



### Why This Matters

Since 2008, Customs and Border Protection (CBP) spent over \$1.2 billion to build 299 miles of fence along the southwest border in support of the Secure Border Initiative. CBP spent about \$310 million for the purchase and storage of steel to complete these miles.

### DHS Response

Our report had five recommendations that would improve future fence construction projects and improve contract oversight. CBP agreed with four but disagreed with one. However, DHS HQ proposed an alternative recommendation that met the intent of our original recommendation, which we accepted.

### For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at [DHS-OIG.OfficePublicAffairs@dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@dhs.gov)

## CBP's Management of the Purchase and Storage of Steel in Support of the Secure Border Initiative

### What We Determined

Due to CBP's ineffective planning and contract oversight, approximately \$69 million could have been put to better use. The results of the audit of CBP's management of the purchase and storage of steel showed the following:

- 1) CBP did not effectively plan the purchase and storage of steel. As a result, about 27,500 tons of extra steel, with a value of about \$44 million, remained in storage. Further, CBP incurred \$9.8 million in additional storage costs because it did not move the remaining steel to a government facility for more than 2 years after the original storage contract expired.
- 2) CBP did not provide effective oversight during the contract. CBP increased the cost of the Supply and Supply Chain Management (SSCM) task order because it paid invoices late. In addition, it did not reconcile invoices and did not perform a thorough review of the consent to subcontract documentation. As a result, CBP incurred late payment interest charges, could not guarantee that the government received what it paid for, and approved a subcontractor that may have added about \$13.5 million to the project.

CBP could have put about \$69 million spent on acquiring and storing steel to better use with proper planning and effective oversight, ensuring it acted as a good steward of limited resources.

### What We Recommend

Assistant Commissioner of the Office of Administration, CBP:

- 1) Continue to relocate steel in storage to a more cost effective site.
- 2) Perform a lessons learned analysis of the SSCM task order and apply the results to future projects.
- 3) Develop and communicate policies and procedures for reconciling invoices.
- 4) Develop a reminder notification process to warn appropriate offices that invoices are due.
- 5) Emphasize the importance of the contracting officer's responsibility to adequately review a consent request and supporting data, including the contractor's cost or price analysis of subcontracts (DHS HQ accepted alternative).