

**Review of U.S.
Immigration and Customs
Enforcement's Fiscal Year
2016 Drug Control
Performance Summary
Report**





DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2016 Drug Control Performance Summary Report

February 1, 2017

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

The Office of Inspector General (OIG) is required to conduct a review of the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:

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

What We Found

KPMG LLP (KPMG), under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on the U.S. Immigration and Enforcement's (ICE) FY 2016 Drug Control Performance Summary Report. ICE's management prepared the Performance Summary Report and the related disclosures to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to KPMG's attention that caused it to believe that ICE's FY 2016 Performance Summary Report is not presented in conformity with the criteria in the ONDCP Circular. KPMG did not make any recommendations as a result of its review.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

February 1, 2017

MEMORANDUM FOR: Christopher Tighe
Acting Deputy Director, Office of Budget and Program
Performance
U.S. Immigration and Customs Enforcement

FROM: John V. Kelly 
Deputy Inspector General

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Fiscal Year 2016 Drug Control Performance Summary
Report*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2016 Drug Control Performance Summary Report*. ICE's management prepared the Performance Summary Report and the related disclosures to comply with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm KPMG LLP (KPMG) to review ICE's Drug Control Performance Summary Report. KPMG is responsible for the attached Independent Accountants' Report, dated January 24, 2017, and the conclusions expressed in it. KPMG's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to 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 Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

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 management's assertion that the Performance Summary Report of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2016 was prepared in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). ICE management is responsible for the assertion.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that management's assertion referred to above, is not fairly stated, in all material respects, in conformity with the requirements set forth in the Circular.

KPMG LLP

January 24, 2017

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 24, 2017

Mr. John Kelly
Deputy Inspector General
U.S. Department of Homeland Security
Office of Inspector General

Dear Mr. Kelly,

In accordance with the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, enclosed is Immigration and Customs Enforcement's report of FY 2016 drug performance metrics and targets.

If you require further assistance on this information, please contact Christopher Maiwurm at (202) 732-4361.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Tighe".

Christopher Tighe, Acting 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
Fiscal Year (FY) 2016**

International Operations (IO)

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

(1) Description

The performance metric for IO is the percentage of overseas investigative hours incurred on drug-related cases. This metric evaluates the percentage of Immigration and Customs Enforcement's (ICE) total overseas investigations that impact counter-narcotics enforcement.

ICE's Homeland Security Investigations (HSI) IO supports U.S. drug control policy, specifically Office of National Drug Control Policy (ONDCP) initiatives, such as 'Disrupt domestic drug trafficking and production' and 'Strengthen Law-Enforcement and International Partnerships to Reduce the Availability of Foreign-Produced Drugs in the United States', by supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. The desired outcomes for the execution of DHS' action items are: disruption of domestic drug trafficking and production; and strengthening of international partnerships and reduction in the availability of foreign-produced drugs in the United States. Increased hours incurred on drug-related cases directly lead to increased detection, disruption and dismantlement of drug smuggling organizations. IO investigative resources are directed at organizations smuggling contraband (including narcotics) into the United States. The IO offices coordinate international investigation with foreign law enforcement counterparts and provide investigative support to HSI domestic offices in combatting transnational criminal operations and organizations. IO also partners with domestic ICE components and with U.S. law enforcement agencies overseas to leverage overseas resources, mitigating global narcotics threats to the United States. 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 IO. In some cases, it is included in Senior Executive Service (SES) performance plans, and may be tracked at a high managerial level by way of processes such as HSI Transparency/Results/Accountability/Knowledge (HSI TRAK), programmatic monitoring, financial monitoring, and quarterly expenditure reports.

(2) Prior Years' Performance Targets and Results

Fiscal Year	Target	Actual
2013	6.30%	8.11%
2014	6.90%	8.32%
2015	7.58%	7.56%
2016	8.00%	7.50%

In FY 2016, the IO actual percentage was 7.50 percent; therefore, not meeting the target of 8.0 percent. To calculate a dollar amount of obligations, this percentage is applied to actual obligations incurred by HSI against budget authority gain in FY 2016, excluding reimbursable authority.

HSI IO did not meet the performance target in FY 2016 for three primary reasons. First, IO Offices within the Eastern Hemisphere focused a large amount of resources on the migrant crisis and foreign fighter threat along with traditional investigative equities. Second, IO Offices within the Western Hemisphere expanded resources covering human smuggling and trafficking activity, the movement of third country nationals, and related national security threats this year. Finally, the Visa Security Programs' (VSP) expansion of 10 posts since 2015 has required an increase in VSP case hours, vetting operations, and attaché support. As a result, this resulted in a higher proportion of case hours toward non-drug illicit activity categories.

Collectively, these three (3) areas focused significant case hours on non-drug related areas and thus resulted in fewer hours being applied to the counter narcotics mission, thereby contributing to IO not meeting its target of 8.0 percent.

(3) Performance Target for FY 2017

The performance target for FY 2017 is 7.80 percent, a target based on the average three prior years' performance results per prior year's methodology. HSI notes the drug enforcement environment can change significantly in a short period of time due to changes in drug enforcement strategy, including legislation. Thus, incorporating historical data beyond the prior three years would result in a less realistic performance target. In establishing this performance metric, IO 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 HSI IO's performance data is the ICE Investigative Case Management System (ICM), which is ICE's automated case management system that records investigative hours. International Operations relies on ICM to ensure the performance data is accurate, complete, and unbiased in presentation and substance. ICE also conducts quality control verification on all data received through ICM to ensure performance data is accurate, complete, and unbiased in presentation and substance.

HSI has transitioned into the new web-based system (ICM) from Legacy TECS, which has created interface migration issues. The first release took place in the summer of 2016, when nearly 11,000 HSI users were migrated over to ICM. As a result, some of the data used in this metric of the report has been impacted by an immaterial amount.

Intelligence

Metric 2: Number of counter-narcotics intelligence requests satisfied.

(1) Description

This performance metric is calculated by the sum of the amount of Intelligence Information Reports (IIR) and Analytical Framework for Intelligence (AFI) products.

An IIR is a formal standardized method of disseminating raw unevaluated information, on behalf of the Department of Homeland Security (DHS) Intelligence Enterprise (IE) and other information providers, to elements of the Intelligence Community (IC) and the DHS IE, as appropriate. This is the primary vehicle through which the Reports Section shares this raw intelligence within ICE and throughout the DHS and the IC.

The AFI allows HSI Office of Intelligence (HSI-Intel) to maintain visibility on all Intelligence products used by the HSI field offices and at HQ. This system allows HSI-Intel to run searches on specific mission areas, which include counter-narcotics and drug smuggling Intel-related products.

HSI-Intel supports its HSI Special Agents, Intelligence Analysts, Mission Support Specialists and all other personnel who support intelligence operations and the IC by providing AFI and IIR products and services that inform customers and close existing “intelligence gaps.” Customer requirements are formally documented and captured within the Analytical Framework for Intelligence (AFI). Published Intelligence products, known as AFI products, are a detailed written analysis on an intelligence development that can be shared with the IC. Levied requirements are then determined 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 those satisfying customer requirements, closes the gap in customer 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. It is also tracked at a high managerial level via processes, such as HSI TRAK, programmatic monitoring, financial monitoring, and quarterly expenditure reports.

(2) Actual Performance Results for FY 2016

Fiscal Year	Target	Actual
2013	560	656
2014	656	686
2015	686	431
2016	431	275

In FY 2016, HSI-Intel produced a total of 275 drug-related products and did not meet the targeted measure of 431. Of the 275 drug-related products, 151 were IIR products and 124 were AFI products. We attribute the decline in products produced to new priorities set by the Office of the Director of National Intelligence and DHS and ICE senior leadership. This priority shift stipulated an increased focus on reporting intelligence regarding the surge of migrants from Central America, particularly unaccompanied alien children (UAC). Given that UAC IIRs and drug-related IIRs were previously reported at the same priority level, the change to focus on UAC reporting at the direction of ICE leadership led to a commensurate decline of drug-related IIR reporting as UAC reporting increased.

(3) Performance Target for FY 2017

The performance target for FY 2017 is 275 counter-narcotics intelligence requests satisfied. The target is based on the prior year actual data. Actual production efforts, whether for finished intelligence or IIRs, are driven by resources and prioritization. Current departmental and ICE priorities are counterterrorism, counterintelligence, human smuggling and cybercrime. The production of drug-related intelligence has declined since FY 2014 in counter-narcotics and may continue to decline pending the department's priorities; however, ICE senior leadership has determined using the FY 2016 actual is reasonable, as it represents the current organizational priorities.

(4) Quality of Performance Data

Databases used to validate HSI-Intel's performance data are the AFI and the HSI-Intel's shared drive hosting the IIRs. AFI is a generation analytical system that is separately operated by customers. The capabilities of AFI are used to gather analysis that is critical to the IC through collaborative reporting. Intelligence conducts quality control verification on the AFI data and the shared drive hosting the IIRs to ensure the performance data is accurate and unbiased in presentation and substance. Furthermore, ICE HSI-Intel is implementing metadata items within AFI that will group data distinctly into either HSI Domestic or HSI International, increasing the specificity of the data provided.

Domestic Investigations

Metric 3: Percentage of significant high-risk transnational criminal investigations that result in a disruption or dismantlement

(1) Description

ICE coordinated with the ONDCP and established new performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. This metric supports 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.”

This metric is incumbent on all investigative case categories and is not restricted to HSI counter-narcotic cases, contrasting from metric 4 (that is strictly involving ICM Categories directly related to drug activities/investigations). This measure is a precise result of all investigative cases in the seven ICM Categories: 1) Illicit Trade, Travel and Finance (non-drug-related), 2) Illicit Trade, Travel, and Finance (drug related), 3) Counter-proliferation, 4) National Security, 5) Transnational Gangs, 6) Transnational Crimes Against Children, and 7) Worksite Enforcement. These measures articulate the impact of HSI investigations and their final outcomes by demonstrating the impediment of crimes directly. This allows HSI to identify, categorize, and report significant investigations that target the greatest threats faced in the nation, while demonstrating HSI’s commitment to disrupt and dismantle criminal activity.

The Significant Case Review (SCR) process and their subsequent performance measures exhibit how HSI enhances national security and public safety by focusing on these high-risk priority investigations. In an effort to ensure long-standing viability, HSI special agents submit enforcement actions that meet the definition of either a disruption or dismantlement that involve criminal investigations of cases deemed significant or high-risk based on a pre-defined set of criteria reviewed by the SCR panel. The SCR panel reviews enforcement actions and examines each submission of the criminal investigative elements that are being presented to ensure the submission 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 so the organization is incapable of reconstituting itself.

The performance measures for HSI for FY 2016 were calculated using actual historical significant investigation performance results since program inception (FY 2011) using the following methodology:

- 1) The final calculation is derived by: Number of Unique SCRs with Type 2 and/or Type 3 Reports during the Reporting Period divided by the (Number of Approved and Open Type 1 SCRs at the Beginning of the Reporting Period + Number of Type 1 Reports Opened and
-

Approved During the Reporting Period)¹

(2) Actual Performance Results for FY 2016²

Fiscal Year	Target	Actual
2013	18.00%	31.80%
2014	19.00%	42.24%
2015	18.00%	15.83%
2016	16.00%	18.57%

In FY 2016, the actual percentage for the reportable Government Performance and Results Act (GPRA) metric is 18.57 percent; therefore, HSI has met the GPRA target of 16.00 percent as of the year-ended September 30, 2016.

(3) Performance Target for FY 2017

The performance target for FY 2017 is 15.8 percent. Planning for responses to future criminal trends, while critical in assessing risk and threats, is difficult due to the inherent challenge of predicting future criminal activity. This makes the establishment of performance targets for enforcement statistics extremely difficult. Due to the high number of unknown variables, the FY 2017 performance target was created using historical trends, future operational assumptions, attrition, national security special event details and change in administrations. In addition, this target was set before FY 2016 actuals were finalized with the assumption that the patterns will continue into the near future.

(4) Quality of Performance Data

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

Due to the migration noted in Metric 1 Section 4, some of the data used in this metric of the report has been impacted by an immaterial amount.

¹ Type 1 (Significant) – Is the initial Significant Case Report (SCR)

Type 2 (Disruption) - SCR that indicates changes in organizational leadership or changes in methods of operation of the target organization.

Type 3 (Dismantlement) – SCR which indicates that the target organization’s leadership, network, and financial base are incapable of reconstituting itself.

² HSI discovered a coding error at the beginning of FY 2015 within the information system that pulls data from TECs. This forced a revalidation of data and a rethinking of how the data is pulled and verified. HSI has since used a corrected data coding and validation for FY 2015. HSI re-examined previous year’s data using the new coding and methodology and those actual results are: FY13 16.28%, FY14 47.16%. The prior year actual results in the table have not been modified, so as to remain comparable to previously issued reports.

Domestic Investigations

Metric 4: Percent of significant high risk drug related illicit trade and illicit travel and finance investigations that result in a disruption or dismantlement

(1) Description

ICE coordinated with ONDCP and established performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. This is aligned with the 2012-2016 HSI Strategic Plan, Goal: *Protect the Homeland Against Illicit Trade, Travel and Finance, Objective 2.4: Targeting Drug Trafficking Organizations*. The methodology used to calculate this measure remains consistent with the prior year. 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 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 an SCR panel. The SCR panel reviews enforcement actions and examines each submission to ensure it meets the requirement of a disruption or dismantlement.

While Metric 3 focuses on all seven types of ICM criminal investigations, this metric specifically relates to illicit trade, travel, and finance in investigations explicit to investigations in transnational criminal enterprises that focus on schemes involving import and/or export or other trade, travel, finance, or immigration violations. These investigations include HSI investigational actions directly related to the disruption and/or dismantlement of Consolidated Priority Organization Targets and Regional Priority Organization Targets in accordance with targets designated by the Organized Crime Drug Enforcement Task Force. Percentages are calculated by dividing drug-related enforcement actions (deemed a disruption or dismantlement) by the total number of enforcement actions within the domestic program.

(2) Actual Performance Results for FY 2016³

Fiscal Year	Target	Actual
2013	12.00%	42.60%
2014	44.00%	45.00%
2015	29.00%	14.51%
2016	15.00%	9.55%

³ HSI discovered a coding error at the beginning of FY 2015 within the information system that pulls data from TECs. This forced a revalidation of data and a rethinking of how the data is pulled and verified. HSI has since used a corrected data coding and validation for FY 2015. HSI re-examined previous year’s data using the new coding and methodology and those actual results are: FY13 16.28%, FY14 47.16%. The prior year actual results in the table have not been modified, so as to remain comparable to previously issued reports.

In FY 2016, 9.55 percent of significant high-risk counter-narcotic, illicit trade, travel and finance investigations resulted in a disruption or dismantlement. Therefore, HSI did not meet the target of 15.00 percent. HSI did not meet its target for this measure in FY2016 for two reasons. First, a high number of HSI special agents were required to support the US Secret Service (USSS) detail; while this did not impact the total amount of high-risk drug related illicit trade and illicit travel and finance investigations, it did impact the amount of disruptions or dismantlements due to reduced staffing. Secondly, a priority shift occurred in HSI's counter-drug resources to focus on the public health crisis with heroin and fentanyl. Historically, HSI's work in heroin and fentanyl has not produced a significant quantity of SCR level cases. This shift has created some expected lag in development of cases to a maturation point where SCR designation would be appropriate. HSI expects to see progress consistent with pre-2016 levels in this measure, as the need to supplement the USSS subsidies and HSI's work in addressing the heroin and fentanyl threat progresses under a new strategy.

(3) Performance Target for FY 2017

The performance target for FY 2017 is 15.10 percent. Due to the high number of unknown variables, the FY 2017 performance target was created using historical trends, future operational assumptions, attrition, national security special event details and change in administrations. In addition, this target was set before FY 2016 actuals were finalized with the assumption that the patterns will continue into the near future. 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 ICM. As stated previously, Domestic Investigations relies on ICM to ensure the performance data are accurate, complete, and unbiased in presentation and substance. ICE also conducts quality control verification on all data received through ICM to ensure performance data is accurate, complete, and unbiased in presentation and substance.

Due to the migration noted in Metric 1 Section 4, some of the data used in this metric of the report has been impacted by an immaterial amount.

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 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
\$41.4M	\$46.2M	\$36.6M	\$40.2M

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

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
\$1.05 B	\$192.7M	\$154.0 M	\$140.9 M

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

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
46%	44%	46%	49%

Statistic 4: Percentage of heroin seizures considered high impact.

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
52%	47%	47%	45%

Statistic 5: Percentage of marijuana seizures considered high impact.

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
36%	35%	36%	38%

Statistic 6: Percentage of methamphetamine seizures considered high impact.

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
61%	62%	63%	62%



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

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