



# U.S. DEPARTMENT OF HOMELAND SECURITY **OFFICE OF INSPECTOR GENERAL**

OIG-25-02

October 29, 2024

**FINAL REPORT**

## **DHS Did Not Justify Its Decision to Cancel Its Cost-Saving Talent Development and Training Acquisition Program**





# OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | [www.oig.dhs.gov](http://www.oig.dhs.gov)

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October 29, 2024

MEMORANDUM FOR: Roland Edwards  
Chief Human Capital Officer  
Department of Homeland Security

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

SUBJECT: *DHS Did Not Justify Its Decision to Cancel Its Cost-Saving Talent Development and Training Acquisition Program*

**JOSEPH V. CUFFARI** Digitally signed by JOSEPH V CUFFARI  
Date: 2024.10.29 08:00:20 -07'00'

Attached for your action is our final report, *DHS Did Not Justify Its Decision to Cancel Its Cost-Saving Talent Development and Training Acquisition Program*. We incorporated the formal comments provided by your office.

The report contains one recommendation aimed at improving DHS' oversight of future major acquisition programs and initiatives. Your office concurred with the recommendation. Based on information provided in your response to the draft report, we consider recommendation 1 closed and resolved.

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

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

Attachment



# DHS OIG HIGHLIGHTS

## *DHS Did Not Justify Its Decision to Cancel Its Cost-Saving Talent Development and Training Acquisition Program*

October 29, 2024

### Why We Did This Audit

In 2022, DHS launched DHS Learning to meet the training needs of approximately 145,000 users across the Department. However, 7 months after launching, the DHS Learning system experienced multiple hard drive failures. In June 2023, DHS ordered all employees to stop using DHS Learning. We conducted this audit to determine to what extent DHS defined and tested requirements per Federal and departmental policy prior to procuring a learning management system to support its training needs.

### What We Recommend

We made one recommendation to improve DHS' oversight of future major acquisition programs and department-wide strategic sourcing initiatives.

**For Further Information:**

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

### What We Found

The Department of Homeland Security defined and tested requirements prior to deploying the first iteration of its department-wide learning management system. However, in June 2023, the Department identified the contractor was not meeting all information technology security requirements and canceled the acquisition program before full implementation. Although DHS acquisition policy allows components to cancel acquisition programs for a variety of reasons, DHS did not have a justification for canceling the cost-saving initiative, as required.

This occurred because the Office of the Chief Human Capital Officer did not provide adequate oversight to ensure personnel followed all requirements of the Acquisition Lifecycle Framework. The framework requires components to document key decisions throughout the various phases of the acquisition.

Despite investing 5 years and \$4.1 million, the Department is no longer pursuing a department-wide solution. As a result, components are procuring their own learning management systems at a greater cost. We identified an additional \$39.2 million in funds that could have been put to better use. We calculated components will spend approximately \$22.5 million in startup costs and \$16.7 million in annual maintenance and operations to deploy nine duplicative systems.

### Department Response

DHS concurred with our recommendation. We consider the recommendation to be closed and resolved.



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### Background

The Department of Homeland Security is the third-largest agency in the Federal Government, with more than 260,000 employees. To fulfill its complex mission, DHS must have appropriately trained, certified, and skilled personnel. DHS and its components use various learning management systems to provide mandatory online trainings, track course registrations, view training history, and store completion certificates.

In 2012, DHS conducted a business case analysis to determine whether operating nine autonomous learning management systems was the most cost-effective approach to meet the Department's training needs. The business case recommended that DHS deploy a department-wide learning management system to reduce costs and eliminate duplicative systems. According to the business case, DHS could save about \$11.2 million over 5 years. In May 2013, DHS procured a department-wide employee learning management system, known as the Performance and Learning Management System. However, in 2020, DHS discontinued the use of the Performance and Learning Management System because of security concerns and because it was at the end of its useful life.

In 2018, DHS initiated the Talent Development and Training acquisition program as part of a larger cost-saving initiative to consolidate legacy Human Resource Information Technology programs across the Department. The purpose of the Talent Development and Training program was to provide an online training platform to meet the training needs of approximately 145,000 DHS users, including DHS Headquarters, the United States Coast Guard, the United States Secret Service, U.S. Immigration and Customs Enforcement, U.S. Citizenship and Immigration Services, the Cybersecurity and Infrastructure Security Agency, and Federal Law Enforcement Training Centers.

DHS' *Human Resource Information Technology Mission Needs Statement* designated the Office of the Chief Human Capital Officer (OCHCO) responsible for developing and implementing the department-wide learning management system. OCHCO collected functional requirements from all components and outlined key performance parameters that the learning management system must meet to successfully perform its mission. Per the *Operational Requirements Document*, DHS wanted to procure a vendor-hosted software as a service<sup>1</sup> solution that would meet the following requirements:

- The solution shall support both online and offline training and development activities.
- The solution shall allow for the assignment and management of mandatory training.
- The solution shall allow for notifications.

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<sup>1</sup> Software as a service works through a cloud delivery model in which a contractor hosts applications and data on its servers and databases.



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- The solution shall reproduce the forms required for external training.
- The solution shall allow DHS to develop, deploy, and revise course content.
- The solution shall allow DHS users to develop individual training plans that can be updated by individual users, supervisors, and/or designees.
- The solution shall allow DHS users to complete and track internal and external training.
- The solution shall allow for the configuration of workflows.
- The solution shall provide enterprise reporting capabilities.

In 2020, DHS' Strategic Solutions Office conducted a business case assessment reinforcing the advantages of procuring a department-wide learning management system.<sup>2</sup> According to the assessment, the system would provide automation and business process integration capabilities across DHS, offering an enhanced user experience at a more affordable price. The contract would provide savings on subscriptions and administrative costs by reducing the number of software as a service solutions across DHS. The Strategic Solution Office recommended the initiative be mandatory for all DHS components to use.

In August 2022, to execute the Talent Development and Training acquisition program, DHS entered into an interagency agreement with the U.S. Office of Personnel Management to use its contractor to acquire a software as a service-learning management system. The Talent Development and Training acquisition program was designated a special interest<sup>3</sup> Level 3 non-major information technology acquisition under the DHS Human Resource Information Technology Portfolio.<sup>4</sup> In November 2022, DHS launched the first phase of DHSLearning. However, 7 months after launching, the DHSLearning system experienced multiple hard drive failures. The incident caused a service outage and loss of DHS data. Following the incident, DHS' investigation determined the contractor had poor cybersecurity practices. In June 2023, DHS ordered all employees to stop using DHSLearning and canceled the interagency agreement with the U.S. Office of Personnel Management.

We conducted this audit to determine to what extent DHS defined and tested requirements in accordance with Federal and departmental policy prior to procuring a learning management system to support its training needs.

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<sup>2</sup> The Strategic Solutions Office collaborates with DHS stakeholders to develop, deploy, and maintain sourcing strategies that enhance mission performance, improve acquisition efficiency, and optimize product management.

<sup>3</sup> Designating an acquisition program as "special interest" automatically increases the level of the acquisition program to a Major Level 2 if it is not already meeting the threshold for Level 1 or Level 2 designation.

<sup>4</sup> The DHS Human Resource Information Technology Portfolio is a long-term DHS initiative to consolidate 124 legacy Human Resource Information Technology programs across DHS components and DHS Headquarters. The portfolio consists of strategic improvement opportunity initiatives that include the Talent Development and Training acquisition program.





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### Results of Audit

#### **DHS Did Not Justify Its Decision to Cancel Its Cost-Saving Talent Development and Training Acquisition Program**

Despite defining and testing requirements, DHS is no longer procuring a department-wide learning management system. In June 2023, DHS canceled the Talent Development and Training acquisition program after DHS Learning crashed and the Department identified the contractor was not meeting all information technology security requirements. Generally, if an acquisition program fails to meet cost, schedule, or performance thresholds, DHS policy states that components should put the program into breach status. Programs in breach status are required to notify their Acquisition Decision Authority and develop a remediation plan that outlines a timeframe for the program to either return to its established parameters, re-baseline (i.e., establish new cost, schedule, or performance goals), or have a DHS-led program review that results in recommendations for a revised approach.

OCHCO did not put the Talent Development and Training acquisition program into breach status or develop a remediation plan. Instead, DHS canceled the entire program at the same time it canceled the interagency agreement. Although DHS policy allows acquisition programs to be canceled for a variety of reasons, it requires programs to document the justification in an official decision memorandum or conduct an analysis to support the revised acquisition approach to meet the Department's need. The decision memorandum serves as the permanent record of the Acquisition Decision Authority's decision regarding the program and the circumstances surrounding the cancellation, termination, or major restructuring. We requested OCHCO's official decision memorandum documenting the reasons for termination and its rationale for moving away from a department-wide cost-saving initiative. However, OCHCO could not provide any further analysis or documentation for no longer needing a department-wide learning management system or reverting back to nine autonomous systems at a greater cost.

This occurred because OCHCO did not provide adequate oversight of the Talent Development and Training acquisition program. As part of its oversight responsibility, OCHCO was responsible for ensuring the acquisition program accomplished the goals of the investment. Specifically, OCHCO was to ensure the acquisition met cost, schedule, and performance thresholds, and make the appropriate notifications if a breach occurred or a decision was made to cancel the program. According to an OCHCO senior official, he did not think a formal decision memorandum was required for a Level 3 non-major service acquisition. However, according to DHS policy, acquisition programs are required to document in a decision memorandum the reasons for canceling or terminating an acquisition program.

Despite investing 5 years and \$4.1 million, the Department is no longer pursuing a department-wide solution. As a result, components are procuring their own learning management systems at



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a greater cost. We identified an additional \$39.2 million in potential funds that could be put to better use (see Appendix C). Specifically, we calculated components will spend approximately \$22.5 million in startup costs and \$16.7 million in annual maintenance and operations to deploy nine duplicative systems. (See Table 1 for breakdown of costs by component.)

**Table 1. Breakdown of Total Estimated Cost as Reported by Component**

Component	Procurement	Annual Operation and Maintenance
Coast Guard	\$18,500,000	\$9,600,000
U.S. Citizenship and Immigration Services	\$2,300,000	\$2,725,000
Secret Service	\$1,000,000	\$800,000
U.S. Immigration and Customs Enforcement	\$470,000	\$1,800,000
Cybersecurity and Infrastructure Security Agency	\$275,000	\$800,000
U.S. Customs and Border Protection*	-	\$151,414
Federal Emergency Management Agency*	-	\$181,405
Transportation and Security Administration*	-	\$1,648,132
Federal Law Enforcement Training Centers**	-	-
<b>Total</b>	<b>\$22,545,000</b>	<b>\$16,705,951</b>

\*Learning management system was already procured, resulting in no additional procurement cost.

\*\*Federal Law Enforcement Training Centers has not implemented a learning management system and is currently reviewing options.

Source: DHS Office of Inspector General analysis of components' cost data, as of March 2024

## Conclusion

Since 2012, DHS has spent a significant amount of time and money attempting to deploy a department-wide online learning management system. Online training is not a unique practice, but rather an essential operational function offered across the Federal Government. Multiple assessments have concluded that a department-wide learning management system would be a cost-effective way forward. Yet, DHS abruptly canceled the cost-saving initiative without any further analysis or documentation to ensure this decision was in the best interest of DHS or the taxpayer. DHS may be missing opportunities to better leverage resources and potentially achieve substantial cost savings by eliminating redundant expenses, reducing administrative costs, and improving efficiencies.

## Recommendations

**Recommendation 1:** We recommend the DHS Office of Chief Human Capital Officer conduct an analysis to identify lessons learned and support the decision to cancel the department-wide cost-saving initiative, which resulted in \$39.2 million in potential funds that could have been put to better use.



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### Management Comments and OIG Analysis

DHS concurred with our recommendation. Appendix B contains a copy of the Department's response in its entirety. We also received technical comments under separate cover, and we revised the report as appropriate. Based on the evidence DHS provided of corrective actions taken, we consider the recommendation closed and resolved.

**DHS Response to Recommendation 1:** Concur. DHS agrees with the importance of conducting after actions and documenting lessons learned, which is a best practice in program management. Accordingly, on August 26, 2024, OCHCO sent DHS OIG a copy of the memorandum, *Learning Management System After Action Report and Lessons Learned*, dated August 23, 2024, which documents completion of these actions.

**OIG Analysis:** We consider these actions responsive to the recommendation, which is closed and resolved.





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### Appendix A: Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Pub. L. No. 107-296) by amendment to the *Inspector General Act of 1978*.

We conducted this audit to determine to what extent DHS defined and tested requirements in accordance with Federal and departmental policy prior to procuring a learning management system to support its training needs. To achieve our audit objective, we conducted interviews with the following offices:

- Countering Weapons of Mass Destruction Office
- Cybersecurity and Infrastructure Security Agency
- Federal Law Enforcement Training Centers
- Science and Technology Directorate
- U.S. Citizenship and Immigration Services
- U.S. Customs and Border Protection
- U.S. Immigration and Customs Enforcement
- Coast Guard
- Secret Service
- DHS Privacy Office
- OCHCO
- DHS Office of the Chief Information Officer
- DHS Office of the Chief Procurement Officer
- Joint Requirements Council
- Program Accountability and Risk Management

The scope of the audit focused on the procurement of DHS' learning management system from October 2018 through August 2023. We reviewed acquisition documents including the Acquisition Program Baseline, Operational Requirements Document, Lifecycle Cost Estimate, Mission Needs Statement, Test and Evaluation Master Plan, Concept of Operations, Alternative Analysis, and decision memorandums to ensure DHS defined and tested requirements per Federal and departmental policies. However, after initial interviews and analysis of acquisition documents, we concluded that the audit objective as written had been overcome by events. We determined that, in August 2023, DHS canceled its Talent Development and Training acquisition program and is no longer pursuing a department-wide learning management system.

We conducted a limited review of internal controls due to DHS canceling its acquisition program. However, we identified weaknesses with DHS documenting major acquisition decisions. Because



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our review was limited, we may not have disclosed all internal control weaknesses that may have existed at the time of the audit.

To estimate the cost of each component's learning management system, we reached out to the nine components identified in Table 1 and requested:

- confirmation on whether they have implemented or are seeking their own learning management system;
- name of the learning management system and date it was implemented;
- all costs associated with procuring their own learning management system; and
- annual cost to operate and maintain the learning management system.

U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, the Federal Emergency Management Agency, the Transportation and Security Administration, and the Coast Guard responded they have implemented their own learning management systems. U.S. Citizenship and Immigration Services, the Secret Service, Federal Law Enforcement Training Centers, and the Cybersecurity and Infrastructure Security Agency responded in February 2024 that they are seeking a solution and the cost documentation is pre-decisional and estimated. Therefore, we did not perform data reliability of the cost data obtained by the components; instead, we relied on the components' self-reported information without further verification.

We conducted this audit from October 2023 through July 2024 pursuant to the Inspector General Act of 1978, 5 United States Code §§ 401–424, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Office of Audits major contributors to this report are Paul Exarchos, Director; Peter Christopher, Audit Manager; Areti Bruno, Auditor in Charge; Michael Levy, Auditor in Charge; Falon Strong, Auditor; Aaron Naas, Auditor; Brian Johnson, Auditor; Lindsey Koch, Communications Analyst; and Alphonso Hines, Independence Referencer Reviewer.

### **DHS OIG's Access to DHS Information**

During this audit, DHS and its components provided timely responses to our requests for information and did not delay or deny access to information we requested.



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**Appendix B:**  
**DHS Comments on the Draft Report**

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

BY ELECTRONIC SUBMISSION

September 26, 2024

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

FROM: Jim H. Crumpacker **JIM H**  
Director **CRUMPACKER**  
Departmental GAO-OIG Liaison Office

Digitally signed by JIM H  
CRUMPACKER  
Date: 2024.09.26 15:47:31 -04'00'

SUBJECT: Management Response to Draft Report: “DHS Did Not  
Justify its Decision to Cancel its Cost-Saving Talent  
Development and Training Acquisition Program”  
(OIG Project No. 23-045-AUD-DHS)

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS, or the Department) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

DHS leadership is pleased to note OIG’s positive recognition the Department defined and tested requirements prior to deploying the first iteration of its department-wide learning management system. Further, the Department applauds OIG’s collaboration with DHS program officials that resulted in OIG agreeing on August 12, 2024, to combine two recommendations contained in the initial version of the draft report into the single more actionable recommendation addressed in this management response. However, DHS continues to implore the OIG to more fully consider the additional cost estimate information DHS sent the OIG under a separate cover (see the response to the recommendations for additional details), which is critical to readers of the OIG’s final report understanding the full context and accuracy of the Department’s cost estimates. DHS remains committed to successfully meeting the training needs of the approximate 145,000 users across the Department, which supports and enables the Department’s strategy<sup>1</sup> to develop and maintain a high performing workforce; to build an effective, mission-focused, diverse, and inspiring cadre of leaders; recruit a highly qualified and diverse workforce; retain an engaged workforce; and solidify a unified DHS culture of mission performance, adaptability, accountability, and results.

<sup>1</sup> “Department of Homeland Security’s Strategic Plan for Fiscal Years 2020-2024,”  
<https://www.dhs.gov/publication/department-homeland-securitys-strategic-plan-fiscal-years-2020-2024>



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The draft report contained one recommendation with which the Department concurs. Attached find our detailed response to the recommendation. DHS previously submitted technical comments addressing several accuracy, contextual, and other issues under a separate cover for OIG's consideration, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Attachment



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### **Attachment: Management Response to Recommendation Contained in OIG 23-045-AUD-DHS**

OIG recommended that DHS Office of Chief Human Capital Officer (OCHCO):

**Recommendation 1:** Conduct an analysis to support the decision to cancel the department-wide cost saving initiative, and identify lessons learned which resulted in \$44.9 million in potential funds that could have been put to better use.

**Response:** Concur. DHS agrees with the importance of conducting after actions and documenting lessons learned, which is a best practice in program management. Accordingly, on August 26, 2024, the OCHCO sent the OIG a copy of the memorandum, "Learning Management System After Action Report and Lessons Learned," dated August 23, 2024, which documents completion of these actions.

Further, DHS notes that the \$44.9 million cited in potential funds that could have been put to better use is based on estimated cost information the OIG received prior to issuing this draft report on July 23, 2024. The estimate does not include updated budget estimates from the United States Coast Guard and details about a cost offset if DHS had procured an enterprise solution as opposed to cancelling the Cost-Saving Talent Development and Training Acquisition Program (sent to the OIG on September 5, 2024 and September 6, 2024, respectively).

We request that the OIG consider this recommendation resolved and closed, as implemented.



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### Appendix C: Potential Monetary Benefits

Recommendation	Type of Potential Monetary Benefits	Amount
1	Funds Put to Better Use	\$39,250,951

Source: DHS OIG analysis of components' cost data





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### **Appendix D: Report Distribution**

#### **Department of Homeland Security**

Secretary  
Deputy Secretary  
Chief of Staff  
Deputy Chiefs of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Liaison Office  
Under Secretary, Office of Strategy, Policy, and Plans  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs  
DHS Component Liaison

#### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

#### **Congress**

Congressional Oversight and Appropriations Committees

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Call: 1-800-323-8603

U.S. Mail:  
Department of Homeland Security  
Office of Inspector General, Mail Stop 0305  
Attention: Hotline  
245 Murray Drive SW  
Washington, DC 20528-0305