

GAO

Testimony before the Committee on
Homeland Security and Governmental
Affairs
U.S. Senate

For Release on Delivery
Expected at 1:30 p.m. EST
Thursday, September 6, 2007

**DEPARTMENT OF
HOMELAND SECURITY**

**Progress Report on
Implementation of Mission
and Management Functions**

Statement of David M. Walker
Comptroller General of the United States



DEPARTMENT OF HOMELAND SECURITY

Progress Report on Implementation of Mission and Management Functions



Highlights of GAO-07-1081T, a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The Department of Homeland Security's (DHS) recent 4-year anniversary provides an opportunity to reflect on the progress DHS has made. The creation of DHS was one of the largest federal reorganizations in the last several decades, and GAO has reported that it was an enormous management challenge and that the size, complexity, and importance of the effort made the challenge especially daunting and critical to the nation's security. Our prior work on mergers and acquisitions has found that successful transformations of large organizations, even those faced with less strenuous reorganizations than DHS, can take at least 5 to 7 years to achieve. This testimony is based on our August 2007 report evaluating DHS's progress since March 2003. Specifically, it addresses DHS's progress across 14 mission and management areas and key themes that have affected DHS's implementation efforts.

How GAO Did This Study

To assess DHS's progress for the report, GAO identified performance expectations for each mission and management area based on legislation, homeland security presidential directives, DHS and component agencies' strategic plans, and other sources.

(Continued on next page)

www.gao.gov/cgi-bin/getrpt?GAO-07-1081T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Norman J. Rabkin at (202) 512-8777 or rabkinn@gao.gov.

What GAO Found

Since its establishment in March 2003, DHS has made varying levels of progress in implementing its mission and management areas, as shown in the following table. In general, DHS has made more progress in its mission areas than in its management areas. Within its mission areas, DHS has made progress in developing plans and programs, but has faced challenges in its implementation efforts.

Table: Summary of Assessments of DHS's Progress in Mission and Management Areas

| Mission/management area | Number of performance expectations | Number of expectations generally achieved | Number of expectations generally not achieved | Number of expectations not assessed | Overall assessment of progress |
|-------------------------------------|------------------------------------|---|---|-------------------------------------|--------------------------------|
| Border security | 12 | 5 | 7 | 0 | Modest |
| Immigration enforcement | 16 | 8 | 4 | 4 | Moderate |
| Immigration services | 14 | 5 | 9 | 0 | Modest |
| Aviation security | 24 | 17 | 7 | 0 | Moderate |
| Surface transportation security | 5 | 3 | 2 | 0 | Moderate |
| Maritime security | 23 | 17 | 4 | 2 | Substantial |
| Emergency preparedness and response | 24 | 5 | 18 | 1 | Limited |
| Critical infrastructure protection | 7 | 4 | 3 | 0 | Moderate |
| Science and technology | 6 | 1 | 5 | 0 | Limited |
| Acquisition management | 3 | 1 | 2 | 0 | Modest |
| Financial management | 7 | 2 | 5 | 0 | Modest |
| Human capital management | 8 | 2 | 6 | 0 | Limited |
| Information technology management | 13 | 2 | 8 | 3 | Limited |
| Real property management | 9 | 6 | 3 | 0 | Moderate |
| Total | 171 | 78 | 83 | 10 | |

Source: GAO analysis.

Definitions:

Substantial progress: DHS has taken actions to generally achieve more than 75 percent of the identified performance expectations.

Moderate progress: DHS has taken actions to generally achieve more than 50 percent but 75 percent or less of the identified performance expectations.

Modest progress: DHS has taken actions to generally achieve more than 25 percent but 50 percent or less of the identified performance expectations.

Limited progress: DHS has taken actions to generally achieve 25 percent or less of the identified performance expectations.

GAO analyzed these documents to identify responsibilities for DHS and obtained and incorporated feedback from DHS officials on the performance expectations. On the basis of GAO's and the DHS Office of Inspector General's (IG) prior work and updated information provided by DHS, GAO judged the extent to which DHS has taken actions to generally achieve each performance expectation. An assessment of generally achieved indicated that, in our view, DHS has taken actions to satisfy most elements of the expectation, and an assessment of generally not achieved indicated that, in our view, DHS has not yet taken actions to satisfy most elements of the expectation. In cases when we or the DHS IG had not completed work upon which to base an assessment or the information DHS provided did not enable us to clearly determine the extent to which DHS has achieved the performance expectation, we indicated no assessment made. Our assessment of DHS's progress relative to each performance expectation was not meant to imply that DHS should have fully achieved the performance expectation at this point. On the basis of this analysis, GAO determined whether DHS has made limited, modest, moderate, or substantial progress in each mission and management area. The assessments of progress do not reflect, nor are they intended to reflect, the extent to which DHS's actions have made the nation more secure in each area.

Key underlying themes have affected DHS's implementation efforts. These include strategies to achieve agency transformation, strategic planning and results management, risk management, information sharing, and partnerships and coordination. For example, we have designated DHS's implementation and transformation as high-risk. While DHS has made progress in transforming its component agencies into a fully functioning department, it has not yet addressed elements of the transformation process, such as developing a comprehensive transformation strategy. DHS also has not yet fully adopted and applied a risk management approach in implementing its mission and management functions. Some DHS component agencies have taken steps to do so, but this approach is not yet used departmentwide. In addition, DHS has taken steps to share information and coordinate with homeland security partners but has faced difficulties in these partnership efforts.

Given DHS's leading role in securing the homeland, it is critical that the department's mission and management programs operate as efficiently and effectively as possible. DHS has taken important actions to secure the border and transportation sectors and to prepare for and respond to disasters. DHS has had to undertake these missions while also working to transform itself into a fully functioning cabinet department—a difficult task for any organization. As DHS moves forward, it will be important for the department to continue to develop more measurable goals to guide implementation efforts and to enable better accountability. It will also be important for DHS to continually reassess its mission and management goals, measures, and milestones to evaluate progress made, identify past and emerging obstacles, and examine alternatives to effectively address those obstacles.

What GAO Recommends

While this testimony contains no new recommendations, GAO has made approximately 700 recommendations to DHS. DHS has implemented some of these recommendations and taken actions to address others. However, we have reported that the department still has much to do to ensure that it conducts its missions efficiently and effectively while it simultaneously prepares to address future challenges that face the department and the nation.

In commenting on a draft of our report, DHS raised some concerns regarding aspects of our methodology, including the criteria used and consistent application of the criteria. We believe that we have fully disclosed and consistently applied the methodology in our report and that it provides a sound basis for our progress report. DHS also disagreed with our assessment for 42 of the 171 performance expectations. Our report provides a detailed response to DHS's comments on the 42 expectations. Overall, we appreciate DHS's concerns and recognize that in such a broad-based endeavor, some level of disagreement is inevitable, especially at any given point in time. However, we have been as transparent as possible regarding our purpose, methodology, and professional judgments.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear today to discuss the Department of Homeland Security's (DHS) efforts to implement its major mission and management functions. At your request we issued a report last month evaluating progress DHS has made since March 2003.¹ This report defines specific actions DHS is to achieve based on legislation, homeland security presidential directives, DHS strategic planning documents, and other sources and reports the progress the department has made in implementing programmatic and management activities based on its achievement of these actions. However, the assessments of progress are not indicative of the extent to which DHS's actions have made the nation more secure in each area. Moreover, our assessments do not imply that DHS would have or should have achieved all of the actions we identified. On the other hand, failure to effectively implement these actions could have serious consequences for our homeland security, and it is important for Congress and other stakeholders to have a sense of the department's accomplishments to date as well as areas for further focus to help inform oversight and investment decisions.

Prior to the creation of DHS, we testified on whether the reorganization of government agencies might better address the nation's homeland security needs.² At that time, we testified that the nation had a unique opportunity to create an effective and performance-based organization to strengthen the nation's ability to protect its borders and citizens. We noted that the magnitude of the challenges that the new department would face would require substantial time and effort and that implementation of the new department would be extremely complex. Often it has taken years for the consolidated functions in new organizations to effectively build on their combined strengths, and it is not uncommon for management challenges to remain for decades. For example, the 1947 legislation creating the Department of Defense (DOD) was amended by Congress in 1949, 1953, 1958, and 1986 to improve the department's structural effectiveness. Despite these and other changes made by DOD, we have reported that more than 50 years after its establishment, DOD continues to face a number of serious management challenges.

¹ GAO, *Department of Homeland Security: Progress Report on Implementation of Mission and Management Functions*, [GAO-07-454](#) (Washington, D.C.: August 17, 2007).

² GAO, *Homeland Security: Critical Design and Implementation Issues*, [GAO-02-957T](#) (Washington, D.C.: July 17, 2002).

DHS began operations in March 2003 with missions that include preventing terrorist attacks from occurring within the United States, reducing U.S. vulnerability to terrorism, minimizing the damages from attacks that occur, and helping the nation recover from any attacks. The department has initiated and continued the implementation of various policies and programs to address these missions as well as its nonhomeland security functions.³ DHS has also taken actions to integrate its management functions and to transform its component agencies into an effective cabinet department. In 2003, we designated the implementation and transformation of DHS as high-risk because it represented an enormous undertaking that would require time to achieve in an effective and efficient manner.⁴ Additionally, the components merged into DHS already faced a wide array of existing challenges, and any DHS failure to effectively carry out its mission would expose the nation to potentially serious consequences. The area has remained on our high-risk list since 2003.⁵ In designating the implementation and transformation of DHS as high-risk, we noted that building an effective department would require consistent and sustained leadership from top management to ensure the needed transformation of disparate agencies, programs, and missions into an integrated organization. Our prior work on mergers and acquisitions, undertaken before the creation of DHS, found that successful transformations of large organizations, even those faced with less strenuous reorganizations than DHS, can take at least 5 to 7 years to achieve.

My comments are based on the results of a report issued last month evaluating the extent to which DHS has achieved congressional and Administration expectations in its major mission and management areas. In my testimony, I will explain how we conducted our work for the report and discuss the results of that work. I will also discuss the key themes that have affected the department's efforts to implement its mission and management areas. These key themes include agency transformation, strategic planning and results management, risk management, information sharing, and partnerships and coordination.

³ Examples of nonhomeland security functions include Coast Guard search and rescue and naturalization services.

⁴ GAO, *High-Risk Series: An Update*, [GAO-03-119](#) (Washington, D.C.: January 2003).

⁵ GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: January 2005), and GAO, *High-Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

We conducted our work in accordance with generally accepted government auditing standards.

Summary

Our report provides assessments of DHS's progress across 14 mission and management areas. For each area we identified performance expectations based on responsibilities set out in legislation, homeland security presidential directives and executive orders, DHS planning documents, and other sources. Our analysts and subject matter experts reviewed our prior work, DHS Inspector General (IG) work, and information DHS provided to assess whether DHS generally achieved each expectation. We used these performance expectation assessments to determine DHS's overall progress in each mission and management area. In commenting on a draft of our report, DHS raised concerns about our methodology, including the criteria we used for assessing the extent to which DHS has achieved each performance expectation and our consistent application of the criteria. We discussed our criteria and methodology with DHS officials throughout our review and took steps to ensure their consistent application. We believe that our methodology provides a sound basis for our progress report. Overall, we appreciate DHS's concerns and recognize that in such a broad-based endeavor, some level of disagreement is inevitable. However, we have been as transparent as possible regarding our purpose, methodology, and professional judgments.

DHS has made varying levels of progress in implementing its mission and management areas since March 2003, as shown in table 1. In general, DHS has made more progress in its mission areas than in its management areas, which reflects an understandable focus on implementing efforts to secure the nation. Within its mission areas, DHS has made progress in developing plans and programs but has faced difficulties in implementing them. In commenting on a draft of the report issued last month, DHS disagreed with our assessments for 42 of the 171 performance expectations. We provide a detailed response to DHS's comments on the 42 expectations in the report.

Table 1: Summary of Assessments of Progress Made by DHS in Its Mission and Management Areas

| Mission/management area | Number of performance expectations | Number of performance expectations generally achieved | Number of performance expectations generally not achieved | Number of performance expectations not assessed | Overall assessment of progress |
|--|------------------------------------|---|---|---|--------------------------------|
| Border security | 12 | 5 | 7 | 0 | Modest |
| Immigration enforcement | 16 | 8 | 4 | 4 | Moderate |
| Immigration services | 14 | 5 | 9 | 0 | Modest |
| Aviation security | 24 | 17 | 7 | 0 | Moderate |
| Surface transportation security | 5 | 3 | 2 | 0 | Moderate |
| Maritime security | 23 | 17 | 4 | 2 | Substantial |
| Emergency preparedness and response | 24 | 5 | 18 | 1 | Limited |
| Critical infrastructure and key resources protection | 7 | 4 | 3 | 0 | Moderate |
| Science and technology | 6 | 1 | 5 | 0 | Limited |
| Acquisition management | 3 | 1 | 2 | 0 | Modest |
| Financial management | 7 | 2 | 5 | 0 | Modest |
| Human capital management | 8 | 2 | 6 | 0 | Limited |
| Information technology management | 13 | 2 | 8 | 3 | Limited |
| Real property management | 9 | 6 | 3 | 0 | Moderate |
| Total | 171 | 78 | 83 | 10 | |

Source: GAO analysis.

A variety of cross-cutting issues have affected DHS's efforts to implement its mission and management functions. These key issues include agency transformation, strategic planning and results management, risk management, information sharing, and partnerships and coordination.

- We initially designated the implementation and transformation of DHS as a high-risk area because it represented an enormous undertaking that would require time to achieve and the components to be merged into DHS already faced a wide array of challenges. We continued this designation in 2005 and 2007 in part because DHS's management systems and functions are not yet fully integrated and wholly operational.

-
- DHS has not always implemented effective strategic planning efforts and has not yet fully developed performance measures or put in place structures to help ensure that the agency is managing for results. For example, we have reported that some component agencies have had difficulties developing outcome-based goals and measures for assessing program performance. We have also noted that DHS faces inherent challenges in developing outcome-based goals and measures to assess the effect of its efforts on strengthening homeland security.
 - The *National Strategy for Homeland Security* and DHS's strategic plan have called for the use of risk-based decisions to prioritize DHS's resource investments. We have found that while some DHS component agencies, such as the Coast Guard, have taken steps to apply risk-based decision making in implementing some of its mission functions, other components have not utilized such an approach.
 - We have designated information sharing for homeland security as high-risk in part because the nation still lacks an implemented set of governmentwide policies and processes for sharing terrorism-related information. The federal government has issued a strategy for how it will put in place the overall framework and policies for sharing information with critical partners. DHS has taken actions to implement its information-sharing responsibilities, but we have reported that DHS faces challenges in continuing to develop productive information-sharing relationships with federal agencies, state and local governments, and the private sector.
 - The *National Strategy for Homeland Security* underscores the importance of DHS partnering with other stakeholders, as the majority of the strategy's initiatives are intended to be implemented by three or more federal agencies. DHS has taken steps to strengthen partnering frameworks and capabilities. However, we have also reported on difficulties DHS faces in its partnership efforts, such as in coordinating with its emergency preparedness and response partners in the wake of Hurricanes Katrina and Rita.

Given DHS's leading role in securing the homeland, it is critical that the department's mission and management programs are operating as efficiently and effectively as possible. DHS has taken important actions to secure the border and transportation sectors and to prepare for and respond to disasters. DHS has had to undertake these missions while also working to transform itself into a fully functioning cabinet department—a difficult task for any organization. As it moves forward, DHS will continue to face the challenges that have affected its operations thus far, including

transforming into a high-performing, results-oriented agency; developing results-oriented goals and measures to effectively assess performance; developing and implementing a risk-based approach to guide resource decisions; and establishing effective frameworks and mechanisms for sharing information and coordinating with homeland security partners. DHS has undertaken efforts to address these challenges but will need to give continued attention to these efforts in order to efficiently and effectively identify and prioritize mission and management needs, implement efforts to address those needs, and allocate resources accordingly. As DHS continues to evolve and implements its programs, we will continue to review its progress and report to Congress and the public on our work.

Background

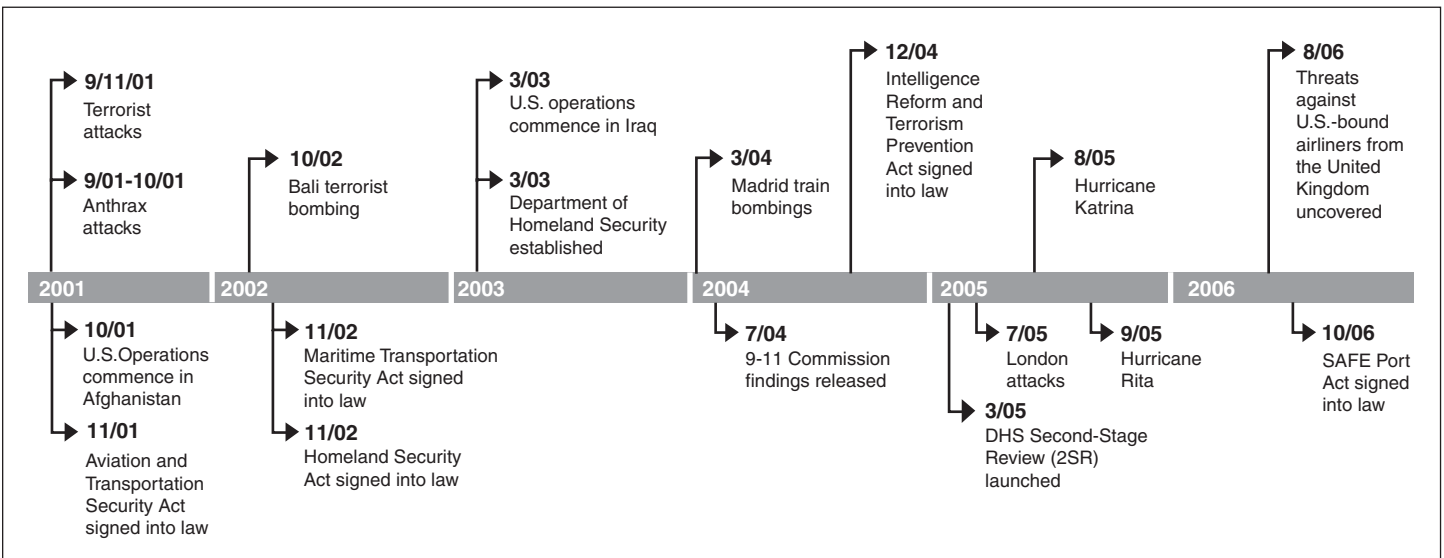
In July 2002, President Bush issued the *National Strategy for Homeland Security*. The strategy set forth overall objectives to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and assist in the recovery from attacks that occur. The strategy set out a plan to improve homeland security through the cooperation and partnering of federal, state, local, and private sector organizations on an array of functions. The *National Strategy for Homeland Security* specified a number of federal departments, as well as nonfederal organizations, that have important roles in securing the homeland. In terms of federal departments, DHS was assigned a leading role in implementing established homeland security mission areas.

In November 2002, the Homeland Security Act of 2002 was enacted into law, creating DHS. This act defined the department's missions to include preventing terrorist attacks within the United States; reducing U.S. vulnerability to terrorism; and minimizing the damages, and assisting in the recovery from, attacks that occur within the United States. The act also specified major responsibilities for the department, including to analyze information and protect infrastructure; develop countermeasures against chemical, biological, radiological, and nuclear, and other emerging terrorist threats; secure U.S. borders and transportation systems; and organize emergency preparedness and response efforts. DHS began operations in March 2003. Its establishment represented a fusion of 22

federal agencies to coordinate and centralize the leadership of many homeland security activities under a single department.⁶

A variety of factors have affected DHS's efforts to implement its mission and management functions. These factors include both domestic and international events, such as Hurricanes Katrina and Rita, and major homeland security-related legislation. Figure 1 provides a timeline of key events that have affected DHS's implementation.

Figure 1: Selected Key Events That Have Affected Department of Homeland Security Implementation



Source: GAO analysis.

⁶These 22 agencies, offices, and programs were U.S. Customs Service; U.S. Immigration and Naturalization Service; Federal Protective Service; Transportation Security Administration; Federal Law Enforcement Training Center; Animal and Plant Health Inspection Service; Office for Domestic Preparedness; Federal Emergency Management Agency; Strategic National Stockpile and the National Disaster Medical System; Nuclear Incident Response Team; Domestic Emergency Support Team; National Domestic Preparedness Office; Chemical, Biological, Radiological, and Nuclear Countermeasures Program; Environmental Measures Laboratory; National BW Defense Analysis Center; Plum Island Animal Disease Center; Federal Computer Incident Response Center; National Communications System; National Infrastructure Protection Center; Energy Security and Assurance Program; Secret Service; and U.S. Coast Guard.

Our Report Assesses DHS's Progress in Implementing Its Mission and Management Functions

Our report assesses DHS's progress across 14 mission and management areas. We based these areas on those identified in the *National Strategy for Homeland Security*, the goals and objectives set forth in the DHS strategic plan and homeland security presidential directives, our reports, and studies conducted by the DHS IG and other organizations and groups, such as the 9/11 Commission and the Century Foundation. The 14 we identified are

1. Border security
2. Immigration enforcement
3. Immigration services
4. Aviation security
5. Surface transportation security
6. Maritime security
7. Emergency preparedness and response
8. Critical infrastructure and key resources protection
9. Science and technology
10. Acquisition management
11. Financial management
12. Human capital management
13. Information technology management
14. Real property management

For each mission and management area, we identified performance expectations and vetted them with DHS officials. These performance expectations are a composite of the responsibilities or functions—derived from legislation, homeland security presidential directives and executive orders, DHS planning documents, and other sources—that the department

is to achieve.⁷ Our analysts and subject matter experts reviewed our prior work, DHS IG work, and evidence DHS provided between March and July 2007, including DHS officials' assertions when supported by documentation. On the basis of this analysis and our experts' judgment, we then assessed the extent to which DHS had achieved each of the expectations we identified. We made preliminary assessments for each performance expectation based solely on GAO and DHS IG work. In March through July, we received additional information from DHS, which we reviewed and used to inform our final assessments. In some cases the assessments remained the same as our preliminary ones, and in other cases they changed.

When our review of our prior work, the DHS IG's work, and DHS's documentation indicated that DHS had satisfied most of the key elements of a performance expectation, we concluded that DHS had generally achieved it. When our reviews showed that DHS had not yet satisfied most of the key elements of a performance expectation, we concluded that DHS had generally not achieved it. More specifically, where our prior work or that of the DHS IG indicated DHS had not achieved a performance expectation and DHS did not provide documentation to prove otherwise, we concluded that DHS had generally not achieved it. For a small number of performance expectations we could not make an assessment because neither we nor the DHS IG had completed work and the information DHS provided did not enable us to clearly assess DHS's progress.

We used these performance expectation assessments to determine DHS's overall progress in each mission and management area. After making an assessment for each performance expectation, we added up those rated as generally achieved. We divided this number by the total number of performance expectations for the mission or management area, excluding those performance expectations for which we could not make an assessment. If DHS generally achieved more than 75 percent of the identified performance expectations, we identified its overall progress as substantial. When the number achieved was more than 50 percent but 75 percent or less, we identified its overall progress as moderate. If DHS generally achieved more than 25 percent but 50 percent or less, we identified its overall progress as modest. For mission and management

⁷ We did not consider performance expectations derived from sources arising after September 2006, such as the Security and Accountability for Every (SAFE) Port Act and the fiscal year 2007 DHS appropriations act.

areas in which DHS generally achieved 25 percent or less of the performance expectations, we identified overall progress as limited.

We and the DHS IG have completed varying degrees of work for each mission and management area, and DHS's components and offices provided us with different amounts and types of information. As a result, our assessments of DHS's progress in each mission and management area reflect the information available for our review and analysis and are not equally comprehensive across all 14 mission and management areas. It is also important to note that while there are qualitative differences between the performance expectations, we did not weigh some more heavily than others in our overall assessments of mission and management areas. We also recognize that these expectations are not time bound, and DHS will take actions to satisfy these expectations over a sustained period of time. Our assessment of DHS's progress relative to each performance expectation refers to the progress made by the department since March 2003 and does not imply that DHS should have fully achieved each performance expectation at this point.

In commenting on a draft of our report, DHS took issues with our methodology. First, DHS believed that we altered the criteria we used to judge the department's progress. We did not change our criteria; rather we made a change in terminology to better convey the intent behind the performance expectations that DHS achieve them instead of merely take actions that apply or relate to them. Second, DHS took issue with the binary standard approach we used to assess each performance expectation. We acknowledge the limitations of this standard in our report but believe it was appropriate for our review given that the Administration has generally not established quantitative goals and measures for the expectations. Therefore, we could not assess where along a spectrum of progress DHS stood in achieving each performance expectation. Third, DHS was concerned about an apparent shift in criteria we applied after the department provided us additional information and documents. What DHS perceived as a change in criteria for certain performance expectations was really the process by which we disclosed our preliminary assessment; analyzed additional documents and information from DHS; and updated and, in many cases revised, our assessments based on the additional inputs. Fourth, DHS raised concerns with consistency in our application of the methodology. Our core team of GAO analysts and managers reviewed all inputs from GAO staff to ensure consistent application of our methodology, criteria, and analytical process, and our quality control process included detailed reviews of the report's facts as well as assurances that we followed generally accepted government auditing

standards. Finally, DHS points out that we treated all performance expectations as if they were of equal significance. In our report, we acknowledged that differences exist, but we did not weight the performance expectations because congressional, departmental, and others' views on the relative priority of each expectation may be different, and we did not believe it was appropriate to substitute our judgment for theirs.

Overall, we appreciate DHS's concerns and recognize that in such a broad-based endeavor, some level of disagreement is inevitable, especially at any given point in time. However, we have been as transparent as possible regarding our purpose, methodology, and professional judgments and believe that our methodology provides a sound basis for the progress report.

DHS Has Made Progress in Implementing Mission and Management Functions but Has Faced Difficulties in Its Implementation Efforts

Our report shows that since March 2003, DHS has attained some level of progress in implementing the performance expectations in all of its major mission and management areas, but the rate of progress among these areas has varied. Overall, DHS has made more progress in its mission areas than in its management areas, reflecting an understandable focus on implementing efforts to secure the homeland. As DHS continues to mature as an organization, we believe it will be able to put more focus—and achieve more expectations—in the management areas.

Within its mission areas, DHS has made more progress in developing strategies, plans, and programs than in implementing them. For example, in the area of border security we found that DHS has developed a multiyear strategy and initiative for identifying illegal border crossings between ports of entry. However, DHS is in the early stages of implementing this strategy, and we and the DHS IG identified problems with implementation of past programs with similar objectives. Likewise, in the area of emergency preparedness and response, DHS has developed the National Incident Management System. However, we have reported that much more work remains for DHS to effectively coordinate its implementation.

Below we provide more information on progress made by DHS in its mission and management areas.

- DHS's **border security** mission includes detecting and preventing terrorists and terrorist weapons from entering the United States; facilitating the orderly and efficient flow of legitimate trade and travel;

interdicting illegal drugs and other contraband; apprehending individuals who are attempting to enter the United States illegally; inspecting inbound and outbound people, vehicles, and cargo; and enforcing laws of the United States at the border. As shown in table 2, we identified 12 performance expectations for DHS in the area of border security and found that DHS has generally achieved 5 of them and has generally not achieved 7 others.

Table 2: Summary of Our Assessments for DHS’s Border Security Performance Expectations

| Performance expectation | Total |
|---|---------------|
| Generally achieved | 5 |
| Implement a biometric entry system to prevent unauthorized border crossers from entering the United States through ports of entry | |
| Develop a program to detect and identify illegal border crossings between ports of entry | |
| Develop a strategy to detect and interdict illegal flows of cargo, drugs, and other items into the United States | |
| Provide adequate training for all border-related employees | |
| Develop staffing plans for hiring and allocating human capital resources to fulfill the agency’s border security mission | |
| Generally not achieved | 7 |
| Implement a biometric exit system to collect information on border crossers leaving the United States through ports of entry | |
| Implement a program to detect and identify illegal border crossings between ports of entry | |
| Implement a strategy to detect and interdict illegal flows of cargo, drugs, and other items into the United States | |
| Implement effective security measures in the visa issuance process | |
| Implement initiatives related to the security of certain documents used to enter the United States | |
| Ensure adequate infrastructure and facilities | |
| Leverage technology, personnel, and information to secure the border | |
| Overall assessment of progress | Modest |

Source: GAO analysis.

- DHS’s **immigration enforcement** mission includes apprehending, detaining, and removing criminal and illegal aliens; disrupting and dismantling organized smuggling of humans and contraband as well as human trafficking; investigating and prosecuting those who engage in benefit and document fraud; blocking and removing employers’ access to undocumented workers; and enforcing compliance with programs to monitor visitors. As shown in table 3, we identified 16 performance expectations for DHS in the area of immigration enforcement and found that DHS has generally achieved 8 of them and has generally not achieved 4 others. For 4 performance expectations, we could not make an assessment.

Table 3: Summary of Our Assessments for DHS’s Immigration Enforcement Performance Expectations

| Performance expectation | Total |
|--|-----------------|
| Generally achieved | 8 |
| Develop a program to ensure the timely identification and removal of noncriminal aliens subject to removal from the United States | |
| Assess and prioritize the use of alien detention resources to prevent the release of aliens subject to removal | |
| Develop a program to allow for the secure alternative detention of noncriminal aliens | |
| Develop a prioritized worksite enforcement strategy to ensure that only authorized workers are employed | |
| Develop a comprehensive strategy to interdict and prevent trafficking and smuggling of aliens into the United States | |
| Develop a law enforcement strategy to combat criminal alien gangs in the United States and cross-border criminal activity | |
| Develop a program to screen and respond to local law enforcement and community complaints about aliens who may be subject to removal | |
| Develop staffing plans for hiring and allocating human capital resources to fulfill the agency’s immigration enforcement mission | |
| Generally not achieved | 4 |
| Implement a program to ensure the timely identification and removal of noncriminal aliens subject to removal from the United States | |
| Ensure the removal of criminal aliens | |
| Implement a prioritized worksite enforcement strategy to ensure that only authorized workers are employed | |
| Implement a comprehensive strategy to interdict and prevent trafficking and smuggling of aliens into the United States | |
| No assessment made | 4 |
| Implement a program to allow for the secure alternative detention of noncriminal aliens | |
| Implement a law enforcement strategy to combat criminal alien gangs in the United States and cross-border criminal activity | |
| Disrupt and dismantle mechanisms for money laundering and financial crimes | |
| Provide training, including foreign language training, and equipment for all immigration enforcement personnel to fulfill the agency’s mission | |
| Overall assessment of progress | Moderate |

Source: GAO analysis.

- DHS’s **immigration services** mission includes administering immigration benefits and working to reduce immigration benefit fraud. As shown in table 4, we identified 14 performance expectations for DHS in the area of immigration services and found that DHS has generally achieved 5 of them and has generally not achieved 9 others.

Table 4: Summary of Our Assessments for DHS’s Immigration Services Performance Expectations

| Performance expectation | Total |
|--|---------------|
| Generally achieved | 5 |
| Institute process and staffing reforms to improve application processes | |
| Establish online access to status information about benefit applications | |
| Establish revised immigration application fees based on a comprehensive fee study | |
| Communicate immigration-related information to other relevant agencies | |
| Create an office to reduce immigration benefit fraud | |
| Generally not achieved | 9 |
| Eliminate the benefit application backlog and reduce application completion times to 6 months | |
| Establish a timetable for reviewing the program rules, business processes, and procedures for immigration benefit applications | |
| Institute a case management system to manage applications and provide management information | |
| Develop new programs to prevent future backlogs from developing | |
| Establish online filing for benefit applications | |
| Capture biometric information on all benefits applicants | |
| Implement an automated background check system to track and store all requests for applications | |
| Establish training programs to reduce fraud in the benefits process | |
| Implement a fraud assessment program to reduce benefit fraud | |
| Overall assessment of progress | Modest |

Source: GAO analysis.

- DHS’s **aviation security** mission includes strengthening airport security; providing and training a screening workforce; prescreening passengers against terrorist watch lists; and screening passengers, baggage, and cargo. As shown in table 5, we identified 24 performance expectations for DHS in the area of aviation security and found that DHS has generally achieved 17 of them and has generally not achieved 7 others.

Table 5: Summary of Our Assessments for DHS’s Aviation Security Performance Expectations

| Performance expectation | Total |
|---|-----------------|
| Generally achieved | 17 |
| Implement a strategic approach for aviation security functions | |
| Ensure the screening of airport employees against terrorist watch lists | |
| Hire and deploy a federal screening workforce | |
| Develop standards for determining aviation security staffing at airports | |
| Establish standards for training and testing the performance of airport screener staff | |
| Establish a program and requirements to allow eligible airports to use a private screening workforce | |
| Train and deploy federal air marshals on high-risk flights | |
| Establish standards for training flight and cabin crews | |
| Establish a program to allow authorized flight deck officers to use firearms to defend against any terrorist or criminal acts | |
| Establish policies and procedures to ensure that individuals known to pose, or suspected of posing, a risk or threat to security are identified and subjected to appropriate action | |
| Develop and implement processes and procedures for physically screening passengers at airport checkpoints | |
| Develop and test checkpoint technologies to address vulnerabilities | |
| Deploy explosive detection systems (EDS) and explosive trace detection (ETD) systems to screen checked baggage for explosives | |
| Develop a plan to deploy in-line baggage screening equipment at airports | |
| Pursue the deployment and use of in-line baggage screening equipment at airports | |
| Develop a plan for air cargo security | |
| Develop and implement procedures to screen air cargo | |
| Generally not achieved | 7 |
| Establish standards and procedures for effective airport perimeter security | |
| Establish standards and procedures to effectively control access to airport secured areas | |
| Establish procedures for implementing biometric identifier systems for airport secured areas access control | |
| Develop and implement an advanced prescreening system to allow DHS to compare domestic passenger information to the Selectee List and No Fly List | |
| Develop and implement an international passenger prescreening process to compare passenger information to terrorist watch lists before aircraft departure | |
| Deploy checkpoint technologies to address vulnerabilities | |
| Develop and implement technologies to screen air cargo | |
| Overall assessment of progress | Moderate |

Source: GAO analysis.

- DHS’s **surface transportation security** mission includes establishing security standards and conducting assessments and inspections of surface transportation modes, which include passenger and freight rail; mass transit; highways, including commercial vehicles; and pipelines.

As shown in table 6, we identified 5 performance expectations for DHS in the area of surface transportation security and found that DHS has generally achieved 3 of them and has generally not achieved 2.

Table 6: Summary of Our Assessments for DHS’s Surface Transportation Security Performance Expectations

| Performance expectation | Total |
|---|-----------------|
| Generally achieved | 3 |
| Develop and adopt a strategic approach for implementing surface transportation security functions | |
| Conduct threat, criticality, and vulnerability assessments of surface transportation assets | |
| Administer grant programs for surface transportation security | |
| Generally not achieved | 2 |
| Issue standards for securing surface transportation modes | |
| Conduct compliance inspections for surface transportation systems | |
| Overall assessment of progress | Moderate |

Source: GAO analysis.

- DHS’s **maritime security** responsibilities include port and vessel security, maritime intelligence, and maritime supply chain security. As shown in table 7, we identified 23 performance expectations for DHS in the area of maritime security and found that DHS has generally achieved 17 of them and has generally not achieved 4 others. For 2 performance expectations, we could not make an assessment.

Table 7: Summary of Our Assessments for DHS’s Maritime Security Performance Expectations

| Performance expectation | Total |
|--|-----------|
| Generally achieved | 17 |
| Develop national plans for maritime security | |
| Develop national plans for maritime response | |
| Develop national plans for maritime recovery | |
| Develop regional (port-specific) plans for security | |
| Develop regional (port-specific) plans for response | |
| Ensure port facilities have completed vulnerability assessments and developed security plans | |
| Ensure that vessels have completed vulnerability assessments and developed security plans | |
| Exercise security, response, and recovery plans with key maritime stakeholders to enhance security, response, and recovery efforts | |
| Implement a port security grant program to help facilities improve their security capabilities | |
| Establish operational centers to monitor threats and fuse intelligence and operations at the regional/port level | |
| Collect information on incoming ships to assess risks and threats | |

| Performance expectation | Total |
|--|--------------------|
| Develop a vessel-tracking system to improve intelligence and maritime domain awareness on vessels in U.S. waters | |
| Collect information on arriving cargo for screening purposes | |
| Develop a system for screening and inspecting cargo for illegal contraband | |
| Develop a program to work with foreign governments to inspect suspicious cargo before it leaves for U.S. ports | |
| Develop a program to work with the private sector to improve and validate supply chain security | |
| Develop an international port security program to assess security at foreign ports | |
| Generally not achieved | 4 |
| Develop regional (port-specific) plans for recovery | |
| Implement a national facility access control system for port secured areas | |
| Develop a long-range vessel-tracking system to improve maritime domain awareness | |
| Develop a program to screen incoming cargo for radiation | |
| No assessment made | 2 |
| Develop a national plan to establish and improve maritime intelligence | |
| Develop standards for cargo containers to ensure their physical security | |
| Overall assessment of progress | Substantial |

Source: GAO analysis.

- DHS's **emergency preparedness and response** mission includes preparing to minimize the damage and recover from terrorist attacks and disasters; helping to plan, equip, train, and practice needed skills of first responders; and consolidating federal response plans and activities to build a national, coordinated system for incident management. As shown in table 8, we identified 24 performance expectations for DHS in the area of emergency preparedness and response and found that DHS has generally achieved 5 of them and has generally not achieved 18 others. For 1 performance expectation, we could not make an assessment.

Table 8: Summary of Our Assessments for DHS's Emergency Preparedness and Response Performance Expectations

| Performance expectation | Total |
|--|--------------|
| Generally achieved | 5 |
| Establish a program for conducting emergency preparedness exercises | |
| Develop a national incident management system | |
| Provide grant funding to first responders in developing and implementing interoperable communications capabilities | |
| Administer a program for providing grants and assistance to state and local governments and first responders | |
| Allocate grants based on assessment factors that account for population, critical infrastructure, and other risk factors | |

| Performance expectation | Total |
|--|----------------|
| Generally not achieved | 18 |
| Establish a comprehensive training program for national preparedness | |
| Conduct and support risk assessments and risk management capabilities for emergency preparedness | |
| Ensure the capacity and readiness of disaster response teams | |
| Coordinate implementation of a national incident management system | |
| Establish a single, all-hazards national response plan | |
| Coordinate implementation of a single, all-hazards response plan | |
| Develop a complete inventory of federal response capabilities | |
| Develop a national, all-hazards preparedness goal | |
| Develop plans and capabilities to strengthen nationwide recovery efforts | |
| Develop the capacity to provide needed emergency assistance and services in a timely manner | |
| Provide timely assistance and services to individuals and communities in response to emergency events | |
| Implement a program to improve interoperable communications among federal, state, and local agencies | |
| Implement procedures and capabilities for effective interoperable communications | |
| Increase the development and adoption of interoperability communications standards | |
| Develop performance goals and measures to assess progress in developing interoperability | |
| Provide guidance and technical assistance to first responders in developing and implementing interoperable communications capabilities | |
| Provide assistance to state and local governments to develop all-hazards plans and capabilities | |
| Develop a system for collecting and disseminating lessons learned and best practices to emergency responders | |
| No assessment made | 1 |
| Support citizen participation in national preparedness efforts | |
| Overall assessment of progress | Limited |

Source: GAO analysis.

- **DHS’s critical infrastructure and key resources protection** activities include developing and coordinating implementation of a comprehensive national plan for critical infrastructure protection, developing partnerships with stakeholders and information sharing and warning capabilities, and identifying and reducing threats and vulnerabilities. As shown in table 9, we identified 7 performance expectations for DHS in the area of critical infrastructure and key resources protection and found that DHS has generally achieved 4 of them and has generally not achieved 3 others.

Table 9: Summary of Our Assessments for DHS’s Critical Infrastructure and Key Resources Protection Performance Expectations

| Performance expectation | Total |
|---|-----------------|
| Generally achieved | 4 |
| Develop a comprehensive national plan for critical infrastructure protection | |
| Develop partnerships and coordinate with other federal agencies, state and local, governments, and the private sector | |
| Identify and assess threats and vulnerabilities for critical infrastructure | |
| Support efforts to reduce threats and vulnerabilities for critical infrastructure | |
| Generally not achieved | 3 |
| Improve and enhance public/private information sharing involving attacks, threats, and vulnerabilities | |
| Develop and enhance national analysis and warning capabilities for critical infrastructure | |
| Provide and coordinate incident response and recovery planning efforts for critical infrastructure | |
| Overall assessment of progress | Moderate |

Source: GAO analysis.

- DHS’s **science and technology** efforts include coordinating the federal government’s civilian efforts to identify and develop countermeasures to chemical, biological, radiological, nuclear, and other emerging terrorist threats. As shown in table 10, we identified 6 performance expectations for DHS in the area of science and technology and found that DHS has generally achieved 1 of them and has generally not achieved 5 others.

Table 10: Summary of Our Assessments for DHS’s Science and Technology Performance Expectations

| Performance expectation | Total |
|--|----------------|
| Generally achieved | 1 |
| Coordinate with and share homeland security technologies with federal, state, local, and private sector entities | |
| Generally not achieved | 5 |
| Develop a plan for departmental research, development, testing, and evaluation activities | |
| Assess emerging chemical, biological, radiological, and nuclear threats and homeland security vulnerabilities | |
| Coordinate research, development, and testing efforts to identify and develop countermeasures to address chemical, biological, radiological, nuclear, and other emerging terrorist threats | |
| Coordinate deployment of nuclear, biological, chemical, and radiological detection capabilities and other countermeasures | |
| Assess and evaluate nuclear, biological, chemical, and radiological detection capabilities and other countermeasures | |
| Overall assessment of progress | Limited |

Source: GAO analysis.

- DHS's **acquisition management** efforts include managing the use of contracts to acquire goods and services needed to fulfill or support the agency's missions, such as information systems, new technologies, aircraft, ships, and professional services. As shown in table 11, we identified 3 performance expectations for DHS in the area of acquisition management and found that DHS has generally achieved 1 of them and has generally not achieved 2 others.

Table 11: Summary of Our Assessments for DHS's Acquisition Management Performance Expectations

| Performance expectation | Total |
|---|---------------|
| Generally achieved | 1 |
| Assess and organize acquisition functions to meet agency needs | |
| Generally not achieved | 2 |
| Develop clear and transparent policies and processes for all acquisitions | |
| Develop an acquisition workforce to implement and monitor acquisitions | |
| Overall assessment of progress | Modest |

Source: GAO analysis.

- DHS's **financial management** efforts include consolidating or integrating component agencies' financial management systems. As shown in table 12, we identified 7 performance expectations for DHS in the area of financial management and found that DHS has generally achieved 2 of them and has generally not achieved 5 others.

Table 12: Summary of Our Assessments for DHS's Financial Management Performance Expectations

| Performance expectation | Total |
|--|---------------|
| Generally achieved | 2 |
| Designate a department Chief Financial Officer who is appointed by the President and confirmed by the Senate | |
| Prepare corrective action plans for internal control weaknesses | |
| Generally not achieved | 5 |
| Subject all financial statements to an annual financial statement audit | |
| Obtain an unqualified financial statement audit opinion | |
| Substantially comply with federal financial management system requirements, applicable federal accounting standards, and the U.S. Standard General Ledger at the transaction level | |
| Obtain an unqualified opinion on internal control over financial reporting | |
| Correct internal control weaknesses | |
| Overall assessment of progress | Modest |

Source: GAO analysis.

- DHS's key **human capital management** areas include pay, performance management, classification, labor relations, adverse actions, employee appeals, and diversity management. As shown in table 13, we identified 8 performance expectations for DHS in the area of human capital management and found that DHS has generally achieved 2 of them and has generally not achieved 6 others.

Table 13: Summary of Our Assessments for DHS's Human Capital Management Performance Expectations

| Performance expectation | Total |
|---|----------------|
| Generally achieved | 2 |
| Develop a results-oriented strategic human capital plan | |
| Create a comprehensive plan for training and professional development | |
| Generally not achieved | 6 |
| Implement a human capital system that links human capital planning to overall agency strategic planning | |
| Develop and implement processes to recruit and hire employees who possess needed skills | |
| Measure agency performance and make strategic human capital decisions | |
| Establish a market-based and more performance-oriented pay system | |
| Seek feedback from employees to allow for their participation in the decision-making process | |
| Implement training and development programs in support of DHS's mission and goals | |
| Overall assessment of progress | Limited |

Source: GAO analysis.

- DHS's **information technology management** efforts include developing and using an enterprise architecture, or corporate blueprint, as an authoritative frame of reference to guide and constrain system investments; defining and following a corporate process for informed decision making by senior leadership about competing information technology investment options; applying system and software development and acquisition discipline and rigor when defining, designing, developing, testing, deploying, and maintaining systems; establishing a comprehensive, departmentwide information security program to protect information and systems; having sufficient people with the right knowledge, skills, and abilities to execute each of these areas now and in the future; and centralizing leadership for extending these disciplines throughout the organization with an empowered Chief Information Officer. As shown in table 14, we identified 13 performance expectations for DHS in the area of information technology management and found that DHS has generally achieved 2 of them and has generally not achieved 8 others. For 3 performance expectations, we could not make an assessment.

Table 14: Summary of Our Assessments for DHS’s Information Technology Management Performance Expectations

| Performance expectation | Total |
|--|----------------|
| Generally achieved | 2 |
| Organize roles and responsibilities for information technology under the Chief Information Officer | |
| Develop policies and procedures to ensure protection of sensitive information | |
| Generally not achieved | 8 |
| Develop a strategy and plan for information technology management | |
| Develop measures to assess performance in the management of information technology | |
| Implement a comprehensive enterprise architecture | |
| Develop a process to effectively manage information technology investments | |
| Implement a process to effectively manage information technology investments | |
| Develop policies and procedures for effective information systems development and acquisition | |
| Implement policies and procedures for effective information systems development and acquisition | |
| Implement policies and procedures to effectively safeguard sensitive information | |
| No assessment made | 3 |
| Strategically manage information technology human capital | |
| Develop a comprehensive enterprise architecture | |
| Provide operational capabilities for information technology infrastructure and applications | |
| Overall assessment of progress | Limited |

Source: GAO analysis.

- DHS’s responsibilities for **real property management** are specified in Executive Order 13327, “Federal Real Property Asset Management,” and include establishment of a Senior Real Property Officer, development of an asset inventory, and development and implementation of an asset management plan and performance measures. As shown in table 15, we identified 9 performance expectations for DHS in the area of real property management and found that DHS has generally achieved 6 of them and has generally not achieved 3 others.

Table 15: Summary of Our Assessments for DHS’s Real Property Management Performance Expectations

| Performance expectation | Total |
|---|-----------------|
| Generally achieved | 6 |
| Establish a Senior Real Property Officer who actively serves on the Federal Real Property Council | |
| Complete and maintain a comprehensive inventory and profile of agency real property | |
| Provide timely and accurate information for inclusion in the governmentwide real property inventory database | |
| Develop an Office of Management and Budget-approved asset management plan | |
| Establish an Office of Management and Budget-approved 3-year rolling timeline with certain deadlines by which the agency will address opportunities and determine its priorities as identified in the asset management plan | |
| Establish real property performance measures | |
| Generally not achieved | 3 |
| Demonstrate steps taken toward implementation of the asset management plan | |
| Use accurate and current asset inventory information and real property performance measures in management decision making | |
| Ensure the management of agency property assets is consistent with the agency’s overall strategic plan, the agency asset management plan, and the performance measures | |
| Overall assessment of progress | Moderate |

Source: GAO analysis.

Our report contains detailed information on DHS’s progress in achieving each of the performance expectations, including a detailed summary of our work, the DHS IG’s work, and DHS documentation and officials’ statements. We also provide our basis for each assessment. In commenting on a draft of our report, DHS disagreed with our assessments for 42 of the 171 performance expectations noted above. In our report, we provide detailed responses to DHS’s comments on the 42 performance expectations. We look forward to discussing our assessments in all the mission and management areas in more detail with the committee and subcommittees to help inform their ongoing oversight efforts.

Cross-cutting Issues Have Hindered DHS’s Implementation Efforts

Our work has identified cross-cutting issues that have hindered DHS’s progress in its mission and management areas. These issues include: (1) transforming and integrating DHS’s management functions; (2) establishing baseline performance goals and measures and engaging in effective strategic planning efforts; (3) applying and improving a risk management approach for implementing missions and making resource allocation decisions; (4) sharing information with key stakeholders; and (5) coordinating and partnering with federal, state, local, and private sector agencies entities.

-
- The creation of DHS is an enormous management challenge, and DHS faces a formidable task in its transformation efforts as it works to integrate over 170,000 federal employees from 22 component agencies. Each component agency brought differing missions, cultures, systems, and procedures that the new department had to efficiently and effectively integrate into a single, functioning unit. At the same time it weathers these growing pains, DHS must still fulfill its various homeland security and other missions. DHS has developed a strategic plan, is working to integrate some management functions, and has continued to form necessary partnerships to achieve mission success. Despite these efforts, we reported earlier this year that DHS implementation and transformation remains high-risk because DHS has not yet developed a comprehensive management integration strategy and its management systems and functions—especially related to acquisition, financial, human capital, and information management—are not yet fully integrated and wholly operational.
 - A number of DHS's programs lack outcome goals and measures, a fact that may hinder the department's ability to effectively assess the results of program efforts or fully assess whether the department is using resources effectively and efficiently, especially given various agency priorities for resources. In particular, we have reported that some of DHS's components have not developed adequate outcome-based performance measures or comprehensive plans to monitor, assess, and independently evaluate the effectiveness of their plans and performance. For example, in August 2005 we reported that U.S. Immigration and Customs Enforcement lacked outcome goals and measures for its worksite enforcement program and recommended that the agency set specific time frames for developing these goals and measures. Further, we have reported that many of DHS's border-related performance goals and measures are not fully defined or adequately aligned with one another, and some performance targets are not realistic. We have also recognized that DHS faces some inherent difficulties in developing performance goals and measures to address its unique mission and programs, such as in developing measures for the effectiveness of its efforts to prevent and deter terrorist attacks.
 - Within its sphere of responsibility, DHS cannot afford to protect everything against all possible threats. As a result, DHS must make choices about how to allocate its resources to most effectively manage risk. In April 2007, DHS established the new Office of Risk Management and Analysis to serve as the DHS Executive Agent for national-level risk management analysis standards and metrics; develop a standardized approach to risk; develop an approach to risk

management to help DHS leverage and integrate risk expertise across components and external stakeholders; assess DHS risk performance to ensure programs are measurably reducing risk; and communicate DHS risk management in a manner that reinforces the risk-based approach. It is too early to tell what effect this office will have on strengthening departmentwide risk management activities. Several DHS component agencies have taken steps toward integrating risk-based decision making into their decision-making processes. For example, the Coast Guard has developed security plans for seaports, facilities, and vessels based on risk assessments. Other components have not always utilized such an approach. In addition, DHS has not performed comprehensive risk assessments in transportation, critical infrastructure, and the immigration and customs systems to guide resource allocation decisions. For example, DHS has not fully utilized a risk-based strategy to allocate resources among transportation sectors. Although TSA has developed tools and processes to assess risk within and across transportation modes, it has not fully implemented these efforts to drive resource allocation decisions.

- In 2005, we designated information sharing for homeland security as high-risk and continued that designation in 2007. We recently reported that the nation still lacked an implemented set of governmentwide policies and processes for sharing terrorism-related information but has issued a strategy on how it will put in place the overall framework, policies, and architecture for sharing with all critical partners—actions that we and others have recommended. DHS has taken some steps to implement its information-sharing responsibilities. For example, DHS implemented a network to share homeland security information. States and localities are also creating their own information “fusion” centers, some with DHS support. However, DHS did not fully adhere to key practices in coordinating efforts on its homeland security information network with state and local information sharing initiatives and faces other information-sharing challenges, including developing productive information-sharing relationships among the federal government, state and local governments, and the private sector.
- To secure the nation, DHS must form effective and sustained partnerships among legacy component agencies and also with a range of other entities, including other federal agencies, state and local governments, the private and nonprofit sectors, and international partners, but has faced difficulties in doing so. Thirty-three of the 43 initiatives the *National Strategy for Homeland Security* are required to be implemented by three or more federal agencies. In addition, the private sector is a key homeland security partner. For example, DHS

must partner with individual companies and organizations to protect vital national infrastructure, such as the nation's water supply, transportation systems, and chemical facilities. In October 2006 we reported that all 17 critical infrastructure sectors had established their respective government councils, and nearly all sectors had initiated their voluntary private sector councils in response to the National Infrastructure Protection Plan. In addition, through its Customs-Trade Partnership Against Terrorism Program, CBP has worked in partnership with private companies to review their supply chain security plans. However, DHS has faced some challenges in developing other effective partnerships and in clarifying the roles and responsibilities of various homeland security stakeholders. For example, federal and private sector stakeholders stated that the Transportation Security Administration (TSA) has not provided them with the information they would need to support TSA's efforts for the Secure Flight program. Further, lack of clarity regarding roles and responsibilities caused DHS difficulties in coordinating with its emergency preparedness and response partners in responding to Hurricanes Katrina and Rita.

Concluding Observations

Given the leading role that DHS plays in securing the homeland, it is critical that the department's mission programs and management systems and functions operate as efficiently and effectively as possible. In the more than 4 years since its establishment, the department has taken important actions to secure the border and the transportation sector and to defend against, prepare for, and respond to threats and disasters. DHS has had to undertake these critical missions while also working to transform itself into a fully functioning cabinet department—a difficult undertaking for any organization and one that can take, at a minimum, 5 to 7 years to complete even under less daunting circumstances. At the same time, a variety of factors, including Hurricanes Katrina and Rita, threats to and attacks on transportation systems in other countries, and new responsibilities and authorities provided by Congress have forced the department to reassess its priorities and reallocate resources to address key domestic and international events and to respond to emerging issues and threats.

As it moves forward, DHS will continue to face the challenges that have affected its operations thus far, including transforming into a high-performing, results-oriented agency; developing results-oriented goals and measures to effectively assess performance; developing and implementing a risk-based approach to guide resource decisions; and establishing

effective frameworks and mechanisms for sharing information and coordinating with homeland security partners. DHS has undertaken efforts to address these challenges but will need to give continued attention to these efforts in order to efficiently and effectively identify and prioritize mission and management needs, implement efforts to address those needs, and allocate resources accordingly. Efforts to address these challenges are especially important given the threat environment and long-term fiscal imbalance facing the nation. While this testimony contains no new recommendations, in past products GAO has made approximately 700 recommendations to DHS. DHS has implemented some of these recommendations and taken actions to implement others. However, we have reported that the department still has much to do to ensure that it conducts its missions efficiently and effectively while it simultaneously prepares to address future challenges that face the department and the nation.

A well-managed, high-performing Department of Homeland Security is essential to meeting the significant homeland security challenges facing the nation. As DHS continues to evolve, implement its programs, and integrate its functions, we will continue to review its progress and performance and provide information to Congress and the public on its efforts.

This concludes my prepared statement. I would be pleased to answer any questions you and the Committee members may have.

GAO Contact and Staff Acknowledgments

For further information about this testimony, please contact Norman J. Rabkin, Managing Director, Homeland Security and Justice, at 202-512-8777 or rabkinn@gao.gov. Other key contributors to this statement were Jason Barnosky, Rebecca Gambler, Kathryn Godfrey, Christopher Keisling, Thomas Lombardi, Octavia Parks, and Sue Ramanathan.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Susan Becker, Acting Manager, Beckers@GAO.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548