

**ICE Did Not Accurately
Measure and Report
Its Progress in Disrupting
or Dismantling
Transnational Criminal
Organizations**





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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

September 19, 2023

MEMORANDUM FOR: Patrick J. Lechleitner
Deputy Director and Senior Official Performing the
Duties of the Director
U.S. Immigration and Customs Enforcement

FROM: Joseph V. Cuffari, Ph.D.
Inspector General
Signed by

Glenn Sklar GLENN E SKLAR
Principal Deputy Inspector General

Digitally signed by
GLENN E SKLAR
Date: 2023.09.15
23:33:10 -04'00'

SUBJECT: *ICE Did Not Accurately Measure and Report Its Progress
in Disrupting or Dismantling Transnational Criminal
Organizations*

For your action is our final report, *ICE Did Not Accurately Measure and Report Its Progress in Disrupting or Dismantling Transnational Criminal Organizations*. We incorporated the formal comments provided by your office.

The report contains three recommendations aimed at improving the Significant Case Report program's overall effectiveness. Your office concurred with all three recommendations.

Based on information provided in your response to the draft report, we consider recommendations 1 through 3 open and resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Please send your response or closure request to oigauditsfollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Acting Deputy Inspector General for Audits, at (202) 981-6000.



DHS OIG HIGHLIGHTS

ICE Did Not Accurately Measure and Report Its Progress in Disrupting or Dismantling Transnational Criminal Organizations

September 19, 2023

Why We Did This Audit

ICE investigates, disrupts, and dismantles transnational criminal threats facing the United States. ICE HSI established the SCR process to identify the most critical investigations, measure and report its progress in disrupting or dismantling criminal organizations, and justify requests for additional resources to Congress. We conducted this audit to determine whether ICE HSI accurately reported to the public its progress in disrupting or dismantling TCOs and leveraged SCR data to inform resource allocations.

What We Recommend

We made three recommendations to help ICE HSI accurately measure and report annual performance data on disrupting and dismantling TCOs and use the data to inform resource requests.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) did not accurately measure and publicly report its progress in disrupting and dismantling transnational criminal organizations (TCO) from fiscal years 2017 through 2022. We reviewed a sample of 422 approved Significant Case Reports (SCR) and determined that 253 (60 percent) did not describe an entity that aligned with HSI's definition of a TCO. HSI included 171 of these non-TCO-related SCRs in its public reporting of TCO disruptions and dismantlements. This occurred because HSI officials relied on SCR approval data, which did not distinguish between TCO-related and non-TCO-related SCRs. As a result, ICE, Congress, and the public do not know how many TCOs HSI disrupted or dismantled from FY 2017 through FY 2022.

Additionally, we reviewed all resource requests that program offices submitted to HSI Office of Administrative Operations from FY 2017 through FY 2022. HSI program officials did not use SCR data in 125 of the 128 (98 percent) resource requests submitted during this period. This occurred because ICE and HSI's annual resource request guidance did not require HSI to consider SCR data. As a result of not including SCR data when applicable, ICE is missing an opportunity to share important information in its resource requests to Congress.

ICE Response

ICE concurred with all three recommendations, which we consider open and resolved.



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Background

Transnational criminal organizations (TCO) place vulnerable Americans at risk while profiting from various schemes such as trafficking drugs, humans, or weapons; smuggling migrants; or laundering money. As the largest investigative arm within the Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) investigates, disrupts, and dismantles transnational criminal threats facing the United States. HSI defines¹ a TCO as: “A self-perpetuating association of individuals who operate across international borders for the purpose of obtaining power, influence, monetary and/or commercial gains, wholly or in part by illegal means.” (See Figure 1.)

Figure 1. What Is a TCO?



Source: DHS Office of Inspector General analysis of Significant Case Report (SCR) handbooks

In 2005, the U.S. Government Accountability Office (GAO) reported² ICE did not have outcome-based performance goals (measures and targets) reflecting how its various investigative activities contribute to the component’s mission and objectives. In 2010, to address a recommendation from GAO’s report, ICE established the SCR process. The SCR process was intended to help HSI identify and categorize the most critical investigations, measure and report its progress in disrupting or dismantling criminal organizations, and justify requests for additional resources to Congress.

The SCR process begins when an HSI special agent identifies a significant criminal case that is targeting a TCO or national security threat. The agent then requests that the initial significant investigation report be designated as

¹ *HSI Significant Case Report Handbook*, HSI HB 22-01, January 3, 2022.

² GAO-06-48SU, *Better Management Practices Could Enhance DHS’s Ability to Allocate Investigative Resources* (December 2005).



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an SCR in ICE’s Investigative Case Management (ICM) system. After this initial designation is approved, special agents may submit subsequent SCRs for HSI activities if the case results in a disruption or dismantlement.

- HSI designates an SCR as a disruption when the investigation impedes the normal and effective operation of the targeted organization or criminal activity.
- HSI designates an SCR as a dismantlement when action(s) taken eliminate the target organization’s leadership, network, and financial base, such that the organization is incapable of reconstituting itself.³
- One criminal case may have more than one approved SCR.

When entering details about an SCR in ICM, special agents indicate the type of criminal activity the case relates to, such as national security, cyber-enabled crime, illicit trade, or foreign or domestic public corruption.

After a special agent submits an SCR for consideration, the SCR undergoes multiple levels of review, including by operations managers and an SCR panel consisting of representatives from multiple program areas. The Assistant Director for Domestic Operations approves each submission (see Figure 2).

Figure 2. SCR Process and Public Reporting



Source: DHS OIG analysis of HSI Office of Administrative Operations (OAO) strategic measure calculation and SCR handbooks

After SCRs are approved, HSI’s OAO uses SCR data to measure and publicly report⁴ on HSI’s work related to disrupting and dismantling TCOs. Specifically, one of the strategic measures HSI uses in its annual Congressional

³ HSI, *Significant Case Report Handbook* (October 2014, updated February 2016).

⁴ DHS Annual Performance Reports and Congressional Justifications.



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Justification⁵ is the number/percent of significant⁶ HSI cases that resulted in a disruption or dismantlement, which is related to TCOs. HSI publicly reported its progress as a percentage from fiscal years 2017 through 2020 by dividing the sum of disruptions and dismantlements by all approved initial investigations. Starting in FY 2021, HSI changed to publicly reporting a total cumulative number of disruptions or dismantlements. According to HSI’s public reporting, the office met its performance target for disrupting or dismantling TCOs every year except for FY 2019⁷ (see Table 1).

Table 1. ICE’s FY 2017 – FY 2022 Performance Measure and Results for Significant Cases that Disrupted or Dismantled TCOs

Description	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Performance Target	15.8%	15.8%	15.9%	16.1%	366	540
HSI Results	22.9%	18.0%	15.1%	24.8%	698	1,083

Source: ICE Congressional Justifications and HSI data

Executive Order 13773⁸ requires Federal law enforcement agencies to prioritize and devote sufficient resources to investigate, apprehend, and prosecute TCO members to disrupt and dismantle these organizations. Through ICE’s annual resource request process, HSI officials request funding necessary to achieve the objectives, commitments, and priorities of the Department, within fiscal guidance constraints. The SCR process also allows HSI to better justify requests for additional resources and enhances HSI’s ability to align those resources with changing threats, priorities, and performance.⁹

⁵ Congressional Justifications outline agency goals and objectives and include annual funding requests.

⁶ To be considered significant, the investigation must involve a high-threat TCO engaged in criminal activity related to child exploitation; travel or finance (both drug-related and non-drug-related); illicit trade; counterterrorism; worksite enforcement; gangs; or national security.

⁷ HSI missed its target in FY 2019 due to a realignment of resources in support of unplanned initiatives that indirectly contributed to a decline in disruptions or dismantlements.

⁸ Executive Order 13773, *Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking*, February 9, 2017.

⁹ HSI memorandum, *New HSI Performance Measures and Significant Case Report (SCR) Module in TECS – Scheduled Release Date: November 15, 2010* (November 12, 2010).



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We conducted this audit to determine whether ICE HSI accurately reported to the public its progress in disrupting or dismantling TCOs and leveraged SCR data to inform resource allocations.

Results of Audit

ICE HSI did not accurately measure and publicly report its progress disrupting or dismantling TCOs from FY 2017 through FY 2022. We reviewed a sample of 422 approved SCRs and determined that 253 SCRs (60 percent) did not describe an entity that aligned with HSI's definition of a TCO. Specifically, many of the approved SCRs that we identified as not TCO-related involved one individual committing a crime in the United States and not crossing any international borders. HSI included 171 of these non-TCO-related SCRs in its public reporting of TCO disruptions and dismantlements. This occurred because HSI officials relied on SCR approval data, which did not distinguish between TCO-related and non-TCO-related SCRs. As a result, ICE, Congress, and the public do not know how many TCOs HSI disrupted or dismantled from FY 2017 through FY 2022.

Additionally, HSI did not use SCR data to inform its resource requests in 125 of the 128 (98 percent) documents prepared as part of ICE's resource request process from FY 2017 through FY 2022. This occurred because ICE and HSI's annual resource request guidance did not require HSI to consider SCR data. As a result of not including SCR data when applicable, ICE is missing an opportunity to share important information in its resource requests to Congress.

HSI Inaccurately Reported Progress in Disrupting or Dismantling TCOs

The *GPRA Modernization Act of 2010*¹⁰ requires all Federal agencies to publicly report actual performance against established performance measures. However, from FY 2017 through FY 2022, HSI did not accurately publicly report¹¹ its progress against its established performance measure of disrupting or dismantling TCOs. Instead, the results that HSI publicly reported included cases that did not involve entities meeting its definition of a TCO.

¹⁰ Pub. L. 111-352. GPRA stands for the *Government Performance and Results Act of 1993*.

¹¹ DHS, *Annual Performance Report, FYs 2017–2019; FYs 2018–2020 Annual Performance Report; FYs 2019–2021 Annual Performance Report; FYs 2020–2022 Annual Performance Report; Congressional Justifications*.



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We selected a statistical sample of 258 cases from a total of 5,016 cases. Each case file contained one or more approved SCRs from FY 2017 through FY 2022, totaling 422 SCRs. We reviewed each of the 258 case files to determine whether the case met HSI’s definition of a TCO, i.e., that the case 1) involved an association of individuals, and 2) involved crossing international borders. Of the 258 cases, we determined that 145 cases had 253 approved SCRs that did not describe an entity that aligned with HSI’s definition of a TCO. These 253 approved SCRs included 52 SCRs that had no association of individuals, 54 SCRs that did not cross international borders, and 147 SCRs that had no association of individuals and did not cross international borders (see Table 2).

We can project, at a 90 percent confidence level, that 2,819 (56 percent) significant HSI cases¹² during this timeframe did not involve entities that met the definition of a TCO.

Table 2. SCRs Not Involving Entities That Met the TCO Definition

Criminal Category Description	(A) No Association of Individuals	(B) Did Not Cross International Borders	Both (A) and (B)	Total
Transnational Crimes Against Children	38	11	107	156
Counter-Proliferation	3	0	0	3
Illicit Trade, Travel, and Finance (Non-Drug-Related)	4	19	9	32
Cyber-Enabled Crime	0	1	0	1
Illicit Trade, Travel, and Finance (Drug-Related)	0	19	1	20
Worksite Enforcement/Labor Exploitation	0	3	0	3
Transnational Gangs	0	1	0	1
National Security	7	0	30	37
Total	52	54	147	253

Source: DHS OIG analysis of approved SCRs

¹² The range of possible values that might be present in the 5,016 cases includes a lower bound limit of 2,564 of 5,016 (51 percent) cases and an upper bound limit of 3,074 of 5,016 (61 percent) cases. This corresponds to a +/- 5 percent margin of error.



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We determined that HSI included 171 of 253 approved SCRs that did not involve a TCO in annual reporting calculations of its key performance measure from FY 2017 through FY 2022. Of these, HSI reported at least 123 specifically as disruptions and dismantlements for the same time period (see Table 3). Because HSI publicly reported its progress as a percentage from FY 2017 through FY 2020 by dividing the sum of disruptions and dismantlements by all approved initial investigations, HSI included the remaining 48 initial investigation SCRs when reporting progress as a percentage.

Table 3. Comparison of Disruptions and Dismantlements Publicly Reported and Those OIG Identified as Inaccurately Reported

Description	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Reported Results	420	347	322	618	698	1,083	3,488
Inaccurately Reported	13	15	7	18	23	47	123

Source: DHS OIG analysis of sampled approved SCRs and HSI performance results calculations

This occurred because HSI OAO staff relied on SCR approval data that did not distinguish between TCO-related and non-TCO-related SCRs. HSI OAO staff did not validate the data used to calculate progress toward HSI’s key TCO performance measure to ensure it actually represented SCRs that met HSI’s definition of a TCO. For HSI officials to approve an SCR, the SCR must meet the established criteria for the assigned category and subcategory. However, some categories and subcategories do not require that the SCR involve an entity that meets the definition of a TCO. For example, multiple subcategories related to crimes against children did not require an association of individuals operating across international borders. As shown in Table 2, we identified 107 approved SCRs related to crimes against children that only involved single domestic offenders. In another example, the Worksite Enforcement/Labor Exploitation category does not require an SCR to identify an association operating across international borders. As shown in Table 2, we identified three approved SCRs in this category that did not involve crimes across international borders.

As a result of inaccurate reporting, ICE, Congress, and the public do not know how many TCOs HSI disrupted or dismantled from FY 2017 through FY 2022.



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HSI Did Not Use SCR Data to Justify Resource Requests

According to a November 2010 HSI memorandum¹³ and the SCR handbooks, the SCR process allows HSI to generate data it can use to better inform its resource requests for future law enforcement activity. ICE and HSI's annual resource request guidance¹⁴ explained that justifications for budget requests can be more compelling by incorporating data and tangible outcomes. As part of ICE's annual resource request process, HSI OAO officials request that program offices develop and submit resource requests for resources needed to complete their missions. Resource requests should include a description, justification, cost, and impact of the resources on HSI's performance.

We reviewed all resource requests that program offices submitted to HSI OAO from FY 2017 through FY 2022. We determined HSI program officials did not use SCR data in 125 of the 128 (98 percent) resource requests submitted during this period. For example:

- In FY 2022, HSI requested \$3.0 million and 16 positions to ensure HSI Victim Assistance Program personnel had the necessary tools and resources to provide critical victim assistance. This program responded to victims' needs in a range of crimes, including human trafficking, child pornography and child sex tourism, and human rights abuses. Although SCR data from the Illicit Trade, Travel, and Finance (non-drug-related); Transnational Crimes Against Children; and National Security SCR categories may have further supported this request, HSI did not consider data from these categories or related subcategories.
- In FY 2020, HSI requested \$8.8 million and 12 positions for the Cyber Crimes Center's Cyber Crimes Unit to provide advanced capabilities, training, and personnel to effectively counter TCOs and malicious cyber threats. Although SCR data from the Cyber-Enabled Crime SCR category may have further supported this request, HSI did not consider data from this category or its subcategories.

¹³ HSI memorandum, *New HSI Performance Measures and Significant Case Report (SCR) Module in TECS – Scheduled Release Date: November 15, 2010* (November 12, 2010).

¹⁴ *ICE Office of Budget and Program Performance (OBPP) FY 2021 Resource Allocation Plan* (February 20, 2019); *HSI Budget Formulation and Reporting (BFR) FY 2022 Resource Allocation Plan Quad Chart Data Call* (February 2020); *HSI BFR, Pre-FY 2023 Resource Allocation Plan, Quad Chart Data Call* (November 2020); *OBPP Budget Formulation FY 2023 Resource Allocation Plan* (December 14, 2020); *HSI BFR FY 2024 Pre-Resource Allocation Plan Quad Chart Data Call* (November 2021).



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- In FY 2020, HSI requested \$10.6 million and five positions for the Child Exploitation Investigations Unit to enhance its investigative capacity to combat child exploitation and keep up with emerging trends and technology. Although SCR data from the Transnational Crimes Against Children SCR category may have further supported this request, HSI did not consider data from this category or at least four related subcategories.

HSI program officials did not use SCR data because ICE and HSI's annual resource request guidance did not require HSI to consider SCR data. As a result of not including SCR data when applicable, ICE is missing an opportunity to share important information in its resource requests to Congress.

Recommendations

Recommendation 1: We recommend the Homeland Security Investigations Executive Associate Director require special agents to identify in the Investigative Case Management system whether each Significant Case Report submission involves an entity that meets HSI's definition of a transnational criminal organization.

Recommendation 2: We recommend the Homeland Security Investigations Executive Associate Director implement data validation processes to ensure accurate reporting of disruptions and dismantlements of transnational criminal organizations.

Recommendation 3: We recommend the Homeland Security Investigations Assistant Director of Administrative Operations develop and implement guidance for program offices to require the use of Significant Case Report data, where applicable, in their annual resource requests to Congress.

Management Comments and OIG Analysis

ICE concurred with all three recommendations, and we consider them open and resolved. Appendix A contains ICE's management comments in their entirety. We also received technical comments on the draft report and made revisions as appropriate. A summary of ICE's responses and our analysis follows.

ICE commented that it does not believe the method of selecting the random sample noted in the draft report was adequately documented. The report



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clearly documents the sampling selection process and methodology in the Objective, Scope, and Methodology section. Additionally, ICE expressed concern that the report identifies a projection with a 90 percent confidence level and does not include a range for the projection. The range is included in footnote 12, as 51 to 61 percent. We also provided HSI an opportunity to review and validate the SCR testing results and made changes as appropriate in May and June 2023.

ICE Response to Recommendation 1: Concur. ICE HSI has updated its ICM system with a new “TCO involvement” yes/no checkbox that is mandatory when users create SCRs. ICE will develop associated instructions, training, and updated memorandums during FY 2024. Estimated Completion Date (ECD): September 30, 2024.

OIG Analysis of ICE Comments: ICE’s corrective action plan is responsive to the recommendation. In August 2023, DHS OIG observed enhancements to ICM as a result of this audit project and credits ICE for taking immediate steps toward resolving this recommendation. This recommendation will remain open and resolved until ICE provides evidence it developed associated instructions, training, and updated memorandums during FY 2024 as well as evidence of several monthly SCR panel reviews under the new processes in place.

ICE Response to Recommendation 2: Concur. HSI OAO will implement data validation processes for SCRs in ICM beginning in the first quarter of FY 2024. ECD: November 29, 2024.

OIG Analysis of ICE Comments: ICE’s corrective action plan is responsive to the recommendation. This recommendation will remain open and resolved until ICE provides documentation showing that HSI OAO has implemented data validation processes to enhance the accuracy of its reporting against the established performance measure of the number of significant cases disrupting or dismantling TCOs.

ICE Response to Recommendation 3: Concur. HSI OAO will develop guidance and training documents to require the use of SCR data in program offices’ annual resource requests to Congress, as appropriate. Additionally, when reviewing budget request proposals, HSI budget analysts will recommend program offices use SCR data. ECD: January 31, 2024.

OIG Analysis of ICE Comments: ICE’s corrective action plan is responsive to the recommendation. This recommendation will remain open and resolved



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until ICE provides documentation showing updated guidance and training materials requiring the use of SCR data in program offices' annual resource requests to Congress, as appropriate. Additionally, DHS OIG will need to see evidence that HSI budget analysts made recommendations for program offices to use SCR data, when appropriate.

Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*.

We conducted this audit to determine whether ICE HSI accurately reported to the public its progress in disrupting or dismantling TCOs and leveraged SCR data to inform resource allocations. The audit focused on SCRs approved by HSI officials from FY 2017 through FY 2022.

To answer our objective, we reviewed and analyzed relevant Federal laws and executive orders, congressional testimony, prior audit reports, and component policies and guidance. We also interviewed officials from program offices including:

- ICE's Budget and Program Performance Division's Budget Operations and Performance Analysis and Evaluation units to understand ICE's resource request and strategic measurement process;
- HSI OAO to understand how HSI identifies its annual resource needs and how this information flows from HSI to ICE; and
- HSI's Domestic Operations Division, including the SCR program manager, to understand the SCR program and the process for reviewing and approving SCR submissions.

We assessed HSI's internal control structure as it related to the audit objective. We identified and reported deficiencies in the control activities, monitoring, and information and communication components of internal control. Because we limited our review to addressing our audit objective, our work may not have identified all internal control deficiencies that may have existed at the time of this audit.

To determine whether HSI accurately reported to the public its progress in disrupting or dismantling TCOs, we requested and obtained 8,275 SCRs approved in ICM from FY 2017 through FY 2022. We verified accuracy of the



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date parameters and record totals from our ICM data request. We ensured no missing, unexplained, or duplicate records were present. We deemed the ICM SCR approval dataset to be reliable for the purposes of our audit work.

We worked with the DHS OIG Data Services Division to select a simple random statistical sample from the 8,275 approved SCRs, which corresponded to 5,016 unique cases. We used a 90 percent confidence level and 5 percent margin of error to select a statistical sample of 258 cases from these 5,016 cases. These 258 cases correspond to 422 approved SCRs. We tested each approved SCR to ensure it aligned with HSI guidance and to determine whether HSI accurately reported the SCR to the public as part of its annual performance measure. DHS OIG's Data Services Division reviewed and validated our statistical sample and its results, and we accurately captured those results in this report. We also provided HSI an opportunity to review and validate the SCR testing results and made appropriate changes as needed in May and June 2023.

To determine whether HSI used SCR data to inform its resource requests, we reviewed all 128 resource requests that program offices submitted to HSI OAO from FY 2017 through FY 2022.

We conducted this performance audit between September 2022 and June 2023 pursuant to the *Inspector General Act of 1978*, 5 U.S.C. §§ 401-424, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of Audits major contributors to this report are Shelley Howes, Director; Stephanie Brand, Audit Manager; Andrew Herman, Auditor-In-Charge; Joshua Simon, Senior Auditor; Justin Kerr, Senior Auditor; Maria Romstedt, Communications Analyst; Sandra Parsons, Assistant Inspector General for Innovation; Gaven Ehrlich, Supervisory Program Analyst; Azriel Krongauz, Data Scientist; Muhammad (Faizul) Islam, Statistician; and Oscar Andino, Independent Referencer.

DHS OIG's Access to DHS Information

During this audit, HSI provided timely responses to DHS OIG's requests for data and records and did not delay or deny access to information we requested.



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Appendix A
ICE Comments to the Draft Report

U.S. Department of Homeland Security
500 12th Street, SW
Washington, D.C. 20536



**U.S. Immigration
and Customs
Enforcement**

August 28, 2023

MEMORANDUM FOR: Joseph V. Cuffari, Ph.D.
Inspector General

FROM: Max Aguilar **MAX L AGUILAR** Digitally signed by MAX L AGUILAR
Chief Financial Officer (Acting) and Deputy Executive Date: 2023.08.28 11:54:37 -04'00'
Associate Director for Management and Administration
U.S. Immigration and Customs Enforcement

SUBJECT: Management Response to Draft Report: "ICE Did Not
Accurately Measure and Report Its Progress in Disrupting or
Dismantling Transnational Criminal Organizations"
(Project No. 22-060-AUD-ICE)

Thank you for the opportunity to review and comment on this draft report. The U.S. Immigration and Customs Enforcement (ICE) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

ICE leadership is pleased to note OIG's recognition of ICE Homeland Security Investigations' (HSI) significant impact over the years in disrupting and dismantling transnational criminal organizations (TCOs). ICE HSI Special Agents, in collaboration with partners in the United States and abroad, develop evidence to identify and build criminal cases against TCOs, terrorist networks and facilitators, and other criminal elements that threaten the Homeland. HSI also works with prosecutors to take actions including arresting and indicting violators, executing criminal search warrants, and seizing criminally derived money and assets, and take other actions with the goal of disrupting and dismantling TCOs operating throughout the world. These efforts help protect the national security and public safety of the United States.

More specifically, HSI International Operations has a network of over 400 personnel, including over 225 special agents, deployed to 86 offices and 9 Department of Defense liaisons in 55 countries, including the United States, who conduct investigations against terrorist and other criminal organizations that threaten our national security. HSI International Operations disrupts and dismantles TCOs that seek to exploit America's legitimate trade, travel and financial systems, and enforces U.S. customs and immigration

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laws at and beyond our nation's borders to prevent threats from entering the United States.

These efforts include Transnational Criminal Investigative Units (TCIUs) in 11 countries. HSI TCIUs are comprised of foreign law enforcement officials, customs officers, immigration officers and prosecutors who undergo a strict vetting process to ensure that shared information and operational activities are not compromised. Aligned with the President's Strategy in Combatting Transnational Organized Crime,¹ TCIUs identify targets, collect evidence, share intelligence, and facilitate the prosecution of TCOs both in-country and through the U.S. judicial system.

While ICE leadership agrees it is important to accurately report on its performance measures for TCOs, leadership is concerned with the validity of the OIG's findings, given the dearth of documentation on the statistical method used for this audit. For example, ICE does not believe the method of selecting the random sample noted in OIG's draft report was adequately documented, so it is unclear whether the auditors used a stratified random sample or a simple random sample, and use of two different sampling methods could impact the reported results. Further, regarding OIG's statement on page 5 of the draft report, "We can project, at a 90 percent confidence level, that 2,819 (56 percent) significant HSI cases during this timeframe did not involve entities that met the definition of a TCO," it is not clear whether this sentence includes only a single point estimate instead of a range using the confidence interval. Therefore, ICE is unable to validate the assertion.

The draft report contained three recommendations with which ICE concurs. Enclosed find our detailed response to each recommendation. ICE previously submitted technical comments addressing several accuracy, contextual, sensitivity and other issues under a separate cover for OIG's consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions.

Enclosure

¹ <https://obamawhitehouse.archives.gov/administration/eop/nsc/transnational-crime>



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**Enclosure: Management Response to Recommendations
Contained in 22-060-AUD-ICE**

OIG recommended that the ICE HSI Executive Associate Director:

Recommendation 1: Require special agents to identify in the Investigative Case Management system whether each Significant Case Report submission involves an entity that meets HSI's definition of a transnational criminal organization.

ICE Response: Concur. On July 18, 2023, the ICE HSI Cyber and Operational Technology (COT) implemented a new "TCO involvement" yes/no checkbox that is now mandatory when users create Significant Case Reports (SCRs) in the Investigative Case Management (ICM) System. ICE will develop associated instructions, training, and update memorandums during fiscal year (FY) 2024. The first SCR panel review of FY 2024 will be held on October 18, 2023. This will sufficient time following completion of the planned September 18, 2023, panel review to prepare and provide guidance to Desk Officers and panel members with specific instruction in approving the TCO designation. Estimated Completion Date (ECD): September 30, 2024.

Recommendation 2: Implement data validation processes to ensure accurate reporting of disruptions and dismantlements of transnational criminal organizations.

ICE Response: Concur. HSI Office of Administrative Operation (OAO) will implement data validation processes for SCRs in the ICM system. Beginning in quarter one of FY 2024, HSI OAO will report SCR data that includes the newly implemented "TCO involvement" indicator in ICM. ECD: November 29, 2024.

OIG recommended that the ICE HSI Assistant Director of Administrative Operations:

Recommendation 3: Develop and implement guidance for program offices to require the use of Significant Case Report data, where applicable, in their annual resource requests to Congress.

ICE Response: Concur. HSI OAO will develop guidance to require the use of SCR data in program offices' annual resource requests to Congress, as appropriate. The guidance will be incorporated into the annual Resource Allocation Process training, which is typically scheduled in October of each FY. In addition, HSI budget analysts will make recommendations to the programs for the use of SCR data when conducting their review



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of budget request proposals. HSI OAO plans to complete the initial updated training to use of Significant Case Report data by December 29, 2023. ECD: January 31, 2024.



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