



Department of Homeland Security

OFFICE OF INSPECTOR GENERAL

**SEMIANNUAL
REPORT TO
THE
CONGRESS**

October 1, 2016 - March 31, 2017

Inspector General's Message

April 28, 2017

The Honorable General John F. Kelly
Secretary
Department of Homeland Security
Washington, DC 20528

Dear Mr. Secretary:

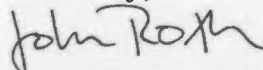
I am pleased to present our semiannual report, which summarizes the work and accomplishments of our office during the first half of fiscal year (FY) 2017. This is a statutorily-mandated report submitted to Congress through your office, that highlights the work of the Office of Inspector General (OIG). As you can see, our office has been hard at work fulfilling the Administration's commitment to the American people of a government that works better and reduces costs.

I would like to take this opportunity to express my gratitude to your commitment to an independent and effective Inspector General. I am especially grateful for your objections to the cuts proposed by the Office of Management and Budget for FY 2018, which would result in a reduction in the OIG work force and a significant impairment in our statutory mission at a time when the Department itself is growing in high risk areas.

The Brookings Institute's Center for Effective Public Management, an independent research organization, has analyzed the financial impact on government when OIGs' budgets are cut and found that cuts to OIG budgets actually cost the government money and contribute to the Federal deficit. The DHS OIG offers the federal government and American taxpayers an impressive return on investment, measured in dollars spent versus dollars saved. Additionally, we focus on the Department's ability to protect the homeland, and have proposed recommendations that bring incalculable contributions to the safety of the American people.

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

Sincerely,



John Roth
Inspector General

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Highlights of OIG Activities and Accomplishments

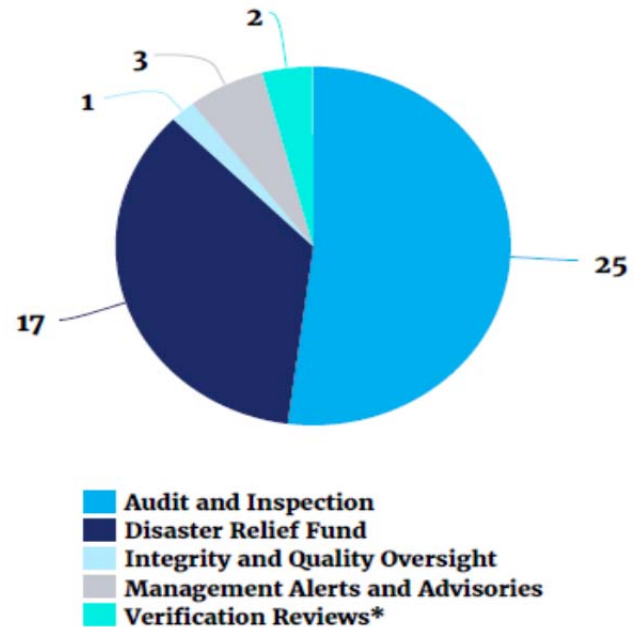
October 1, 2016 through March 31, 2017

During this reporting period, the DHS Office of Inspector General (OIG) 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 48 reports, including management advisories, alerts, and reports on Disaster Relief Fund spending (appendix 5), as well as 348 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.



*Disaster Relief Funds were used for one of these reports.

Dollar Impact

Our audits resulted in questioned costs of \$32,082,476, of which \$1,388,250 did not have supporting documentation. The Department also recovered or deobligated \$63,649,275 (appendix 6). We issued 4 reports identifying \$8,295,159 in funds put to better use. Additionally, we reported \$17,309,151 in recoveries, fines, and restitution from investigations.

Type of Impact	Amount
Questioned Costs	\$32,082,476
Funds to be Put to Better Use	\$8,295,159
Management Agreement that Funds be Recovered/Deobligated from Audits	\$79,166,689
Funds Recovered/Deobligated from Audits	\$63,649,275
Recoveries from Investigations Not from Fines and Restitution	\$14,200,000
Funds Recovered from Audits and Investigations	\$77,849,275
Fines from Investigations	\$1,328,426
Restitution from Investigations	\$1,780,725

Funds Recovered/Deobligated

\$77,849,275

Highlights of OIG Activities and Accomplishments (continued)

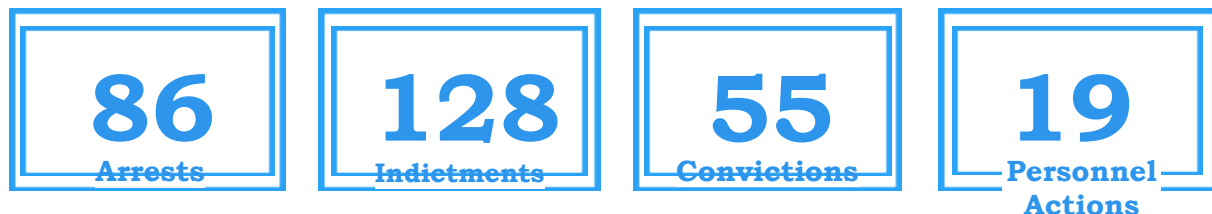
Investigations*

We initiated 445 and closed 383 investigations. Our investigations resulted in 86 arrests, 128 indictments, 55 convictions, and 19 personnel actions. We have included, in accordance with the *Inspector General Empowerment Act of 2016*, information regarding number of persons referred to State and local prosecuting authorities and indictments that resulted from prior referrals to prosecuting authorities.

Type of Investigation	Number
Open Investigations, 10/1/2016	986
Investigations Initiated	445
Investigations Closed	383
Open Investigations, 3/31/17	1,048
Investigative Reports Issued	348
Investigations Administratively Closed	35
Investigations Referred for Prosecution	147
Investigations Accepted for Prosecution	78
Investigations Declined for Prosecution	69
Total number of persons referred to State and local prosecuting authorities for criminal prosecution	20
Total number of indictments and criminal information during the reporting period that resulted from any prior referral to prosecuting authorities	25

*All data was obtained from the Enforcement Data System, which is the Office of Investigation's case management system.

Investigations resulted in



Highlights of OIG Activities and Accomplishments (continued)

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 Hotline Complaints Received	12,431
Complaints Referred (to programs or other agencies)	11,937
Complaints Closed	13,264*

*Complaints closed included complaints received in prior periods.

Whistleblower Protection Unit

DHS OIG investigates allegations of whistleblower reprisal made by DHS employees and applicants for employment; uniformed United States Coast Guard members; and DHS contractors, subcontractors, and grantees. 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 Enhancement of Whistleblower Protection for Contractors and Grantees, 41 U.S.C. § 4712. Investigations under these statutes are mandatory by DHS OIG when a complaint reflects reprisal on its face (known as a *prima facie* determination). Additionally, in certain instances, DHS OIG conducts investigations pursuant to the Whistleblower Protection Act, 5 U.S.C. § 2302.

Whistleblower Complaints	Number
Complaints Received	52
Complaints Withdrawn	1
Complaints Closed in Deferral to Open Investigations at Other Agencies	17
Complaints Referred to INV for Discretionary Investigations	19
Investigations Opened During SAR Period	4
Complaints Pending Further WPU Review	11

The WPU is comprised of the Whistleblower Protection Ombudsman (WPO), a supervisory whistleblower investigator, and two whistleblower administrative investigators. The WPU is primarily responsible for intake, preliminary complaint review, and investigations of new whistleblower retaliation

Highlights of OIG Activities and Accomplishments

(continued)

complaints. Additionally, jointly with attorneys from the Office of Counsel, Special Agents from the DHS OIG Office of Investigations (INV) continue to conduct whistleblower investigations that are opened.

During the semiannual report (SAR) period, the WPU received 52 complaints that, on their face, alleged retaliation for protected whistleblower activity. In one instance, the complainant withdrew the allegation. In 17 instances, the complaint was already the subject of an open inquiry being conducted by another agency, (such as the U.S. Office of Special Counsel (OSC), U.S. Merit Systems Protection Board, or the U.S. Equal Employment Opportunity

Whistleblower Investigations	Number
Investigations Opened During SAR Period	4
Current Total Active Whistleblower Reprisal Investigations	34
Investigations Closed	4
Reports Issued	1

Commission). Per OIG policy, DHS OIG deferred to the prior actions and did not open an additional investigation. In 19 instances, the retaliation alleged did not fall into one of the three mandatory investigation categories and the complaints were referred to INV for a discretionary determination regarding opening. INV closed 10 of those complaints and 9 are still pending a decision by INV. We opened four new investigations during the SAR Period, and are still in the process of reviewing the remaining 11 complaints to determine whether they should be opened by DHS OIG. The four new investigations opened brought the active whistleblower reprisal investigations in DHS OIG to a total of 34.

Additionally, the WPU oversaw four investigations that we closed during this reporting period, with one Report of Investigation not substantiating reprisal issued. The remaining three investigations were closed by memo as a conclusion regarding the reprisal was not required for varying reasons. It is expected that the WPU will typically issue a greater number of reports during future SAR periods, as these numbers reflect the fact that the unit was still in its start-up period.

No instances of whistleblower reprisal were found during this reporting period, and the WPU did not identify any official who retaliated against a whistleblower.

Finally, during this reporting period, the WPO ensured that the all DHS components successfully completed the OSC's 5 U.S.C. § 2302 (c) Certification Program as required by the Whistleblower Protection Enhancement Act. The WPO provided Whistleblower Training to more than 350 new DHS

Highlights of OIG Activities and Accomplishments

(continued)

headquarters employees and provided supervisory Whistleblower training for 60 DHS OIG managers. The WPO made more than 50 outreach contacts with internal and external partners and stakeholders during this reporting period.



IMPROVED ANALYTICS CAPACITY

Since June 2015, we have been proactive in leveraging our successful experience with the Recovery Accountability and Transparency Board (RATB) to establish a similar analytics capacity within DHS OIG. We hired an analyst and are recruiting an additional data analyst and data architect personnel. We installed 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 a 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.

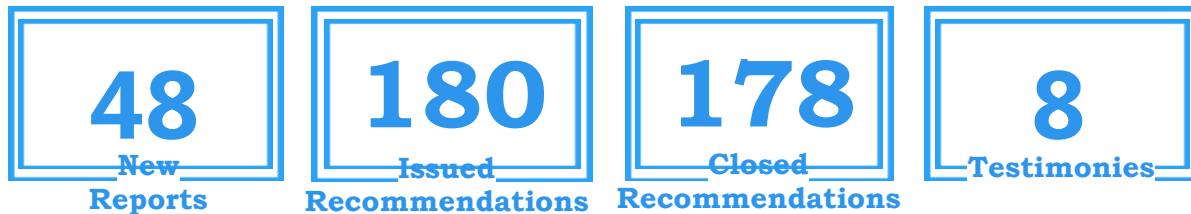
OIG Offices	DHS Component and Offices
Executive Office Office of Audits (OA) Office of Counsel Office of Emergency Management Oversight (EMO) Office of Enterprise Risk Identification and Management Office of External Affairs Office of Information Technology Audits (ITA) Office of Inspections and Evaluations (I&E) Office of Integrity and Quality Oversight (IQO) Office of Investigations (INV) Office of Management	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 Partnership and Engagement 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) United States 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 9,955 recommendations to improve the economy, effectiveness, efficiency, and integrity of the Department's programs and operations. As of March 31, 2017, the Department took action to address all but 539 of those recommendations. Congress has also taken notice of our work and called on us to testify 145 times since our office was created.

During this reporting period, we issued 48 new reports and 180 unique recommendations to the Department, and closed 178 recommendations, issued in this and prior periods, because of the Department's actions. The 115th Congress also recognized our work by calling on us to testify eight times about our efforts to improve the Department.

OIG Activity October 1, 2016 – March 31, 2017



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

Our reports on the Department's efforts to prevent terrorism and other threats focused on challenges and needed improvements in sharing counterterrorism information among entities in the Department of Justice (DOJ), the Intelligence Community (IC), and DHS; DHS' oversight of drug interdiction efforts; and the Department's planning for pandemic events.



What We Found

1

Joint Review of Domestic Sharing of Counterterrorism Information

The DHS, DOJ, and IC OIGs concluded that partners are committed to sharing counterterrorism information, but could enhance their efforts across and within these entities. For example, the OIGs found an interagency agreement on information sharing was outdated and an overarching coordination body had not been codified. Specific to DHS, we found —

- a lack of unity in the Intelligence Enterprise;
- issues with field staffing levels and access to classified systems and facilities; and
- problems with the production and review of intelligence reports.

2

DHS Drug Interdiction Efforts Need Improvement

DHS' oversight of its drug interdiction efforts did not align with the Office of National Drug Control Policy's (ONDCP) National Drug Control Strategy. Specifically, DHS did not (1) report drug seizures and drug interdiction resource hours to ONDCP, and (2) ensure its components developed and implemented adequate performance measures to assess drug interdiction activities.

3

DHS Pandemic Planning Needs Better Oversight, Training, and Execution

DHS cannot be assured its preparedness plans can be executed effectively during a pandemic event. DHS did not always provide sufficient oversight to ensure components —

- completed and finalized their pandemic plans;
- verified pandemic training requirements were included in their plans;
- identified the personal protective equipment supplies needed for a pandemic response; and
- met points of dispensing exercise and reporting requirements.

DHS Response

DHS' Office of Intelligence & Analysis (I&A) reported that it is taking steps to better integrate the DHS Intelligence Enterprise. I&A is also developing plans for better access to classified systems, as well as guidance for field intelligence reporting to the IC, including streamlining the review process.

DHS reported that it will (1) develop a plan that ensures required annual reports are submitted to the ONDCP, and (2) implement a plan that ensures outcome-based performance measures are used to assess the success of drug interdiction efforts.

DHS reported it updated and revised the Pandemic Plan, which includes specific training requirements and a new concept of operations. DHS is revising supplemental guidance for maintaining personal protective equipment supplies. DHS components have been provided with guidance for implementing and updating points of dispensing logistics and exercise information in the materials module.

➔ Moving Forward

In response to our joint review, DHS is addressing two recommendations made to the Department and its partners and the eight recommendations made to DHS to improve the effectiveness and efficiency of counterterrorism information sharing and enhance the Nation's ability to prevent terrorist attacks. DHS reported it is taking steps to improve the oversight of its drug interdiction efforts, and indicated it is taking corrective action as part of its ongoing efforts to improve pandemic preparedness.

ENHANCING BORDER AND TRANSPORTATION SECURITY AND IMMIGRATION ENFORCEMENT

Our reports focused on CBP's efforts to enhance border security, TSA's oversight of airports' controls over employee access media badges, and USCIS' issuance of Green Cards. We found that although CBP has instituted programs and operations that align with recommendations from a 1993 report on southwest border security, it faces continuing challenges in managing its programs and operations. We also determined that TSA could improve its oversight of airports, which do not always properly account for access media badges. Finally, USCIS faced challenges in issuing Green Cards, which if improperly issued, could allow illegal immigrants to remain in the United States and give a false legal residence status to employers.

What We Found

1 CBP's Border Security Efforts – An Analysis of Southwest Border Security Between the Ports of Entry

Our analysis highlighted CBP's continuing challenges to secure the southwest border. CBP needs to better —

- measure effectiveness of programs and operations;
- manage programs, including improved planning, allocation of resources, and infrastructure and technology acquisition; and
- coordinate and communicate with stakeholders.

2 TSA Could Improve Its Oversight of Airport Controls over Access Media Badges (Redacted)

Airports did not always properly account for access media badges, and TSA's reliance on airport-supplied information about badges limited its oversight. Some airport personnel were interpreting the 5 percent threshold for unaccounted badges incorrectly. Some airports used "best practices" to mitigate the risks of lost, stolen, and unaccounted for badges.

3 Better Safeguards Are Needed in USCIS Green Card Issuance

USCIS struggled to ensure proper Green Card issuance, primarily due to errors in electronic processing. We found that USCIS —

- produced at least 19,000 cards that included incorrect information or were issued in duplicate;
- was ineffective in its efforts to recover improperly issued Green Cards; and
- received more than 200,000 reports from approved applicants about missing cards.

DHS Response

Since 2003, CBP has made multiple advances that parallel recommendations made by Sandia National Laboratories on southwest border security. CBP recognizes the need for performance measures to verify the effectiveness of operations and assets. CBP will continue to collaborate with internal and external partners.

TSA reported it is developing inspection protocols and planning additional tests and inspections of access media badge controls in FY 2017. TSA will also clarify how to determine whether an airport's lost, stolen, and unaccounted for access media badges exceed the 5 percent threshold. TSA has begun sharing Aviation Security Advisory Committee recommendations and best practices of badge audits with airports.

USCIS reported it will create alerts and queries with other systems to assist in identifying duplicate cards before a Green Card is created. USCIS will also lead a review of previous end-to-end processes for card recovery efforts and develop a standard operating procedure. USCIS is developing an online capability to remotely verify a new immigrant's identity.

Moving Forward

CBP needs to consistently and accurately measure effectiveness and carefully manage its programs and operations. Improved oversight by TSA would help mitigate the risks to airport security posed by unaccounted for employee badges. USCIS told us it is in the process of developing internal controls to avoid inappropriate Green Card issuance and prevent unrecoverable card use.

SECURING CYBERSPACE AND INFORMATION TECHNOLOGY ASSETS

The Secret Service faces challenges protecting sensitive case management systems and data. Corrective actions are underway to address long-standing information technology (IT) deficiencies. In FY 2016, DHS took steps to enhance its information security program. Although improvements have been made, DHS can strengthen its oversight of its information security program. TSA has undertaken various actions to address the recommendations made in prior OIG reports. However, we did identify two conditions that when corrective action is taken can improve security controls.

What We Found

1 USSS Faces Challenges Protecting Sensitive Case Management Systems and Data

We found that Secret Service IT management was ineffective. Secret Service IT systems had inadequate security plans, access and audit controls, and privacy protections. Secret Service IT systems also operated with expired authorities to operate, noncompliant logical access requirements, and improper record retention requirements.

2 Evaluation of DHS' Information Security Program for Fiscal Year 2016

We found that the Department can strengthen its oversight of its information security program. We found components —

- were not consistently following DHS' policies and procedures;
- operated 79 unclassified systems with expired authorities to operate;
- had not consolidated all internet traffic behind DHS's trusted internet connections; and
- had deficiencies in configuration management and continuous monitoring programs.

3 Summary Report on Audits of Security Controls for TSA Information Technology Systems at Airports (Redacted)

TSA has undertaken various actions to address the recommendations made in prior OIG reports. However, we identified two ways to improve security controls: (1) TSA needs to assess the risk of not having redundant data communications capability to sustain operations; and (2) TSA should establish a plan to conduct recurring reviews of security controls nationwide.

Moving Forward

The Secret Service has much work to do to make IT a priority. This requires establishing and implementing an IT governance framework that includes addressing IT deficiencies in system security plans, authorities to operate systems, and access and audit controls. DHS reported it is taking corrective actions by actively maintaining a Cybersecurity Review process to keep senior executives informed of planned remedial actions and resolve impediments to improving information security programs. TSA reported it is taking steps to improve security by conducting recurring reviews of security controls.

DHS Response

The Secret Service reported it initiated steps in late 2015 to improve its IT program, including centralizing all IT resources under a Chief Information Officer (CIO) and drafting plans for an improved IT governance framework. The new CIO is aware of the severity of these issues and has begun formulating a strategic plan, including corrective actions plans to address long-standing IT deficiencies.

DHS reported it plans to maintain a review process to keep senior executives informed of planned remedial actions to improve information security programs. DHS reported it is also developing an annual performance plan to communicate requirements, priorities, and overall goals for its nation security systems. DHS has achieved a 99.4 percent privileged mandatory PIV logon compliance. Efforts will continue to improve and strengthen oversight of Plans of Action & Milestones in enterprise management systems.

TSA reported it will suggest DHS incorporate Business Impact Analyses as required artifacts in the DHS Information Assurance Compliance System and risk management framework. TSA will also conduct recurring reviews of operational, technical, and management security controls.

PROMOTING DISASTER RESILIENCE AND DISASTER GRANT MANAGEMENT

FEMA provides grant management funding to grantees but did not hold the grantees accountable for managing those grants. 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 Summary and Key Findings of Fiscal Year 2015 FEMA Disaster Grant and Program Audits

In FY 2015, we issued reports on 63 audits of FEMA grants, programs, and operations funded from the Disaster Relief Fund: 55 grant audits and 8 program audits. The 63 reports contained 160 recommendations, with potential monetary benefits of \$1.74 billion. Of the \$1.55 billion in disaster relief funds we audited, we found \$457 million in questionable costs, such as duplicate payments, unsupported costs, improper contract costs, and unauthorized expenditures.

2 Victor Valley Wastewater Reclamation Authority in Victorville, California, Did Not Properly Manage \$32 Million in FEMA Grant Funds

The Authority did not comply with Federal regulations in its award and administration of three contracts totaling about \$32 million. The Authority did not —

- perform cost/price analyses of bid proposals;
- follow its own procurement policy and Federal regulations;
- include all mandatory Federal provisions in contracts;
- maintain records that detail a history of its procurements;
- maintain a contract administration system; and
- include a ceiling price in time-and-material contracts.

3 Minneapolis Park and Recreation Board Did Not Follow All Federal Procurement Standards for \$5.1 Million in Contracts

The Board did not follow all Federal procurement standards in awarding contracts for disaster work totaling \$5.1 million. As a result, full and open competition did not always occur, and FEMA has no assurance that costs were reasonable or that disadvantaged businesses received sufficient opportunities to bid on federally funded work.

Moving Forward

FEMA should do more to hold grant recipients financially accountable for improperly spending disaster relief funds. FEMA should consider increasing its use of the remedies available in Federal regulations to (1) hold grantees and subgrantees accountable for material noncompliance with Federal statutes and (2) demand grantees and subgrantees properly account for and expend FEMA funds.

DHS Response

FEMA highlighted its new management initiatives including ongoing development and execution of a new Public Assistance delivery model, launching the Grants Management Modernization initiative, and publication of its *Public Assistance Policy on Insurance*. FEMA's new initiatives should provide additional tools for improving compliance with Federal regulations.

FEMA reported it will determine if the Authority's claimed project costs are reasonable, statutorily justified, and eligible for reimbursement. FEMA will review the final claim for the other large projects and determine final cost eligibility based on regulations and reasonableness. FEMA will review all documentation provided by the Authority at project closeout. FEMA will share the OIG's concerns of the Authority with California.

FEMA reported it will need to conduct additional analysis and research to determine an appropriate corrective action plan to follow procurement regulations. FEMA agreed to deobligate any duplicate obligations and unused Federal funds. FEMA will continue to provide procurement training to Minnesota.

IMPROVING MANAGEMENT STEWARDSHIP AND COMBATING FRAUD, WASTE, AND ABUSE

To improve management and oversight of its workforce, the Department could minimize the risk of improper use of force by law enforcement officers and address delays in hiring law enforcement personnel. We determined the Department did not fully establish effective systems, processes, policies, and testing procedures to ensure that internal controls are operating effectively throughout the Department.



What We Found

1

DHS Lacks Oversight of Components Use of Force (Redacted)

DHS has not done enough to minimize the risk of improper use of force by law enforcement officers. DHS does not —

- have an office to manage and oversee component use of force activities;
- ensure collection and validation of component data;
- ensure use of force policies are updated; and
- establish consistent requirements for recurrent training and ensure completion of training.

2

DHS Is Slow to Hire Law Enforcement Personnel

CBP, ICE, and the Secret Service continue to have significant delays in hiring law enforcement personnel. ICE and the Secret Service did not have the staff or comprehensive automated systems needed to hire personnel as efficiently as possible. The inability to hire personnel in a timely manner may lead to staffing shortfalls, which can affect workplace productivity and morale, as well as potentially disrupt mission critical operations.

3

Independent Auditors' Report on DHS' FY 2016 Financial Statements and Internal Control Over Financial Reporting

KMG LLP (KPMG) issued an unmodified (clean) opinion on DHS' consolidated financial statements. However, KPMG issued an adverse opinion on DHS' internal control over financial reporting of its financial statements as of September 30, 2016. The report identifies six significant deficiencies in internal control; three of which are considered material weaknesses. The material weaknesses are in information technology controls and financial system functionality; financial reporting; and property, plant, and equipment.

DHS Response

DHS recognized the need for improved headquarters oversight and collaboration for use of force activities. DHS' Office of Policy reported it has begun to develop a department-wide use of force policy by initiating a comprehensive review of all existing DHS and component use of force and other applicable policies.

ICE and the Secret Service reported they took actions to increase staffing, and they planned to implement automated tracking systems. DHS and the three components began working on performance measures and establishing hiring timeframes.

The Department concurred with the independent auditors' conclusions and indicated management will continue to implement corrective actions to improve financial management and internal control.

➔ Moving Forward

The Department needs to improve transparency and accountability of use of force and further minimize the risks associated with use of force incidents, including force that may impact the public, law enforcement personnel, and the Department's reputation. To better prepare for a planned hiring surge, the Department needs to continue working towards reducing the time it takes to hire law enforcement personnel, while maintaining the integrity of the process. The Department must continue remediation efforts, and stay focused, in order to sustain its clean opinion on its financial statements and obtain an unqualified (clean) opinion on its internal control over financial reporting.

Investigations of Senior Government Employees

This section reports on each OIG investigation involving a senior Government employee that was closed during the reporting period in which allegations of misconduct were substantiated. This report is being provided in accordance with the requirements of the *Inspector General Empowerment Act of 2016*. Appendix 9 provides a detailed description of all other OIG investigations involving senior Government employees that were closed during the reporting period and not disclosed to the public.

We Investigated...

Two senior ICE employees, a GS-15 and an SES, for allegedly using government funds to purchase gift cards and converting them for personal use. We substantiated the allegations. On July 16, 2010, the matter regarding the GS-15 was referred to, and accepted by, the U.S. Attorney's Office. The GS-15 pleaded guilty in federal court to theft, and was sentenced to 25 months' probation; fined \$1,200; restitution of \$2,399; and 240 hours of community service. The SES received 20 gift cards, with a combined value of \$2,600, and used 4 cards with a value of \$600 as partial payment of a \$2,300 refrigerator. The matter regarding the SES was referred to the U.S. Attorney's Office (USAO) on March 28, 2011, and on March 29, 2016 declined for prosecution.

A senior TSA official (SES) for allegedly facilitating a retaliatory action against a Supervisory Air Marshal in Charge (SW-02), misusing a government owned vehicle, conducting excessive travel, and engaging in time and attendance fraud. We substantiated the allegations that the senior official engaged in retaliatory action, misused a government owned vehicle, and engaged in questionable travel. We did not substantiate the allegations of time and attendance fraud. Based upon our findings, no criminal referrals were warranted. The senior official retired during the investigation.

A senior ICE official for allegedly making unwanted sexual advances to a subordinate employee. Specifically, it was alleged that the ICE official initiated a sexual conversation with the employee on a government telephone during which the official transmitted a nude photograph. We substantiated that the ICE official transmitted sexually explicit narratives using his government email account and equipment. We also determined that the official failed to disclose information when questioned under oath regarding another alleged misconduct incident involving another subordinate employee. While under investigation, the official voluntarily requested a demotion, apparently in an effort to mitigate anticipated disciplinary action. On October 17, 2016, this matter was referred to the USAO and declined for prosecution in favor of administrative remedies available to ICE. This was a joint investigation with ICE's Office of Professional Responsibility.

A Secret Service Manager (GS-15) for allegedly forging the signature of a subordinate on a mid-year and final performance review. We found that the manager forged the subordinate's signature in preparation for a compliance inspection by the Secret Service Inspection Division. The subordinate had apparently previously seen and acknowledged the performance review. On October 18, 2016, this matter was referred to the USAO who declined prosecution on the same day in favor of administrative remedies available to the Secret Service.

A TSA senior law enforcement manager based upon a referral from the USAO alleging lack of candor and misconduct issues during a joint, multi-agency public corruption investigation. We determined the manager displayed questionable conduct during the investigation of Federal Air Marshals and that the manager's account of events conflicted with virtually all of the witnesses interviewed. This matter was referred to the USAO on March 31, 2016, and declined for criminal prosecution on May 18, 2016, in lieu of administrative remedies available to TSA.

Two TSA security managers for allegedly permitting one of the employee's children access into sterile areas and bypassing security rules. We substantiated the allegation that the employees violated airport security procedures and failed to follow TSA Standard Operating Procedures. Based upon our findings, no criminal referrals were warranted.

A TSA manager (GS-15) for allegedly misusing their position by providing the Executive Vice President of a government contractor with an immediate family member's resume in the hopes that the executive could help the family member obtain a position at the government agency (non-DHS) where the executive had previously worked as a human resources official. We substantiated the allegation, but found that the circumstances did not warrant a criminal referral.

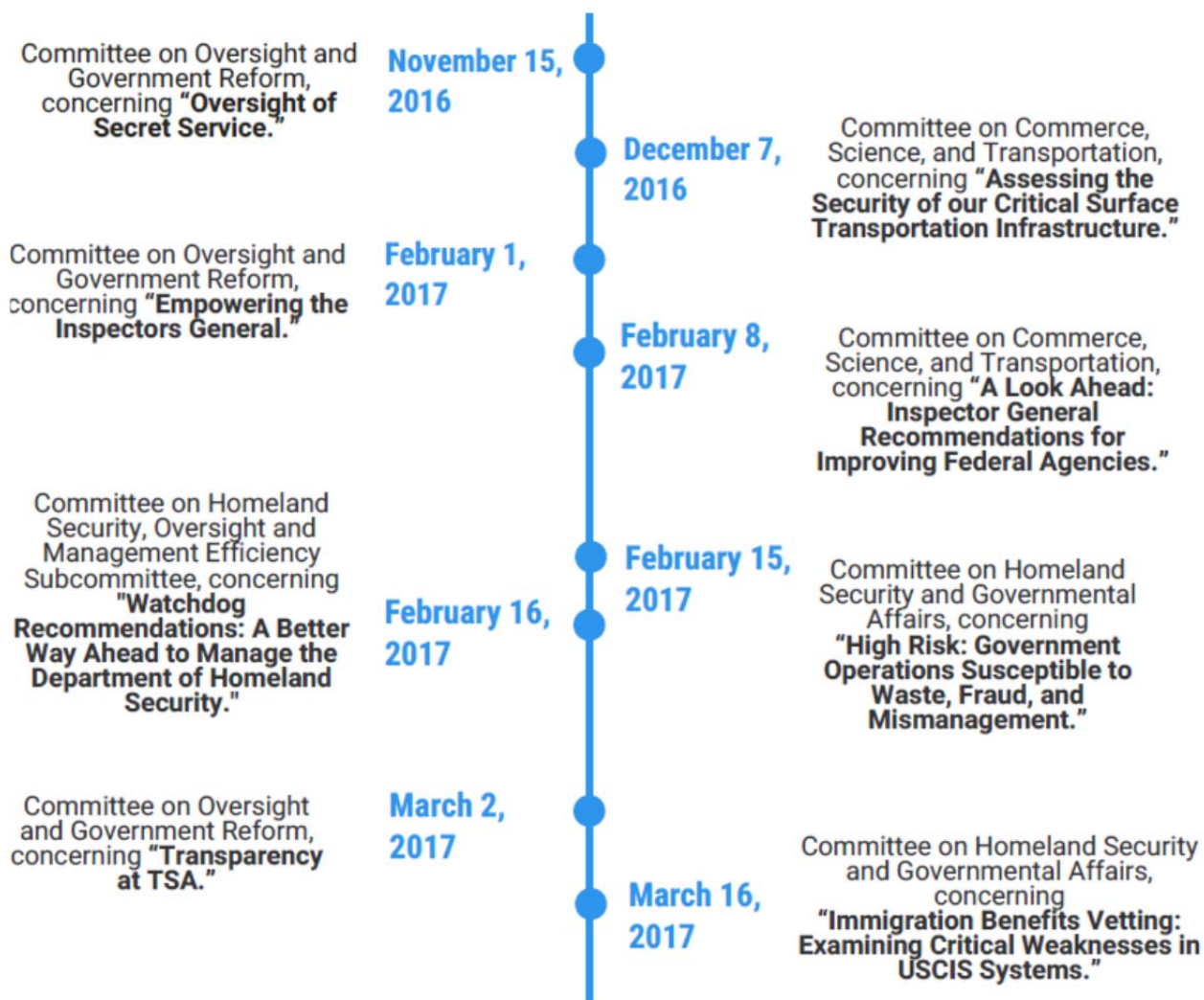
Congressional Testimony and Briefings



The Office of Inspector General testified before Congress eight times during this period. Testimony prepared 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 15 briefings for congressional members and staff on the results of our work, including the following topics: *Potentially Ineligible Individuals Have Been Granted U.S. Citizenship Because of Incomplete Fingerprint Records* (OIG-16-130); *USSS Faces Challenges Protecting Sensitive Case Management Systems and Data* (OIG-17-01); *DHS Lacks Oversight of Component Use of Force* (OIG-17-22); and *AMO and Coast Guard Maritime Missions Are Not Duplicative, But Could Improve with Better Coordination* (OIG-17-03). 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. 366, *DHS Stop Asset and Vehicle Excess Act*.

Improving Our Public Outreach



The Washington Post, *The Atlantic*, and *CNN* — among other news outlets — took notice of our audit work from October 2016 to March 2017.

DHS Report Cites Dangers In Federal Police Hiring Delays

The Washington Post
November 8, 2016

Secret Service Crushing Workload ‘Dangerous’ to Protectees

USA Today
November 15, 2016

Thousands of Green Cards Have ‘Simply Gone Missing,’ IG Says

ABC News
November 21, 2016

America Already Had a Muslim Registry

The Atlantic
December 20, 2016

TSA Yet to Resolve 2 Airport Security Issues; Misused SSI Classifications, IG Says

Homeland Security Today
January 4, 2017

DHS Watchdog Announces Review of Trump’s Travel Ban

CNN
February 2, 2017

Legislative and Regulatory Reviews and Other Office of Inspector General Activities

LEGISLATIVE AND REGULATORY REVIEWS



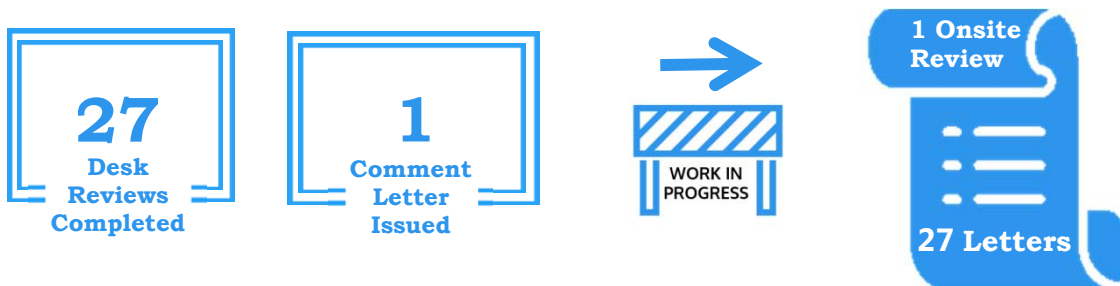
The *Inspector General Act* directs the Inspector General to review existing and proposed legislation and regulations relating to DHS programs and operations and to make recommendations about the impact of such legislation and regulations on (1) the economy and efficiency of DHS programs and operations, and (2) the prevention and detection of fraud and abuse in DHS programs and operations. During this semiannual reporting period, we discussed several key pieces of legislation with congressional stakeholders. We reviewed and commented on the following bills:

- *Inspector General Empowerment Act* (P.L. 114-317)
- *U.S. Customs and Border Protection Authorization Act* (P.L. 114-125)
- *DHS SAVE Act* (H.R. 366)
- *DHS Acquisition Accountability and Efficiency Act* (H.R. 2199)
- *Disaster Assistance Improvement Act of 2016* (S. 3411)
- *FEMA Disaster Assistance Reform Act of 2015* (H.R. 1471)
- *Medical Preparedness Allowable Use Act* (H.R. 437)

Additionally, the OIG is working closely with congressional stakeholders to provide input on a bill that would reauthorize and reform the Department of Homeland Security, which has not been reauthorized since its creation in 2002. Specifically, the OIG has been asked to assist Congress with developing the content for the section of the reauthorization bill addressing OIG authorities.

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

During this reporting period, we completed 27 desk reviews of Single Audit reports conducted by independent public accountant organizations. Of the 27 desk reviews, we issued 1 comment letter. We plan on conducting 1 onsite visit and issuing 27 comment letters.



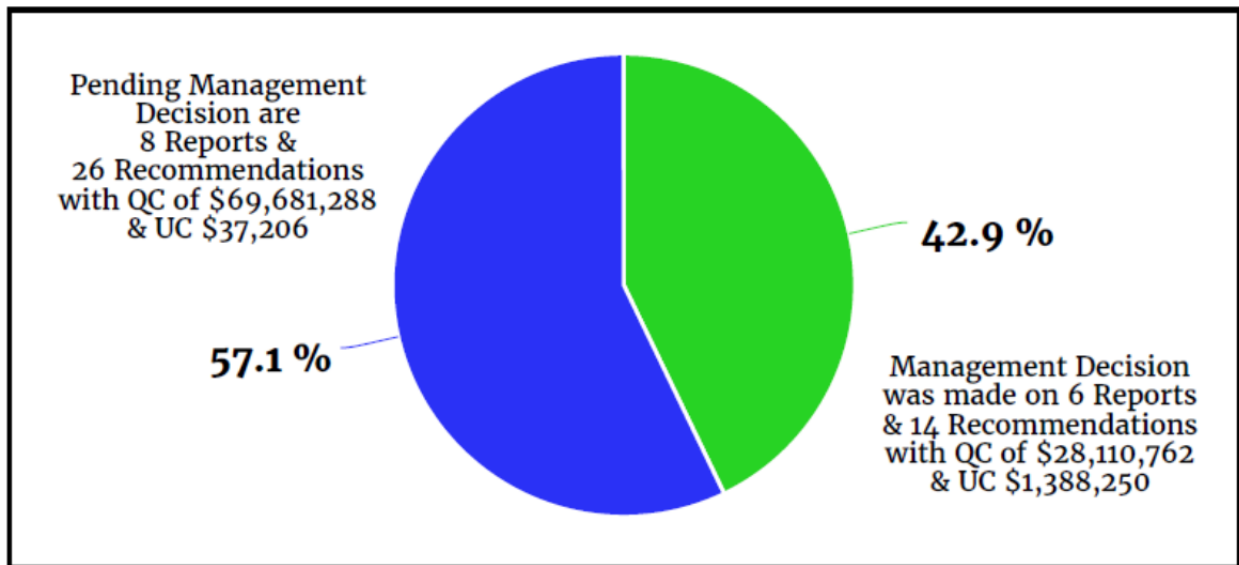
Appendix 1 Reports with Monetary Findings Questioned Costs



**14 Reports with
40 Recommendations**

**97,792,050 Questioned Costs
1,425,456 Unsupported Costs**

- 7 reports and 24 recommendations with QC of \$65,709,574 & UC \$37,206 carryover from last period.
- 7 reports and 16 recommendations with QC of \$32,082,476 & UC \$1,388,250 issued this period.




Appendix 1

Reports with Monetary Findings (continued)

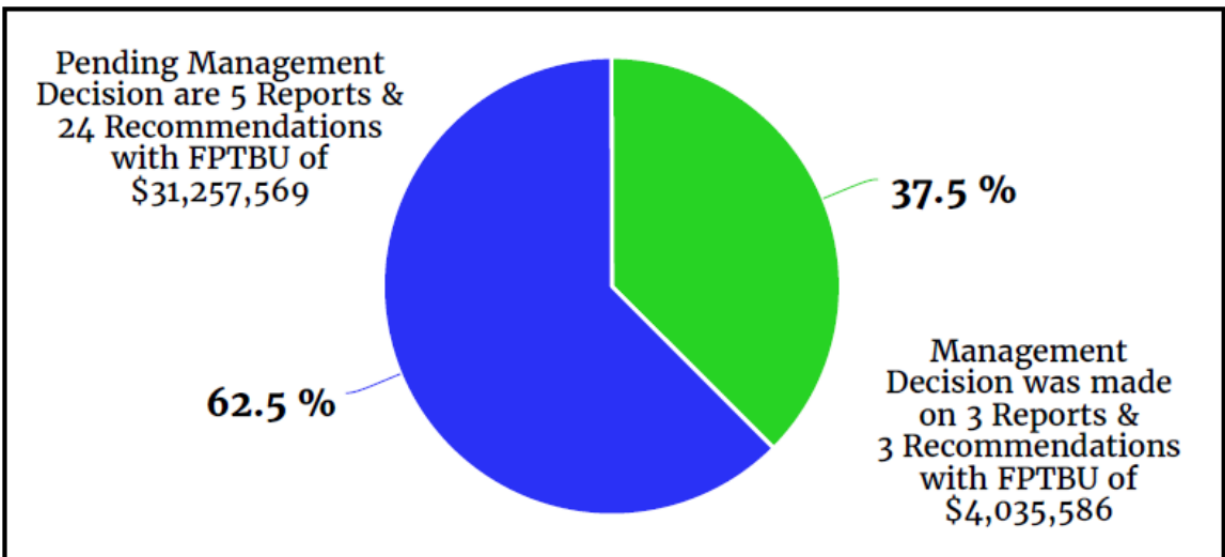
Funds to be Put to Better Use




**8 Reports with
27 Recommendations**

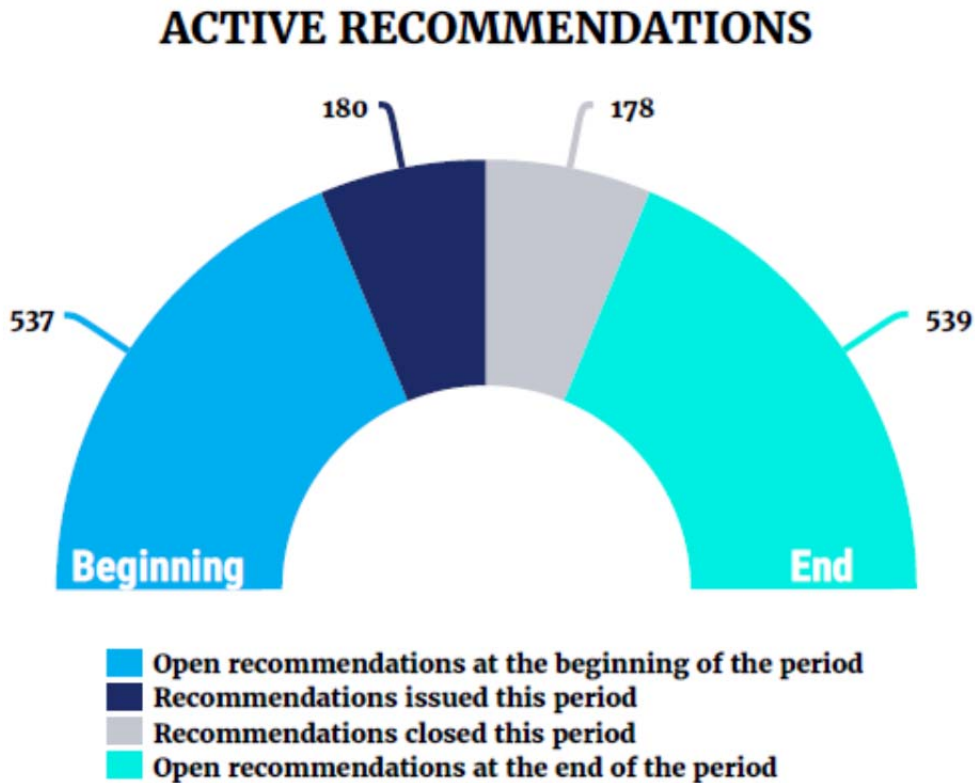
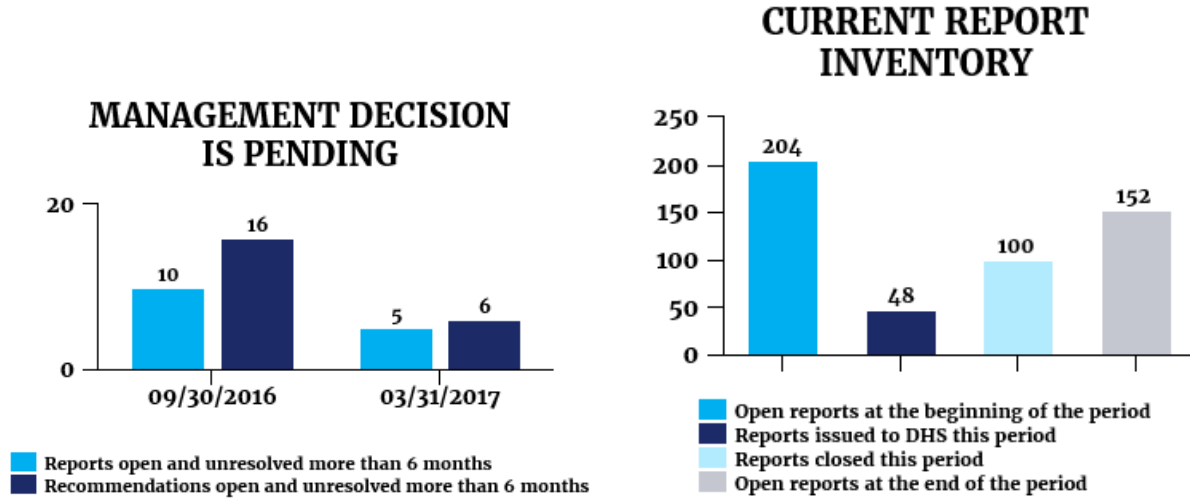

**FPTBU
35,293,155**

- 4 reports with 21 recommendations with FPTBU of \$26,997,996 carryover from last period.
- 4 reports with 6 recommendations with FPTBU of \$8,295,159 issued this period.



Appendix 2

Compliance – Resolution of Reports and 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 Comp.	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>	9	MGMT	1
2	5/6/2014	OIG-14-91-D	<i>FEMA Could Realize Millions in Savings by Strengthening Policies and Internal Controls Over Grant Funding for Permanently Relocated Damaged Facilities</i>	1, 2	FEMA	2
3	5/4/2015	OIG-15-85	<i>DHS Missing Data Needed to Strengthen its Immigration Enforcement Efforts</i>	1	SEC, DSEC, COS	1
4	8/21/2015	OIG-15-131-D	<i>FEMA Should Recover \$21.7 Million of \$376 Million in Public Assistance Grant Funds Awarded to the City of Biloxi, Mississippi for Hurricane Katrina Damages</i>	1	FEMA	1
5	5/10/2016	OIG-16-87	<i>IT Management Challenges Continue in TSA's Security Technology Integrated Program</i>	5	TSA	1
Total						6

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
1	OIG-10-11	<i>Independent Auditors' Report on DHS' FY 2009 Financial Statements and Internal Control Over Financial Reporting</i>	2	\$0	\$0	USCG
2	OIG-10-51	<i>Independent Auditors' Report on U.S Custom and Border Protection's FY 2009 Financial Statements</i>	2	\$0	\$0	CBP
3	OIG-10-94	<i>U.S. Computer Emergency Readiness Team Makes Progress in Securing Cyberspace, but Challenges Remain</i>	1	\$0	\$0	NPPD
4	OIG-11-16	<i>Customs and Border Protection's Implementation of the Western Hemisphere Travel Initiative at Land Ports of Entry</i>	2	\$0	\$0	CBP
5	OIG-11-40	<i>FEMA's Oversight and Management of Debris Removal Operations</i>	1	\$0	\$0	FEMA
6	OIG-11-86	<i>U.S. Coast Guard's Marine Safety Program – Offshore Vessel Inspections</i>	2	\$0	\$0	USCG
7	OIG-11-92	<i>Efficacy of Customs and Border Protection's Bonding Process</i>	3	\$0	\$0	CBP
8	OIG-12-07	<i>Independent Auditors' Report on DHS' FY 2011 Financial Statements and Internal Control over Financial Reporting</i>	8	\$0	\$0	USCG
9	OIG-12-18	<i>FEMA's Process for Tracking Public Assistance Insurance Requirements</i>	1	\$0	\$0	FEMA
10	OIG-12-26	<i>(U) Covert Testing of Access Controls to Secured Airport Areas</i>	1	\$0	\$0	TSA
11	OIG-12-63	<i>United States Customs and Border Protection's Management of the Federal Employees' Compensation Act Program</i>	3	\$0	\$0	CBP
12	OIG-12-64	<i>Operations of United States Immigration and Customs Enforcement's Secure Communities</i>	1	\$0	\$0	ICE
13	OIG-12-65	<i>Independent Auditors' Report on U.S. Customs and Border Protection's FY 2011 Financial Statements</i>	1	\$0	\$0	CBP

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
14	OIG-12-79	<i>Opportunities to Improve FEMA's Public Assistance Preliminary Damage Assessment Process</i>	1	\$0	\$0	FEMA
15	OIG-12-132	<i>CBP's Strategy to Address Illicit Cross-Border Tunnels</i>	1	\$0	\$0	CBP
16	DD-13-11	<i>FEMA Should Recover \$46.2 Million of Improper Contracting Costs from Federal Funds Awarded to the Administrators of the Tulane Educational Fund, New Orleans, Louisiana</i>	1	\$35,003,493	\$0	FEMA
17	OIG-13-11	<i>Improvements Needed for SAVE To Accurately Determine Immigration Status of Individuals Ordered Deported</i>	1	\$0	\$0	USCIS
18	OIG-13-19	<i>Identification, Reutilization, and Disposal of Excess Personal Property by the United States Coast Guard</i>	3	\$0	\$0	USCG
19	OIG-13-20	<i>Independent Auditors' Report on DHS' FY 2012 Consolidated Financial Statements and Report on Internal Control Over Financial Reporting</i>	17	\$0	\$0	USCG
20	OIG-13-80	<i>U.S. Immigration and Customs Enforcement's Enforcement and Removal Operations' Contract Funding and Payment Processes</i>	4	\$0	\$0	ICE
21	OIG-13-92	<i>Marine Accident Reporting, Investigations, and Enforcement in the United States Coast Guard</i>	1	\$0	\$0	USCG
22	OIG-13-96	<i>DHS' Policies and Procedures Over Conferences</i>	1	\$0	\$0	CFO
23	OIG-13-103	<i>DHS' Efforts to Screen Members of Foreign Terrorist Organizations</i>	1	\$0	\$0	ICE
24	OIG-13-104	<i>Technical Security Evaluation of DHS Activities at Hartsfield-Jackson Atlanta International Airport</i>	3	\$0	\$0	ICE
25	OIG-13-110	<i>DHS Needs To Strengthen Information Technology Continuity and Contingency Planning Capabilities</i>	2	\$0	\$0	MGMT

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
26	OIG-13-113	<i>DHS Needs to Manage Its Radio Communication Program Better</i>	2	\$0	\$0	MGMT
27	OIG-13-114	<i>CBP Use of Force Training and Actions To Address Use of Force Incidents (Redacted) (Revised)</i>	1	\$0	\$0	CBP
28	OIG-13-115	<i>DHS Uses Social Media To Enhance Information Sharing and Mission Operations, But Additional Oversight and Guidance Are Needed</i>	1	\$0	\$0	PLCY
29	OIG-13-119	<i>CBP's and USCG's Controls Over Exports Related to Foreign Military Sales</i>	2	\$0	\$0	CBP
30	OIG-14-02	<i>DHS' Efforts To Coordinate the Activities of Federal Cyber Operations Centers</i>	1	\$0	\$0	NPPD
31	OIG-14-14	<i>Oregon's Management of State Homeland Security Grant Program Awards for Fiscal Years 2010 Through 2012</i>	3	\$727,742	\$1,528,259	FEMA
32	OIG-14-18	<i>Independent Auditors' Report on DHS' FY 2013 Financial Statements and Internal Control over Financial Reporting</i>	15	\$0	\$0	MGMT
33	OIG-14-32	<i>Ensuring the Integrity of CBP's Secure Electronic Network for Travelers Rapid Inspection Program</i>	4	\$0	\$0	CBP
34	OIG-14-47	<i>U.S. Customs and Border Protection's Advanced Training Center Acquisition</i>	1	\$0	\$0	CBP
35	OIG-14-59	<i>Independent Auditors' Report on U.S. Customs and Border Protection's FY 2013 Financial Statements</i>	1	\$0	\$0	CBP
37	OIG-14-105	<i>U.S. Immigration and Customs Enforcement's Management of the Federal Employees' Compensation Act Program</i>	1	\$0	\$0	ICE
36	OIG-14-91-D	<i>FEMA Could Realize Millions in Savings by Strengthening Policies and Internal Controls Over Grant Funding for Permanently Relocated Damaged Facilities</i>	2	\$0	\$0	FEMA

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
37	OIG-14-105	<i>U.S. Immigration and Customs Enforcement's Management of the Federal Employees' Compensation Act Program</i>	1	\$0	\$0	ICE
38	OIG-14-112	<i>U.S. Citizenship and Immigration Services Information Technology Management Progress and Challenges</i>	1	\$0	\$0	USCIS
39	OIG-14-116	<i>ICE's Release of Immigration Detainees</i>	3	\$0	\$0	ICE
40	OIG-14-118-D	<i>FEMA Should Take Steps to Improve the Efficiency and Effectiveness of the Disaster Assistance Helpline for Disaster Survivors That Do Not Speak English or Spanish</i>	1	\$0	\$0	FEMA
41	OIG-14-132	<i>Audit of Security Controls for DHS Information Technology Systems at Dallas/Fort Worth International Airport</i>	8	\$0	\$0	ICE
42	OIG-14-142	<i>(U) Vulnerabilities Exist in TSA's Checked Baggage Screening Operations</i>	2	\$0	\$0	TSA
43	OIG-14-150-D	<i>FEMA and the State of Louisiana Need to Accelerate the Funding of \$812 Million in Hazard Mitigation Grant Program Funds and Develop a Plan to Close Approved Projects</i>	1	\$0	\$812,238,776	FEMA
44	OIG-14-151	<i>FEMA's Logistics Supply Chain Management System May Not Be Effective During a Catastrophic Disaster</i>	2	\$0	\$0	FEMA
45	OIG-14-153	<i>Use of Risk Assessment within Secure Flight</i>	1	\$0	\$0	TSA
46	OIG-15-01-D	<i>FEMA Should Recover \$13 Million of Grant Funds Awarded to The Administrators of the Tulane Educational Fund, New Orleans, Louisiana</i>	5	\$12,988,064	\$0	FEMA
47	OIG-15-02-D	<i>FEMA Should Recover \$3 Million of Ineligible Costs and \$4.3 Million of Unneeded Funds from the Columbus Regional Hospital</i>	2	\$1,720,315	\$0	FEMA

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
48	OIG-15-06-D	<i>FEMA Needs To Track Performance Data and Develop Policies, Procedures, and Performance Measures for Long Term Recovery Offices</i>	2	\$0	\$0	FEMA
49	OIG-15-08	<i>Ohio's Management of Homeland Security Grant Program Awards for Fiscal Years 2010 Through 2012</i>	1	\$3,559,067	\$0	FEMA
50	OIG-15-10	<i>Independent Auditors' Report on DHS' FY 2014 Financial Statements and Internal Control over Financial Reporting</i>	35	\$0	\$0	USCG
51	OIG-15-16	<i>Evaluation of DHS' Information Security Program for Fiscal Year 2014</i>	2	\$0	\$0	MGMT
52	OIG-15-17	<i>U.S. Customs and Border Protection's Unmanned Aircraft System Program Does Not Achieve Intended Results or Recognize All Costs of Operations</i>	3	\$0	\$443,000,000	CBP
53	OIG-15-18	<i>Audit of Security Controls for DHS Information Technology Systems at John F. Kennedy International Airport (Redacted) (Revised)</i>	6	\$0	\$0	CBP
54	OIG-15-19-D	<i>FEMA Insurance Reviews of Applicants Receiving Public Assistance Grant Funds for 2004 and 2005 Florida Hurricanes Were Not Adequate</i>	5	\$159,461,055	\$961,230,799	FEMA
55	OIG-15-22	<i>U.S. Immigration and Custom Enforcement's Alternatives to Detention (Revised)</i>	5	\$0	\$0	ICE
56	OIG-15-29	<i>Security Enhancements Needed to the TSA PreCheck™ Initiative</i>	4	\$0	\$0	TSA
57	OIG-15-38	<i>Science and Technology Directorate Needs to Improve Its Contract Management Procedures</i>	2	\$0	\$0	S&T

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
58	OIG-15-45	<i>Allegation of Granting Expedited Screening through TSA PreCheck Improperly (OSC File No. DI-14-3679) (Redacted)</i>	1	\$0	\$0	TSA
59	OIG-15-76	<i>Independent Auditors' Report on U.S. Customs and Border Protection's FY 2014 Financial Statements</i>	18	\$0	\$0	CBP
60	OIG-15-80	<i>DHS Should Do More to Reduce Travel Reservation Costs</i>	1	\$0	\$0	CFO
61	OIG-15-85	<i>DHS Missing Data Needed to Strengthen its Immigration Enforcement Efforts</i>	1	\$0	\$0	SEC, DSEC, COS
62	OIG-15-86	<i>The Transportation Security Administration Does Not Properly Manage Its Airport Screening Equipment Maintenance Program</i>	2	\$0	\$0	TSA
63	OIG-15-88	<i>Audit of Security Controls for DHS Information Technology Systems at San Francisco International Airport</i>	2	\$0	\$0	TSA
64	OIG-15-94	<i>Department of Homeland Security's FY 2014 Compliance with the Improper Payments Elimination and Recovery Act of 2010 (Revised)</i>	1	\$0	\$0	CFO
65	OIG-15-95	<i>Streamline: Measuring Its Effect on Illegal Border Crossing</i>	5	\$0	\$0	CBP
66	OIG-15-98	<i>TSA Can Improve Aviation Worker Vetting (Redacted)</i>	1	\$0	\$0	TSA
67	OIG-15-107	<i>New York's Management of Homeland Security Grant Program Awards for Fiscal Years 2010-12</i>	13	\$67,484,057	\$0	FEMA
68	OIG-15-108-IQO	<i>Oversight Review of the National Protection and Programs Directorate, Internal Affairs Division</i>	3	\$0	\$0	NPPD
69	OIG-15-112	<i>Follow-up to Management Alert - U.S. Immigration and Customs Enforcement's Facility, San Pedro, California</i>	1	\$0	\$0	ICE

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
70	OIG-15-117	<i>Fiscal Year 2014 Assessment of DHS Charge Card Programs Indicates Moderate Risk Remains</i>	1	\$0	\$0	CFO
71	OIG-15-118	<i>Transportation Security Administration's Management of Its Federal Employees' Compensation Act Program</i>	1	\$0	\$0	TSA
72	OIG-15-128-D	<i>FEMA's Process for Selecting Joint Field Offices Needs Improvement</i>	1	\$0	\$1,553,000	FEMA
73	OIG-15-131-D	<i>FEMA Should Recover \$21.7 Million of \$376 Million in Public Assistance Grant Funds Awarded to the City of Biloxi, Mississippi, for Hurricane Katrina Damages</i>	1	\$8,093,971	\$0	FEMA
74	OIG-15-138	<i>Accurate Reporting and Oversight Needed to Help Manage DHS' Warehouse Portfolio</i>	2	\$0	\$1,008,000	CBP
75	OIG-15-140	<i>DHS Can Strengthen Its Cyber Mission Coordination Efforts</i>	4	\$0	\$0	PLCY
76	OIG-15-148-D	<i>FEMA Should Recover \$4.2 Million of \$142.1 Million in Grant Funds Awarded to the City of Gulfport, Mississippi, for Hurricane Katrina Damages</i>	1	\$4,202,857	\$0	FEMA
77	OIG-16-01-D	<i>FEMA Faces Challenges in Verifying Applicants' Insurance Policies for the Individuals and Households Program</i>	3	\$0	\$0	FEMA
78	OIG-16-02	<i>The FPS Vehicle Fleet Is Not Managed Effectively</i>	5	\$35,031	\$2,519,077	MGMT
79	OIG-16-06	<i>Independent Auditors' Report on DHS' 2015 Financial Statements and Internal Control over Financial Reporting</i>	28	\$0	\$0	USCG
80	OIG-16-08	<i>Evaluation of DHS' Information Security Program for Fiscal Year 2015</i>	2	\$0	\$0	MGMT

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
81	OIG-16-10	<i>FEMA Faces Challenges in Managing Information Technology</i>	4	\$0	\$0	FEMA
82	OIG-16-14	<i>Lower Mississippi River Port-wide Strategic Security Council Did Not Always Properly Manage, Distribute or Spend Port Security Grant Funds</i>	1	\$9,282,920	\$0	FEMA
83	OIG-16-15	<i>(U) Fiscal Year 2015 Evaluation of DHS' Compliance with Federal Information Security Modernization Act Requirements for Intelligence Systems</i>	3	\$0	\$0	USCG
84	OIG-16-17	<i>ICE and USCIS Could Improve Data Quality and Exchange to Help Identify Potential Human Trafficking Cases</i>	3	\$0	\$0	USCIS
85	OIG-16-18	<i>DHS' Ebola Response Needs Better Coordination, Training, and Execution</i>	7	\$0	\$0	SEC, DSEC, COS
86	OIG-16-20	<i>U.S. Secret Service Needs to Upgrade Its Radio Systems (Redacted) (Revised)</i>	2	\$0	\$0	USSS
87	OIG-16-32	<i>TSA's Human Capital Services Contract Terms and Oversight Need Strengthening</i>	1	\$0	\$0	TSA
88	OIG-16-37	<i>Conditions at CBP's Forward Operating Bases along the Southwest Border (Redacted)</i>	4	\$0	\$0	CBP
89	OIG-16-39	<i>DHS Needs to Improve Implementation of OCFO Policy Over Reimbursable Work Agreements</i>	3	\$0	\$0	MGMT
90	OIG-16-47	<i>FEMA Does Not Provide Adequate Oversight of Its National Flood Insurance Write Your Own Program</i>	5	\$0	\$0	FEMA
91	OIG-16-48	<i>USCIS Automation of Immigration Benefits Processing Remains Ineffective</i>	4	\$0	\$0	USCIS
92	OIG-16-49	<i>Analysis of Recurring Audit Recommendations Could Improve FEMA's Oversight of HSGP</i>	1	\$0	\$0	FEMA

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
93	OIG-16-51	<i>CBP Needs to Better Plan Its Implementation of the DHS Prison Rape Elimination Act Regulations</i>	3	\$0	\$0	CBP
94	OIG-16-54	<i>Independent Auditors' Report on U.S. Customs and Border Protection's FY 2015 Consolidated Financial Statements</i>	3	\$0	\$0	CBP
95	OIG-16-64	<i>2014 White House Fence Jumping Incident (Redacted)</i>	6	\$0	\$0	USSS
96	OIG-16-75	<i>CBP Needs Better Data to Justify Its Criminal Investigator Staffing</i>	5	\$0	\$0	CBP
97	OIG-16-78-D	<i>Colorado Should Provide the City of Evans More Assistance in Managing FEMA Grant Funds</i>	1	\$2,218,535	\$0	FEMA
98	OIG-16-87	<i>IT Management Challenges Continue in TSA's Security Technology Integrated Program (Redacted)</i>	11	\$0	\$0	TSA
99	OIG-16-88	<i>Department of Homeland Security's FY 2015 Compliance with the Improper Payments Elimination and Recovery Act of 2010</i>	4	\$0	\$0	CFO
100	OIG-16-91	<i>TSA Oversight of National Passenger Rail System Security</i>	2	\$0	\$0	TSA
101	OIG-16-93	<i>Office of Intelligence and Analysis Can Improve Transparency and Privacy</i>	1	\$0	\$0	I&A
102	OIG-16-95	<i>DHS Does Not Have Comprehensive Policies or Training for Off-duty Conduct of Employees Traveling and Working Abroad</i>	1	\$0	\$0	MGMT
103	OIG-16-96-IQO	<i>Oversight Review of the Citizenship and Immigration Services, Investigations Division</i>	4	\$0	\$0	USCIS
104	OIG-16-98	<i>FEMA's Grant Programs Directorate Did Not Effectively Manage Assistance to Firefighters Grant Program - SAFER Grants</i>	2	\$18,443,447	\$0	FEMA

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
105	OIG-16-100	<i>FEMA's Grant Programs Directorate Did Not Effectively Manage Assistance to Firefighters Grant Program – AFG Grants</i>	2	\$7,124,893	\$0	FEMA
106	OIG-16-102-D	<i>FEMA Continues to Experience Challenges in Protecting Personally Identifiable Information at Disaster Recovery Centers</i>	2	\$0	\$0	FEMA
107	OIG-16-105	<i>DHS' Use of Reimbursable Work Agreements with GSA</i>	2	\$0	\$0	MGMT
108	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>	4	\$0	\$26,899,836	FEMA
109	OIG-16-119-D	<i>FEMA Improperly Awarded \$47.3 Million to the City of Louisville, Mississippi</i>	1	\$35,474,345	\$0	FEMA
110	OIG-16-123	<i>CBP's Office of Professional Responsibility's Privacy Policies and Practices</i>	2	\$0	\$0	CBP
111	OIG-16-125-D	<i>Long Beach City School District in New York Generally Accounted For and Expended FEMA Public Assistance Funds Properly</i>	1	\$601,587	\$0	FEMA
112	OIG-16-126-D	<i>FEMA Can Do More to Improve Public Assistance Grantees' and Subgrantees' Compliance with Federal Procurement Rules</i>	2	\$0	\$0	FEMA
114	OIG-16-127-D	<i>FEMA Can Enhance Readiness with Management of Its Disaster Incident Workforce</i>	4	\$0	\$0	FEMA
115	OIG-16-128	<i>TWIC Background Checks are Not as Reliable as They Could Be</i>	3	\$0	\$0	TSA

Appendix 4

Reports with Open Recommendations Over 6 Months Old

	Report Number	Report Title	# of Recs	Total Questioned Costs	Funds to be Put to Better Use	DHS Comp.
116	OIG-16-129	<i>Fiscal Year 2015 Risk Assessment of the DHS Bank Card Program Indicates Moderate Risk</i>	1	\$0	\$0	CFO
117	OIG-16-130	<i>Potentially Ineligible Individuals Have Been Granted U.S. Citizenship Because of Incomplete Fingerprint Records</i>	2	\$0	\$0	ICE
118	OIG-16-134	<i>Transportation Security Administration Needs a Crosscutting Risk-Based Security Strategy</i>	2	\$0	\$0	TSA
119	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>	2	\$3,406,030	\$0	FEMA
120	OIG-16-138	<i>DHS' Progress in Implementing the Federal Information Technology Acquisition Reform Act (Revised)</i>	3	\$0	\$0	MGMT
121	OIG-16-139-D	<i>FEMA Should Implement Consistent Joint Field Office Guidance</i>	2	\$0	\$0	FEMA
122	OIG-16-141	<i>DHS Has Not Trained Classified Network Users on the Classification Management Tool</i>	1	\$0	\$0	MGMT
123	OIG-16-143-D	<i>FEMA Should Recover \$25.4 Million in Grant Funds Awarded to Louisville, Mississippi for an April 2014 Disaster</i>	1	\$1,470,285	\$0	FEMA
Total			406	\$453,657,941	\$2,249,977,747	

Appendix 5

Reports Issued

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
1	10/16	OIG-17-01	<i>USSS Faces Challenges Protecting Sensitive Case Management Systems and Data</i>	\$0	\$0	\$0
2	10/16	OIG-17-02	<i>DHS Pandemic Planning Needs Better Oversight, Training, and Execution</i>	\$0	\$0	\$0
3	10/16	OIG-17-03	<i>AMO and Coast Guard Maritime Missions Are Not Duplicative, But Could Improve with Better Coordination</i>	\$0	\$0	\$0
4	10/16	OIG-17-04	<i>TSA Could Improve Its Oversight of Airport Controls over Access Media Badges (Redacted)</i>	\$0	\$0	\$0
5	10/16	OIG-17-05	<i>DHS Is Slow to Hire Law Enforcement Personnel</i>	\$0	\$0	\$0
6	11/16	OIG-17-06-D	<i>FEMA Should Recover \$1.8 Million of \$5.5 Million in Public Assistance Grant Funds Awarded to Columbia County, Florida, for Tropical Storm Debby Damages</i>	\$1,328,921	\$0	\$0
7	11/16	OIG-17-07-D	<i>FEMA Should Recover \$2.4 Million in Investment Gains Pennsylvania Improperly Earned on Federal Disaster Funds</i>	\$0	\$0	\$2,430,541
8	11/16	OIG-17-08	<i>Major Management and Performance Challenges Facing the Department of Homeland Security</i>	\$0	\$0	\$0
9	11/16	OIG-17-09	<i>DHS Drug Interdiction Efforts Need Improvement</i>	\$0	\$0	\$0
10	11/16	OIG-17-10	<i>The Secret Service Has Taken Action to Address the Recommendations of the Protective Mission Panel</i>	\$0	\$0	\$0
11	11/16	OIG-17-11	<i>Better Safeguards Are Needed in USCIS Green Card Issuance</i>	\$0	\$0	\$0

Appendix 5

Reports Issued

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
12	11/16	OIG-17-12	<i>Independent Auditors' Report on DHS' FY 2016 Financial Statements and Internal Control over Financial Reporting</i>	\$0	\$0	\$0
13	11/16	OIG-17-13-D	<i>Summary and Key Findings of Fiscal Year 2015 FEMA Disaster Grant and Program Audits</i>	\$0	\$0	\$0
14	12/16	OIG-17-14	<i>Summary Report on Audits of Security Controls for TSA Information Technology Systems at Airports (Redacted)</i>	\$0	\$0	\$0
15	12/16	OIG-17-15	<i>Texas' Management of Homeland Security Grant Program Awards for Fiscal Years 2012-14</i>	\$1,034,358	\$218,045	\$0
16	1/17	OIG-17-16-VR	<i>Verification Review of Larimer County, Colorado, OIG Audit Report (OIG-15-34-D)</i>	\$0	\$0	\$0
17	1/17	OIG-17-17-D	<i>Omaha Public Power District in Nebraska Generally Accounted for and Expended FEMA Grant Funds Properly</i>	\$50,678	\$0	\$0
18	1/17	OIG-17-18-D	<i>FEMA Should Disallow \$2.0 Million of \$3.59 Million Awarded to Stratford, Connecticut</i>	\$1,478,158	\$740,486	\$0
19	1/17	OIG-17-19-D	<i>Western Farmers Electric Cooperative, Oklahoma, Has Adequate Policies, Procedures, and Business Practices to Manage its FEMA Grant</i>	\$0	\$0	\$0
20	1/17	OIG-17-20-D	<i>FEMA Should Disallow \$577,959 of \$2.9 Million Awarded to Puerto Rico Aqueduct and Sewer Authority for Hurricane Irene Damages</i>	\$433,469	\$429,719	\$0
21	1/17	OIG-17-21-D	<i>Perth Amboy, New Jersey, Effectively Managed FEMA Grant Funds Awarded for Hurricane Sandy Damages</i>	\$0	\$0	\$0
22	1/17	OIG-17-22	<i>DHS Lacks Oversight of Component Use of Force (Redacted)</i>	\$0	\$0	\$0

Appendix 5

Reports Issued

	Date Issued	Report Number	Report Title	Total Questioned Costs^(a)	Unsupported Costs^(b)	Funds to be Put to Better Use^(c)
23	1/17	OIG-17-23-VR	<i>Verification Review of USCIS' Progress in Implementing OIG Recommendations for SAVE to Accurately Determine Immigration Status of Individuals Ordered Deported</i>	\$0	\$0	\$0
24	1/17	OIG-17-24	<i>Evaluation of DHS' Information Security Program for Fiscal Year 2016</i>	\$0	\$0	\$0
25	1/17	OIG-17-25-D	<i>The Victor Valley Wastewater Reclamation Authority in Victorville, California, Did Not Properly Manage \$32 Million in FEMA Grant Funds</i>	\$23,785,177	\$0	\$0
26	1/17	OIG-17-26-MA	<i>Management Alert - U.S. Citizenship and Immigration Services' Use of the Electronic Immigration System for Naturalization Benefits Processing</i>	\$0	\$0	\$0
27	1/17	OIG-17-27-MA	<i>Management Advisory Report: Review of FEMA Region IV Strategic Source IDIQ Contract for Office Supplies</i>	\$0	\$0	\$0
28	2/17	OIG-17-28	<i>Review of U.S. Customs and Border Protection's Fiscal Year 2016 Drug Control Performance Summary Report</i>	\$0	\$0	\$0
29	2/17	OIG-17-29	<i>Review of U.S. Customs and Border Protection's Fiscal Year 2016 Detailed Accounting Submission</i>	\$0	\$0	\$0
30	2/17	OIG-17-30	<i>Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2016 Detailed Accounting Submission</i>	\$0	\$0	\$0
31	2/17	OIG-17-31	<i>Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2016 Drug Control Performance Summary Report</i>	\$0	\$0	\$0

Appendix 5

Reports Issued

	Date Issued	Report Number	Report Title	Total Questioned Costs^(a)	Unsupported Costs^(b)	Funds to be Put to Better Use^(c)
32	2/17	OIG-17-32	<i>Review of U.S. Coast Guard's Fiscal Year 2016 Detailed Accounting Submission</i>	\$0	\$0	\$0
33	2/17	OIG-17-33	<i>Review of U.S. Coast Guard's Fiscal Year 2016 Review of U.S. Coast Guard's Fiscal Year 2016 Drug Control Performance Summary Report</i>	\$0	\$0	\$0
34	2/17	OIG-17-34-D	<i>Columbia County Roads Department, Oregon, Needs Continued State and FEMA Assistance in Managing Its FEMA Grant</i>	\$0	\$0	\$1,507,478
35	2/17	OIG-17-35-D	<i>Escambia County, Florida, Has Adequate Policies, Procedures, and Business Practices to Effectively Manage FEMA Grant Funds Awarded to Replace Its Central Booking and Detention Center</i>	\$0	\$0	\$0
36	2/17	OIG-17-36	<i>Independent Auditors' Report on U.S. Customs and Border Protection's Fiscal Year 2016 Consolidated Financial Statements</i>	\$0	\$0	\$0
37	2/17	OIG-17-37-D	<i>FEMA's Initial Response to Severe Storms and Flooding in West Virginia DR-4273</i>	\$0	\$0	\$0
38	2/17	OIG-17-38-D	<i>FEMA Needs to Improve Its Oversight of the Sheltering and Temporary Essential Power Pilot Program</i>	\$0	\$0	\$0
39	2/17	OIG-17-39	<i>CBP's Border Security Efforts – An Analysis of Southwest Border Security Between the Ports of Entry</i>	\$0	\$0	\$0
40	2/17	OIG-17-40	<i>DHS' Pilots for Social Media Screening Need Increased Rigor to Ensure Scalability and Long-term Success</i>	\$0	\$0	\$0

Appendix 5

Reports Issued

	Date Issued	Report Number	Report Title	Total Questioned Costs ^(a)	Unsupported Costs ^(b)	Funds to be Put to Better Use ^(c)
41	3/17	OIG-17-41-D	<i>Aiken County, South Carolina, Effectively Managed FEMA Grant Funds Awarded for Severe 2014 Winter Storm</i>	\$0	\$0	\$0
42	3/17	OIG-17-42	<i>H-2 Petition Fee Structure is Inequitable and Contributes to Processing Errors</i>	\$0	\$0	\$0
43	3/17	OIG-17-43-MA	<i>Management Alert on Issues Requiring Immediate Action at the Theo Lacy Facility in Orange, California</i>	\$0	\$0	\$0
44 ^(d)	3/17	OIG-17-44-D	<i>Management Advisory - CalRecycle, a California State Agency, Needs Assistance to Ensure that \$230 Million in Disaster Costs Are Valid</i>	\$0	\$0	\$0
45	3/17	OIG-17-46-D	<i>Minneapolis Park and Recreation Board Did Not Follow All Federal Procurement Standards for \$5.1 Million in Contracts</i>	\$3,971,715	\$0	\$1,926,656
46	3/17	OIG-17-47	<i>The Secret Service Has Taken Action to Address the Classified Recommendations of the Protective Mission Panel</i>	\$0	\$0	\$0
47	3/17	OIG-17-48-D	<i>Iron County Forestry and Parks Department, Wisconsin, Needs Assistance and Monitoring to Ensure Proper Management of Its FEMA Grant</i>	\$0	\$0	\$2,430,484
48	3/17	OIG-17-49	<i>Review of Domestic Sharing of Counterterrorism Information</i>	\$0	\$0	\$0
Total				\$32,082,476	\$1,388,250	\$8,295,159

Appendix 5

Reports Issued

Report Number Abbreviations:

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

(d) The report number 45 was not issued during this reporting period.

Appendix 6

Schedule of Amounts Due and Recovered/Deobligated

	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
1	4/19/2012	DD-12-10	<i>Insurance Allocations to FEMA Public Assistance Grant Funds Awarded to the Administrators of the Tulane Educational Fund, New Orleans, Louisiana</i>	\$24,500,000	\$13,311,000	\$11,189,000	\$13,311,000
2	9/24/2013	OIG-13-123	<i>Transportation Security Administration Office of Inspection's Efforts to Enhance Transportation Security</i>	\$17,500,000	\$0	\$17,500,000	\$0
3	7/30/2014	OIG-14-121-D	<i>The Puerto Rico Department of Housing Generally Complied with FEMA Hazard Mitigation Grant Program Eligibility Requirements for Participants of the New Secure Housing Program - Hurricane Georges</i>	\$479,556	\$137,146	\$342,410	\$137,146
4	8/21/2014	OIG-14-126	<i>DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations</i>	\$48,600,000	\$0	\$0	\$0
5	9/9/2015	OIG-15-142-D	<i>The Puerto Rico Department of Housing Did Not Properly Administer \$90.79 Million of FEMA Grant Funds Awarded for the New Secure Housing Program</i>	\$49,051,683	\$47,879,729	\$1,171,954	\$47,879,729
6	5/3/2016	OIG-16-78-D	<i>Colorado Should Provide the City of Evans More Assistance in Managing FEMA Grant Funds</i>	\$5,378,771	\$0	\$0	\$0
7	6/23/2016	OIG-16-105	<i>DHS' Use of Reimbursable Work Agreements with GSA</i>	\$15,517,414	\$15,517,414	\$0	\$0

Appendix 6

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
8	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>	\$1,947,854	\$1,925,483	\$22,371	\$1,925,483
9	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>	\$97,567	\$0	\$97,567	\$0
10	1/9/2017	OIG-17-18-D	<i>FEMA Should Disallow \$2.0 Million of \$3.59 Million Awarded to Stratford, Connecticut</i>	\$11,700	\$11,700	\$0	\$11,700
11	1/10/2017	OIG-17-20-D	<i>FEMA Should Disallow \$577,959 of \$2.9 Million Awarded to Puerto Rico Aqueduct and Sewer Authority for Hurricane Irene Damages</i>	\$433,469	\$384,217	\$49,252	\$384,217
12	2/1/2017	OIG-17-34-D	<i>Columbia County Roads Department, Oregon, Needs Continued State and FEMA Assistance in Managing Its FEMA Grant</i>	\$1,507,478	\$0	\$0	\$0
		Audit Report Total		\$165,025,492	\$79,166,689	\$30,372,554	\$63,649,275
		Investigative Recoveries					\$14,200,000
			Totals	\$165,025,492	\$79,166,689	\$30,372,554	\$77,849,275

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 7

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	Unsupported Costs	Disallowed Costs
N/A	N/A	N/A

Appendix 8

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 DOJ OIG in June 2015, for the FY ending September 30, 2014. We implemented all recommendations made by Department of Justice (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 9

Closed Investigations Involving Senior Government Employees that Were Not Disclosed to the Public

	Affected Agency	Allegation
1	Headquarters	We investigated a DHS OIG Senior Criminal Investigator (GS-15) for alleged consumption of alcohol on federal property, falsification of documents, conduct unbecoming of a law enforcement officer, and lack of candor. During the course of the removal process, information came to light that cast doubt on our ability to substantiate the allegations in litigation, and he was returned to duty without charge.
2	Headquarters	We investigated a DHS Attorney (GS-15) for an alleged ethics violation when, having previously served as lobbyist on immigration related issues, the attorney allegedly improperly influenced and unlawfully changed the draft of a rule affecting nonimmigrant high skilled workers. We found that the attorney was not a political appointee and, therefore, the previous employment did not present a conflict.
3	Headquarters	We investigated a DHS Senior Executive Service (SES) employee for allegedly improperly requesting a downgrade to a GS-15 to qualify for an early retirement incentive for which SES employees were not eligible. We found no evidence of misconduct.
4	Headquarters	We investigated a senior DHS official (SES) for allegedly using government funds to travel abroad to campaign for an executive board position with an intergovernmental organization; and while abroad, accepting unauthorized foreign government transportation, gifts, and meals. We found no evidence to support misconduct.
5	Headquarters	We investigated an FPS official (SES) for allegedly improperly being issued a government firearm, a federal badge, and credentials. We found that items were never provided to the official because the official had not attended the prerequisite training and had insufficient previous law enforcement training and experience to be granted a waiver from this training.
6	Headquarters	We investigated a National Protection and Programs Directorate, Manager (GS-15) for allegedly hacking into a computer system and obtaining privileged information about the 2016 presidential election. We did not substantiate the allegation.
7	CBP	We investigated two senior CBP officials (SES) for allegedly being employed with and/or maintaining a financial interest in a Limited Liability Corporation (LLC) that was a second tier CBP subcontractor actively engaged in the performance of a CBP contract. Our investigation found no evidence of misconduct regarding these officials or their activities.
8	CBP	We investigated two CBP employees (one an SES), for allegedly mishandling classified information. We found no evidence to support the allegation.
9	CBP	We investigated a CBP official (SES) for allegedly removing an employee's name as a selectee for a new position in retaliation for a previous complaint the employee filed against the official. Our investigation found no evidence to support the allegation.
10	CBP	We investigated a CBP manager (SES) for allegedly engaging in prohibited personnel practices regarding the selection of three senior positions. We found that these positions were filled in compliance with the CBP Merit Promotion Plan and that the manager was not involved in the creation of the candidate lists and was not the selecting official for these three positions.
11	CBP	We investigated a U.S. Border Patrol Deputy Chief Patrol Agent (SES) for allegedly imposing unfair and inequitable discipline; and manipulating internal promotion selections. We did not substantiate the allegations.

Appendix 9

Closed Investigations Involving Senior Government Employees that Were Not Disclosed to the Public

	Affected Agency	Allegation
12	CBP	We investigated a CBP Director of Field Operation (SES) and a CBP Border Security Coordinator (GS-14) for allegedly inappropriately receiving gifts. We did not substantiate the allegation.
13	CBP	We investigated a U.S. Border Patrol Joint Field Commander (SES) for allegedly having an inappropriate relationship with a subordinate employee and giving the subordinate employee preferential treatment. We did not substantiate the allegation.
14	CBP	We investigated a U.S. Border Patrol Deputy Chief Patrol Agent (SES) for allegedly deliberately influencing the outcome of an investigation involving a senior Tucson Border Patrol Sector union official. We determined that the actions taken by the employee were within the purview, scope and discretionary latitude contained within Border Patrol policy.
15	CBP	We investigated a U.S. Border Patrol Chief Patrol Agent (SES) for allegedly making unwanted sexual advances towards a subordinate. We did not substantiate the allegation.
16	Coast Guard	We reviewed a whistleblower complaint against the Commandant of the U.S. Coast Guard Academy (USCGA), O-6, for alleged retaliation against a USCGA cadet. We administratively closed this matter after the cadet withdrew the complaint after reaching a resolution with the USCGA that addressed many of the issues.
17	FEMA	We investigated a FEMA Regional Administrator (SES) for allegedly making jokes about an employee's disability. We did not substantiate the allegation.
18	ICE	We investigated an ICE Attorney (GS-15) for alleged witness tampering. We did not substantiate the allegation.
19	TSA	We investigated a TSA official (SES) for allegedly failing to sufficiently investigate criminal wrongdoing by a Federal Air Marshal (FAM); being aware of substantive funding improprieties and failing to take appropriate action; and facilitating improper government travel by a subordinate employee. Our investigation did not substantiate the allegations.
20	TSA	We investigated two TSA Assistant Federal Security Directors (SV-11) for allegedly falsifying training records and terminating an employee who reported the falsification. TSA conducted a thorough investigation on the retaliation claim. TSA requested and received a Motion to Dismiss from an Equal Employment Opportunity Commission Administrative Law Judge who concurred that the terminated employee failed to establish reprisal. We found no evidence to indicate the Assistant Federal Security Directors falsified records.
21	TSA	We investigated a TSA Federal Security Director (SV-11) for allegedly creating a hostile work environment. We did not substantiate the allegation.
22	TSA	With TSA, Office of Inspection, we jointly investigated a TSA Assistant Federal Security Director (SV-11) for allegedly violating TSA policy by enabling an immediate family member's luggage to bypass a security checkpoint. We did not substantiate any policy violation.
	Total	22

Appendix 10

Acronyms and Abbreviations

CBP	U.S. Customs and Border Protection
CIO	Chief Intelligence Officer
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
FEMA	Federal Emergency Management Agency
FLETC	Federal Law Enforcement Training Center
HSGP	Homeland Security Grant Program
I&A	Office of Intelligence and Analysis
I&E	Office of Inspections and Evaluations
IC	Intelligence Community
ICE	U.S. Immigration and Customs Enforcement
INV	Office of Investigations
IQO	Office of Integrity and Quality Oversight
IT	information technology
ITA	Office of Information Technology Audits
MGMT	Directorate for Management
NPPD	National Protection and Programs Directorate
OA	Office of Audits
OIG	Office of Inspector General
ONDCP	Office of National Drug Control Policy
OSC	Office of Special Counsel
PIV	personal identification verification
QC	Questioned Costs
RATB	Recovery Accountability and Transparency Board
S&T	Science and Technology Directorate
SAR	semiannual report
Secret Service	United States Secret Service
SES	Senior Executive Service
TSA	Transportation Security Administration
UC	Unsupported Costs
USAO	United States Attorney's Office
U.S.C.	United States Code
USCIS	U.S. Citizenship and Immigration Services
WPO	Whistleblower Protection Ombudsman
WPU	Whistleblower Protection Unit

Appendix 11

OIG Contacts and Locations



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Laurel Rimon	Acting Assistant Inspector General/Inspections and Evaluations
John E. McCoy II	Assistant Inspector General/Integrity and Quality Oversight
Andrew Oosterbaan	Assistant Inspector General/Investigations
Louise McGlathery	Assistant Inspector General/Management

Appendix 12

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
Matters Referred to Prosecutive Authorities	4
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Significant Problems, Abuses, and Deficiencies	9-14
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Closed Investigations Involving Senior Government Employees Not Disclosed to the Public	44-45
Management Decision Disagreements	Nothing to Report
Revised Management Decisions	Nothing to Report
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No Establishment Comment Received Within 60 Days of Report Issuance	Nothing to Report
Inspection, Evaluation, or Audit Closed and Not Publicly Disclosed	Nothing to Report



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