



Department of Homeland Security **OFFICE OF INSPECTOR GENERAL**



Semiannual Report to the Congress
April 1, 2016 through September 30, 2016

Inspector General's Message

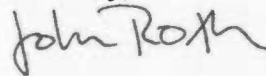
The Honorable Jeh C. Johnson
Secretary
Department of Homeland Security
Washington, DC 20528

Dear Mr. Secretary:

I am pleased to present our semiannual report, which summarizes the work and accomplishments of our office during the second half of fiscal year 2016. This period's report format is new, and designed to highlight our role as an independent audit, inspection and investigative component, whose purpose is to be an agent of positive change and to assist the Department in increasing the efficiency and effectiveness of its operations. We believe that our efforts help fulfil the DHS mission: "With honor and integrity, we will safeguard the American people, our homeland, and our values."

I would like to again express our gratitude to you and the rest of the Department's leadership for supporting the Inspector General mission.

Sincerely,



John Roth
Inspector General

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Highlights of OIG Activities and Accomplishments

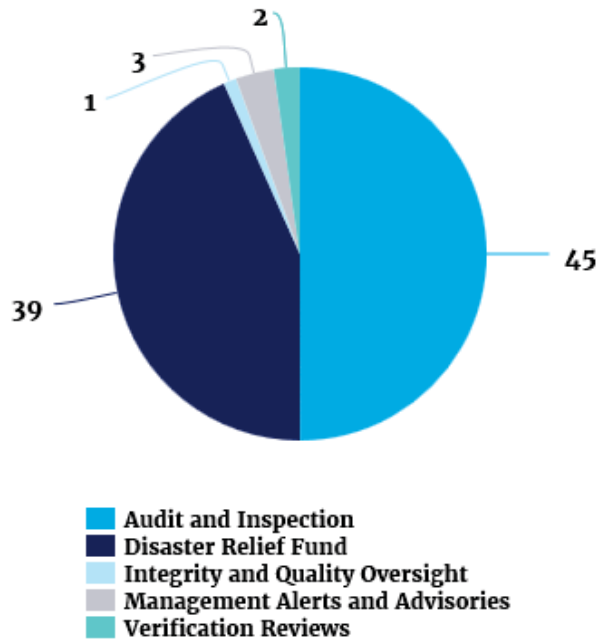
April 1, 2016 through September 30, 2016

During this reporting period, the DHS Office of Inspector General completed significant audits, inspections, and investigations to promote economy, efficiency, effectiveness, and integrity in the Department’s programs and operations.

Reports Issued to DHS

We issued 90 reports, including management advisories, alerts, and reports on Disaster Relief Fund spending (appendix 4), as well as 406 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.



Dollar Impact

Our audits resulted in questioned costs of \$162,199,883, of which \$25,544,367 did not have supporting documentation. The Department recovered or deobligated from audits \$4,145,182 (appendix 5). We issued 13 reports identifying \$89,607,287 in funds put to better use. Additionally, we reported \$6,232,310 in recoveries, fines, and restitutions from investigations.

Type of Impact	Amount
Questioned Costs	\$162,199,883
Funds to be Put to Better Use	\$89,607,287
Management Agreement that Funds be Recovered/Deobligated from Audits	\$539,861
Funds Recovered/Deobligated from Audits	\$4,145,182
Recoveries from Investigations	\$5,518,816
Funds Recovered from Audits and Investigations	\$9,663,998
Fines from Investigations	\$20,238
Restitution from Investigations	\$693,256

Funds Recovered/Deobligated

\$9,663,998

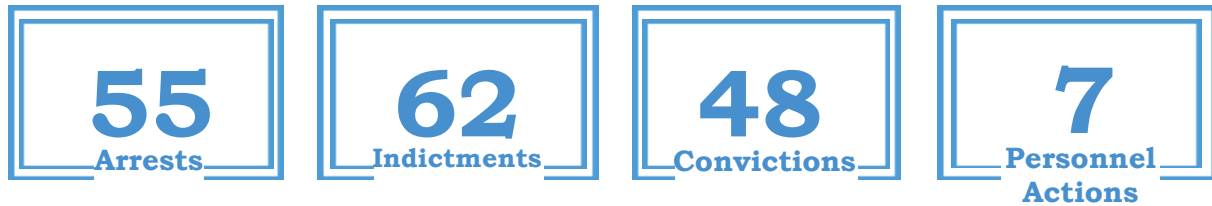
Highlights of OIG Activities and Accomplishments (continued)

Investigations

We initiated 450 and closed 431 investigations. Our investigations resulted in 55 arrests, 62 indictments, 48 convictions, and 7 personnel actions.

Type of Investigation	Number
Investigative Reports Issued	406
Investigations Initiated	450
Investigations Closed	431
Open Investigations	986
Investigations Referred for Prosecution	124
Investigations Accepted for Prosecution	34
Investigations Declined for Prosecution	93

Investigations resulted in



Complaints

The OIG Hotline is a resource for Federal employees and the public to report allegations of employee corruption, civil rights and civil liberties abuses, program fraud and financial crimes, and miscellaneous criminal and non-criminal activity associated with waste, abuse, or fraud affecting the programs and operations of the Department. In addition, whistleblower disclosures play a crucial role in keeping the Department efficient and accountable.

Complaints	Number
Total Complaints Received	11,213
Hotline Complaints (excludes whistleblower complaints)	11,100
Whistleblower Complaints	113
Complaints Referred (to programs or other agencies)	8,740
Complaints Closed	10,779

Highlights of OIG Activities and Accomplishments (continued)

Creation of Whistleblower Protection Unit

DHS OIG investigates allegations of whistleblower reprisal made by uniformed United States Coast Guard members; DHS contractors; subcontractors and grantees; and DHS employees. The Whistleblower Protection Unit (WPU) conducts investigations under the authority of the *Inspector General Act of 1978*, as amended, and pursuant to the *Military Whistleblower Protection Act*, 10 U.S.C. § 1034, *Presidential Policy Directive 19*, and the *Pilot Program for Enhancement of Contractor Protection*, 41 U.S.C. § 4712. Investigations under these statutes are mandatory by DHS OIG when a prima facie case of reprisal is alleged. Additionally, in certain cases, DHS OIG conducts investigations pursuant to the *Whistleblower Protection Act*, 5 U.S.C. § 2302.

Whistleblower Complaints	Number
Total Complaints Received	113
Whistleblower Reprisal Complaints Identified and Reviewed	45
Whistleblower Reprisal Investigations Opened	7
Active Whistleblower Reprisal Investigations	33

During this reporting period, DHS OIG undertook a substantial reorganization and rebuilding of its whistleblower protection function by creating a new and dedicated WPU housed in the Office of Counsel. The WPU is comprised of the Whistleblower Ombudsman and a whistleblower investigator. Two new whistleblower investigator positions were advertised and are in the process of being filled with series 1810 administrative investigators. The WPU has primarily been responsible for intake and preliminary complaint review during this timeframe, while Special Agents from the DHS OIG Office of Investigations currently conduct all whistleblower investigations that are opened jointly with attorneys from the Office of Counsel.

During the reporting period, the WPU received 113 complaints for review. The WPU reviewed these complaints and determined that 45 complaints contained allegations of reprisal for protected whistleblower activity. DHS OIG opened seven of these reprisal complaints for full investigation (three Coast Guard members, two DHS contractors, one security clearance revocation, and one non-mandatory investigation). Of the remaining 38 complaints, 14 complaints were declined due to pending investigation by other entities (such as the U.S. Office of Special Counsel (OSC), U.S. Merit Systems Protection Board, and the U.S. Equal Employment Opportunity Commission) regarding the same allegations; 13 were dismissed due to insufficient response or information from the complainant after a request by DHS OIG; 5 complaints (non-mandatory

Highlights of OIG Activities and Accomplishments (continued)

investigations) were declined for workload reasons; and 6 complaints are pending receipt of additional documentation by the WPU before a final determination is made.

Additionally, during this reporting period, the Whistleblower Protection Ombudsman (WPO) ensured that DHS OIG successfully completed OSC's 5 USC 2302(c) Certification Program as required by the *Whistleblower Protection Enhancement Act*, and facilitated completion of the program by all but one of the Department of Homeland Security's components. The WPO made more than 100 outreach contacts with internal and external partners and stakeholders during this reporting period.



IMPROVED ANALYTICS CAPACITY

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 the RATB to establish a similar analytics capacity within DHS OIG. We hired an analyst and are looking to recruit a data architect and additional data analytics personnel. We made substantial progress testing and installing the state-of-the-art suite of hardware and software needed to analyze structured and unstructured data, perform link analysis, and examine geospatial information. Further, we implemented processes and procedures to vet Disaster Relief Fund (DRF) contractors and assess DRF audit risks, similar to services that the RATB previously provided. In the long term, we expect to expand this in-house capability to support data analytic needs across DHS OIG on audits addressing range of issues including border and transportation security, immigration and citizenship, budget and contract management, cybersecurity, customs enforcement, and research and development.

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 Offices	DHS Component and Offices
Executive Office Office of Audits (OA) Office of Counsel Office of Emergency Management Oversight (EMO) Office of Information Technology Audits (ITA) Office of Inspections and Evaluations (I&E) Office of Integrity and Quality Oversight (IQO) Office of Investigations (INV) Office of Legislative Affairs Office of Management Office of Public Affairs	Directorate for Management (MGMT) Domestic Nuclear Detection Office (DNDO) Federal Emergency Management Agency (FEMA) Federal Law Enforcement Training Center (FLETC) National Protection and Programs Directorate (NPPD) Office of the Citizenship and Immigration Services Ombudsman Office for Civil Rights and Civil Liberties Office of Inspector General (OIG) Office of Intelligence and Analysis (I&A) Office of Intergovernmental Affairs Office of Legislative Affairs Office of Operations Coordination Office of Policy Office of Public Affairs Privacy Office Science and Technology Directorate (S&T) Transportation Security Administration (TSA) U.S. Citizenship and Immigration Services (USCIS) United States Coast Guard (USCG) U.S. Customs and Border Protection (CBP) U.S. Immigration and Customs Enforcement (ICE) U.S. Secret Service (Secret Service)

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 9,775 recommendations to improve the economy, effectiveness, efficiency, and integrity of the Department's programs and operations. As of September 30, 2016, the Department took action to address all but 537 of those recommendations. Congress has also taken notice of our work and called on us to testify 137 times since our office was created.

During this reporting period, we issued 90 new reports and 184 unique recommendations to the Department, and closed 178 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 four times about our efforts to improve the Department.

OIG Activity April 1, 2016 – September 30, 2016



We have highlighted a number of audits and inspections that we conducted during the reporting period in the following five mission 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
- Improving Management Stewardship and Combating Fraud, Waste, and Abuse

PREVENTING TERRORISM AND OTHER THREATS

Preventing terrorist attacks on the Nation is and should remain the cornerstone of homeland security. The terrorist threat to the Nation has evolved, and it demands a highly agile and well-informed response to anticipate, detect, target, and disrupt threats. We found challenges that impede the Secret Service's ability to protect the White House and its occupants. We also found challenges with TSA's eligibility and background check process used to issue Transportation Worker Identification Credentials (TWIC). TSA must take steps to ensure only eligible individuals have unescorted access to secure areas of maritime facilities.

What We Found

1 2014 White House Fence Jumping Incident
On September 19, 2014, an intruder jumped over a White House Complex fence and entered the White House before Secret Service personnel could apprehend him. Technical problems with radios, security equipment, and notification systems impeded the protective response. We found that resource and management issues are negatively affecting the component's Uniformed Division and, potentially, its ability to protect the White House and its occupants. The Uniformed Division is severely understaffed, which has led to inadequate training, fatigue, low morale, and attrition.

2 TWIC Background Checks Not as Reliable as They Could Be
We determined that TSA's leadership, responsible for issuing the TWIC, does not provide sufficient oversight and guidance to ensure that the TWIC program operates effectively. Specifically —

- fraud detection techniques are not monitored and used in completing background checks;
- adjudicators may grant TWICs even if questionable circumstances exist; and
- key quality assurance and internal control procedures are missing from the background check process.

As a result, there is no assurance that individuals who are in the program with unescorted access to secure areas of maritime facilities continue to be eligible.

DHS Response

The Secret Service has attempted to resolve technical issues, as well as some problems with UD staffing and training. In most cases, it is too early to tell whether these actions will lead to more effective protective operations and whether the Secret Service can continue to fund and sustain the corrections and improvements.

TSA leadership has taken corrective action that includes realignment of the Security Threat Assessment Operations Division to the Office of Intelligence and Analysis, which oversees the TWIC program. With the realignment, TSA is establishing a single point of accountability for all security threat assessment programs management and operations. TSA will also perform a risk analysis to review existing controls, identify and analyze risks, and promote control activities.

Moving Forward

The Secret Service plans to invest about \$45 million over the next 2 to 3 years to upgrade its radio systems. The Secret Service began addressing problems with Uniformed Division staffing and training. These corrections and improvements must be sustained and funded, and overcoming more deeply rooted challenges will require diligence and the full commitment of Secret Service leadership. TSA has taken steps to improve the efficiency and effectiveness of the TWIC program through a review of its management structure and an analysis of internal controls.

ENHANCING BORDER AND TRANSPORTATION SECURITY AND IMMIGRATION ENFORCEMENT

CBP, USCIS, ICE, and TSA are responsible for protecting our borders, securing the transportation system, and enforcing our immigration laws. We found that USCIS did not have all the information needed to review applications for immigration benefits. Challenges TSA faces include (1) establishing a risk-based security strategy and (2) establishing regulatory oversight processes and policies to strengthen passenger security.

What We Found

1 Potentially Ineligible Individuals Granted U.S. Citizenship Due to Incomplete Fingerprint Records

USCIS granted U.S. citizenship to at least 858 individuals ordered deported or removed under another identity when, during the naturalization process, their digital fingerprint records were not available. Neither USCIS nor the Federal Bureau of Investigation (FBI) has all old fingerprint records available. ICE has not yet reviewed about 148,000 aliens' files to retrieve and digitize the old fingerprint files.

2 TSA Needs a Crosscutting Risk-Based Security Strategy

We determined that TSA lacks a crosscutting risk-based security strategy that informs security and resource decisions across all transportation modes. Though TSA has security programs for the surface modes, its agency-wide risk management organizations provide little oversight of these programs. TSA also lacks a formal process to incorporate risk in its budget formulation decisions.

3 TSA Oversight of National Passenger Rail System Security

TSA has limited regulatory oversight processes and policies to strengthen passenger security at Amtrak because the component has not fully implemented all requirements from Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*.

DHS Response

DHS has established a team to review the records of the 858 aliens and will determine which individuals appear to have been ineligible for naturalization and will coordinate with the Department of Justice (DOJ) for possible prosecution and denaturalization. DHS is taking steps to procure contractor services to help review the 148,000 files and digitize and upload fingerprint records to the Automated Biometric Identification System.

TSA is taking steps to develop a risk based security strategy that encompasses all transportation modes; ensure risk management oversight and support are provided for all transportation modes; and establish a formal budget planning process that uses risk to help inform resource allocations.

TSA stated it continues to work promptly to develop a milestone plan and has assigned the highest priorities to the rulemakings. DHS Office of Counsel will coordinate with the Office of Management and Budget (OMB) for the required review of the remaining passenger rail regulations.

Moving Forward

ICE indicated it was taking steps to digitize and upload fingerprint records into its database, and DHS had established a team to review the records of the 858 aliens who had been naturalized. TSA is taking steps to improve its risk assessment for all modes of transportation and implement regulations for rail security.

SECURING CYBERSPACE AND INFORMATION TECHNOLOGY ASSETS

Information technology (IT) investments play a critical role in enabling the Department to accomplish its diverse, complex, and evolving missions. However, as a result of our audit projects on cybersecurity, financial statements, and the Security Technology Integrated Program, we identified a common need for formal policies and procedures and improved IT controls.

What We Found

1 Department of Homeland Security's Implementation of the Cybersecurity Act of 2015

The Department has taken a number of steps to implement provisions in Section 406 of the *Cybersecurity Act*. However, we found the following:

- not all DHS components used data exfiltration protection capabilities to support data loss prevention, forensics and visibility, and digital rights management; and
- the Department had not developed policies and procedures to ensure contractors implement data protection solutions.

2 Information Technology Management Letters For Select DHS Components of FY 2015 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. KPMG continued to identify general IT control deficiencies related to security management, access controls segregation of duties, configuration management, and contingency planning for component core financial and feeder systems.

3 IT Management Challenges in TSA's Security Technology Integrated Program (STIP)

TSA did not effectively manage all IT components of STIP as IT investments. TSA did not ensure that IT security requirements were included in STIP procurement contracts. TSA also did not report all STIP IT costs in its annual budgets, hindering the agency from effectively managing and evaluating the benefits and costs of STIP.

DHS Response

We submitted this report to the appropriate Congressional oversight committees for informational purposes. Although we made no recommendations, DHS components we reviewed generally recognized that additional actions were needed to protect sensitive personally identifiable information (PII) and classified information from unauthorized access, use, and disclosure.

DHS and its components are currently working to remediate the issues identified during the financial statement audit. KPMG continues to review the status of these issues during the 2016 audit.

TSA initiated corrective actions by developing a Cybersecurity Statement of Objective including critical requirements bringing legacy transportation security equipment (TSE) into compliance with IT security controls mandated by DHS. Further, TSA began to catalogue and disconnect any TSA TSE not running a supported operating system.

Moving Forward

DHS can benefit from additional data protection capabilities to help ensure sensitive PII and classified information are secure from unauthorized access, use, and disclosure. DHS and its components are currently working to remediate the financial statement IT control deficiencies. Also, TSA has taken steps to address cybersecurity issues as well as develop plans to address systemic issues.

PROMOTING DISASTER RESILIENCE AND DISASTER GRANT MANAGEMENT

FEMA provides funds to state, territorial, local, and tribal governments to enhance their ability to prepare for, prevent, protect against, respond to, and recover from terrorist attacks, major disasters, and other emergencies. We continued to find problems with grant management, ineligible and unsupported costs, and noncompliance with Federal procurement regulations and contracting requirements.

What We Found

1 **FEMA Can Do More to Improve Public Assistance Grantees' and Subgrantees' Compliance with Federal Procurement Rules**

FEMA does not use all available remedies to enforce compliance with Federal procurement rules. Over the 6 years ended September 30, 2014, FEMA has allowed at least \$321.7 million in ineligible procurement costs we questioned under its Public Assistance grants. We questioned \$352.3 million for contract costs that did not comply with Federal procurement regulations. Of that amount, FEMA has allowed \$321.7 million, or about 91.3 percent of questioned costs.

FEMA Should Suspend All Grant Payments on the Coastal Retrofit Program

2 We found that Mississippi did not provide proper oversight of the \$29.9 Million in Hazard Mitigation Grant Program funds approved for the program. The program's goal was to help 2,000 Mississippi homeowners strengthen their homes against wind damages in future disasters. As a result, FEMA has no assurance that Mississippi properly accounted for and expended Federal funds.

FEMA Needs to Monitor the City of Evans, Colorado, to Ensure Compliance with Procurement Regulations

3 We determined the City did not follow Federal procurement standards in awarding 22 contracts totaling \$3.6 million, which included \$3 million for 12 non-exigent contracts and \$599,881 for 10 exigent contracts. We recommended that FEMA disallow \$2,958,046 as ineligible contract costs. We also recommended that FEMA direct Colorado to increase its monitoring of the City to ensure it complies with Federal procurement regulations and to prevent the potential improper spending of approximately \$7,171,695 in procurements.

DHS Response

FEMA is taking steps to address compliance with Federal procurement rules. Action plans include issuance of a field manual which addresses procurement standards and guidance on exigent and emergency circumstances. FEMA also will develop more tailored enforcement options to address different types of procurement noncompliance.

FEMA initiated corrective action and will suspend all payments to the program until Mississippi can provide adequate documentation for the funds expended. FEMA officials have also verified that the scope of work has been completed and complies with Federal regulations.

As a result of our audit, the City modified its procurement policies and procedures to comply with Federal requirements. FEMA has also provided procurement training to the City through Procurement Disaster Assistance Team training. FEMA will further review all documentation and costs associated with properly awarded costs.

Moving Forward

FEMA has been responsive in implementing our recommendations for administrative actions and for putting unspent funds to better use. However, FEMA has not sufficiently held grant recipients financially accountable for improperly spending disaster relief funds. FEMA should: (1) hold grantees and subgrantees accountable for material noncompliance with Federal statutes and regulations and (2) demand grantees and subgrantees properly account for and expend FEMA funds.

IMPROVING MANAGEMENT STEWARDSHIP AND COMBATING FRAUD, WASTE, AND ABUSE

Congress and the public must be confident that DHS is managing its finances to make informed decisions, manage government programs, and implement its policies. Effective oversight includes ensuring implementation of regulations and policies designed to enhance security and prevent fraud, waste, and abuse. We found the Department faces challenges in its use of Reimbursable Work Agreements (RWA) with the General Services Administration (GSA), justification of CBP investigator staffing, and complying with *Improper Payments Elimination and Recovery Act of 2010* (IPERA).

What We Found

1 DHS Use of Reimbursable Work Agreements with GSA

We reviewed 20 RWAs and questioned 10 RWAs with obligated funds of more than \$47 million that did not comply with requirements. We determined —

- components did not always provide evidence that statements of work were prepared and submitted to GSA or that detailed cost estimates for the work to be performed were on file as required; and
- some components were not able to reconcile RWA expenditures with GSA's records or provide evidence that unused funds were deobligated at closeout.

This occurred because of limited policies, poor controls, and inconsistent oversight in DHS' RWA process.

2 CBP Needs Better Data to Justify Criminal Investigator Staffing

CBP converted 183 staff to criminal investigative positions without determining the appropriate number of investigators needed to effectively and efficiently accomplish its mission. We found CBP did not:

- assess major duties its criminal investigators perform;
- conduct an adequate analysis of its staffing needs; and
- develop performance measures to assess the effectiveness of its investigative operations.

Without a comprehensive process and analysis, CBP may have improperly spent the approximately \$3.1 million it paid for criminal investigators' premium pay in FY 2015.

3 DHS Did Not Fully Comply with IPERA

DHS did not fully comply with IPERA because it did not meet its annual reduction targets established for each high-risk program as required by OMB. DHS did not properly perform oversight of the components' improper payment testing and reporting. DHS did not properly document its review of the components' risk assessments.

DHS Response

As a result of our audit, the Department is taking action to update policy to address RWA requirements, including retention of statements of work, cost estimates, reconciliation of expenditures, and deobligation of unused funds at closeout. Also, the Coast Guard and USCIS will review their RWAs to identify reasons for differences and make any needed adjustments.

CBP's Office of Internal Affairs (A) has taken action to conduct an agency-wide review of position descriptions to ensure all investigator positions are properly classified based on a detailed description of an incumbent's major roles.

As a result of our audit, DHS' Risk Management and Assurance (RM&A) Division will review all risk assessments and ensure proper documentation of all actions related to the risk assessment reviews. Further, RM&A has retained additional personnel to timely review and approve Components' risk assessments.

Moving Forward

DHS concurred with our recommendations in these audits and took action to improve its oversight of programs and operations and prevent fraud, waste, and abuse. DHS indicated it is improving its oversight over RWAs, conducting a Department-wide review of position descriptions, and documenting its review of components' risk assessments.

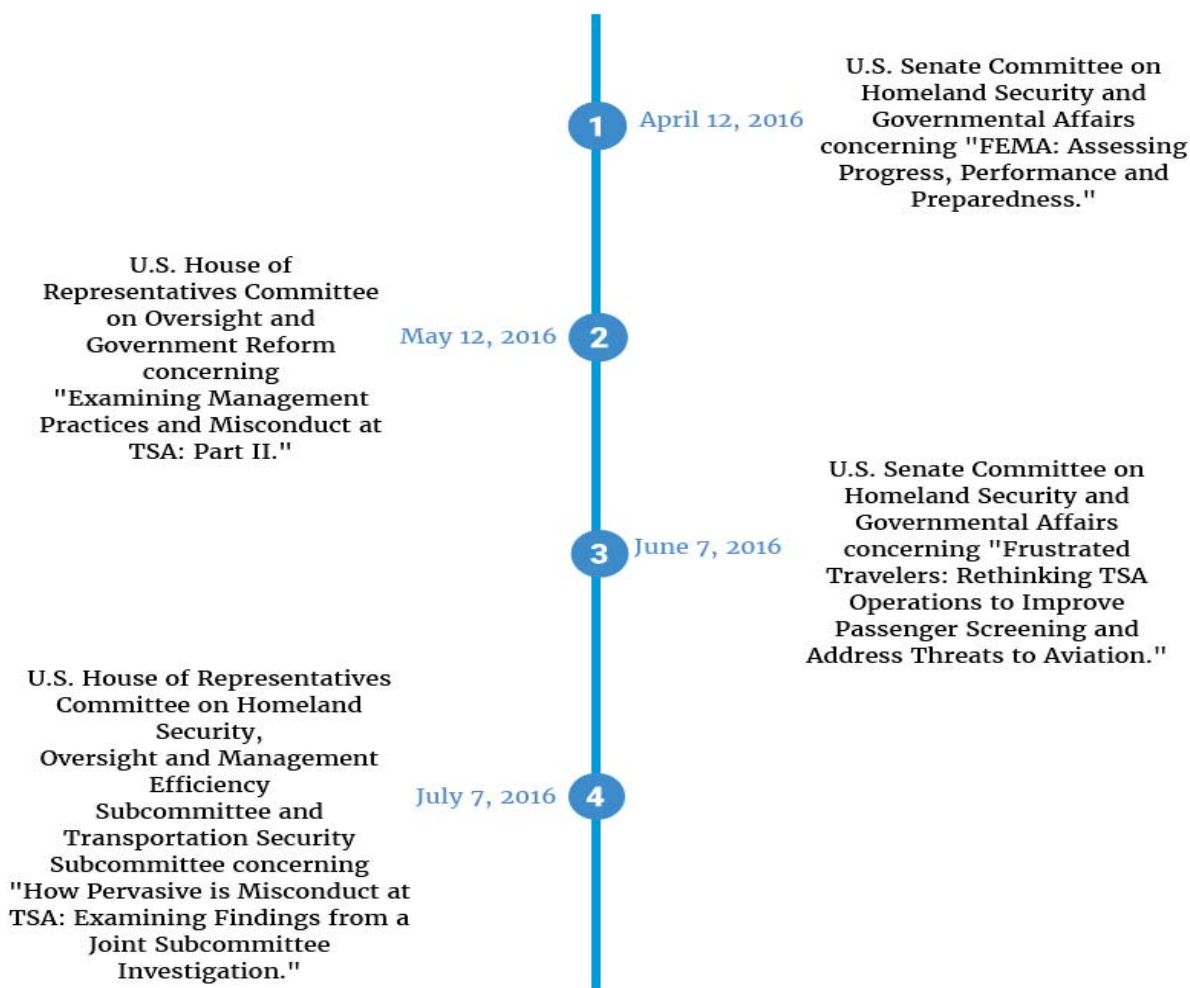
Congressional Testimony and Briefings



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

U.S. House of Representatives

U.S. Senate



We briefed congressional members and their staffs frequently throughout the reporting period. Our office conducted more than 20 briefings for congressional members and staff on the results of our work, including: *2014 White House Fence Jumping Incident* (OIG-16-64), *TWIC Background Checks are Not as Reliable as They Could Be* (OIG-16-128), and *Potentially Ineligible Individuals Have Been Granted U.S. Citizenship Because of Incomplete Fingerprint Records* (OIG-16-130), as well as our management alerts on the release of Jean Jacques from ICE Custody and the December 3, 2015, San Bernardino incident. We also met with staff to discuss member requests for reviews of DHS programs and operations and to provide input on draft legislation, including H.R. 1471, *FEMA Disaster Assistance Reform Act of 2015*.

Improving Our Public Outreach



The *Washington Post*, *Los Angeles Times*, and the *Associated Press* — among other news outlets — took notice of our audit work from April to September 2016.

Watchdog outlines Secret Services failures in incident involving man entering White House

CBS News
April 19, 2016

41 Secret Service Agents Disciplined Over Congressman's Personnel File Leak

ABC News
May 26, 2016

Hunt for terror suspect stymied by DHS confusion

Washington Post
June 7, 2016

The government needs to work harder to ensure dangerous immigrants get deported

LA Times
June 30, 2016

TWIC Background Checks Not as Reliable as They Could Be, DHS IG Says

Homeland Security Today
September 12, 2016

More than 800 immigrants mistakenly granted citizenship

Associated Press
September 20, 2016

Legislative and Regulatory Reviews and Other Office of Inspector General Activities

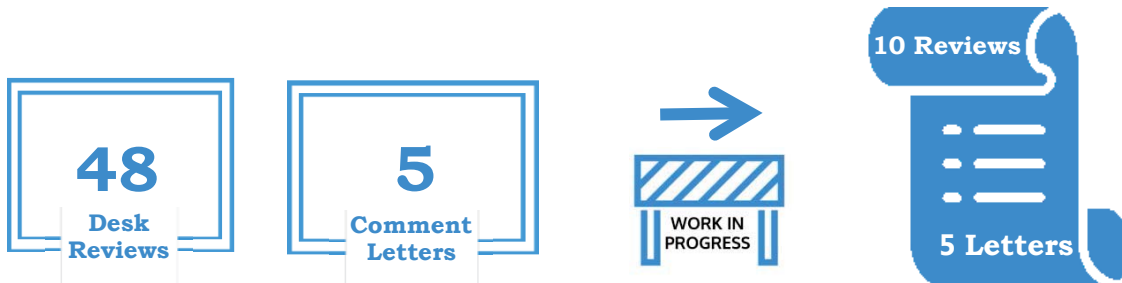


LEGISLATIVE AND REGULATORY REVIEWS

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 semiannual reporting period, we provided comments to congressional stakeholders on legislation affecting DHS operations and issues related to the Inspector General community. We reviewed and commented on the following bills:

- *Inspector General Empowerment Act* (H.R. 2395/S. 579)
- *FEMA Disaster Assistance Reform Act of 2015* (H.R. 1471)
- *Surface Transportation and Maritime Security Act* (S. 3379)
- *DHS Accountability Act* (S. 2976)
- *DHS Acquisition Accountability and Efficiency Act* (H.R. 2199)
- *Grant Reform and New Transparency Act* (S. 2972)
- *Bolster Accountability to Drive Government Efficiency and Reform Washington Act* (S. 3011)
- *Thoroughly Investigating Retaliation Against Whistleblowers Act* (H.R. 4639)
- *Administrative Leave Reform Act* (H.R. 4359)

OVERSIGHT OF SINGLE AUDIT ACT, AS AMENDED BY PUBLIC LAW 104-156



Appendix 1

Reports with Monetary Findings

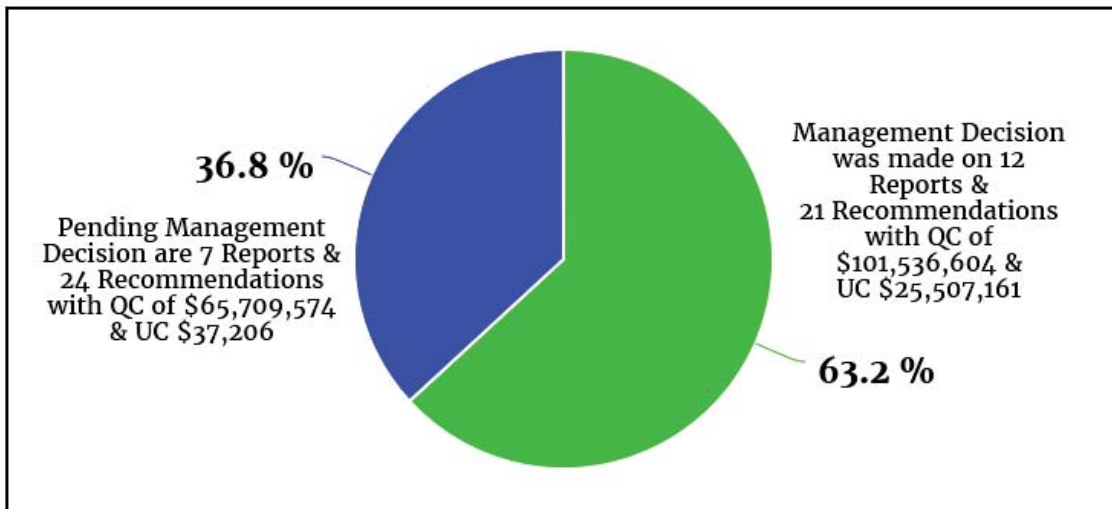
Questioned Costs



**19 Reports with
45 Recommendations**

**167,246,178 Questioned Costs
25,544,367 Unsupported Costs**

- 3 reports with 4 recommendations with QC of \$5,157,670 carryover from last period.
- 16 reports with 41 recommendations with QC of \$162,199,883 & UC \$25,544,367 issued this period.



Appendix 1

Reports with Monetary Findings (continued)

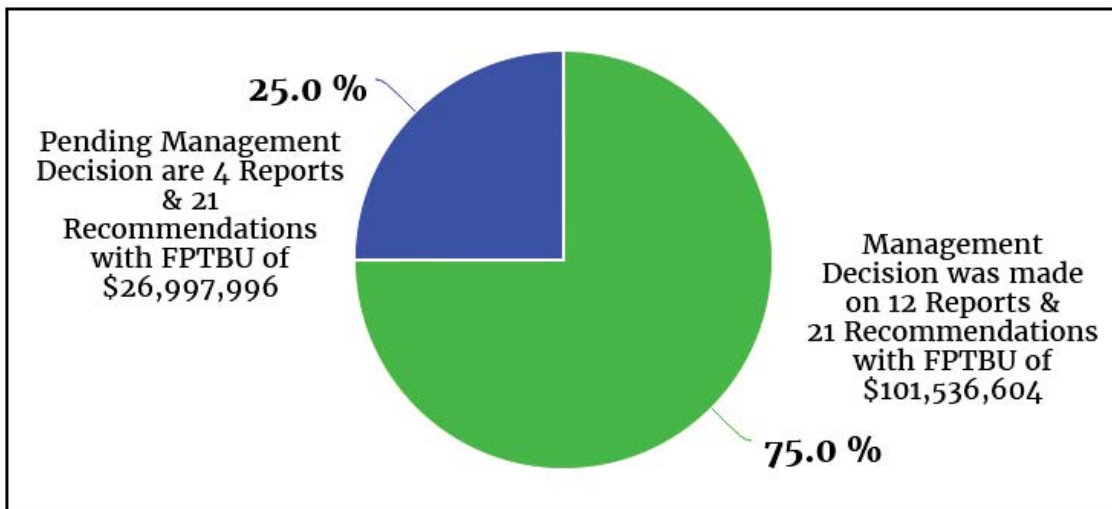
Funds to be Put to Better Use




**16 Reports with
42 Recommendations**


128,534,600

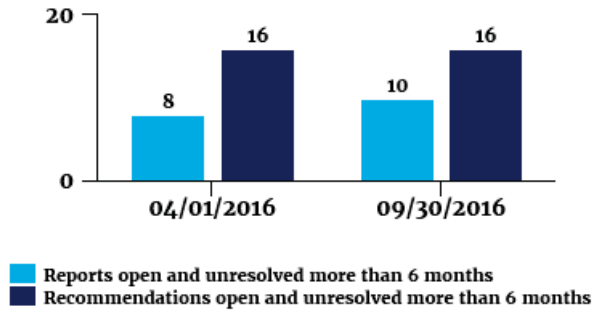
- 3 reports with 4 recommendations with FPTBU of \$38,927,313 carryover from last period.
- 13 reports with 38 recommendations with FPTBU of \$89,607,287 issued this period.



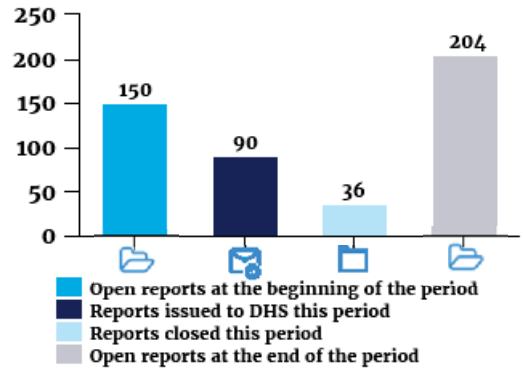
Appendix 2

Compliance – Resolution of Reports and Recommendations

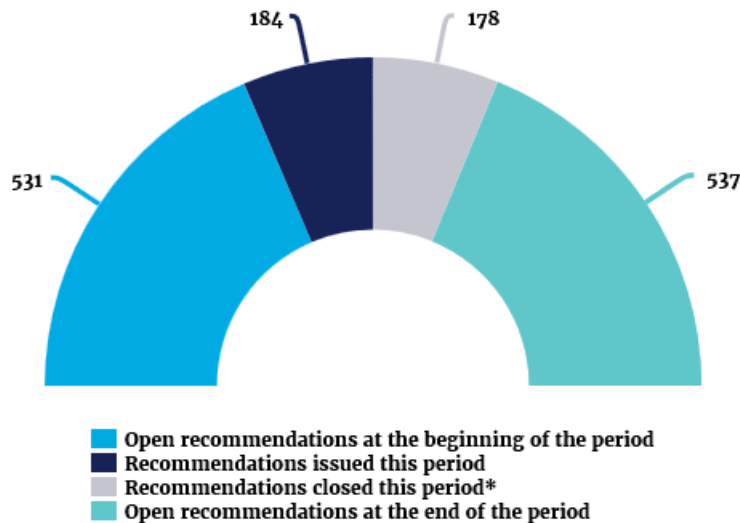
MANAGEMENT DECISION IS PENDING



CURRENT REPORT INVENTORY



ACTIVE RECOMMENDATIONS



* We closed two previously unresolved recommendations made in the audit report titled *Massachusetts' Management of Homeland Security Grant Program Awards for Fiscal Years 2008 through 2011*, OIG-13-44, February 2013, as a result of a decision made by DHS' Under Secretary for Management. Although the OIG disagreed with this decision, we agreed to close the recommendations.

Note: This appendix excludes most investigative reports.

Appendix 3

Reports with Unresolved Recommendations Over 6 Months Old

	Date Issued	Report Number	Report Title	Rec. Numbers	DHS Component	No. of Unresolved Recommendations Over 6 Months
1	8/28/2013	OIG-13-110	<i>DHS Needs to Strengthen Information Technology Continuity and Contingency Planning Capabilities</i>	6	DHS	1
2	1/6/2015	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
3	2/27/2015	OIG-15-38	<i>Science and Technology Directorate Needs to Improve Its Contract Management Procedures</i>	3	S&T	1
4	3/16/2015	OIG-15-45	<i>Allegations of Granting Expedited Screening Through TSA PreCheck Improperly</i>	1	TSA	1
5	5/4/2015	OIG-15-85	<i>DHS Missing Data Needed to Strengthen its Immigration Enforcement Efforts</i>	1	DHS	1
6	10/21/2015	OIG-16-02	<i>The FPS Vehicle Fleet Is Not Managed Effectively</i>	4	DHS	1
7	2/8/2016	OIG-16-37	<i>Conditions at CBP's Forward Operating Bases along the Southwest Border</i>	1	CBP	1
8	3/9/2016	OIG-16-48	<i>USCIS Automation of Immigration Benefits Processing Remains Ineffective</i>	1, 4	USCIS	2
9	3/21/2016	OIG-16-54	<i>Independent Auditors' Report on U.S. Customs and Border Protection's FY 2015 Consolidated Financial Statements</i>	5, 9, 10	CBP	3
10	3/31/2016	OIG-16-51	<i>CBP Needs to Better Plan Its Implementation of the DHS Prison Rape Elimination Act Regulations</i>	4	CBP	1
Total						16

Appendix 4 Reports Issued

	Date Issued	Report Number	Report Title	Total Questioned Costs^(a)	Unsupported Costs^(b)	Funds to be Put to Better Use^(c)
1	4/01/2016	OIG-16-56	<i>Information Technology Management Letter for the Federal Law Enforcement Center Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
2	4/05/2016	OIG-16-57	<i>Domestic Nuclear Detection Office's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
3	4/05/2016	OIG-16-58	<i>DHS Contracts and Grants Awarded through Other Than Full and Open Competition FY 2015</i>	\$0	\$0	\$0
4	4/06/2016	OIG-16-59	<i>Maryland's Management of Homeland Security Grant Program Awards for Fiscal Years 2011-13</i>	\$12,569,629	\$0	\$0
5	4/06/2016	OIG-16-60-D	<i>FEMA Should Recover \$267,960 of \$4.46 Million in Public Assistance Grant Funds Awarded to the Municipality of Jayuya, Puerto Rico, for Hurricane Irene Damages</i>	\$200,970	\$22,699	\$0
6	4/22/2016	OIG-16-61	<i>Information Technology Management Letter for the U. S. Immigration and Customs Enforcement Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	0	0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
7	4/11/2016	OIG-16-62	<i>Management Directorate's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
8	4/12/2016	OIG-16-63-D	<i>San Bernardino County, California, Generally Accounted for and Expended FEMA Public Assistance Funds Properly</i>	\$185,482	\$0	\$0
9	4/12/2016	OIG-16-64	<i>2014 White House Fence Jumping Incident (Redacted)</i>	\$0	\$0	\$0
10	4/19/2016	OIG-16-65	<i>Office of Financial Management's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
11	4/20/2016	OIG-16-66-D	<i>FEMA Should Disallow \$1.30 Million of \$2.58 Million in Public Assistance Grant Funds Awarded to the Municipality of Villalba, Puerto Rico, for Hurricane Irene Damages</i>	\$974,103	\$6,849	\$0
12	4/20/2016	OIG-16-67-D	<i>Lyons and Colorado Officials Should Continue to Improve Management of \$36 Million FEMA Grant</i>	\$0	\$0	\$19,970,406
13	5/11/2016	OIG-16-68	<i>Information Technology Management Letter for the FY 2015 U.S. Customs and Border Protection Financial Statement Audit</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs^(a)	Unsupported Costs^(b)	Funds to be Put to Better Use^(c)
14	5/02/2016	OIG-16-69	<i>Information Technology Management Letter for the United States Secret Service Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
15	5/10/2016	OIG-16-70	<i>Information Technology Management Letter for the U.S. Citizenship and Immigration Services Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
16	4/26/2016	OIG-16-71	<i>Office of Health Affairs' Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
17	4/27/2016	OIG-16-72	<i>Federal Emergency Management Agency's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
18	4/27/2016	OIG-16-73	<i>National Protection and Programs Directorate's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs^(a)	Unsupported Costs^(b)	Funds to be Put to Better Use^(c)
19	4/27/2016	OIG-16-74	<i>Federal Law Enforcement Training Centers' Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
20	4/29/2016	OIG-16-75	<i>CBP Needs Better Data to Justify Its Criminal Investigator Staffing</i>	\$0	\$0	\$0
21	5/03/2016	OIG-16-76	<i>Science and Technology Directorate's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
22	5/03/2016	OIG-16-77	<i>United States Coast Guard's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
23	5/03/2016	OIG-16-78-D	<i>Colorado Should Provide the City of Evans More Assistance in Managing FEMA Grant Funds</i>	\$2,218,535	\$0	\$5,378,771
24	5/03/2016	OIG-16-79	<i>United States Citizenship and Immigration Services' Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
25	5/03/2016	OIG-16-80	<i>United States Immigration and Customs Enforcement's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs^(a)	Unsupported Costs^(b)	Funds to be Put to Better Use^(c)
26	5/04/2016	OIG-16-81	<i>United States Secret Service's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
27	5/10/2016	OIG-16-82	<i>Information Technology Management Letter for the Science and Technology Directorate Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
28	5/06/2016	OIG-16-83	<i>Information Technology Management Letter for the Office of Financial Management and Office of Chief Information Officer Components of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
29	5/10/2016	OIG-16-84	<i>Information Technology Management Letter for the National Protection and Programs Directorate Component of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
30	5/09/2016	OIG-16-85-D	<i>FEMA's Initial Response to the 2015 Texas Spring Severe Storms and Flooding</i>	\$0	\$0	\$0
31	5/09/2016	OIG-16-86-D	<i>The West School Administration Effectively Accounted for the FEMA Emergency Grant Funds Awarded for the West, Texas Fertilizer Plant Explosion</i>	\$0	\$0	\$0
32	5/09/2016	OIG-16-87	<i>IT Management Challenges Continue in TSA's Security Technology Integrated Program</i>	\$0	\$0	\$0
33	5/11/2016	OIG-16-88	<i>Department of Homeland Security's FY 2015 Compliance with the Improper Payments Elimination and Recovery Act of 2010</i>	\$0	\$0	\$0
34	5/13/2016	OIG-16-89	<i>Information Technology Management Letter for Other Department of Homeland Security Components of the FY 2015 Department of Homeland Security Financial Statement Audit</i>	\$0	\$0	\$0
35	5/13/2016	OIG-16-90	<i>Management Letter for the U.S. Customs and Border Protection's FY 2015 Consolidated Financial Statements Audit</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
36	5/13/2016	OIG-16-91	<i>TSA Oversight of National Passenger Rail System Security</i>	\$0	\$0	\$0
37	5/16/2016	OIG-16-92	<i>Transportation Security Administration's Management Letter for DHS' FY 2015 Financial Statements Audit</i>	\$0	\$0	\$0
38	5/17/2016	OIG-16-93	<i>Office of Intelligence and Analysis Can Improve Transparency and Privacy</i>	\$0	\$0	\$0
39	5/27/2016	OIG-16-94-D	<i>FEMA Held Augusta-Richmond County, Georgia, Accountable for Not Complying with Federal Contracting Requirements when Managing a 2014 Public Assistance Disaster Grant</i>	\$0	\$0	\$0
40	5/27/2016	OIG-16-95	<i>DHS Does Not Have Comprehensive Policies or Training for Off-duty Conduct of Employees Traveling and Working Abroad</i>	\$0	\$0	\$0
41	6/06/2016	OIG-16-96-IQO	<i>Oversight Review of the United States Citizenship and Immigration Services, Investigations Division</i>	\$0	\$0	\$0
42	6/08/2016	OIG-16-97-D	<i>FEMA Should Recover \$51.2 Million in Grant Funds Awarded to Cimarron Electric Cooperative, Kingfisher, Oklahoma</i>	\$38,420,618	\$7,658	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
43	6/08/2016	OIG-16-98	<i>FEMA's Grant Programs Directorate Did Not Effectively Manage Assistance to Firefighters Grant Program -SAFER Grants</i>	\$18,443,447	\$17,751,035	\$0
44	6/08/2016	OIG-16-99-D	<i>FEMA and California Need to Assist the City of Berkeley to Improve the Management of a \$12 Million FEMA Grant</i>	\$0	\$0	\$6,275,741
45	6/09/2016	OIG-16-100	<i>FEMA's Grant Programs Directorate Did Not Effectively Manage Assistance to Firefighters Grant Program - AFG Grants</i>	\$7,124,893	\$6,327,911	\$0
46	6/09/2016	OIG-16-101	<i>National Flood Insurance Program's Management Letter for DHS' FY 2015 Financial Statements Audit (Redacted)</i>	\$0	\$0	\$0
47	6/09/2016	OIG-16-102-D	<i>FEMA Continues to Experience Challenges in Protecting Personally Identifiable Information at Disaster Recovery Centers</i>	\$0	\$0	\$0
48	6/09/2016	OIG-16-103-D	<i>Lake County, California, Should Continue to Improve Procurement Policies, Procedures, and Practices</i>	\$0	\$0	\$12,379,667

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
49	6/10/2016	OIG-16-104-D	<i>The Office of Community Development Paid Most Contractors in a Timely Manner for Hazard Mitigation Work on Louisiana Homes</i>	\$0	\$0	\$0
50	6/23/2016	OIG-16-105	<i>DHS' Use of Reimbursable Work Agreements with GSA</i>	\$12,694,185	\$0	\$2,823,229
51	6/27/2016	OIG-16-106-D	<i>FEMA Was Generally Effective in Its Initial Response to the Severe Wildfires in California</i>	\$0	\$0	\$0
52	6/30/2016	OIG-16-107-D	<i>The Baldwin County Commission Effectively Managed FEMA Grant Funds Awarded for Damages from Spring 2014 Storms</i>	\$0	\$0	\$0
53	7/01/2016	OIG-16-108	<i>Management Advisory - DHS Should Better Evaluate the Performance of Its Working Capital Fund</i>	\$0	\$0	\$0
54	7/01/2016	OIG-16-109-D	<i>Audit Tips For Managing Disaster-Related Project Costs</i>	\$0	\$0	\$0
55	7/07/2016	OIG-16-110-D	<i>Minneapolis Park and Recreation Board, Minneapolis, Minnesota, Generally Accounted For and Expended FEMA Grant Funds Properly</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
56	7/08/2016	OIG-16-111-VR	<i>Verification Review of Transportation Security Administration's Screening of Passengers by Observation Techniques/Behavior Detection and Analysis Program</i>	\$0	\$0	\$0
57	7/15/2016	OIG-16-112-D	<i>FEMA Should Recover \$2.2 Million of \$27.2 Million in Public Assistance Grant Funds Awarded to Nashville-Davidson County, Tennessee, for May 2010 Flood Emergency Work</i>	\$1,947,853	\$102,466	\$0
58	7/21/2016	OIG-16-113-VR	<i>ICE Still Struggles to Hire and Retain Staff for Mental Health Cases in Immigration Detention</i>	\$0	\$0	\$0
59	8/02/2016	OIG-16-114-D	<i>The Village of Pilger, Nebraska, Took Corrective Actions to Comply with Federal Grant Award Requirements</i>	\$0	\$0	\$1,036,170
60	8/10/2016	OIG-16-115-D	<i>FEMA Should Suspend All Grant Payments on the \$29.9 Million Coastal Retrofit Program Until Mississippi Can Properly Account for Federal Funds</i>	\$0	\$0	\$26,899,836

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
61	8/11/2016	OIG-16-116-D	<i>City of Hazelwood, Missouri, Needs Additional Assistance and Monitoring to Ensure Proper Management of Its Federal Grant</i>	\$0	\$0	\$0
62	8/12/2016	OIG-16-117-D	<i>Ocean County, New Jersey, Generally Accounted for and Expended FEMA Public Assistance Funds Properly</i>	\$327,928	\$327,928	\$0
63	8/16/2016	OIG-16-118-D	<i>Wisner-Pilger Public Schools, Nebraska, Took Corrective Actions to Comply with Federal Grant Award Requirements</i>	\$0	\$0	\$1,969,967
64	8/16/2016	OIG-16-119-D	<i>FEMA Improperly Awarded \$47.3 Million to the City of Louisville, Mississippi</i>	\$35,474,345	\$0	\$0
65	8/17/2016	OIG-16-120-D	<i>Phelps County, Missouri, Needs Additional Assistance and Monitoring to Ensure Proper Management of Its \$1.97 Million FEMA Grant</i>	\$0	\$0	\$138,817
66	8/19/2016	OIG-16-121-D	<i>Washington County, Florida, Effectively Managed FEMA Public Assistance Grant Funds Awarded for a July 2013 Flood</i>	\$0	\$0	\$0
67	8/19/2016	OIG-16-122-D	<i>Portland, Oregon, Has Adequate Policies, Procedures, and Business Practices to Manage Its FEMA Grant Funding</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
68	8/29/2016	OIG-16-123	<i>CBP's Office of Professional Responsibility's Privacy Policies and Practices</i>	\$0	\$0	\$0
69	9/01/2016	OIG-16-124-D	<i>Nebraska Public Power District Properly Managed FEMA Grant Funds Awarded for May 2014 Storms</i>	\$0	\$0	\$0
70	9/02/2016	OIG-16-125-D	<i>Long Beach City School District in New York Generally Accounted For and Expended FEMA Public Assistance Funds Properly</i>	\$601,587	\$0	\$0
71	9/02/2016	OIG-16-126-D	<i>FEMA Can Do More to Improve Public Assistance Grantees' and Subgrantees' Compliance with Federal Procurement Rules</i>	\$0	\$0	\$0
72	9/02/2016	OIG-16-127-D	<i>FEMA Can Enhance Readiness with Management of Its Disaster Incident Workforce</i>	\$0	\$0	\$0
73	9/01/2016	OIG-16-128	<i>TWIC Background Checks are Not as Reliable as They Could Be</i>	\$0	\$0	\$0
74	9/02/2016	OIG-16-129	<i>Fiscal Year 2015 Risk Assessment of the DHS Bank Card Program Indicates Moderate Risk</i>	\$0	\$0	\$0
75	9/08/2016	OIG-16-130	<i>Potentially Ineligible Individuals Have Been Granted U.S. Citizenship Because of Incomplete Fingerprint Records</i>	\$0	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
76	9/09/2016	OIG-16-131	<i>Review of DHS' Information Security Program for Intelligence Systems for Fiscal Year 2016</i>	\$0	\$0	\$0
77	9/09/2016	OIG-16-132-D	<i>FEMA Miscalculated the 50 Percent Rule when Deciding to Replace School Buildings after the West, Texas Explosion</i>	\$0	\$0	\$0
78	9/09/2016	OIG-16-133-D	<i>Louisiana Should Provide the Ouachita Parish Police Jury Assistance in Managing FEMA Grant Funds</i>	\$0	\$0	\$2,791,875
79	9/09/2016	OIG-16-134	<i>Transportation Security Administration Needs a Crosscutting Risk-Based Security Strategy</i>	\$0	\$0	\$0
80	9/19/2016	OIG-16-135-D	<i>FEMA Should Recover \$3.4 Million of the \$3.5 Million Awarded to Hope Academy for Hurricane Katrina Damages</i>	\$3,406,030	\$491,673	\$0
81	9/22/2016	OIG-16-136-D	<i>Calaveras County, California, Needs Additional State and FEMA Assistance in Managing Its \$10.8 Million FEMA Grant</i>	\$0	\$0	\$8,135,000

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
82	9/23/2016	OIG-16-137-D	<i>City of Eureka, Missouri, Needs Additional Assistance and Monitoring to Ensure Proper Management of Its \$1.5 Million FEMA Grant</i>	\$0	\$0	\$1,095,750
83	10/21/2016	OIG-16-138 (revised)	<i>DHS' Progress in Implementing the Federal Information Technology Acquisition Reform Act (revised)</i>	\$0	\$0	\$0
84	9/27/2016	OIG-16-139-D	<i>FEMA Should Implement Consistent Joint Field Office Guidance</i>	\$0	\$0	\$0
85	9/26/2016	OIG-16-140-D	<i>FEMA Should Recover \$9.9 Million of \$36.6 Million Awarded to the Town of North Hempstead, New York, for Hurricane Sandy Damages</i>	\$8,182,416	\$506,148	\$712,058
86	9/26/2016	OIG-16-141	<i>DHS Has Not Trained Classified Network Users on the Classification Management Tool</i>	\$0	\$0	\$0
87	9/26/2016	OIG-16-142	<i>Review of the Department of Homeland Security's Implementation of the Cybersecurity Act of 2015</i>	\$0	\$0	\$0
88	9/29/2016	OIG-16-143-D	<i>FEMA Should Recover \$25.4 Million in Grant Funds Awarded to Louisville, Mississippi, for an April 2014 Disaster</i>	\$19,427,862	\$0	\$0

Appendix 4 Reports Issued (continued)

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
89	6/16/2016	N/A	<i>Release of Jean Jacques from ICE Custody</i>	\$0	\$0	\$0
90	6/01/2016	N/A	<i>December 3, 2015 – San Bernardino Incident</i>	\$0	\$0	\$0
			Total	\$162,199,883	\$25,544,367	\$89,607,287

Report Number Abbreviations:

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

A report number ending with “IQO” is an Integrity and Quality Oversight special report.

A report number ending with “MA” is a Management Alert or Advisory. These reports identify conditions that pose an immediate and serious threat.

A report number ending with “VR” is a Verification Review of an issued report or recommendation to verify DHS management has taken agreed upon corrective action.

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

	Date Issued	Report Number	Report Title	OIG Recommended Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/Deobligated
1	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>	\$110,048	\$110,048	\$0	\$110,048
2	9/9/2015	OIG-15-141-D	<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>	\$1,157,630	\$1,157,630	\$0	\$1,157,630
3	9/15/2015	OIG-15-147-D	<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>	\$1,212,140	\$1,212,140	\$0	\$1,212,140
4	11/19/2015	OIG-16-09-D	<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>	\$373,632	\$373,632	\$0	\$373,632

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

	Date Issued	Report Number	Report Title	OIG Recommend ed Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/ Deobligated
5	11/30/2015	OIG-16-12-D	<i>The City of Birmingham, Alabama, Generally Managed FEMA Grant Funds for April 2011 Tornadoes and Severe Storms Properly</i>	\$231,610	\$231,610	\$0	\$231,610
6	1/21/2016	OIG-16-21-D	<i>Longmont and Colorado Officials Should Continue to Improve Management of \$55.1 Million FEMA Grant</i>	\$896,907	\$705,743	\$191,164	\$705,743
7	1/26/2016	OIG-16-24-D	<i>FEMA Should Recover \$1.2 Million of \$10.1 Million in Grant Funds Awarded to Tuscaloosa, Alabama, for a 2011 Disaster</i>	\$270,283	\$284,753	\$15,562	\$284,753
8	4/6/2016	OIG-16-60-D	<i>FEMA Should Recover \$267,960 of \$4.46 Million in Public Assistance Grant Funds Awarded to the Municipality of Jayuya, Puerto Rico, for Hurricane Irene Damages</i>	\$20,515	\$20,515	\$0	\$20,515

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

	Date Issued	Report Number	Report Title	OIG Recommend ed Recovery (Federal Share)	Amount DHS Agreed to Recover (Disallow)	Amount DHS Will Not Recover (Allowed)	Amount DHS Recovered/ Deobligated
9	4/20/2016	OIG-16-66-D	<i>FEMA Should Disallow \$1.30 Million of \$2.58 Million in Public Assistance Grant Funds Awarded to the Municipality of Villalba, Puerto Rico, for Hurricane Irene Damages</i>	\$10,653	\$9,216	\$1,992	\$9,216
10	6/8/2016	OIG-16-97-D	<i>FEMA Should Recover \$51.2 Million in Grant Funds Awarded to Cimarron Electric Cooperative, Kingfisher, Oklahoma</i>	\$39,895	\$39,895	\$0	\$39,895
		Audit Report Total		\$4,323,313	\$4,114,503	\$208,718	\$4,145,182
		Investigative Recoveries ^(a)					\$5,518,816
			Totals	\$4,323,313	\$4,114,503	\$208,718	\$9,663,998


Report Number Abbreviations:

OIG-XX-XX-D Disaster Relief Fund Report

Notes and Explanations:

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

Appendix 6 Contract Audit Reports



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.

We did not process contract audit reports meeting the criteria of the *National Defense Authorization Act for FY 2008* during this reporting period.

Questioned Costs

N/A

Unsupported Costs

N/A

Disallowed Costs

N/A

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 of or 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 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 2016, as a result of a review completed by the Treasury Inspector General for Tax Administration. The Treasury Inspector General for Tax Administration noted three “best practices” and had two observations, but made no recommendations.

Appendix 8

Acronyms and Abbreviations

AFG	Assistance to Firefighters Grant Program
CBP	U.S. Customs and Border Protection
Coast Guard	U.S. Coast Guard
DNDO	Domestic Nuclear Detection Office
DOJ	Department of Justice
DRF	Disaster Relief Fund
EMO	Office of Emergency Management Oversight
FBI	U.S. Federal Bureau of Investigation
FEMA	Federal Emergency Management Agency
FLETC	Federal Law Enforcement Training Center
FPS	Federal Protective Service
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
IPERA	<i>Improper Payments Elimination and Recovery Act of 2010</i>
IQO	Office of Integrity and Quality Oversight
IT	information technology
ITA	Office of Information Technology Audits
KPMG	KPMG LLP
MGMT	Directorate for Management
NPPD	National Protection and Programs Directorate
OA	Office of Audits
OIG	Office of Inspector General
OMB	Office of Management and Budget
OSC	Office of Special Counsel
PII	personally identifiable information
QC	Questioned Costs
RATB	Recovery Accountability and Transparency Board
RM&A	Risk Management and Assurance
RWA	Reimbursable Work Agreement
S&T	Science and Technology Directorate
Secret Service	U.S. Secret Service
STIP	Security Technology Integrated Program
TSA	Transportation Security Administration
TSE	transportation security equipment
TWIC	Transportation Worker Identification Credential
UC	Unsupported Costs
U.S.C.	United States Code
USCIS	U.S. Citizenship and Immigration Services
WPO	Whistleblower Protection Ombudsman
WPU	Whistleblower Protection Unit

Appendix 9

OIG Contacts and Locations



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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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