

Semiannual Report to the Congress
October 1, 2015 through March 31, 2016



This Semiannual Report to the Congress is issued pursuant to the provisions of section 5 of the *Inspector General Act of 1978*, Public Law 95-452, as amended (*Inspector General Act*) and reflects the accomplishments of the Department of Homeland Security (DHS) Office of Inspector General (OIG) for the period October 1, 2015, to March 31, 2016. We also include the status of our prior reports and recommendations to the Department. Please see the appendixes for a list of the reports issued this period and the status of prior recommendations.

Statistical Highlights of OIG Activities

October 1, 2015 through March 31, 2016

Dollar Impact	
Questioned Costs	\$23,815,766
Funds to be Put to Better Use	\$41,624,791
Management Agreement That Funds Be Recovered/Deobligated from Audits	\$87,846,463
Funds Recovered/Deobligated (from audits and investigations)	\$27,717,685
Funds Recovered/Deobligated from Audits	\$27,625,530
Recoveries from Investigations	\$92,155
Fines	\$296,054
Restitutions	\$26,934,932 ¹
Activities	
Reports Issued to DHS	57
Audit and Inspection	36
Disaster Relief Fund	19
Management Alerts and Advisories	2
Investigative Reports Issued	336
Investigations Initiated	437
Investigations Closed	405
Open Investigations	970
Investigations Referred for Prosecution	100
Investigations Accepted for Prosecution	28
Investigations Declined for Prosecution	73
Arrests	59
Indictments	29
Convictions	54
Personnel Actions	18
Debarments	24
Suspensions	5
Total Complaints Received	9,470
Complaints Referred (to programs or other agencies)	7,580
Complaints Closed	9,036
Hotline Complaints, excluding whistleblowers	2,477
Whistleblower Complaints	195

¹ Restitutions include a \$25,600,000 civil settlement regarding an investigation conducted by the Department of Defense OIG, the Federal Bureau of Investigations, the U.S. Immigration and Customs Enforcement - Homeland Security Investigations, and DHS OIG.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

April 29, 2016

The Honorable Jeh C. Johnson
Secretary
Department of Homeland Security
Washington, DC 20528

Dear Mr. Secretary:

I am pleased to present our semiannual report, which summarizes the work and accomplishments of our office during the first half of fiscal year 2016.

In this report, we focus on the Department's critical mission and high risk areas: Preventing Terrorism and Other Threats; Enhancing Border and Transportation Security and Immigration Enforcement; Securing Cyberspace and Information Technology Assets; Promoting Disaster Resilience and Disaster Grant Management; and Improving Management Oversight and Combating Fraud, Waste, and Abuse.

I believe that our work in these and other areas over the last several years has resulted in greater effectiveness and a more secure homeland. But this is very much a partnership; while we have been and will continue to remain independent and objective, the Department and its components have worked with us to correct hundreds of issues and improve programs and operations. Based on the Department's actions this period, we closed 238 recommendations issued in this and prior periods. This progress would not have been made without strong leadership from the Department, for which I am deeply appreciative.

Looking forward, we will continue to concentrate on the areas of greatest risk to the Department and periodically review actions taken to address our prior findings. We look forward to reporting in the future on the Department's actions to address its many challenges.

Sincerely,

A handwritten signature in black ink that reads "John Roth".

John Roth
Inspector General

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Office of Inspector General Accomplishments

During this reporting period, DHS OIG completed significant audits, inspections, and investigations to promote economy, efficiency, effectiveness, and integrity in the Department's programs and operations. Specifically, we issued 57 new reports, including management advisories, alerts, and reports on Disaster Relief Fund spending (appendix 4), as well as 336 investigative reports, while continuing to strengthen our transparency and internal oversight. Our reports provide the DHS Secretary and Congress with an objective assessment of the issues the Department faces. They also offer specific recommendations to correct deficiencies and improve the economy, efficiency, and effectiveness of DHS' programs.

Our audits resulted in questioned costs of \$23,815,766, of which \$5,793,976 did not have supporting documentation. As a result of disallowed costs identified in current and previous audit reports, the Department recovered or deobligated \$27,625,530 (appendix 5). We issued 5 reports identifying \$41,624,791 in funds that could be put to better use. We initiated 437

and closed 405 investigations. Our investigations resulted in 59 arrests, 29 indictments, 54 convictions, and 18 personnel actions. Additionally, we reported \$27,323,141 in recoveries, fines, and restitutions from investigations.

We made a total of 186 new recommendations that, when implemented, should improve the Department's programs and operations. The Department took action so that we were able to close 238 recommendations issued in this and prior periods. We will continue to encourage the Department to take timely corrective actions to address our findings and recommendations, particularly the 531 unique recommendations that remain open and unimplemented at the end of this reporting period.

We also continue to actively engage with Congress on a range of issues relating to our work and that of the Department. Inspector General John Roth testified seven times before Congress during this reporting period. We provide our hearing testimony and reports at www.oig.dhs.gov.

Office of Inspector General and Department of Homeland Security Profiles

The *Homeland Security Act* officially established DHS, with the primary mission of protecting the American homeland. The *Homeland Security Act* also established an OIG in the Department by amendment to the *Inspector General Act*. By this action, Congress and the Administration ensured independent and objective audits, inspections, and investigations of DHS' programs and operations.

The President appoints and the Senate confirms the Inspector General, who reports directly to the DHS Secretary and Congress. The *Inspector General Act* ensures OIG's independence. This independence enhances our ability to prevent and detect fraud, waste, and abuse, as well as to provide objective and credible reports to the Secretary and Congress on the economy, efficiency, and effectiveness of DHS' programs and operations.



OIG is organized into the following offices:

Executive Office	Office of Integrity and Quality Oversight (IQO)
Office of Audits (OA)	Office of Investigations (INV)
Office of Counsel	Office of Legislative Affairs
Office of Emergency Management Oversight (EMO)	Office of Management
Office of Information Technology Audits (ITA)	Office of Public Affairs
Office of Inspections and Evaluations (I&E)	

DHS is organized into the following components and offices:

Directorate for Management (MGMT)	Office of Partnership and Engagement
Domestic Nuclear Detection Office (DNDO)	Office of Policy
Federal Emergency Management Agency (FEMA)	Office of Public Affairs
Federal Law Enforcement Training Center (FLETC)	Privacy Office
National Protection and Programs Directorate (NPPD)	Science and Technology Directorate (S&T)
Office for Civil Rights and Civil Liberties	Transportation Security Administration (TSA)
Office of General Counsel	U.S. Citizenship and Immigration Services (USCIS)
Office of Health Affairs	United States Coast Guard (Coast Guard)
Office of Inspector General (OIG)	U.S. Customs and Border Protection (CBP)
Office of Intelligence and Analysis (I&A)	U.S. Immigration and Customs Enforcement (ICE)
Office of Legislative Affairs	United States Secret Service (Secret Service)
Office of Operations Coordination	

SUMMARY OF SIGNIFICANT OFFICE OF INSPECTOR GENERAL ACTIVITY

Since 2003, our work has inspired significant Department and congressional action to correct deficiencies identified in our audit, inspection, and investigative reports. We issued more than 9,600 recommendations to improve the economy, effectiveness, efficiency, and integrity of the Department's programs and operations. And, the Department took action to address all but 531 of those recommendations, as of March 31, 2016. Congress has also taken notice of our work and called on us to testify 133 times since our office was created.

During this reporting period, we issued 57 new reports and 186 unique recommendations to the Department; and closed 238 recommendations, issued in this and prior periods, because of the Department's actions. The 114th Congress also recognized our work by calling on us to testify seven times about our efforts to improve the Department.

PREVENTING TERRORISM AND OTHER THREATS

MANAGEMENT ALERT

Management Alert – Secret Service Staffing and Scheduling Contributed to Officer Fatigue (Redacted)

We identified officer safety issues that may pose an immediate or potential danger to the U.S. Secret Service (Secret Service) officers and those whom they protect. During an audit, we observed two officers sleeping at their posts. Fatigue from travel, overtime shifts, and long hours may have contributed to these incidents. We reviewed the schedules for the sleeping officers and determined one officer worked almost 60 hours of overtime in the pay period prior to the incident. The other officer did not work as much overtime, but routinely worked 12-hour days, and on one occasion after the incident, the officer had less than 8 hours between shifts. We are concerned that the Secret Service's staffing and scheduling process does not ensure that officers receive adequate breaks while on duty and time off between shifts. We immediately

alerted management, as these issues impact officer safety and the agency's ability to meet its mission. Our office is conducting a broader review of Secret Service that will address officer workloads and underlying management issues that contribute to low morale and officer concerns about their work environment. (October 2015, OA)

REPORTS

Lower Mississippi River Port-wide Strategic Security Council Did Not Always Properly Manage, Distribute, or Spend Port Security Grant Funds

DHS' Port Security Grant Program (PSGP), which is administered by FEMA, provides funding to port authorities, facility operators, and other eligible entities to help protect critical port infrastructure from terrorism. FEMA awarded the Lower Mississippi River Port-wide Strategic Security Council (Council) approximately \$108 million in PSGP grant funds during fiscal years 2008–13. We sought to determine whether the Council managed, distributed, and spent fiscal years 2008–13 PSGP grant funds in compliance with applicable Federal laws, regulations, and guidance. We concluded that about 73 percent of the nearly \$108 million awarded to the Council to protect critical port infrastructure remains unspent. In addition, we identified \$9.2 million in questioned costs. This occurred because the Council did not always follow Federal laws, regulations, or grant guidance, and FEMA failed to provide proper oversight. As a result, major Lower Mississippi river ports may be less prepared in the event of a terrorist attack. FEMA concurred with all three recommendations and has provided documentation resulting in the resolution and closure of two recommendations. (OIG-16-14, December 2015, OA)

The Secret Service Did Not Identify Best Practices and Lessons Learned from the 2011 White House Shooting Incident

As a result of several high profile incidents involving the Secret Service, we decided to review each incident to determine whether the Secret Service followed its own protective policies, what

actions were taken to correct identified deficiencies, and whether these corrections are adequate. We determined that the Secret Service responded immediately to a November 2011 incident, in which shots fired from an assault rifle hit the White House. However, the Secret Service did not conduct a formal after action review or a detailed analysis of its protective operations or investigative response, so it is not clear whether protective policies were followed. After the incident, the Secret Service spent at least \$17 million to improve infrastructure around the White House and increase patrols. However, without a formal after action review and detailed analysis, the Secret Service cannot be certain that these changes were necessary, would have minimized the potential threat, or improved the response to the incident. We made no recommendations in this report. (OIG-16-16, December 2015, I&E)

DHS' Ebola Response Needs Better Coordination, Training, and Execution

This audit is one of a series related to DHS' pandemic preparedness and response. We conducted this audit on DHS' response to the Ebola outbreak to determine whether the Department effectively implemented its screening measures. Overall, DHS did not ensure sufficient coordination, adequate training, and consistent screening during its Ebola response. As a result, some passengers with a risk of Ebola may have entered the United States without adequate screening, and the DHS workforce performing the response was not always appropriately protected. We made 10 recommendations that should strengthen program management, performance, and oversight. The Department concurred with all 10 recommendations and has initiated corrective actions that should improve the effectiveness of the Department's response to Ebola when implemented. Seven recommendations have been resolved, but remain open. (OIG-16-18, January 2016, OA)

The U.S. Secret Service Needs to Upgrade Its Radio Systems (Redacted)

We observed 186 radio tests with Secret Service officers at the White House complex, the Vice

President's Residence, and Foreign Diplomatic Embassies in Washington, DC. Secret Service radio transmissions were successful in all but three tests. However, we observed issues such as inherent radio limitations, and unclear transmissions, all of which could lead to a communication breakdown during an emergency. In addition, Secret Service determined it needs to upgrade its old and failing radio systems. According to Secret Service, the radios and associated infrastructure far exceed the manufacturer's recommended useful life. By fiscal year 2019, Secret Service plans to invest about \$54.2 million to upgrade its radio systems in the Washington, DC area. This amount does not include what Secret Service will need to update its other radio systems. We made two recommendations for Secret Service to upgrade its existing radio communication systems and develop a strategy and timeline for continuously upgrading these systems. Secret Service concurred with our recommendations, which are resolved and open. (OIG-16-20, January, 2016, OA)

ENHANCING BORDER AND TRANSPORTATION SECURITY AND IMMIGRATION ENFORCEMENT

REPORTS

ICE and USCIS Could Improve Data Quality and Exchange to Identify Potential Human Trafficking Cases

Our analysis of ICE and USCIS data from 2005 through 2014 indicated that work and fiancé visas were the primary means by which 17 of 32 known traffickers brought victims into the United States. We also found 274 subjects of ICE investigations successfully petitioned USCIS to bring 425 family members and fiancés into the United States; however, available data could not confirm whether these family members and fiancés were trafficked. We determined that improvements in data quality and exchange can help ICE and USCIS identify instances of human trafficking.

For example, USCIS did not always collect names and other identifiers of human traffickers that victims provided in their visa applications and did not routinely share with ICE the data that they collected on potential human traffickers. ICE had to extensively manipulate its case management system to provide reasonably reliable data for matching purposes. We made three recommendations to help ICE and USCIS improve the quality and exchange of human trafficking data. ICE and USCIS concurred with all three recommendations and provided corrective action plans resulting in the resolution of two recommendations. (OIG-16-17, January 2016, ITA)

Response to Allegations that a U.S. Customs and Border Protection Contractor Transports Detainees in Non-Air-Conditioned Vehicles

In June 2015, we received a hotline complaint that a CBP contractor in the Border Patrol's Tucson sector was transporting some detainees in vehicles that did not maintain a reasonable temperature and that the contractor did not maintain some vehicles adequately. In response to the hotline complaint, in August 2015, we conducted an inspection of the contractor. Through our inspection of the contractor's vehicles and its maintenance program, we determined the vehicles operated at or were able to attain reasonable temperatures; the contractor has adequate policies, procedures, and processes to maintain detainee transport vehicles; and the Border Patrol has sufficient oversight of the contractor's vehicle maintenance. We also determined that CBP and its contractor had adequately addressed previously known problems with vehicles that could not maintain reasonable temperatures. We did not make any recommendations. (OIG-16-25, January 2016, I&E)

TSA's Human Capital Services Contract Terms and Oversight Need Strengthening

We determined that TSA's oversight of its human capital services contract could be more effective. Specifically, TSA has limited options for holding the contractor accountable for performance deficiencies. There were instances in which TSA did not hold the contractor monetarily accountable for personally identifiable information violations.

TSA also did not hold the contractor monetarily liable for noncompliance with statement of work requirements relating to veterans' preference. Additionally, TSA needs to improve its assessment and monitoring of contractor performance. Performance metrics are not comprehensive. TSA inflates performance evaluation scores, and those scores are not consistently affected by poor performance. Furthermore, TSA does not consistently conduct day-to-day independent monitoring of contractor performance. We made five recommendations to address TSA's efforts for providing contractor oversight. These recommendations, when implemented, should improve the effectiveness of TSA's oversight in the future. The recommendations also included the potential to recover \$4.5 million in questioned costs. TSA concurred with all of the recommendations and has provided documentation resulting in the resolution of two recommendations and closure of one recommendation. (OIG-16-32, January 2016, OA)

Conditions at CBP's Forward Operating Bases along the Southwest Border (Redacted)

Of the seven Forward Operating Bases (FOB) that we inspected along the southwest border, six have adequate living conditions. One FOB has security issues, safety and health concerns, and inadequate living conditions. At the other six FOBs, we identified security issues, such as inoperable security cameras, as well as an ongoing challenge to provide safe drinking water. In addition, we determined that CBP is not performing all required FOB inspections or adequately documenting maintenance and repairs. Without regular inspections and timely maintenance and repairs, CBP cannot ensure it will continue to provide adequate security, safety, and living conditions for its personnel working at these remote facilities. We made six recommendations, including that CBP address the future of one FOB and ensure it is conducting required security and safety inspections of FOBs. CBP concurred with all six recommendations and provided documentation resulting in the resolution of three recommendations and closure of one recommendation. (OIG-16-37, February 2016, I&E)

CBP Needs to Better Plan Its Implementation of the DHS Prison Rape Elimination Act Regulations

Since DHS issued its *Prison Rape Elimination Act* (PREA) regulations, CBP has taken measures, including issuing its zero-tolerance policy and designating a full-time Prevention of Sexual Assault Coordinator, to ensure its offices, stakeholders, and managers are aware of CBP's roles and responsibilities. However, CBP implementation actions lack adequate planning, a budget, a component-wide policy to coordinate the efforts of all the offices and personnel, and criteria to determine which facilities should be defined as overnight facilities and therefore subject to audits. Further, as of October 2015, its actions generally consisted of the Border Patrol and the Office of Field Operations issuing policies, rather than more concrete actions, such as training staff. CBP has not established milestones and deadlines for many actions in progress, nor is it accurately tracking progress toward completing actions to implement the DHS PREA regulations. CBP also has not yet attempted to estimate the cost or amount of funding needed to implement the regulations. CBP has only established criteria for initial audits of a relatively small number of its holding facilities. Finally, at the time of our review, CBP has not fully determined whether a joint audit contract with ICE was feasible. This lack of planning may hinder CBP's implementation of the DHS PREA regulations and, ultimately, its ability to ensure it fulfills PREA's goal to prevent, detect, and respond to sexual abuse and assault. We made five recommendations, including that CBP develop a plan to ensure completion of PREA actions, develop a budget to implement the actions, and provide clear and consistent guidance to all CBP offices. CBP concurred with four of the five recommendations and nonconcurred with one recommendation. One recommendation was closed when the report was issued and three have been resolved, but remain open.

(OIG-16-51, March 2016, I&E)

INVESTIGATIONS

Customs and Border Protection Officer Facilitates Drug Smuggling

We investigated a Customs and Border Protection Officer (CBPO) for smuggling and found he had conspired with a drug trafficking organization to smuggle large amounts of marijuana through his inspection lane. He was found guilty and sentenced to 78 months' imprisonment, followed by 3 years of supervised release. He was fined \$7,500. This was a joint investigation with ICE, Homeland Security Investigations (HSI).

U.S. Border Patrol Agent Not a U.S. Citizen

We investigated a Border Patrol Agent (BPA) for falsely purporting to be a U.S. citizen and found that he was born outside the United States and fraudulently obtained a U.S. birth certificate and passport, which he then used to support his application for a BPA position. The U.S. Attorney's Office declined prosecution, and the employee was terminated because U.S. citizenship is a condition of employment.

Attempted Bribe of a CBPO

We investigated an individual who attempted to bribe a CBPO in exchange for illegal entry into the United States from Mexico. The individual was initially charged with Bribery of a Public Official but pleaded guilty to Illegal Entry and was sentenced to time served. This was a joint investigation with ICE HSI.

ICE Deportation Officer Illegally Releases Detainee

We investigated an ICE Deportation Officer after a local police department reported the officer had received a detainee from its custody for deportation proceedings and had instead illegally released the detainee into the general public. Our investigation substantiated the allegation. The Deportation Officer resigned from Federal service, pleaded guilty to unlawfully transporting an undocumented alien, and was sentenced to 7 months' incarceration.

USCIS Employee Facilitates Marriage Fraud

We investigated a USCIS Immigration Officer who conspired with a member of the public and a foreign national to fraudulently marry the foreign national so she could obtain a visa to enter the United States. The member of the public pleaded guilty to conspiracy to commit visa fraud and was sentenced to 2 years' probation. The employee, who resigned while under investigation, pleaded guilty to false statements. The foreign national pleaded guilty to fraud and misuse of a visa and was sentenced to 2 years of probation. The employee is awaiting sentencing. We worked the case jointly with the ICE Office of Professional Responsibility (OPR).

Local Government Employee Impersonates ICE HSI Agent

We investigated a local government employee who was impersonating an ICE HSI agent and found that he was demanding sexual acts from undocumented aliens in exchange for avoiding deportation. He was sentenced to 4 months' imprisonment, 1 year of supervised release, and 400 hours of community service. We worked this case jointly with ICE OPR and HSI.

Non-Transportation Security Administration Employee Submits False Information in Attempt to Obtain TSA Security Badge

We investigated a non-TSA employee who submitted false information to TSA in an attempt to obtain a Secure Identification Display Area badge that would have permitted unrestricted access to aircraft operating areas. This individual was sentenced to 4 months' imprisonment and 3 years' supervised release.

SECURING CYBERSPACE AND INFORMATION TECHNOLOGY ASSETS**MANAGEMENT ADVISORY*****Addendum: Investigation into the Improper Access and Distribution of Information Contained Within a Secret Service Data System***

After receiving information from the Secret Service Director, we reopened our investigation into the allegations of improper access and distribution of information contained within a Secret Service data system. We reopened our investigation to receive and access new information as to when the Director was notified of the events in question. In our initial report, based on our interview of the Director, we concluded that the Director was unaware that Chairman Chaffetz's Secret Service application information was being widely circulated within the Service until it had circulated for more than a week. In his re-interview, the Director reported becoming aware of a rumor of Chairman Chaffetz's application on March 25, 2015, but could not remember how he became aware of the rumor. In separate interviews, the Director, Deputy Director, Deputy Assistant Director, and five former Directors confirmed that Chairman Chaffetz's application was discussed at the March 25, 2015, Director's Luncheon. However, the Director's recollection of events left us unable to determine the degree to which he understood how widely the information was being disseminated within the Secret Service or whether these discussions were being fueled and confirmed by dozens of agents improperly accessing a protected file. (October 2015, INV)

REPORTS***Annual Evaluation of DHS' Information Security Program for FY 2015 (Revised)***

We determined that DHS has taken steps to improve its information security program. For example, DHS developed and implemented the *Fiscal Year 2015 Information Security Performance Plan* and addressed the President's cybersecurity priorities. Despite these positive steps, the

Department can take additional actions to improve its information security program. For example, DHS did not include classified systems information in its monthly information security scorecard. Contrary to the Under Secretary's guidance, the U. S. Coast Guard (Coast Guard) did not report its personal identity verification card implementation data to the Department. In addition, components did not maintain their information security programs on a year-round, continuous basis or perform weakness remediation reviews as required. Components operated systems with expired authorities to operate. Furthermore, our review identified deficiencies related to plan of action and milestones, configuration management, and continuous monitoring. We made six recommendations to the Chief Information Security Officer. The Department concurred with five recommendations. (OIG-16-08, Revised, January 2016, ITA)

FEMA Faces Challenges in Managing Information Technology

We sought to determine whether FEMA's information technology (IT) management approach addresses planning, governance, and management of technology to support its mission. We determined that the Chief Information Officer (CIO) took several actions to improve IT management since our 2011 audit, but more remains to be done. Specifically, FEMA has developed numerous IT planning documents but has not effectively coordinated, executed, or followed through on these plans. Although FEMA has improved its IT governance through establishing an IT Governance Board, these efforts have not yet been fully effective. Furthermore, FEMA's IT systems are not sufficiently integrated and do not provide personnel with the data search and reporting tools they need. As a result, end users engage in inefficient, time-consuming business practices that can increase the risk that disaster assistance and grants could be delayed and duplication of benefits could occur. We made five recommendations to the CIO to improve planning, governance, and management of technology to support FEMA's mission. The Acting Associate Administrator, Office of Policy and Program

Analysis, concurred with the recommendations. Since the report was issued, one recommendation has been closed, and the other four have been resolved, but remain open. (OIG-16-10, November 2015, ITA)

Security Concerns with FEMA's eGrants Grant Management System

As part of our audit of FEMA's Assistance to Firefighters Grant (AFG) program, we identified security concerns with FEMA's eGrants grant management system. We issued a letter report ahead of our audit report so FEMA could begin to address the security concerns. According to FEMA, it began using the eGrants system in 2003 to manage the funds awarded through AFG programs. However, the eGrants system does not comply with DHS information system security requirements. Specifically, access to the eGrants system is not controlled or limited because grantees share usernames and passwords within the grantee's organization and contractors who manage grants. In addition, DHS' Office of Cyber Security advised FEMA it should not authorize eGrants to operate because it poses an unacceptable level of risk to the agency. FEMA's CIO acknowledged the high level of risk posed by system deficiencies and vulnerabilities, but authorized the continued use of the system. We made two recommendations to FEMA to address security concerns and eliminate deficiencies in its eGrants system. FEMA concurred with both recommendations and has provided documentation to show the proposed corrective actions will address the intent of the recommendations. The recommendations are resolved and open. (OIG-16-11, November 2015, OA)

(U) Fiscal Year 2015 Evaluation of DHS' Compliance with Federal Information Security Modernization Act Requirements for Intelligence Systems

We reviewed DHS' information security program for intelligence systems in accordance with the *Federal Information Security Modernization Act*. Our objective was to determine whether DHS' information security program and practices are adequate and effective in protecting the informa-

tion and the information systems that support DHS' intelligence operations and assets. Since our FY 2014 evaluation, the Office of Intelligence and Analysis (I&A) has continued to provide effective oversight of DHS' department-wide intelligence systems and implemented programs to monitor ongoing security practices. The Coast Guard has completed the migration of all its sites that process Top Secret/Sensitive Compartmented Information to the Department of Defense Intelligence Information System. The Coast Guard has coordinated with the Defense Intelligence Agency to determine the ownership of this system. However, the Coast Guard must work with the Defense Intelligence Agency to fully delineate agency oversight responsibilities for the Department of Defense Intelligence Information System enclaves that support its intelligence operation. We identified deficiencies in DHS' information security program and made one recommendation to I&A and three recommendations to the Coast Guard. I&A and the Coast Guard concurred with all four recommendations. I&A provided documentation resulting in the resolution of its one recommendation, and the Coast Guard provided documentation resulting in the resolution of one recommendation. The other two recommendations remain unresolved and open. (OIG-16-15, December 2015, ITA)

Information Technology Management Letters for Select DHS Components of the FY 2015 DHS Financial Statement Audit

KPMG LLP (KPMG), under contract to DHS OIG, performed an audit of the consolidated financial statements of DHS for the year ended September 30, 2015. The overall objective of the audit was to evaluate the effectiveness of general IT controls of the various components' financial processing environment and related IT infrastructure. Additionally, KPMG assessed certain non-technical areas related to the protection of sensitive information technology and financial data, as well as the financial processing environment and related IT infrastructure. Though it was determined that some components took corrective actions to address certain prior year IT control deficiencies, KPMG continued to identify general

IT control deficiencies in security management, access controls, segregation of duties; and configuration management issues related to component core financial and feeder systems. The inadequate protection of DHS information systems and data from those without a need to know or a need to access puts DHS' sensitive electronic and physical data at adverse risk of loss, theft, or misuse. (OIG-16-44, OIG-16-45, OIG-16-46, OIG-16-50, March 2016, ITA)

USCIS Automation of Immigration Benefits Processing Remains Ineffective

We determined that current USCIS efforts to automate immigration benefits processing could be improved. Although USCIS deployed the Electronic Immigration System (ELIS) in May 2012, to date only 2 of approximately 90 types of immigration benefits and services are available for online customer filing. The current ELIS approach has not ensured stakeholder involvement, performance metrics, system testing, or user support needed for ELIS to be effective. As it struggles to address these issues, USCIS now estimates that it will take 3 more years — more than 4 years longer than estimated — and an additional \$1 billion to automate all benefit types as expected. However, this additional \$1 billion to automate all benefit types covers a period of 33 years, whereas prior cost estimates covered 22 years. Until USCIS fully implements ELIS with all the needed improvements, the agency will remain unable to achieve its workload processing, customer service, and national security goals. We recommended that USCIS improve stakeholder involvement, implement adequate performance metrics, fully test each system release, and provide technical support to help ensure the effectiveness of its efforts to automate the processing of immigration benefits. USCIS concurred with two of the four recommendations. (OIG-16-48, March 2016, ITA)

INVESTIGATIONS

USCIS Immigration Services Officer Misuses USCIS Database

We investigated a USCIS Immigration Services Officer who conducted USCIS database queries unrelated to his official duties. We found that the officer queried the name of someone in the news out of curiosity and also asked a second officer to query the name. When the second officer learned the query was unauthorized, he promptly reported it to his supervisor. When questioned, the first officer admitted his misconduct and was terminated. This was a joint investigation with the USCIS Office of Security and Integrity.

Task Force Officer Provides Law Enforcement Information to Member of the Public

We investigated a local police officer assigned to a Secret Service Task Force for providing law enforcement database information to an individual associated with a criminal organization. We found that the Task Force Officer twice ran the individual's name in law enforcement databases to see whether he was "wanted." The officer pleaded guilty to his computer misuse, was sentenced to 2 months' incarceration, followed by 2 years of supervised release, and fined \$1,500.

During this investigation, OIG and Federal Bureau of Investigation (FBI) agents interviewed a Secret Service Agent as a witness, who apparently provided inaccurate or misleading information. OIG and FBI agents re-interviewed the agent in the presence of a representative of the Secret Service Office of Professional Responsibility. The discrepant statements were referred to the U.S. Attorney's Office and were declined for criminal prosecution.

PROMOTING DISASTER RESILIENCE AND DISASTER GRANT MANAGEMENT

REPORTS

FEMA Emergency Management

FEMA Faces Challenges in Verifying Applicants' Insurance Policies for the Individuals and Households Program

Before authorizing Individuals and Households Program payments, FEMA does not verify the accuracy of applicants' "no insurance coverage" self-certifications. This condition exists because a reliable and comprehensive database does not exist for FEMA to verify the status of applicants' insurance coverage. Consequently, FEMA relies on self-certification and legal statements on the application to ensure accuracy of applicants' "no insurance coverage" information. FEMA is thereby exposing Federal disaster assistance funds to possible duplicate, improper, or fraudulent payments. We determined that FEMA paid approximately \$250 million in homeowners' assistance to more than 29,000 Hurricane Sandy applicants who may have had private insurance. We recommended that FEMA (1) ensure applicants understand the possible consequences of making false statements or omissions on applications for Federal funding by restating the legal statements and making it clear at critical junctures in the application process that FEMA may use external parties to verify the accuracy of representations made in the application process; (2) use an insurance database to review high-risk cases for possible duplication of benefits and recoup any erroneous or ineligible funds that FEMA paid to recipients; and (3) continue to research options to develop or use an already established database to determine, at the time of application, whether applicants have private insurance coverage. FEMA concurred with all three recommendations. Until implemented the recommendations remain open and resolved.

(OIG-16-01-D, October 2015, EMO)

Clearer Guidance Would Improve FEMA’s Oversight of the Public Assistance Alternative Procedures Pilot Program

FEMA requested we review its letters of undertaking (letters) sent to disaster applicants willing to participate in the Public Assistance Alternative Procedures Pilot Program. We sought to determine whether the letters properly communicated FEMA guidance and that the guidance was consistent with Federal rules and regulations.

We determined that weaknesses existed in five areas of the guidance:

- estimating project costs;
- responding to audits;
- managing cash responsibly;
- applying insurance proceeds; and
- obtaining insurance for future losses.

We made three recommendations aimed at enhancing the pilot program’s overall effectiveness. FEMA concurred with all of the recommendations. All three recommendations are resolved, but remain open.

(OIG-16-03-D, October 2015, EMO)

FEMA Has No Assurance that Only Designated Recipients Received \$6.37 Million in Fuel

After Hurricane Sandy, New York needed substantial amounts of fuel for critical power restoration and emergency public transportation work. FEMA issued mission assignments to the Defense Logistics Agency for this fuel. However, FEMA has no assurance that the fuel went to only recipients within the mission assignments’ scope of work. We reviewed the \$6.37 million FEMA paid the Defense Logistics Agency for 1.7 million gallons of fuel and were unable to verify the eligibility of the recipients that received \$4.56 million in fuel deliveries. In addition, the Defense Logistics Agency delivered \$1.81 million of fuel to recipients outside the mission assignment’s scope of work. This occurred because FEMA did

not comply with certain Federal regulations and internal control standards. When we ended field work, FEMA had recognized these challenges and was working to address them. All five recommendations are closed.

(OIG-16-04-D, November 2015, EMO)

FEMA’s Plan to Provide Permanent or Semi-Permanent Housing to the Oglala Sioux Tribe of the Pine Ridge Indian Reservation in South Dakota

At FEMA’s request, we reviewed its preliminary plan to provide permanent or semi-permanent housing construction to the Oglala Sioux Tribe of the Pine Ridge Indian Reservation in South Dakota (Oglala Sioux Tribe). During the period May 8–9, 2015, severe storms, straight-line winds, and flooding damaged the homes of the Oglala Sioux Tribe. On August 28, 2015, FEMA prepared an internal briefing paper to outline its proposed criteria for providing manufactured housing units as permanent or semi-permanent housing for the Oglala Sioux Tribe. In limited circumstances, section 408 of the *Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)* grants FEMA the authority to provide individuals or households affected by a disaster permanent or semi-permanent housing. To ensure the integrity of the Individual Assistance program, FEMA should adequately document the facts and circumstances that justify its decision. FEMA should also ensure that its proposed actions are the most cost effective solution to the Oglala Sioux Tribe’s unique housing problems. Furthermore, FEMA should take reasonable steps to avoid duplicate benefits by ensuring applicants have exhausted all other sources of benefits including those from other Federal agencies. Because FEMA is still deliberating on how to provide permanent or semi-permanent housing for individual assistance applicants, we did not provide FEMA with any recommendations.

(OIG-16-05-D, November 2015, EMO)

Oversight of the Colorado Emergency Management Performance Grant Program Needs Improvement

FEMA issues Emergency Management Performance Grant (EMPG) program grants. The State of Colorado (State) was awarded a total of approximately \$11.6 million in EMPG awards for FYs 2012 and 2013. We sought to determine whether FEMA and the State sufficiently monitored the EMPG program to ensure that program funds were used in accordance with grant program guidelines and other applicable state and Federal laws. We determined that Colorado has inadequate grants management and internal controls over its financial systems, does not maintain adequate supporting documentation for all EMPG transactions, and does not sufficiently monitor its subgrantees as often as required. We questioned approximately \$458,000 in unsupported costs. We also made five recommendations that FEMA remedy the unsupported costs and that the State strengthen financial controls, maintain adequate documentation for expenditures, and improve subgrantee monitoring. These recommendations, when implemented, should improve the efficiency and effectiveness of the EMPG program.

(OIG-16-13, December 2015, OA)

Analysis of Recurring Audit Recommendations Could Improve FEMA's Oversight of HSGP

We determined that FEMA has not adequately analyzed recurring OIG recommendations from prior Homeland Security Grant Program (HSGP) audits to implement permanent changes to improve its oversight of HSGP. This occurred because FEMA has not clearly communicated internal roles and responsibilities and does not have policies and procedures for conducting substantive trend analysis of audit recommendations. We recommended that FEMA develop and implement a comprehensive plan for conducting ongoing analysis of recurring HSGP audit recommendations. This plan should include clearly delineated roles and responsibilities along with policies and procedures for determining trends, system-wide problems, and recommending solutions to improve

oversight of HSGP. FEMA concurred with our recommendation which, when implemented, should help it determine trends and system-wide problems and develop proactive solutions to improve oversight of HSGP.

(OIG-16-49, March 2016, OA)

FEMA's Initial Response to the Severe Storms and Flooding in South Carolina

On October 5, 2015, the President declared a major disaster for 36 counties encompassing almost the entire state of South Carolina. We deployed an OIG Emergency Management Oversight Team to the disaster to evaluate FEMA actions just before and after the declaration. Our visibility and availability to FEMA, state, and local officials, and others affected by the disaster provides a strong deterrent to potential fraud, waste, and abuse. We determined that FEMA responded effectively to the 2015 South Carolina storms and flooding. FEMA completed all preliminary damage assessments approximately 2 weeks after the declaration; overcame pressing challenges and sourcing decisions; and effectively coordinated its activities with Federal, state, and local partners. In addition, by deploying to the disaster shortly after the declaration, we proactively provided FEMA and state officials, along with potential Public Assistance applicants, relevant and accurate information on our common audit findings. We emphasized the importance of proper accounting and procurement and retaining adequate support for expenses. Our report contained no recommendations for FEMA follow up.

(OIG-16-53-D, March 2016, EMO)

Early Warning Audits of Grantees' Disaster Grant Management Capabilities

Longmont and Colorado Officials Should Continue to Improve Management of \$55.1 Million FEMA Grant

The City of Longmont, Colorado, (City) generally has established policies, procedures, and business practices to adequately account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. However, the

City needs additional assistance from the Colorado Division of Homeland Security and Emergency Management (Colorado) and FEMA to provide reasonable assurance that it properly manages its \$55.1 million FEMA grant. Specifically, the City did not have procurement policies and procedures related to using disadvantaged firms, when possible, for federally funded contract work; obtain and maintain insurance in the required amounts to mitigate losses from future disasters; or properly account for labor, equipment, and contract costs. These findings occurred primarily because the City did not familiarize itself with certain Federal regulations and FEMA guidelines. In addition, Colorado, as FEMA's grantee, is responsible for ensuring that its subgrantee (the City) is aware of and complies with these requirements, as well as for providing technical assistance and monitoring grant activities. We also identified opportunities where FEMA could reduce its Federal award to the City and avoid duplicating benefits by allocating remaining insurance proceeds to FEMA-eligible work. We recommended that the FEMA Regional Administrator, Region VIII, direct Colorado to provide additional technical assistance and monitoring to ensure the City complies with all Federal regulations and avoids mispending the remaining \$40 million of FEMA funds obligated for the City's grant award. FEMA officials generally agreed with all five of our recommendations, one of which was closed at report issuance. (OIG-16-21-D, January 2016, EMO)

City of Austin, Texas, Has Adequate Policies and Procedures to Comply with FEMA Public Assistance Grant Requirements

Texas Division of Emergency Management (Texas), a FEMA grantee, awarded \$7.2 million in assistance to the City of Austin, Texas, (City) for damages resulting from severe storms and flooding that occurred in October 2013. We determined that, except for minor problems with equipment costs, the City has adequate policies, procedures, and business practices in place to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. We identified \$138,959 of ineligible equipment costs and \$62,177

of unsupported equipment costs. Texas, in its role as the grantee, did a good job monitoring the City and identified these problems as part of its review procedures. Texas officials withheld payment and provided City officials with additional technical assistance and guidance to correct and address these minor deficiencies. We made two recommendations, both of which have been closed. (OIG-16-22-D, January 2016, EMO)

Boulder, Colorado, Has Adequate Policies, Procedures, and Business Practices to Manage Its FEMA Grant Funding

Boulder, Colorado, (City) has adequate policies, procedures, and business practices to manage its FEMA grant funding for disaster number 4145-DR-CA. The City's policies, procedures, and business practices are adequate to account for and expend Public Assistance grant funds according to Federal regulations and FEMA guidelines. The City accounted for and properly supported disaster-related costs on a project-by-project basis. Additionally, the City has adequate procurement policies and procedures in place that are consistent with applicable Federal procurement standards. Moreover, the City's insurance procedures and practices are adequate to ensure that the City can properly manage anticipated insurance proceeds. We concluded, therefore, that the City could provide FEMA and Colorado reasonable assurance that it has the capacity to comply with Federal grant requirements for this disaster. Because the audit did not identify any issues recommending further actions from FEMA, we consider this audit closed. (OIG-16-33-D, January 2016, EMO)

Jamestown, Colorado, Needs Additional Assistance and Monitoring to Ensure Proper Management of its \$10.4 Million FEMA Grant

Most of the policies, procedures, and business practices of Jamestown, Colorado, (Town) are adequate to account for and expend Public Assistance grant funds according to Federal regulations and FEMA guidelines. The Town accounted for disaster-related costs on a project-by-project basis. The Town also has adequate

procurement policies and procedures in place that are consistent with Federal procurement standards. Furthermore, the Town's insurance procedures and practices are adequate to ensure that the Town can properly manage anticipated insurance proceeds. Although the Town's policies, procedures, and business practices are adequate, at the time of our audit, the Town did not have the personnel with the necessary financial expertise to perform financial management activities according to Federal standards. Colorado, therefore, should ensure that the Town performs these activities in accordance with Federal standards to avoid improperly spending the \$10.4 million of Federal funding FEMA approved for the Town's disaster-related repairs. We recommended that FEMA Region VIII Administrator direct Colorado, as grantee, to continue providing the Town with technical assistance it may need to ensure it complies with all applicable Federal regulations; specifically, for maintaining a financial management system, to avoid improperly spending the \$10.4 million (\$7.8 million Federal share) that FEMA approved for disaster-related repairs. (OIG-16-35-D, February 2016, EMO)

Oakwood Healthcare System, Dearborn, Michigan, Needed Additional Assistance in Managing Its FEMA Public Assistance Grant Funding

The Oakwood Healthcare System (Hospital) received an award of \$15.2 million from the Michigan State Police Emergency Management and Homeland Security Division, a FEMA grantee, for damages resulting from severe storms and flooding in August 2014. The Hospital did not always account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. Although the Hospital competitively awarded contracts for most non-exigent work, it did not always take the required affirmative steps to ensure the use of small and minority firms, women's business enterprises, and labor surplus area firms when possible and did not include all required contract provisions in its contracts. We also found that the Hospital did not initially account for labor costs properly. We did not

question any costs because insurance proceeds covered essentially all the repair costs except for the insurance deductible. As a result, we recommended FEMA direct Michigan to have the Hospital include all the required contract provisions in its disaster contracts; correct the \$517,740 in labor cost that did not reflect actual incurred costs; and provide additional technical assistance and monitoring to the Hospital to ensure compliance with all Federal grant requirements for future disasters. FEMA officials agreed with our findings and recommendations. Two of the three recommendations are now closed, and one has been resolved, but remains open.

(OIG-16-38-D, January 2016, EMO)

Colorado Springs Utilities, Colorado, Has Adequate Policies, Procedures, and Business Practices to Effectively Manage Its FEMA Public Assistance Grant Funding

Colorado Springs Utilities (Utilities) received an award of \$937,367 from the Colorado Department of Public Safety, Division of Homeland Security and Emergency Management, a FEMA grantee, for damages resulting from severe storms, flooding, landslides, and mudslides beginning on May 4, and continuing through June 16, 2015. The Utilities has established adequate policies, procedures, and business practices to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. Therefore, if the Utilities follows those policies, procedures, and business practices, FEMA has reasonable assurance that the Utilities will properly manage its FEMA grant. For example, the Utilities can account for disaster costs on a project-by-project basis and can adequately support the costs. Furthermore, the Utilities' procurement procedures meet Federal procurement standards. The disaster did not cause damage to insurable facilities. Therefore, the Utilities did not receive any insurance proceeds or need to obtain insurance to cover damages resulting from this disaster. Because the audit did not identify any issues requiring further action from FEMA Region VIII, we consider this audit closed.

(OIG-16-40-D, February 2016, EMO)

Colorado Springs, Colorado, Has Adequate Policies, Procedures, and Business Practices to Effectively Manage Its FEMA Public Assistance Grant Funding

The City of Colorado Springs, Colorado (City) received an award of \$1,908,638 from the Colorado Department of Public Safety, Division of Homeland Security and Emergency Management, a FEMA grantee, for damages resulting from severe storms, flooding, landslides, and mudslides beginning on May 4, and continuing through June 16, 2015. The City has established adequate policies, procedures, and business practices to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. Therefore, if the City follows those policies, procedures, and business practices, FEMA has reasonable assurance that the City will properly manage its FEMA grant. For example, the City can account for disaster costs on a project-by-project basis and can adequately support the costs. Furthermore, the City's procurement procedures meet Federal procurement standards. The disaster did not cause damage to insurable facilities. Therefore, the City did not receive any insurance proceeds or need to obtain insurance to cover damages resulting from this disaster. Because the audit did not identify any issues requiring further action from FEMA Region VIII, we consider this audit closed.

(OIG-16-42-D, February 2016, EMO)

Disaster Grant Financial Audits

FEMA Should Recover \$505,549 of \$3.3 Million in Public Assistance Grant Funds Awarded to DeKalb County, Georgia, for Damages from Flooding in September 2009

DeKalb County, Georgia, (County) received an award of \$3.3 million from the Georgia Emergency Management Agency, a FEMA grantee, for damages resulting from a September 2009 flood. The award provided 75 percent FEMA funding for debris removal activities, emergency protective measures, and permanent repairs to roads and other facilities. We reviewed costs totaling \$1.4 million. We determined that the County did not account for FEMA funds on a project-by-project

basis as Federal regulations and FEMA guidelines require. We also identified \$93,620 of unneeded project funding that FEMA can deobligate and put to better use. Finally, the County's claim included \$411,929 of unsupported or ineligible costs. We made five recommendations to the Regional Administrator, FEMA Region IV, for deobligating the \$93,620 of unneeded project funding and for recovering the \$411,929 of unsupported or ineligible costs. Three of the five recommendations are now closed, and two have been resolved, but remain open.

(OIG-16-09-D, November 2015, EMO)

City of Birmingham, Alabama, Generally Managed FEMA Grant Funds for April 2011 Tornadoes and Severe Storms Properly

The City of Birmingham, Alabama, (City) received an award of \$13.2 million (net of Insurance and other adjustments) from the Alabama Emergency Management Agency (Alabama), a FEMA grantee, for damages resulting from storms, tornadoes, straight-line winds and flooding in April 2011. The award provided 90 percent FEMA funding for debris removal activities, emergency protective measures, and permanent repairs to roads and other facilities. We reviewed costs totaling \$11.3 million (net of insurance). For the projects we reviewed, the City generally accounted for and expended FEMA Public Assistance grant funds according to Federal regulations and FEMA guidelines. However, we did identify \$257,344 (Federal share \$231,610) of costs that FEMA should disallow. These costs consisted of \$200,471 of duplicate benefits, \$36,155 of unsupported costs, \$17,776 of ineligible equipment costs, and \$2,942 of ineligible labor costs. Also, the City's annual single audits did not cover the Federal funds the City expended for the FEMA award. We recommended that Regional Administrator, FEMA Region IV, disallow the \$257,344 (Federal share \$231,610) of questioned costs, and instruct Alabama to remind the City of its responsibility to comply with the requirements of the *Single Audit Act*. We made five recommendations. One recommendation has been closed and four have been resolved, but remain open. (OIG-16-12-D, November 2016, EMO)

FEMA Should Disallow \$1.2 Million of \$6.0 Million in Public Assistance Program Grant Funds Awarded to the City of San Diego, California

The City of San Diego, California, (City) generally accounted for FEMA funds adequately, but did not always expend the funds according to Federal regulations and FEMA guidelines. Of the \$3,991,282 we audited, \$1,163,225 (or 29 percent) was ineligible, including \$654,348 in excessive landfill costs; \$393,704 in fees unrelated to the disaster; \$112,279 in costs related to preexisting damages; and \$2,894 in excessive equipment costs. These findings occurred, in part, because the California Governor's Office of Emergency Services (California), a FEMA grantee, did not provide sufficient guidance to the City on FEMA Public Assistance rules governing landfill costs. We recommended that the FEMA Regional Administrator, Region IX, disallow \$1,163,225 in ineligible costs and direct California to provide the City with greater guidance on landfill costs incurred under the FEMA grant. We made five recommendations, all of which are closed.
(OIG-16-23-D, January 2016, EMO)

FEMA Should Recover \$1.2 Million of \$10.1 Million in Grant Funds Awarded to Tuscaloosa, Alabama, for a 2011 Disaster

The City of Tuscaloosa, Alabama, (City) received a Public Assistance grant award of \$40.4 million (\$10.1 million net after reductions for insurance and other adjustments) from Alabama, a FEMA grantee, for damages resulting from severe storms, tornadoes, straight-line winds, and flooding in April and May 2011. The award provided 90 percent FEMA funding for debris removal activities; emergency protective measures; repairs/replacement of vehicles, buildings, and other facilities; and consisted of 66 projects. We audited eight projects totaling \$4.2 million (Federal share \$3.8 million). The City generally accounted for FEMA funds properly and complied with Federal regulations except when awarding a contract valued at \$874,055 for professional consulting services. Specifically, the City did not provide adequate full and open competition or perform a cost or price

analysis. In addition, the City received ineligible duplicate benefits totaling \$300,315 from FEMA. We recommended that the Regional Administrator, FEMA Region IV, disallow \$874,055 of ineligible contract cost and \$300,315 of duplicate benefits. FEMA should also direct Alabama to instruct the City to comply with Federal procurement standards.
(OIG-16-24-D, January 2016, EMO)

The University of Wisconsin-Superior Effectively Managed FEMA Grant Funds Awarded for Severe Storms and Flooding in June 2012

The University of Wisconsin-Superior (University) received an award of \$8.6 million from the Wisconsin Emergency Management, a FEMA grantee, for damages caused by severe storms and flooding that occurred June 2012. We determined that the University effectively accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines. This report contained no recommendations. We consider this audit closed.
(OIG-16-36-D, February 2016, EMO)

The Puerto Rico Electric Power Authority Effectively Managed FEMA Public Assistance Grant Funds Awarded for Hurricane Irene in August 2011

The Puerto Rico Electric Power Authority (Authority) received a Public Assistance grant award of \$8.04 million from the Puerto Rico Emergency Management Agency (Puerto Rico), a FEMA grantee, for damages resulting from Hurricane Irene in August 2011. The award provided 75 percent FEMA funding for debris removal, emergency protective measures, and permanent repairs to the electric distribution system. We audited two projects totaling \$7.28 million, or 90.5 percent of the award. The Authority generally accounted for and expended Public Assistance grant funds according to Federal requirements. However, the Authority did not comply with the *Single Audit Act's* requirements for annual audits of Federal awards. We recommended that the Regional Administrator, FEMA Region II, direct Puerto Rico to advise the Authority of its

responsibility to comply with the *Single Audit Act* requirements and direct Puerto Rico to take steps to ensure that its subgrantees meet the *Single Audit Act* requirements. We made two recommendations, both of which have been resolved, but remain open. (OIG-16-43-D, March 2016, EMO)

FEMA Should Recover \$312,117 of \$1.6 Million Grant Funds Awarded to the Pueblo of Jemez, New Mexico

The Pueblo of Jemez, New Mexico, (Pueblo) received a Public Assistance grant award of \$1.6 million from the New Mexico Department of Homeland Security and Emergency Management (New Mexico), a FEMA grantee, for damages from severe storms, flooding, and mudslides in September 2013. The Pueblo accounted for disaster costs on a project-by-project basis. However, the Pueblo did not follow Federal procurement standards in awarding five contracts totaling \$312,117. As a result, we recommended that FEMA disallow \$312,117 as ineligible contract costs. We also recommended that FEMA direct New Mexico officials to work with Pueblo officials to ensure their understanding and compliance with the Federal procurement standards. Because FEMA's actions subsequent to its response were sufficient to resolve and close all recommendations, we consider this report closed and require no further action from FEMA. (OIG-16-52-D, March 2016, EMO)

INVESTIGATIONS

Three Falsely Represent FEMA Program to Defraud Local Insurance Agents

We investigated three members of the public for defrauding local insurance agents and found they did so by falsely representing a FEMA program called Flood Smart. All three were convicted following a jury trial. The first individual was sentenced to 8 months' imprisonment, followed by 3 years' supervised release. The second individual was sentenced to 13 months' imprisonment, followed by 3 years' supervised release. The third individual was sentenced to 5 years of supervised probation, and a special assessment of \$1,100.

All three were jointly ordered to pay \$135,000 in restitution and to forfeit \$126,900 to FEMA. One of the individuals, a foreign national, will be placed into ICE custody pending his removal from the United States for his conviction. This investigation was worked jointly with the FBI Tucson Public Corruption Squad.

Woman Submits Fraudulent Documents to Receive FEMA Funds

We investigated a member of the public who submitted fraudulent rent and lease receipts to FEMA to fraudulently obtain disaster benefits. She was sentenced to 1 day of imprisonment, 5 years of supervised release, and ordered to make \$17,040 in restitution to FEMA.

Woman Falsely Claims Vacation Home as Primary Residence

We investigated a member of the public who falsely claimed that her New Jersey vacation home was her primary residence to fraudulently receive FEMA benefits following Super Storm Sandy. She made full restitution of \$23,512 to FEMA and was ordered to participate in the NJ State Pretrial Intervention program. This case was worked jointly with the Hurricane Sandy Task Force.

Individuals Divert FEMA Funds for Tribal Clinic

We conducted an inquiry into the potential misuse of FEMA disaster funds related to the flooding that destroyed the Na-Toose Clinic on the Rocky Boy's Reservation in June 2010. The investigation focused on a subcontractor who incorporated two companies a few weeks after the disaster occurred and who was subsequently awarded several work contracts by a tribal member. Our investigation revealed that the tribal member and his wife received several kickbacks from the subcontractor for the work contracts. The subcontractor was sentenced to 41 months' imprisonment, 2 years' probation, and was ordered to make \$500,000 in restitution. This was a joint investigation with the U.S. Department of the Interior OIG. DHS OIG is scheduled to conduct a full audit of this FEMA-related project.

IMPROVING MANAGEMENT STEWARDSHIP AND COMBATING FRAUD, WASTE, AND ABUSE

REPORTS

The FPS Vehicle Fleet Is Not Managed Effectively

We audited the Federal Protective Service's (FPS) management of its vehicle fleet and evaluated whether the fleet is necessary to carry out the FPS operational mission at the request of the U.S. House of Representatives, Committee on Homeland Security, Subcommittee on Oversight and Management Efficiency.

We determined that FPS is not managing its fleet effectively. Specifically, FPS did not properly justify that its current fleet is necessary to carry out its operational mission. FPS did not justify the need for more vehicles than officers; administrative vehicles; larger SUVs; Home-to-Work miles in one region; and discretionary equipment added to vehicles. As a result, FPS cannot ensure it is operating the most cost-efficient fleet and may have missed opportunities to save more than \$2.5 million dollars in FY 2014. We recommended that the Under Secretary for Management ensure FPS implement internal controls, develop a sound vehicle allocation methodology, and validate and document fleet management decisions. We also recommended that the Under Secretary for Management, in coordination with the DHS Office of the Chief Readiness Support Officer, provide additional oversight and review of vehicle acquisitions. We made five recommendations, and management concurred with all five recommendations. Four of the five recommendations have been resolved, but remain open.

(OIG-16-02, October 2015, OA)

Independent Auditors' Report on DHS' FY 2015 Financial Statements and Internal Control over Financial Reporting

KPMG, under contract with DHS OIG, conducted an integrated audit of DHS' FY 2015 consolidated financial statements and internal control over financial reporting. KPMG issued an unmodified (clean) opinion over the Department's financial statements, reporting that they present fairly, in all material respects, DHS' financial position as of September 30, 2015. However, KPMG identified seven significant deficiencies in internal control, three of which are considered material weaknesses. Consequently, KPMG issued an adverse opinion on DHS' internal control over financial reporting. KPMG also reported instances in which DHS did not comply with four laws and regulations. DHS concurred with all of the recommendations.

The following are the three significant deficiencies in internal control considered to be material weaknesses, the four other significant deficiencies in internal control, and the four laws and regulations with which KPMG identified instances of DHS noncompliance.

Significant Deficiencies Considered To Be Material Weaknesses

- Financial Reporting
- Information Technology Controls and Financial System Functionality
- Property, Plant, and Equipment

Other Significant Deficiencies

- Budgetary Accounting
- Entity-Level Controls
- Grants Management
- Custodial Revenue and Drawback

Noncompliance with Laws and Regulations

- *Federal Managers' Financial Integrity Act of 1982 (FMFIA)*
- *Single Audit Act Amendments of 1996*
- *Anti-deficiency Act*
- *Federal Financial Management Improvement Act of 1996 (FFMIA)*

(OIG-16-06, November 2015, OA)

Major Management and Performance Challenges Facing the Department of Homeland Security

As required by the *Reports Consolidation Act of 2000* (Public Law 106-531), we annually update our assessment of DHS' major management challenges and briefly assess the agency's progress in addressing those challenges. This year, we identified the following challenges:

- DHS Management and Operations Integration
- Acquisition Management
- Financial Management
- Information Management and Technology
- Transportation Security
- Border Security and Immigration Enforcement
- Disaster Preparedness and Response
- Infrastructure Protection and Cybersecurity
- Employee Accountability and Integrity

Within each of these areas, we have observed challenges in coordinating people, processes, and technology. Specifically, the Department faces challenges in ensuring strong management practices and effective oversight; implementing and enforcing consistent, clear guidance; tracking and collecting data that can be used to make effective decisions; and deploying technology that meets mission needs.

Without the right processes and technology, the Department's strongest asset — its people — may be hampered in their ability to accomplish the Department's mission most effectively and efficiently. (OIG-16-07, November 2015, OA)

DHS Oversight of Its Workforce Training Needs Improvement

We determined that DHS does not have adequate oversight of its workforce training. DHS lacks reliable training cost information and data needed to make effective and efficient management decisions. In addition, it does not have an effective governance structure for its training oversight, including clearly defined roles, responsibilities, and delegated authorities. Finally, DHS has not adequately addressed 29 different recommendations to improve training efficiencies made since 2004 by various working groups. As a result, DHS cannot ensure the most cost-efficient use of

resources. DHS agreed with our recommendations, which should enhance the program's overall effectiveness. All three recommendations have been resolved, but remain open.

(OIG-16-19, January 2016, OA)

CBP's Special Operations Group Program Cost and Effectiveness Are Unknown

We determined that CBP does not have formal performance measures for its Special Operations Group (SOG) program and does not track the SOG's total program cost. This occurred because the incomplete records of the SOG and other components of CBP that support the SOG limited the determination of the SOG program's total cost. SOG program efficiency and effectiveness cannot be accurately determined without total program costs or formal performance measures. As a result, CBP may be missing opportunities to improve effectiveness and identify potential cost savings in the SOG program. We recommended that CBP develop and implement a process to determine total program costs for SOG. CBP concurred with the recommendation, and CBP's planned corrective actions meet the recommendation's intent. The recommendation is open and resolved. We made no recommendation regarding the lack of formal performance measures in the SOG program because U.S. Border Patrol is in the process of developing and implementing performance measures. (OIG-16-34, January 2016, OA)

DHS Needs to Improve Implementation of OCFO Policy Over Reimbursable Work Agreements

In January 2015, DHS issued a policy requiring components to have a Certified Acquisition Official (CAO) review Interagency Reimbursable Work Agreements (RWA) to ensure they are being issued properly prior to obligating funds. Components are not issuing RWAs in compliance with the Department's policy. Specifically, 100 percent of the 43 RWAs we tested — totaling approximately \$88 million — had not been reviewed by a CAO. Additionally, 70 percent of the RWAs we tested did not include enough information for a CAO to make an informed decision. DHS did not ensure components updated their policies and procedures to reflect the new requirements. Without a CAO review, components may continue to improperly

issue RWAs, circumventing acquisition controls. DHS concurred with our three recommendations and has taken action to improve the Department's use of RWAs. All three recommendations have been resolved, but remain open. (OIG-16-39, February 2016, OA)

Response to Allegations of Mismanagement in FEMA's Office of the Chief Security Officer

On April 8, 2014, DHS OIG Hotline personnel received an anonymous complaint alleging fraud, waste, abuse, and mismanagement by senior-level managers within FEMA's Office of the Chief Security Officer (OCSO). The complainant alleged OCSO management hired employees with criminal backgrounds, allowed employees to violate overtime and compensatory time policies, and used the Disaster Relief Fund (DRF) inappropriately by hiring employees who never performed disaster-related activities. We concluded that the former Chief Security Officer hired two employees with criminal convictions in their backgrounds. Our analysis of employee records from 2011 to 2014 in OCSO's Fraud and Internal Investigations Division disclosed two more employees with criminal conduct in their backgrounds. FEMA's OCSO no longer employs these four individuals. FEMA premium pay records from 2011 to 2014 for employees in the Fraud and Internal Investigations Division showed that division management allowed employees to violate FEMA's premium pay policy for compensatory time in 2014; premium pay requests for the same period did not reveal any overtime violations. As a result of hiring employees with criminal backgrounds or conduct, OCSO spent \$349,944 unnecessarily. Finally, from 2013 to 2014, OCSO misused the DRF by allowing employees to perform non-disaster-related activities. We made one recommendation to enhance FEMA OCSO's compliance with premium pay policies for compensatory time and one recommendation to investigate whether FEMA violated the *Anti-deficiency Act*. FEMA concurred with both recommendations. One recommendation is resolved and closed, and one recommendation is resolved and open. (OIG-16-41, February 2016, I&E)

FEMA Does Not Provide Adequate Oversight of Its National Flood Insurance Write Your Own Program

In response to a request from FEMA's Federal Insurance Mitigation Administration Associate Administrator and congressional interest, we conducted an audit of the Write Your Own (WYO) program under FEMA's National Flood Insurance Program (NFIP). We determined that FEMA does not provide adequate oversight of the WYO program under the NFIP. Specifically, FEMA is not using the results from its Financial Control Plan reviews to make program improvements, is not performing adequate oversight of the Special Allocated Loss Adjustment Expense reimbursement process, and does not have controls to provide proper oversight of the appeals process. These conditions exist because FEMA does not have adequate guidance, resources, or internal controls. As a result of this inadequate oversight, FEMA is unable to ensure that WYO companies are properly implementing the NFIP and is unable to identify systemic problems in the program. Furthermore, without adequate internal controls in place, FEMA's NFIP funds may be at risk for fraud, waste, abuse, or mismanagement. We made seven recommendations to FEMA, which include advisement that FEMA establish procedures to evaluate the effectiveness of the WYO program and develop procedures, guidance, and instructions to improve its oversight of the program. All seven recommendations have been resolved, but remain open. (OIG-16-47, March 2016, OA)

Independent Auditors' Report on U.S. Customs and Border Protection's FY 2015 Consolidated Financial Statements

KPMG, under contract with DHS OIG, conducted an audit of CBP FY 2015 consolidated financial statements. KPMG expressed an unmodified (clean) opinion on CBP's financial statements. KPMG discusses four significant deficiencies in internal control, two of which KPMG considers to be material weaknesses in information technology and drawback of duties, taxes, and fees. The two other significant deficiencies are in the areas of entry process and entity-level

controls. The report includes 11 recommendations, which are intended to improve internal control in these areas. CBP concurred with the significant deficiencies identified in the report, and management indicated that it will continue to work to resolve the identified weaknesses. (OIG-16-54, March 2016, OA)

Management Letter for the Audit of DHS' FY 2015 Financial Statements and Internal Control over Financial Reporting

KPMG, under contract with DHS OIG, conducted an audit of the Department's FY 2015 consolidated financial statements and internal control over financial reporting. KPMG expressed an unmodified opinion on the financial statements and issued an adverse opinion on DHS' internal control over financial reporting for FY 2015. KPMG noted certain matters involving internal control and other operational matters that resulted in 89 internal control observations. DHS concurred with the observations and indicated that it remains fully committed to addressing financial management challenges. These observations, all of which were discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies. These comments are in addition to the significant deficiencies presented in our Independent Auditors' Report, dated November 13, 2015, included in the FY 2015 Department of Homeland Security Agency Financial Report. (OIG-16-55, March 2016, OA)

INVESTIGATIONS

BPA's Steal Property from Search Warrant Sites

We investigated two BPAs for stealing property during the execution of a search warrant while they were assigned to support a local task force. We found that both BPAs stole property. Both were convicted and sentenced to 12 months of probation. Both BPAs are on unpaid indefinite suspension pending their termination.

BPA Provides Child Pornography to HSI Undercover Agent

HSI investigated a BPA for possession and distribution of child pornography after he shared child pornography with an undercover ICE HSI agent. He was sentenced to 71 months' imprisonment, followed by supervised release for life. DHS OIG assisted HSI with their investigation, as did CBP OPR.

GS-15 Budget Officer Engages in Substantive Travel Fraud

We investigated a Budget Officer for submitting numerous fraudulent travel claims for more than 5 years. We found that the Budget Officer claimed reimbursement for lodging and vehicle mileage she was not entitled to receive and also claimed mileage reimbursement for trips she did not take. This case was declined for criminal prosecution in part because the lack of management oversight enabled the fraudulent activity to go undetected for so long. The Budget Officer resigned while under investigation and later submitted a \$90,154.57 check to CBP as part of a settlement agreement with the U.S. Attorney's Office. This investigation was conducted jointly with CBP OPR.

Supervisory BPA Video-recorded Females in the Border Patrol Station Bathroom

We investigated a Supervisory BPA who placed a video recording device inside the women's bathroom floor drain at the Border Patrol Station. The Supervisory BPA pleaded guilty to providing false statements to investigating agents and video voyeurism. He was sentenced to 21 months' imprisonment and 3 years' supervised release. The investigation was conducted jointly with the FBI, CBP OPR, and the local police department.

U.S. Citizenship and Immigration Services Employee Misused Position to Obtain Sexual Favors

We investigated a USCIS employee for using his official position to engage in a sexual relationship with an immigration benefits applicant and found he made false statements regarding his actions. He was sentenced to 6 months' imprisonment followed by 36 months' supervised release and fined \$2,500.

Couple Poses as USCIS Employees to Commit Fraud

We investigated a husband and wife who posed as USCIS employees and conspired to defraud Bureau of Prisons inmates by claiming they could provide immigration benefits in exchange for money. The husband, an inmate of the Bureau of Prisons, was sentenced to an additional 33 months' imprisonment. The wife was sentenced to 18 months' imprisonment. The husband and wife were ordered to pay restitution of \$53,200. This was a joint investigation with ICE HSI.

National Protection and Programs Directorate Federal Protective Service Employee Makes False Statement Related to Contract

We investigated an NPPD FPS Physical Security Specialist, who was acting as a Contracting Officer Representative, for permitting a family member to work on a contract he was overseeing. We found that the Contracting Officer Representative used his position and friendship with a third party to hire his two sons under a contract he was overseeing. The Contracting Officer Representative was charged with submitting a false statement, pleaded guilty, and was sentenced to 1 year of probation.

ICE Contract Guard Smuggles in Contraband

We investigated an ICE contract guard for smuggling contraband items into an ICE contract detention facility and found that he had smuggled marijuana with intent to distribute. During our investigation, we found that a second guard had an inappropriate relationship with a detainee. The first guard was sentenced to 80 days' confinement and fined \$500. The second guard was convicted in state court of malfeasance of office and sentenced to 3 years' hard labor, 3 years' supervised probation, and was fined \$1,000.

CBP Contractor Engages in Fraud Scheme

We investigated a CBP contractor for unlawful receipt and purchase of merchandise known to have been imported in violation of law. He was sentenced to six months' probation and agreed to forfeit \$29,212. This case was worked jointly with ICE OPR.

ICE Special Agent in Charge Misuses Government Credit Card

We investigated an ICE Special Agent in Charge for using his government issued credit card for personal use and failing to return his government issued laptop computer upon his separation from ICE. When interviewed, the Special Agent in Charge admitted misusing his official government credit card for unauthorized automated teller machine withdrawals and personal hotel stays. He also acknowledged being unable to locate his government laptop. This employee resigned while under investigation.

TSA Behavior Detection Officer Defrauds U.S. Department of Housing and Urban Development

We investigated a TSA Behavior Detection Officer who used a false social security number and did not report her Federal income in order to receive a Federal rental subsidy. The TSA employee collected the rental subsidy for several years. She was sentenced to 8 months' confinement at a residential reentry center, 5 years' probation, and was ordered to make \$70,000 in restitution. This was a joint investigation with Housing and Urban Development OIG.

Couple Falsely Obtains Certifications to Obtain U.S. Coast Guard Contracts

We investigated a business owner who, with her husband, falsely obtained a Small Business Administration, Historically Underutilized Business Zone certification to obtain more than \$5 million in Coast Guard contracts. The owner was

sentenced to 24 days at an alternative incarceration program and 3 years of probation. The company had previously reached a civil settlement and initially forfeited \$250,000 to the Federal Government and agreed to pay 5 percent of the company's future profits for the next 5 years. The finalized settlement specified that the company would pay up to \$15 million in the next 5 years.

Secret Service Employee Steals Counterfeit and Genuine Currency

We investigated a Secret Service Senior Investigative Assistant for theft of counterfeit and genuine Federal Reserve notes. She pleaded guilty to uttering counterfeit obligations. She was sentenced to 2 years' probation and ordered to pay \$10,880 in restitution.

LEGISLATIVE AND REGULATORY REVIEWS AND OTHER OFFICE OF INSPECTOR GENERAL ACTIVITIES

LEGISLATIVE AND REGULATORY REVIEWS

The *Inspector General Act* directs the Inspector General to review existing and proposed legislation and regulations relating to DHS programs and operations and to make recommendations about their impact on the economy, efficiency, and ability to detect fraud and abuse in DHS programs and operations.

During this review period, we reviewed numerous legislative and regulatory proposals related to issues such as cybersecurity, privacy, Federal law enforcement, whistleblower protection, Federal procurement, and oversight of Federal information technology personnel and equipment.

OVERSIGHT OF NONDEPARTMENTAL ACTIVITIES

During this reporting period, we completed 10 desk reviews of Single Audit reports issued by independent public accountant organizations. Single Audits are those conducted according to the *Single Audit Act*, as amended by Public Law 104-156. Of the 10 desk reviews, we will issue 9 comment letters.

PARTNERSHIP WITH THE RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD

The Recovery Accountability and Transparency Board (RATB), which previously provided DHS OIG with analytic support for audits and investigations, officially closed on September 30, 2015. Since June 2015, we have been proactive in leveraging our successful experience with RATB to establish a similar analytics capacity within DHS OIG. We have invested resources to hire additional personnel; acquire state-of-the-art hardware and software to analyze structured and unstructured data and geospatial information; and implement processes and procedures to start vetting DRF contractors and assess DRF audit risks similar to the services that RATB previously provided. In the long term, we seek to expand this in-house capability to support data analytic needs across DHS OIG on audits ranging from border and transportation security, to disaster recovery and immigration and citizenship, to customs enforcement and research and development.

CONGRESSIONAL TESTIMONY AND BRIEFINGS

The Inspector General testified before Congress seven times during this period. Testimony prepared for these hearings may be accessed on our website at www.oig.dhs.gov.

He provided testimony at the following hearings:

- October 8, 2015 — U.S. House of Representatives Committee on Homeland Security, Transportation Security Subcommittee concerning, “Reform and Improvement: Assessing the Path Forward for the Transportation Security Administration.”
- November 3, 2015 — U.S. House of Representatives Committee on Oversight and Government Reform concerning, “TSA: Security Gaps.”
- November 17, 2015 — U.S. House of Representatives Committee on Homeland Security, Oversight and Management Efficiency Subcommittee and U.S. Senate Committee on Homeland Security and Governmental Affairs, Regulatory Affairs and Financial Management Subcommittee concerning, “Examining Ongoing Challenges at the U.S. Secret Service and their Government Wide Implications.”
- December 3, 2015 — U.S. House of Representatives Committee on Homeland Security, Oversight and Management Efficiency Subcommittee concerning, “Driving Away with Taxpayer Dollars: DHS’s Failure to Effectively Manage the FPS Vehicle Fleet.”
- February 3, 2016 — U.S. House of Representatives Committee on Oversight and Government Reform, Transportation and Public Assets Subcommittee concerning, “Securing Our Skies: Oversight of Aviation Credentials.”
- March 15, 2016 — U.S. Senate Committee on Homeland Security and Governmental Affairs concerning, “The Security of U.S. Visa Programs.”
- March 16, 2016 — U.S. Senate Committee on Homeland Security and Governmental Affairs concerning, “DHS Management and Acquisition Reform.”

We briefed congressional members and their staffs frequently throughout the reporting period. Our office conducted more than 35 briefings for congressional members and staff on the results of our work, including: *Covert Testing of the Transportation Security Administration’s Passenger Screening Technologies and Processes at Airport Security Checkpoints (OIG-15-150)*, *The FPS Vehicle Fleet Is Not Managed Effectively (OIG-16-02)*, *Clearer Guidance Would Improve FEMA’s Oversight of the Public Assistance Alternative Procedures Pilot Program (OIG-16-03-D)*, and *USCIS Automation of Immigration Benefits Processing Remains Ineffective (OIG-16-48)*. We also met with congressional staff to discuss our FY 2017 budget request as well as Member requests for reviews of DHS programs and operations.

APPENDIXES

Appendix 1

Reports with Monetary Findings*

Questioned Costs^(a)

Report Category	Number		Total Questioned Costs	Unsupported Costs ^(b)
	Reports	Recommendations		
A. Reports pending management decision at the start of reporting period	23	45	\$146,849,841	\$4,760,561
B. Reports issued/processed during reporting period with questioned costs	13	24	\$23,815,766	\$5,793,976
Total (A+B)	36	69	\$170,665,607	\$10,554,537
C. Reports for which a management decision was made during reporting period	33	65	\$165,619,312	\$10,554,537
D. Reports put into appeal status during reporting period	0	0	\$0	\$0
E. Reports pending a management decision at the end of reporting period	3	4	\$5,046,295	\$0
F. Reports for which no management decision was made within 6 months of issuance	2	2	\$3,989,362	\$0

Notes and Explanations:

*The *Inspector General Act* requires Inspectors General and agency heads to report cost data on management decisions and final actions on audit reports. The current method of reporting at the “report” level, rather than at the individual audit “recommendation” level, results in incomplete reporting of cost data. Under the Act, an audit “report” does not have a management decision or final action until all questioned cost items or other recommendations have a management decision. Under these circumstances, the use of the report-based rather than the recommendation-based method of reporting distorts the actual agency efforts to resolve and complete action on audit recommendations. For example, although management may have taken timely action on all but one of many recommendations in an audit report, the current “all or nothing” reporting format does not recognize their efforts. To resolve this issue, we present DHS management decisions on reports and recommendations.

(a) **Questioned Costs** — The term “questioned cost” means a cost auditor’s question because of an alleged violation of a provision of law, regulation, grant, cooperative agreement, or contract; a finding that, at the time of the audit, is not supported by adequate documentation; or a finding that the expenditure is unnecessary or unreasonable. A funding agency is responsible for making management decisions on questioned costs, including an evaluation of the findings and recommendations in an audit report. A management decision against the auditee would transform a questioned cost into a disallowed cost. Our amounts in the Total Questioned Costs column represent only the Federal share of questioned costs. The Federal share is the portion of a grant award funded by the Federal Government. The Federal Government does not always provide 100 percent funding for a grant. The grantee (usually a state) or the subgrantee (usually a local government or nonprofit entity) may be

responsible for funding the non-Federal share. In this report, we report only the Federal share of questioned costs as a monetary benefit to the Federal Government because funds provided by the grantee or subgrantee would not be returned to the Federal Government. These questioned costs include ineligible and unsupported costs.

- (b) **Unsupported Costs** — These costs are a subset of Total Questioned Costs and are also shown separately under the Unsupported Costs column as required by the Act. These costs were not supported by adequate documentation at the time of the audit.

Appendix 1

Reports with Monetary Findings (continued) Funds to be Put to Better Use^(c)

Report Category	Number		Amount
	Reports	Recommendations	
A. Reports pending management decision at the start of reporting period	6	6	\$26,395,495
B. Reports issued during reporting period	5	6	\$41,624,791
Total (A+B)	11	12	\$68,020,286
C. Reports for which a management decision was made during reporting period	8	8	\$29,092,973
D. Reports put into the appeal status during reporting period	0	0	\$0
E. Reports pending a management decision at the end of reporting period	3	4	\$38,927,313
F. Reports for which no management decision was made within 6 months of issuance	1	1	\$74,000

Notes and Explanations:

(c) **Funds to be Put to Better Use** – Auditors can identify ways to improve the efficiency, effectiveness, and economy of programs, resulting in cost savings over the life of the program. Unlike questioned costs, the auditor recommends methods for making the most efficient use of Federal dollars, such as reducing outlays, deobligating funds, or avoiding unnecessary expenditures.

Appendix 2²**Compliance – Resolution of Reports and Recommendations**

MANAGEMENT DECISION IS PENDING	
09/30/2015	
Reports open and unresolved more than 6 months	12
Recommendations open and unresolved more than 6 months	21
03/31/2016	
Reports open and unresolved more than 6 months	8
Recommendations open and unresolved more than 6 months	16
CURRENT INVENTORY	
Open reports at the beginning of the period	157
Reports issued to DHS this period	57
Reports closed this period	64
Open reports at the end of the period	150
ACTIVE RECOMMENDATIONS	
Open recommendations at the beginning of the period	583
Recommendations issued this period	186
Recommendations reopened this period	0
Recommendations closed this period	238
Open recommendations at the end of the period	531

² This appendix excludes most investigative reports.

Appendix 3

Reports with Unresolved Recommendations Over 6 Months Old

	Date Issued	Report No.	Report Title	Rec. Numbers	DHS Component	No. of Unresolved Recommendations Over 6 Months
1	2/28/2013	OIG-13-44	<i>Massachusetts' Management of Homeland Security Grant Program Awards for Fiscal Years 2008 through 2011</i>	4,5	FEMA	2
2	8/28/2013	OIG-13-110	<i>DHS Needs to Strengthen Information Technology Continuity and Contingency Planning Capabilities</i>	6,7,9	DHS	3
3	12/24/2014	OIG-15-17	<i>U.S. Customs and Border Protection's Unmanned Aircraft System Program Does Not Achieve Intended Results or Recognize All Costs of Operations</i>	1	CBP	1
4	12/16/2014	OIG-15-18	<i>Audit of Security Controls for DHS Information Technology Systems at John F. Kennedy International Airport-Sensitive Security Information</i>	6,14,15,16	DHS	4
5	2/27/2015	OIG-15-38	<i>Science and Technology Directorate Needs to Improve Its Contract Management Procedures</i>	3	S&T	1
6	5/4/2015	OIG-15-85	<i>DHS Missing Data Needed to Strengthen its Immigration Enforcement Efforts</i>	1	DHS	1
7	6/15/2015	OIG-15-104-D	<i>FEMA Should Recover \$337,135 of Ineligible or Unused Grant Funds Awarded to the Port of Tillamook Bay, Oregon</i>	3	FEMA	1
8	8/28/2015	OIG-15-138	<i>Accurate Reporting and Oversight Needed to Help Manage DHS' Warehouse Portfolio</i>	1,2,3	DHS	3
			Total			16

Appendix 4

Reports Issued

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
1. OIG-16-01-D	10/15	<i>FEMA Faces Challenges in Verifying Applicants' Insurance Policies for the Individuals and Households Program</i>	\$0	\$0	\$0
2. OIG-16-02	10/15	<i>The FPS Vehicle Fleet Is Not Managed Effectively</i>	\$35,031	\$0	\$2,519,077
3. OIG-16-03-D	10/15	<i>Clearer Guidance Would Improve FEMA's Oversight of the Public Assistance Alternative Procedures Pilot Program</i>	\$0	\$0	\$0
4. OIG-16-04-D	11/15	<i>FEMA Has No Assurance that Only Designated Recipients Received \$6.37 Million in Fuel</i>	\$6,370,809	\$4,558,969	\$0
5. OIG-16-05-D	11/15	<i>FEMA's Plan to Provide Permanent or Semi-Permanent Housing to the Oglala Sioux Tribe of the Pine Ridge Indian Reservation in South Dakota</i>	\$0	\$0	\$0
6. OIG-16-06	11/15	<i>Independent Auditors' Report on DHS' FY 2015 Financial Statements and Internal Control over Financial Reporting</i>	\$0	\$0	\$0
7. OIG-16-07	11/15	<i>Major Management and Performance Challenges Facing the Department of Homeland Security</i>	\$0	\$0	\$0
8. OIG-16-08	1/16	<i>Evaluation of DHS' Information Security Program for Fiscal Year 2015 (Revised)</i>	\$0	\$0	\$0
9. OIG-16-09-D	11/15	<i>FEMA Should Recover \$505,549 of \$3.3 Million in Public Assistance Grant Funds Awarded to DeKalb County, Georgia, for Damages from a September 2009 Flood</i>	\$308,947	\$303,417	\$70,215
10. OIG-16-10	11/15	<i>FEMA Faces Challenges in Managing Information Technology</i>	\$0	\$0	\$0

Appendix 4

Reports Issued (continued)

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
11. OIG-16-11	11/15	<i>Security Concerns with Federal Emergency Management Agency's eGrants Grant Management System</i>	\$0	\$0	\$0
12. OIG-16-12-D	11/15	<i>The City of Birmingham, Alabama, Generally Managed FEMA Grant Funds for April 2011 Tornadoes and Severe Storms Properly</i>	\$231,610	\$32,540	\$0
13. OIG-16-13	12/15	<i>Oversight of the Colorado Emergency Management Performance Grant Program Needs Improvement</i>	\$457,895	\$457,895	\$0
14. OIG-16-14	12/15	<i>Lower Mississippi River Port-wide Strategic Security Council Did Not Always Properly Manage, Distribute, or Spend Port Security Grant Funds</i>	\$9,282,920	\$0	\$0
15. OIG-16-15	12/15	<i>(U) Fiscal Year 2015 Evaluation of DHS' Compliance with FISMA Requirements for Intelligence Systems</i>	\$0	\$0	\$0
16. OIG-16-16	12/15	<i>The Secret Service Did Not Identify Best Practices and Lessons Learned from the 2011 White House Shooting Incident</i>	\$0	\$0	\$0
17. OIG-16-17	1/16	<i>ICE and USCIS Could Improve Data Quality and Exchange to Help Identify Potential Human Trafficking Cases</i>	\$0	\$0	\$0
18. OIG-16-18	1/16	<i>DHS' Ebola Response Needs Better Coordination, Training, and Execution</i>	\$0	\$0	\$0
19. OIG-16-19	1/16	<i>DHS' Oversight of Its Workforce Training Needs Improvement</i>	\$0	\$0	\$0
20. OIG-16-20	1/16	<i>U.S. Secret Service Needs to Upgrade Its Radio Systems (Redacted)</i>	\$0	\$0	\$0

Appendix 4

Reports Issued (continued)

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
21. OIG-16-21-D	1/16	<i>Longmont and Colorado Officials Should Continue to Improve Management of \$55.1 Million FEMA Grant</i>	\$34,859	\$0	\$31,082,792
22. OIG-16-22-D	1/16	<i>The City of Austin, Texas, Has Adequate Policies and Procedures to Comply with FEMA Public Assistance Grant Requirements</i>	\$170,965	\$52,850	\$0
23. OIG-16-23-D	1/16	<i>FEMA Should Disallow \$1.2 Million of \$6.0 Million in Public Assistance Program Grant Funds Awarded to the City of San Diego, California</i>	\$872,419	\$0	\$0
24. OIG-16-24-D	1/16	<i>FEMA Should Recover \$1.2 Million of \$10.1 Million in Grant Funds Awarded to Tuscaloosa, Alabama, for a 2011 Disaster</i>	\$1,056,933	\$0	\$0
25. OIG-16-25	1/16	<i>Response to Allegations that a U.S. Customs and Border Protection Contractor Transports Detainees in Non-Air-Conditioned Vehicles (Redacted)</i>	\$0	\$0	\$0
26. OIG-16-26	1/16	<i>Review of U.S. Customs and Border Protection's Fiscal Year 2015 Drug Control Performance Summary Report</i>	\$0	\$0	\$0
27. OIG-16-27	1/16	<i>Review of U.S. Customs and Border Protection's Fiscal Year 2015 Detailed Accounting Submission</i>	\$0	\$0	\$0
28. OIG-16-28	1/16	<i>Review of U.S. Coast Guard's Fiscal Year 2015 Drug Control Performance Summary Report</i>	\$0	\$0	\$0
29. OIG-16-29	1/16	<i>Review of U.S. Coast Guard's Fiscal Year 2015 Detailed Accounting Submission</i>	\$0	\$0	\$0

Appendix 4

Reports Issued (continued)

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
30. OIG-16-30	1/16	<i>Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2015 Drug Control Performance Summary Report</i>	\$0	\$0	\$0
31. OIG-16-31	1/16	<i>Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2015 Detailed Accounting Submission</i>	\$0	\$0	\$0
32. OIG-16-32	1/16	<i>TSA's Human Capital Services Contract Terms and Oversight Need Strengthening</i>	\$4,553,171	\$0	\$0
33. OIG-16-33-D	1/16	<i>Boulder, Colorado, Has Adequate Policies, Procedures, and Business Practices to Manage Its FEMA Grant Funding</i>	\$0	\$0	\$0
34. OIG-16-34	1/16	<i>CBP's Special Operations Group Program Cost and Effectiveness are Unknown</i>	\$0	\$0	\$0
35. OIG-16-35-D	2/16	<i>Jamestown, Colorado, Needs Additional Assistance and Monitoring to Ensure Proper Management of Its \$10.4 Million FEMA Grant</i>	\$0	\$0	\$7,770,521
36. OIG-16-36-D	2/16	<i>The University of Wisconsin-Superior Effectively Managed FEMA Grant Funds Awarded for Severe Storms and Flooding in June 2012</i>	\$0	\$0	\$0
37. OIG-16-37	2/16	<i>Conditions at CBP's Forward Operating Bases along the Southwest Border (Redacted)</i>	\$0	\$0	\$0
38. OIG-16-38-D	2/16	<i>Oakwood Healthcare System, Dearborn, Michigan, Needed Additional Assistance in Managing Its FEMA Public Assistance Grant Funding</i>	\$388,305	\$388,305	\$0

Appendix 4

Reports Issued (continued)

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
39. OIG-16-39	2/16	<i>DHS Needs to Improve Implementation of OCFO Policy Over Reimbursable Work Agreements</i>	\$0	\$0	\$0
40. OIG-16-40-D	2/16	<i>Colorado Springs Utilities, Colorado, Has Adequate Policies, Procedures, and Business Practices to Effectively Manage Its FEMA Public Assistance Grant Funding</i>	\$0	\$0	\$0
41. OIG-16-41	2/16	<i>Response to Allegations of Mismanagement in FEMA's Office of the Chief Security Office</i>	\$0	\$0	\$0
42. OIG-16-42-D	2/16	<i>Colorado Springs, Colorado, Has Adequate Policies, Procedures, and Business Practices to Effectively Manage Its FEMA Public Assistance Grant Funding</i>	\$0	\$0	\$0
43. OIG-16-43-D	3/16	<i>The Puerto Rico Electric Power Authority Effectively Managed FEMA Public Assistance Grant Funds Awarded for Hurricane Irene in August 2011</i>	\$0	\$0	\$0
44. OIG-16-44	3/16	<i>Information Technology Management Letter for the United States Coast Guard Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
45. OIG-16-45	3/16	<i>Information Technology Management Letter for the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
46. OIG-16-46	3/16	<i>Information Technology Management Letter for the Federal Emergency Management Agency Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0

Appendix 4

Reports Issued (continued)

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
47. OIG-16-47	3/16	<i>FEMA Does Not Provide Adequate Oversight of Its National Flood Insurance Write Your Own Program</i>	\$0	\$0	\$0
48. OIG-16-48	3/16	<i>USCIS Automation of Immigration Benefits Processing Remains Ineffective</i>	\$0	\$0	\$0
49. OIG-16-49	3/16	<i>Analysis of Recurring Audit Recommendations Could Improve FEMA's Oversight of HSGP</i>	\$0	\$0	\$0
50. OIG-16-50	3/16	<i>Information Technology Management Letter for the Transportation Security Administration Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
51. OIG-16-51	3/16	<i>CBP Needs to Better Plan Its Implementation of the DHS Prison Rape Elimination Act Regulations</i>	\$0	\$0	\$0
52. OIG-16-52-D	3/16	<i>FEMA Should Recover \$312,117 of \$1.6 Million Grant Funds Awarded to the Pueblo of Jemez, New Mexico</i>	\$51,902	\$0	\$182,186
53. OIG-16-53-D	3/16	<i>FEMA's Initial Response to the Severe Storms and Flooding in South Carolina</i>	\$0	\$0	\$0
54. OIG-16-54	3/16	<i>Independent Auditors' Report on U.S. Customs and Border Protection's FY 2015 Consolidated Financial Statements</i>	\$0	\$0	\$0
55. OIG-16-55	3/16	<i>Management Letter for the Audit of DHS' FY 2015 Financial Statements and Internal Control over Financial Reporting</i>	\$0	\$0	\$0
56. N/A	10/15	<i>Management Alert - Secret Service Staffing and Scheduling Contributed to Officer Fatigue (Redacted)</i>	\$0	\$0	\$0

Appendix 4

Reports Issued (continued)

Report Number	Date Issued	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
57. N/A	10/15	<i>Addendum: Investigation into the Improper Access and Distribution of Information Contained within a Secret Service Data System</i>	\$0	\$0	\$0
		Total	\$23,815,766	\$5,793,976	\$41,624,791

Report Number Abbreviations:

A report number ending with a “D” is a Disaster Relief Fund report.

N/A – not applicable

Notes and Explanations:

- (a) DHS OIG reports the Federal share, which ranged from 75 to 100 percent, of costs it questions. The Total Questioned Costs column includes the Federal share of all ineligible and unsupported costs reported.
- (b) The Unsupported Costs column is a subset of Total Questioned Costs and is shown separately as required by the *Inspector General Act*.
- (c) The Funds to be Put to Better Use column only includes the Federal share, which ranged from 75 to 100 percent, of our cumulative reported findings or recommendations.

Appendix 5**Schedule of Amounts Due and Recovered/Deobligated**

Report Number	Date Issued	Report Title	OIG Recommended Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/Deobligated
1. DD-12-19	8/27/2012	<i>Direct Administrative Costs Paid for FEMA Public Assistance Grant Funds</i>	\$45,549,564	\$104,007	\$45,445,557	\$104,007
2. OIG-14-04	11/4/2013	<i>Puerto Rico's Management of Homeland Security Grant Program Awards for Fiscal Years 2009-2011</i>	\$2,001,841	\$5,743	\$1,996,098	\$5,743
3. OIG-14-121-D	7/30/2014	<i>The Puerto Rico Department of Housing Generally Complied with FEMA Hazard Mitigation Grant Program Eligibility Requirements for Participants of the New Secure Housing Program - Hurricane Georges</i>	\$146,298	\$146,298	\$0	\$146,298
4. OIG-15-48-D	3/18/2015	<i>FEMA Should Recover \$395,032 of Improper Contracting Costs from \$14.3 Million Grant Funds Awarded to East Jefferson General Hospital, Metairie, Louisiana</i>	\$395,032	\$58,178	\$336,854	\$58,178
5. OIG-15-51-D	3/19/2015	<i>Florida and Palm Beach County School District Did Not Properly Administer \$9.2 Million of FEMA Grant Funds Awarded for Hurricane Wilma Damages</i>	\$33,239	\$33,239	\$0	\$33,239

Appendix 5

Schedule of Amounts Due and Recovered/Deobligated (continued)

Report Number	Date Issued	Report Title	OIG Recommended Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/Deobligated
6. OIG-15-111-D	7/1/2015	<i>FEMA Should Recover \$4.85 Million of Ineligible Grant Funds Awarded to Oklahoma City, Oklahoma</i>	\$6,870	\$6,870	\$0	\$6,870
7. OIG-15-114-D	7/16/2015	<i>FEMA Should Recover \$9.3 Million of Ineligible and Unsupported Costs from Fox Waterway Agency in Fox Lake, Illinois</i>	\$7,025,391	\$6,816,982	\$264,103	\$6,816,982
8. OIG-15-115-D	7/21/2015	<i>Montgomery County, Maryland, Effectively Managed FEMA Public Assistance Grant Funds Awarded for Severe Storms during June and July 2012</i>	\$27,183	\$27,183	\$0	\$27,183
9. OIG-15-116-D	7/21/2015	<i>Montgomery County, Maryland, Generally Accounted For and Expended FEMA Public Assistance Grant Funds According to Federal Requirements - Hurricane Sandy Activities</i>	\$223,188	\$223,188	\$0	\$223,188
10. OIG-15-123-D	8/10/2015	<i>Assistance in Managing Its \$14 Million FEMA Grant Award</i>	\$264,866	\$271,222	\$81,932	\$271,222
11. OIG-15-130-D	8/21/2015	<i>The City of Kenner, Louisiana, Generally Accounted For and Expended FEMA Grant Funds Properly</i>	\$111,375	\$148,500	\$0	\$148,500

Appendix 5**Schedule of Amounts Due and Recovered/Deobligated (continued)**

Report Number	Date Issued	Report Title	OIG Recommended Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/Deobligated
12. OIG-15-132-D	8/24/2015	<i>FEMA Should Recover \$1.78 Million of Public Assistance Grant Funds Awarded to the City of Duluth, Minnesota</i>	\$1,163,913	\$6,425	\$1,157,489	\$6,425
13. OIG-15-141-D	9/9/2015	<i>FEMA Should Disallow \$2.78 Million of \$14.57 Million in Public Assistance Grant Funds Awarded to the Township of Brick, New Jersey, for Hurricane Sandy Damages</i>	\$1,346,518	\$1,145,050	\$351,081	\$1,145,050
14. OIG-15-147-D	9/15/2015	<i>Asbury Park, New Jersey, Needs Assistance in Supporting More Than \$2 Million in FEMA Grant Funds for Hurricane Sandy Debris and Emergency Work</i>	\$600,377	\$470,445	\$196,641	\$470,445
15. OIG-15-151-D	9/30/2015	<i>FEMA Should Recover \$2.0 Million in Unneeded Funds and Disallow \$1.2 Million of \$7 Million in Grant Funds Awarded to Spring Lake, New Jersey, for Hurricane Sandy</i>	\$2,188,356	\$2,188,356	\$0	\$2,188,356
16. OIG-15-152-D	9/30/2015	<i>Mount Carmel Baptist Church in Hattiesburg, Mississippi, Needs Assistance to Ensure Compliance with FEMA Public Assistance Grant Requirements</i>	\$9,920,025	\$9,920,025	\$0	\$9,920,025

Appendix 5

Schedule of Amounts Due and Recovered/Deobligated (continued)

Report Number	Date Issued	Report Title	OIG Recommended Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/Deobligated
17. OIG-16-04-D	11/2/2015	<i>FEMA Has No Assurance that Only Designated Recipients Received \$6.37 Million in Fuel</i>	\$6,370,809	\$0	\$332,520	\$6,048,289
18. OIG-16-09-D	11/19/2015	<i>FEMA Should Recover \$505,549 of \$3.3 Million in Public Assistance Grant Funds Awarded to DeKalb County, Georgia, for Damages from a September 2009 Flood</i>	\$5,530	\$1,554	\$3,976	\$5,530
AUDIT REPORT TOTAL						\$27,625,530
Investigative Recoveries ^(a)	10/2015 - 3/2016					\$92,155
		Totals	\$77,380,375	\$21,573,265	\$50,166,251	\$27,717,685

Report Number Abbreviations:

OIG-XX-XX-D Disaster Relief Fund Report
 DD-XX-XX Disaster Assistance Audit, Dallas Office

Notes and Explanations:

(a) Recoveries, other than administrative cost savings, which resulted from investigative efforts.

Appendix 6³

Contract Audit Reports

Report Category	Questioned Costs	Unsupported Costs	Disallowed Costs
We processed no contract audit reports meeting the criteria of the <i>National Defense Authorization Act for FY 2008</i> during the reporting period October 1, 2015, – March 31, 2016.	N/A	N/A	N/A

³ The *National Defense Authorization Act for FY 2008* requires that we list all contract audit reports issued during the reporting period containing significant audit findings; briefly describe the significant audit findings in the report; and specify the amounts of costs identified in the report as unsupported, questioned, or disallowed. This act defines significant audit findings as unsupported, questioned, or disallowed costs in excess of \$10 million or other findings that the Inspector General determines to be significant. It defines contracts as a contract, an order placed under a task or delivery order contract, or a subcontract.

Appendix 7

Peer Review Results

Section 5(a) (14)-(16) of the *Inspector General Act of 1978, as amended*, requires OIGs to include in their semiannual reports certain information pertaining to peer reviews conducted by or of an OIG during and prior to the current reporting period.

Although DHS OIG was not the subject of another OIG’s peer review during this reporting period, we conducted a peer review of Treasury Inspector General for Tax Administration’s Office of Audit Services for the year ended March 31, 2015. No recommendations were issued in the System Review Report.

Outstanding Recommendations from Previous Peer Reviews

Peer Review Conducted of DHS OIG Audit Operations

Our audit offices received a peer review rating of “pass” as a result of our latest peer review completed by the Department of Justice (DOJ) OIG in June 2015, for the FY ending September 30, 2014. We implemented all recommendations made by DOJ OIG.

Peer Review Conducted of DHS OIG Investigative Operations

Our Office of Investigations received a peer review rating of “compliant” in September 2013, as a result of a review completed by the Department of Defense OIG. We implemented all recommended policies and procedures.

Appendix 8

Acronyms and Abbreviations

AFG	Assistance to Firefighters Grant Program
BPA	Border Patrol Agent
CAO	Certified Acquisition Official
CBP	U.S. Customs and Border Protection
CBPO	U.S. Customs and Border Protection Officer
CIO	Chief Information Officer
Coast Guard	United States Coast Guard
DNDO	Domestic Nuclear Detection Office
DOJ	Department of Justice
DRF	Disaster Relief Fund
ELIS	Electronic Immigration System
EMO	Office of Emergency Management Oversight
EMPG	Emergency Management Performance Grant
FBI	U.S. Federal Bureau of Investigation
FEMA	Federal Emergency Management Agency
FLETC	Federal Law Enforcement Training Center
FOB	Forward Operating Base
FPS	Federal Protective Service
HSGP	Homeland Security Grant Program
HSI	ICE Homeland Security Investigations
I&A	Office of Intelligence and Analysis
I&E	Office of Inspections and Evaluations
ICE	U.S. Immigration and Customs Enforcement
INV	Office of Investigations
IQO	Office of Integrity and Quality Oversight
IT	information technology
ITA	Office of Information Technology Audits
KPMG	KPMG LLP
MGMT	Directorate for Management
NFIP	National Flood Insurance Program
NPPD	National Protection and Programs Directorate
OA	Office of Audits
OCSO	Office of Chief Security Officer
OIG	Office of Inspector General
PREA	<i>Prison Rape Elimination Act</i>
PSGP	Port Security Grant Program
RATB	Recovery Accountability and Transparency Board
RWA	Reimbursable Work Agreement
S&T	Science and Technology
Secret Service	United States Secret Service
SOG	Special Operations Group
TSA	Transportation Security Administration
(U)	Unclassified
USCIS	U.S. Citizenship and Immigration Services
WYO	Write Your Own

Appendix 9

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Appendix 10

Index to Reporting Requirements

The specific reporting requirements described in the *Inspector General Act*, including Section 989C of the *Dodd-Frank Wall Street and Consumer Protection Act of 2010*, are listed below with a reference to the pages on which they appear.

Requirement:	Pages
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