  
Assistant Inspector General for Audits



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

## Independent Accountants' Report

Acting 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) Customs and Border Protection (CBP) for the year ended September 30, 2011. We have also reviewed the accompanying management's assertions for the year ended September 30, 2011. CBP'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 CBP 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, 2011, 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 the management of DHS and CBP, 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 20, 2012

JAN 20 2012



**U.S. Customs and  
Border Protection**

MEMORANDUM FOR: Charles K. Edwards  
Acting Inspector General  
Department of Homeland Security

FROM: Deborah J. Schilling  
Chief Financial Officer  
U.S. Customs and Border Protection

SUBJECT: Management's Assertions for U.S. Customs and Border Protection  
Performance Summary Report to ONDCP

In compliance with the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007, U.S. Customs and Border Protection (CBP) submits the attached Performance Summary Report to ONDCP. The report contains the results of CBP's Fiscal Year (FY) 2011 performance in support of the *National Drug Control Strategy*.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied. CBP has a system to capture performance information accurately, and the system was properly applied to generate the performance data;
  - (a) The source of the data for the performance measure, amount of currency seized on exit from the United States, is obtained from TECS (Drug Control Decision Unit – Salaries and Expenses);
  - (b) The source of the data for the performance measure - Percentage of Joint Interagency Task Force- South annual mission hour objective achieved is TECS (Drug Control Decision Unit – Air and Marine Operations); and
  - (c) The source of the data for the performance measure, number of apprehensions on the southwest border between the ports of entry is the e3 Processing Database (Drug Control Decision Unit – Salaries and Expenses).
- (2) The performance targets were met for the above performance measures in FY 2011; thus, no explanation is required for not meeting the performance target;
- (3) Methodology to establish performance targets is reasonable and applied. Professional judgement was used in establishing performance measure targets based on subject matter experts with several years of experience in the field; and

(4) Adequate performance measures exist for all significant drug control activities. CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports. Each performance measure considers the intended purpose of the National Drug Control Program Activity.

To address any questions you have regarding this submission, please contact me at (202) 344-2300, or a member of your staff may contact Mr. James McNally, Director, Investment Analysis Office, at (202) 344-1651.

A handwritten signature in blue ink that reads "Deborah J. Schilling". The signature is written in a cursive style.

Deborah J. Schilling

Attachment

**U.S. Department of Homeland Security  
U.S. Customs and Border Protection  
Performance Summary Report  
FY 2011**

The performance measures presented below directly link to the 2011 *National Drug Control Strategy* by evaluating U.S. Customs and Border Protection (CBP) success in disrupting domestic drug trafficking. This Performance Summary Report (PSR) contains at least one performance measure per drug control decision unit as required by the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007. The drug control decision units are as follows: (1) Salaries and Expenses, and (2) Air and Marine Operations. Based on this PSR, the attached Management Assertions letter states the following: (1) the performance reporting system is appropriate and applied; (2) performance targets in FY 2011 were met so an explanation for not meeting targets is not necessary; (3) the methodology used to establish performance targets is reasonable and applied; and (4) adequate performance measures exist for all significant drug control activities.

**Drug Control Decision Unit – Salaries and Expenses**

**Performance Measure – Office of Field Operations** – Amount of currency seized on exit from the United States.

**(1) Performance Measures**

This measure assists in evaluating CBP's success in disrupting domestic drug trafficking at the land border ports of entry, a key outcome for the National Drug Control Strategy. Since this measure is based upon the seizure-related enforcement outcomes of CBP's Outbound enforcement program, the measure provides an indicator of the success that CBP has in disrupting domestic drug trafficking at the land borders by stemming the flow of potential narcotics-related proceeds destined to criminal or transnational groups.

The CBP Office of Field Operations (OFO) conducts Outbound operations at land border ports of entry enabling CBP to enforce U.S. laws and regulations applying to the Outbound arena, including immigration and drug laws. The Outbound enforcement program is part of CBP's effort to effectively monitor and control the flow of goods and people leaving the United States. The goal of CBP's Outbound enforcement program is to keep the United States safe by preventing the illicit export of goods, ranging from firearms to components of weapons of mass destruction, from falling into the hands of terrorists, criminal elements and individuals seeking to circumvent U.S. export control laws and to disrupt criminal elements and terrorist organizations by interdicting their proceeds and arresting members of their organizations. A number of presidential strategies, including the President's National Export Initiative, the President's Export Control Reform Initiative, the National Drug Control Strategy, and the National Southwest Border Counternarcotics Strategy, designate the Outbound program as a crucial component in the war on drugs.

This measure is calculated from Outbound seizure-related enforcement action data entered into TECS by the CBP Officer at the time of occurrence of the violation. TECS provides computer-based access to enforcement files of common interest, on-line access to the Federal Bureau of Investigation's National Crime Information Center, as well as an interface with the National Law Enforcement Telecommunications System. Its enforcement transaction data is made available to the Border Stat information system. The summary data is compiled and extracted into the Operations Management Report (OMR) module in Border Stat on a monthly basis. The monthly summary data is reviewed by OFO's Outbound Program Manager to verify accuracy and identify anomalies. The monthly data in support of this measure is compiled on a quarterly and annual basis and reported to Department of Homeland Security (DHS).

### **(2) Prior Years Performance Targets and Results**

<b>Fiscal Year (FY):</b>	<b>FY 2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY 2010</b>	<b>FY2011</b>
<b>Target:</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>\$40.0M</b>
<b>Actual:</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>\$47.3M</b>

This was a new DHS selected Government Performance and Results Act strategic measure for FY 2011. The target of \$40M for FY 2011 was derived from analysis of available Outbound program seizure data collected during part of the 2010 fiscal year when Outbound enforcement operations commenced on a limited pulse and surge basis. The start of Outbound operations resulted in changes in illegal activity observed over the course of the year, with a noticeable decrease in the average size of each seizure. The deterrence effect of conducting Outbound enforcement operations is expected to result in a decrease in the amount of currency seized over time as smuggling organizations make adjustments to their activities.

### **(3) Current Year Performance Targets**

<b>Fiscal Year:</b>	<b>FY 2012</b>
<b>Target:</b>	<b>\$35.0M</b>

Currently, CBP conducts limited Outbound enforcement operations, examining only departing goods and travelers identified as high-risk based on CBP Officer assessment at the ports and/or automated systems alerts triggered by available data. Based upon this limited operational strategy and the deterrence effect associated with a new program (as described above), a decrease in the amount of currency seized is an expected outcome, which resulted in setting a performance target for FY 2012 at \$35.0M. If Outbound enforcement operations are maintained at the same level in FY 2013 and beyond, then it is expected that there will be additional deterrence effects upon illegal activities and that the target will decrease to \$30.0M for FY 2013 and subsequent years.

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

The data underlying this measure is accurate, complete and unbiased. Data is entered into TECS by the arresting Officer at the time of occurrence of the violation. The data required to calculate the measure is extracted and reported through CBP's OMR and Border Stat. The reported results are reviewed by the Outbound Program Manager for accuracy and identification of anomalies, which are researched and resolved.

### **Drug Control Decision Unit – Salaries and Expenses**

**Performance Measure – Office of Border Patrol** - Number of apprehensions on the southwest border between the ports of entry.

#### **(1) Performance Measures**

This measure assists in gauging CBP's success in addressing areas of greatest risk, including areas that experience narcotics smuggling, along our Nation's borders. The measure targets a steady overall reduction in the number of apprehensions along the southwest border. Although many factors, including enforcement, the economy, and natural disasters, can contribute to the ebbs and flows of apprehensions, a key change in CBP's enforcement posture over the past several years since 9/11 has been a healthy build-up in resources and capabilities. This vastly improved enforcement posture has coincided with a steady decrease in apprehensions since 2005.

The U.S. Border Patrol is the principal operational component that works to mitigate all threats – terrorists and weapons of terrorism, smuggling of narcotics, other contraband, and people, and the illegal entry of people across the border. Border Patrol agents prepare for, detect, and intercept any and all combinations of these threats that present themselves along the borders. The enforcement advantage gained from fencing, other infrastructure, and technology, such as sensors and cameras, allows agents to more effectively and efficiently perform their duties to detect, identify, and intercept threats.

Funds and resources provided for in 2010 created an even stronger enforcement environment for 2011, as noted in the *2011 National Drug Control Strategy*.<sup>1</sup> These came in the form of the Emergency Supplemental for Border Security (Public Law 111-230) signed in August 2010 by President Obama, which provided funds for hiring additional Border Patrol agents and other law enforcement and Department of Justice resources; the continuation of the Alliance to Combat Transnational Threats (ACTT); and, the 2010 authorization for the temporary deployment of additional National Guard troops along the Southwest border – for a time period that included all of FY 2011. The deployments contributed “additional capabilities and capacity to assist law enforcement agencies as a bridge to longer-term enhancements in the efforts to target illicit networks’ trafficking in people, drugs, illegal weapons, money, and violence associated with these illegal activities...[t]heir support has allowed CBP to bridge the gap and hire additional

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<sup>1</sup> Executive Office of the President of the United States, *2011 National Drug Control Strategy*, 2011, p. 60.



agents to support the southwest border, as well as field additional technology and communications capabilities that Congress provided.”<sup>2</sup>

One of the principal areas of concern in FY 2011 was Tucson Sector, Arizona, where both apprehensions and marijuana seizures were higher than in any other Border Patrol sector.<sup>3</sup> Accordingly, many of the resources discussed above were focused on Tucson Sector in FY 2011. Stronger enforcement resources and better detection capabilities correlated with a decrease in apprehensions,<sup>4</sup> as shown in the measure results below. Concurrently, as fewer people attempted illegal entries, agents were able to turn more attention and capabilities towards detecting and intercepting other threats, such as narcotics. In fact, in Tucson Sector, as apprehensions decreased from 212,202 in FY 2010 to 123,285 in FY 2011, marijuana seizures in Tucson Sector increased from 1,033,227 pounds to 1,039,443 pounds. With Tucson Sector setting the tone, the entire southwest border also experienced a similar decrease in apprehensions (from 447,731 in FY 2010 to 327,577 in FY 2011) and an increase in marijuana seizures (from 2,417,170 pounds in FY 2010 to 2,518,211 pounds in FY 2011).

## (2) Prior Years Performance Targets and Results

This performance measure began in FY 2011.

<b>Fiscal Year:</b>	<b>FY 2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY 2010</b>	<b>FY2011</b>
<b>Target:</b>	None	None	None	None	< =390,000
<b>Actual:</b>	None	None	None	None	327,577

The Border Patrol was successful in meeting its target to reduce apprehensions along the southwest border during a time when comprehensive and focused activities by the Border Patrol took place, especially in the Tucson Sector of Arizona, where apprehensions were highest. Measures taken in FY 2011 that were aimed at decreasing apprehensions included the continuation of the operation ACTT; the positioning of 1,000 additional agents along the southwest border; and, the deployment of National Guard troops along the southwest border.

## (3) Current Year Performance Targets

**Fiscal Year: FY 2012**  
**Target:** < = 371,000 apprehensions

The goal to decrease apprehensions on the southwest border to 390,000 in FY 2011 from 447,731 in FY 2010 was based on the recognition that with less illegal alien volume across the border, agents can devote more time to other law enforcement efforts and techniques, including the detection and interdiction of narcotics. As discussed above, significant efforts and resources were training in FY 2011 in the Tucson Sector of Arizona to drive down apprehensions. This led to an even greater reduction in apprehensions than had been projected. In fact, apprehensions in

<sup>2</sup> Ibid.

<sup>3</sup> In 2010, Tucson sector was responsible for 212,202 of the total 463,382 apprehensions, or 46%; and for 1,033,227 pounds of the total 2,431,214 pounds of marijuana seizures, or 42%.

<sup>4</sup> Apprehensions fell in Tucson sector in 2011 to 123,285 from 212,202, a 42% reduction.

FY 2011 fell to 327,577 – below the level of 335,000 that had been predicted for FY 2014. While the Border Patrol continues to expect decreasing apprehensions due to targeted enforcement efforts in Tucson Sector, other factors may act to counter the decline in apprehensions in FY 2012, such as improvements in the United States' economy. In addition, targets are projected conservatively, since apprehensions have now reached record lows, and our “floor” is not yet fully understood. The Border Patrol will always strive to keep apprehensions at low levels since this allows for better mitigation of other threats, such as the entry of illegal drugs into our country. Yet our way of life and freedom from a militarized border means that apprehensions will never reach a level of zero.

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

The data underlying this measure is valid, accurate, complete, timely and consistent. In an independent Verification and Validation (V&V) review of this performance measure completed in June 2011, the measure was found to “demonstrate exemplary data quality and the data is highly useable as it applies to this measure. The measure is considered complete and reliable.”<sup>5</sup> Five factors were considered in the V&V. These factors, along with the corresponding overall score for each factor, are shown below:

Valid:	8 (out of 10)
Accurate:	8 (out of 10)
Complete:	8 (out of 10)
Timely:	10 (out of 10)
Consistent:	10 (out of 10)

This resulted in an overall V&V score of 9 (out of 10).

The highlights of each factor are presented below:

*Valid:*

- Measure meets performance goal and contributes to Department of Homeland Security strategic goals and objectives;
- Measure aligns to U.S. Customs and Border Protection and Border Patrol strategic goals and objectives; and,
- The measure is valid as a short-term measure, since specific enforcement enhancements in the Tucson sector were used to explain the decrease in apprehensions. Other factors that could influence the level of apprehensions remained fairly constant during this short time period.

*Accurate:*

- Potential sources of error in data entry of apprehensions are identified by monthly data quality reports at the Headquarters level, and any discovered errors are corrected at the station level by designated points of contact;

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<sup>5</sup> Energetics (a subsidiary of VSE Corporations), *Independent Verification and Validation of Performance Measure Data*, June 2011, p. 1.

- Detailed processes and procedures for gathering and entering apprehension data are documented in the Border Patrol Handbook. The Border Patrol Training Academy conducts a six-day course for all incoming agents on processing and entering apprehension data into the system of record; and,
- As per the Border Patrol Handbook, supervisors at the station level are responsible for the integrity of data entered into the system on their shifts.

*Complete:*

- The parameters of an apprehension constitute a defined scope, giving clarity to data that should be entered as an apprehension;
- Data is reported for the entirety of the southwest border between the ports of entry on a daily, monthly, annual, and ad hoc basis; and,
- Reporting controls ensure that all stations report apprehension data daily.

*Timely:*

- An apprehension report is run and delivered at the Headquarters level for each calendar month, no later than the 7<sup>th</sup> day of the following month;
- Quarterly results for this measure are forwarded to CBP's Performance Management and Analysis Division by the end of the month following the close of the quarter; date stamps for transmission show that reports were sent on time; and,
- Field and Headquarters personnel receive a daily apprehension report from the Headquarters Statistics unit, showing apprehensions, narcotics seizures, and other data from each sector. These reports can also be run as needed for any defined time period, allowing field teams to adjust resources and operations as needed to respond to trends.

*Consistent:*

- Uniform definitions and concepts for processing illegal aliens are established in the Border Patrol Handbook and at the Academy; and,
- The same system, e3 Processing Database, is used across all field stations for collecting and processing data.

### **Drug Control Decision Unit – Air and Marine Operations**

**Performance Measure – Office of Air and Marine –** Percentage of Joint Interagency Task Force-South (JIATF-S) annual mission hour objective achieved.

#### **(1) Performance Measures**

This performance measure identifies the degree to which the CBP Office of Air and Marine (OAM) meets its intended flight hours for JIATF-S in support of the National Drug Control Strategy.

The National Interdiction Command and Control Plan (NICCP) sets the overarching operational architecture for organizations involved in interdicting illicit drugs in keeping with the goals and objectives of the National Drug Control Strategy. JIATF-S is the tasking coordinator and controller for counter-drug missions within the transit and source zones. Each year, JIATF-S submits its resource allocation requirements through the NICCP. The Department of Homeland Security responds to the requirements in a Statement of Intent. OAM typically supports JIATF-S

requests with P-3 Airborne Early Warning (AEW) and P-3 Long-Range Tracker (LRT) aircraft, but has also supported JIATF-S with other aircraft, including its Dash 8, Chet, and C12M fixed-wing aircraft; Blackhawk rotor-wing aircraft; and, unmanned aircraft systems.

As a result of the August 19, 2003, Presidential Determination Regarding U.S. Assistance to the Government of Colombia Airbridge Denial Program, OAM began receiving funding in FY 2005 to support JIATF-S as part of its base budget. The FY 2005 funding enabled OAM to increase P-3 flight hour support to JIATF-S from 200 hours per month to 600 hours per month, which is 7,200 flight hours per year. Despite the fact that this funding level has remained constant since FY 2005, OAM has continued to attempt to meet or exceed the original 7,200 flight hour annual commitment through FY 2011.

**(2) Prior Years Performance Targets and Results**

The Percentage of JIATF-S Annual Mission Hour Objective Achieved is a new measure in FY 2011.

<b>Fiscal Year:</b>	<b>FY 2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY 2010</b>	<b>FY2011</b>
<b>Target:</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>100%</b>
<b>Actual:</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>100%</b>

In the NICCP, dated March 17, 2010, JIATF-S forecasted its FY 2011 support requirements for a range of aircraft. In its FY 2011 Statement of Intent, the Department of Homeland Security responded to the requirements in the NICCP. The Statement of Intent included CBP’s intent to provide 7,200 flight hours for detection and monitoring activities with P-3 AEW and P-3 LRT aircraft in support of counterdrug and counter narcoterrorism operations with the JIATF-S Joint Operating Area.

During FY 2011, OAM met JIATF-S requests with P-3 aircraft. The OAM P-3 aircraft flew a total of 7,206.8 hours, exceeding 100 percent of the FY 2011 Statement of Intent commitment to JIATF-S for support in the transit zone.

**(3) Current Year Performance Targets**

**Fiscal Year:** 2012

**Target:** Provide 100 percent of the 5,000 hours of JIATF-S support budgeted for the transit zone.

In a memorandum dated October 27, 2011, U.S. Customs and Border Protection Commissioner Alan Bersin notified Office of National Drug Control Policy Director R. Gil Kerlikowske the following: “based on current anticipated budgets and planning estimates, CBP expects to be able to support between 5,000 and 6,000 P-3 flight hours in the transit zone” with the amount of funding budgeted for this effort.

**(4) Quality of Performance Data**

The data underlying this measure is accurate, complete and unbiased. OAM P-3 flight data are recorded using a PostFlight Record Form (CBPAVP-051-2 RI 26 July 2004). The flight data entry is then validated against the Computerized Aircraft Reporting and Material Control System, which is utilized by aircraft maintenance to track flight time accrued on the aircraft. The flight data is then checked monthly against the Air and Marine Operations Report module of TECS; its data can be queried through any CBP computer with appropriate access.

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