

**FAMS Needs to Demonstrate
How Ground-based
Assignments Contribute to
TSA's Mission (REDACTED)**





DHS OIG HIGHLIGHTS

FAMS Needs to Demonstrate How Ground-based Assignments Contribute to TSA's Mission

July 24, 2018

Why We Did This Audit

We conducted this audit to determine the extent to which the Federal Air Marshal Service (FAMS) contributes to the Transportation Security Administration's (TSA) layered approach to security. This is the second in our series of audits on FAMS. This report focuses on FAMS' ground-based operations.

What We Recommend

We made two recommendations that, when implemented, will improve the performance and accuracy of FAMS' ground-based assignments.

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

Despite dedicating approximately \$272 million to ground-based activities, including Visible Intermodal Prevention and Response (VIPR) operations, FAMS could not demonstrate how these activities contributed to TSA's mission. During our assessment of FAMS' contributions to TSA's layered approach to security, we determined that FAMS lacked performance measures for the 24 strategic initiatives and most ground-based activities outlined in its strategic plan. Additionally, FAMS' VIPR operations performance measures fail to determine the program's effectiveness. FAMS could not provide a budget breakout by operational or divisional area. Without effective performance measures or detailed accounting of funds, FAMS cannot ensure it is maximizing its resources to address its highest risks and cannot measure the value of its investments in these ground-based activities.

TSA Response

TSA concurred with our two recommendations and described corrective action to implement them. We consider both recommendations resolved and open.



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Department of Homeland Security

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

July 24, 2018

MEMORANDUM FOR: The Honorable David P. Pekoske
Administrator
Transportation Security Administration

FROM: John V. Kelly 
Acting Inspector General

SUBJECT: *FAMS Needs to Demonstrate How Ground-based
Assignments Contribute to TSA's Mission – ~~Sensitive
Security Information~~*

For your action is our final report, *FAMS Needs to Demonstrate How Ground-based Assignments Contribute to TSA's Mission – ~~Sensitive Security Information~~*. The report identifies actions the Office of Law Enforcement/Federal Air Marshal Service can take to enhance the program's overall effectiveness.

The report contains two recommendations aimed at improving the Office of Law Enforcement/Federal Air Marshal Service. Your office concurred with both recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 and 2 open and resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions.

Please email a signed PDF copy of your comments to OIGAuditsFollowup@oig.dhs.gov. 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 a redacted version of the report on our website.

Please call me with any questions, or your staff may contact John E. McCoy II, Assistant Inspector General for Audits, at (202) 254-4100.



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Background

The Transportation Security Administration's (TSA) Office of Law Enforcement/Federal Air Marshal Service (FAMS) is intended to detect, deter, and defeat criminal, terrorist, and hostile activities that target our Nation's transportation systems. FAMS is primarily known for deploying Federal air marshals on passenger flights; however, FAMS also conducts numerous ground-based activities in support of its overall mission. FAMS' ground-based activities include:

- Visible Intermodal Prevention and Response (VIPR) operations, in which VIPR teams collaborate with local law enforcement to augment security at transportation hubs through an increased visible deterrent force;
- Insider Threat Program, which:
 - assesses insider risk threat for TSA,
 - educates government personnel and industry partners about potential insider threat behaviors,
 - investigates insider threat, and
 - participates as an inter-agency working group member focusing on defensive counterintelligence;
- Joint vulnerability assessments of airport infrastructure in conjunction with the Federal Bureau of Investigation;
- Man-Portable Air Defense Systems Vulnerability Assessments to evaluate domestic and international man-portable air defense system vulnerabilities at airports; and
- TSA employment suitability and security clearance reviews.

FAMS maintains a strategic plan¹ to guide its operations and mission support activities. FAMS designed the plan to support the Department of Homeland Security and TSA. To support TSA's organizational goals, FAMS' strategic plan outlines three overarching goals:

1. strengthen FAMS' operations, programs, and business practices by applying and expanding the use of risk-based principles and capabilities to all facets of the organization;
2. continue to develop a workforce, at all levels, that is professional, informed, and of high integrity; and
3. initiate and implement additional efficiencies that optimize allocated resources.

Each goal is defined by objectives and strategic initiatives intended to help FAMS achieve success in its broader mission.

¹ *Office of Law Enforcement/Federal Air Marshal Service Strategic Plan: Fiscal Years 2015–2018*, January 2015
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In fiscal year 2016, FAMS' overall budget was more than \$805 million, with an additional \$49.8 million in appropriated funds for VIPR operations. We determined FAMS dedicated approximately \$222 million for ground-based activities in FY 2016, in addition to VIPR operations funding.

This is a follow-on report to our review of FAMS' operations. In October 2017, we issued the report *FAMS' Contribution to Aviation Transportation Security is Questionable*.² We are currently evaluating FAMS' international flight scheduling methodology and its improvised explosive device mitigation capabilities.

Results of Audit

Despite dedicating approximately \$272 million to ground-based activities, including VIPR operations, FAMS could not demonstrate how these activities contributed to TSA's mission. During our assessment of FAMS' contributions to TSA's layered approach to security, we determined that FAMS lacked performance measures for the 24 strategic initiatives and most ground-based activities outlined in its strategic plan. Additionally, FAMS' VIPR operations performance measures fail to determine the program's effectiveness. FAMS could not provide a budget breakout by division or operational area. Without effective performance measures or detailed accounting of funds, FAMS cannot ensure it is maximizing its resources to address its highest risks and cannot measure the value of its investments in these ground-based activities.

FAMS Lacked Performance Measures

FAMS lacked performance measures for most ground-based activities, as well as the 24 strategic initiatives, outlined in its current strategic plan. The *Government Performance and Results Modernization Act of 2010*³ requires agencies to establish performance goals expressed in objective, quantifiable, and measureable terms that contribute to the agency's strategic plan's goals and objectives. According to a FAMS official, FAMS developed performance measures for public high-visibility programs, including VIPR operations. The two externally reported VIPR performance measures that FAMS uses are output based, not outcome oriented. As a result, FAMS cannot accurately assess the effectiveness of its organizational activities and operations in addressing transportation security.

FAMS does not maintain any performance measures for activities such as joint airport vulnerability and Man-Portable Air Defense Systems vulnerability

² *FAMS' Contribution to Aviation Transportation Security is Questionable*, OIG-18-04, October 24, 2017

³ *GPRM Modernization Act of 2010*, Public Law 111-352, § 1115, January 4, 2011
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assessments. Performance measures for these assessments could help FAMS ensure that results are used to mitigate vulnerabilities and improve security at airports.

The 24 initiatives outline goals for improving relationships with law enforcement partners, increasing employee morale, and expanding ways of using new technology to support operations. With respect to measuring performance, FAMS' strategic plan states:

Effective goal-setting leads to demonstrable improvements in performance and accountability. Coupled with periodic evaluation, measurement, and analysis and reporting of progress toward achievement, the identification and pursuit of goals will help drive progress toward key outcomes and ultimately enhance the longer term stature of OLE/FAMS.

Nonetheless, FAMS could not provide any performance measures for the 24 initiatives in its strategic plan. Without attaching performance measures to its initiatives, FAMS cannot determine its progress in implementing them or determine how well the initiatives fulfill TSA's and DHS' broader goals.

FAMS maintains performance measures for its VIPR operations; however, these performance measures fail to determine the effectiveness of the operations. The mission of VIPR is to promote confidence in and protect transportation systems through targeted deployment of law enforcement and screening capabilities. FAMS contends that the highly visible nature of VIPR operations deters potential terrorists. To measure the success of these operations, FAMS maintains two performance measures:

1. percent variation between risk-based planned deployments and actual deployments for VIPR operations; and
2. risk focus variance by location/team.

FAMS should measure progress based on whether VIPR operations improve the security of our transportation systems, including whether deterrence significantly contributed to this outcome. Measuring VIPR operations' deterrence capacity is important, considering that FAMS relies on its visible presence to dissuade potential attackers. Without well-developed, outcome-oriented performance measures, FAMS cannot adequately assess whether operations contribute to increased transportation security.

FAMS Lacked Budget Details for Its Operational Areas

Although we identified more than \$170 million in FY 2016 funding [REDACTED] that could be put to better use, calculating this amount was



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challenging due to the nature of FAMS' budget tracking. FAMS lacked a detailed accounting of its FY 2016 enacted budget of more than \$805 million. Accounting of funds should be presented in a way that is useful to assess and manage programs or performance of operations and informs Congress. FAMS manages the overall appropriation amounts by FY to include funding for travel, payroll, and other categories. However, FAMS does not maintain a budget breakout by division or operational area.

Not tracking and validating its budget by operational area or activity precludes stakeholders such as Congress and taxpayers from understanding how FAMS' appropriated resources are being spent. Knowing where and how many resources are being spent is necessary to provide proper oversight. Additionally, the absence of budget information at this level, coupled with poor and, for some activities, no performance metrics, calls into question whether TSA and FAMS leadership have the necessary information to make strategic decisions to improve transportation security.

Recommendations

Recommendation 1: We recommend the Administrator of the Transportation Security Administration develop performance measures for all activities in FAMS' strategic plan as well as improve measurements for its Visible Intermodal Prevention and Response operations by fiscal year 2019.

Recommendation 2: We recommend the Administrator of the Transportation Security Administration develop a method for tracking the Office of Law Enforcement/Federal Air Marshal Service's funding by operations.

Management Comments and OIG Analysis

TSA concurred with our two recommendations. A summary of TSA's response and our analysis follows. We included a copy of the TSA management comments in their entirety in appendix A. We also received technical comments to the draft report and made revisions to the report as appropriate.

TSA requested the Office of Inspector General modify the report title to *TSA Lacks Effective Performance Metrics for Ground-based Assignments*. They asserted there is an implication from the title of the draft report, *FAMS Could Not Demonstrate the Value of Its Ground-Based Assignments*, that the assignments do not provide value. Although we disagree that our report made such an implication, we modified the title of the final report to *FAMS Needs to Demonstrate How Ground-based Assignments Contribute to TSA's Mission*.



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TSA response to recommendation 1: Concur. FAMS plans to reexamine its initiatives contained in the FAMS' strategic plan to ensure they align with TSA Strategy. FAMS will update its performance measures as a result of the review. Additionally, TSA completed a bottom-up review of the FAMS organization. It intends to use the results of the review to reallocate resources to address areas of greatest security risk. Concurrently, FAMS plans to adjust its flight deployments to better identify missions that warrant FAMS' capability. Collectively, these changes will inform the establishment of new goals and performance measures. Estimated completion date: October 31, 2018.

OIG Analysis: The development of new goals and performance measures as a result of FAMS' organizational review would meet the intent of the recommendation. This recommendation is resolved and will remain open until FAMS develops and implements the new performance measures.

TSA response to recommendation 2: Concur. FAMS has the capability to track and validate budget requirements at the Program, Project, and Activity level. FAMS tracks its main cost drivers—payroll and travel—through automated systems that inform budget development. FAMS agrees with the intent of the recommendation and will submit a plan to achieve its objectives. Estimated completion date: October 31, 2018.

OIG Analysis: FAMS' plan to track its expenditures by division or operational area meets the intent of our recommendation. This recommendation is resolved and will remain open until FAMS develops and implements its new method for tracking funding by operational area.

Objective, Scope, and Methodology

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*.

We conducted this audit to determine the extent to which FAMS contributes to TSA's layered approach to security. This is the second in our series of audits on FAMS. The focus of the first report, *FAMS' Contribution to Aviation Transportation Security is Questionable*, OIG-18-04, October 24, 2017, was on FAMS' domestic aviation operations and associated funding. This report focuses on FAMS' ground-based operations.

We reviewed FAMS' strategic plan, FAMS' Concept of Operations for its VIPR Program, and other related performance measure and budget documentation. Additionally, we interviewed FAMS officials in Reston, Herndon, and Arlington, VA, as well as TSA budget personnel.



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Due to FAMS' lack of divisional or operational budget data, we approximated FAMS' divisional budget levels. OIG used a formulaic process that allocated enacted budget authority across the organization based on FAMS personnel levels, flight coverage levels, and testimonial evidence.

We conducted this performance audit between January 2016 and March 2018 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

The Office of Audits major contributors to this report are Christine Haynes, Director; Steven Gorski, Auditor-in-Charge; Thomas Hamlin, Program Analyst; Kevin Dolloson, Communications Analyst; and Keith Lutgen, Independent Reference Reviewer.



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Appendix A TSA Comments to the Draft Report

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MAY 24 2018

U.S. Department of Homeland Security
 601 South 12th Street
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**Transportation
 Security
 Administration**

MEMORANDUM FOR: John V. Kelly
 Acting Inspector General
 U.S. Department of Homeland Security

FROM: David P. Pekoske *David P Pekoske*
 Administrator
 Transportation Security Administration

SUBJECT: Management's Response to OIG Draft Report: *FAMS Need to Demonstrate How Ground Based Assignments Contribute to TSA's Mission*

Thank you for the opportunity to review and comment on this draft report. The Transportation Security Administration (TSA) appreciates the work of the U.S. Department of Homeland Security (DHS) Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

TSA remains committed to assessing the Law Enforcement/Federal Air Marshal Service (LE/FAMS) risk-based approach to TSA's mission and determining whether appropriated funds for LE/FAMS operations are being spent to mitigate the most pressing risks facing transportation security.

TSA suggests that the OIG change the title of the report to: "TSA Lacks Effective Performance Metrics for Ground-based Assignments." As discussed during the exit conference, the report focuses on the FAMS' lack of effective performance metrics rather than assessing the effectiveness of FAMS' ground-based assignments. There is an inference from the draft title, however, that these assignments do not provide value, but the report does not, and cannot, support that conclusion given that the findings identify a lack of performance metrics to evaluate the effectiveness of FAMS ground-based measures.

Additionally, the OIG report does not reflect the full roles and responsibilities of Federal Air Marshals (FAMs) in ground-based assignments, which range from leading TSA's efforts on insider threat and Man Portable Air Defense Systems (MANPADS) assessments, to training and important collaborations with other law enforcement agencies. These ground-based assignments directly support the mission of LE/FAMS – to detect, deter, and defeat criminal, terrorist, and hostile activities that target our Nation's transportation systems.

TSA believes ground-based assignments are important to the TSA security mission and contribute to the protection of the Nation's transportation system. LE/FAMS does use performance measures, but TSA recognizes these measures can be improved to more effectively assess the security outcomes achieved.

Finally, the draft report contains two recommendations. TSA concurs with both recommendations.

Attachment

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