

Department of Homeland Security **Office of Inspector General**

DHS' Watchlisting Cell's Efforts To Coordinate Departmental Nominations

(Redacted)





OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

July 22, 2013

MEMORANDUM FOR: The Honorable William E. Tarry Jr.
Acting Under Secretary
Office of Intelligence and Analysis

FROM: Charles K. Edwards
Deputy Inspector General

SUBJECT: *DHS' Watchlisting Cell's Efforts To Coordinate
Departmental Nominations*

Attached for your information is our final report, *DHS' Watchlisting Cell's Efforts To Coordinate Departmental Nominations – Sensitive Security Information*. We have also included a redacted version of the report, which will be published on our website. We incorporated the formal comments from the Office of Intelligence and Analysis (I&A) in the final report.

The report contains ten recommendations aimed at improving the Department's Watchlisting Cell. I&A concurred with all ten recommendations. Based on information provided in I&A's response, we consider all ten recommendations to be open and resolved.

As prescribed by the Department of Homeland Security Directive 077-01, Follow-Up and Resolutions for the Office of Inspector General Report Recommendations, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your response is received and evaluated, the recommendations will be considered resolved and open.

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

Please call me with any questions, or your staff may contact Deborah L. Outten-Mills, Acting Assistant Inspector General for Inspections, at (202) 254-4015, or Marcia Moxey Hodges, Chief Inspector, at (202) 254-4202.

Attachment



Table of Contents

Executive Summary.....	1
Background	2
Results of Review	8
DHS Has Centralized Its Watchlisting Process Within the WLC, But Some Components Continue To Nominate Through External Partners.....	8
Additional Performance Metrics and Streamlined Operations Are Needed To Measure and Improve Timeliness, Effectiveness, and Efficiency	11
Recommendations	15
Management Comments and OIG Analysis	15
WLC’s Quality Assurance Process Ensures Complete and Accurate Products, But It Is Duplicative and Hinders Timeliness	16
Recommendations	18
Management Comments and OIG Analysis	18
WLC Coordinated Nomination Policies and Procedures With DHS Components, But Communication Could Be Improved	20
WLC Did Not Coordinate or Communicate Its Decentralization Plan With DHS Operational Components Effectively.....	21
Recommendation.....	26
Management Comments and OIG Analysis	26
Procedures For Training, Quality Assurance, and Oversight Programs Are Needed	27
Recommendations	28
Management Comments and OIG Analysis	29
WLC Needs Sustainability and Resource Allocation Plans.....	30
Recommendations	32
Management Comments and OIG Analysis	32
Conclusion.....	33



Appendixes

Appendix A: Objectives, Scope, and Methodology.....	34
Appendix B: Recommendations.....	36
Appendix C: Management Comments to the Draft Report.....	38
Appendix D: Roles of Components Involved In Watchlisting.....	45
Appendix E: Watchlisting Legal Authorities.....	47
Appendix F: DHS Data Systems Used by Watchlist Analysts.....	50
Appendix G: Timeliness Standards.....	51
Appendix H: Major Contributors to This Report.....	52
Appendix I: Report Distribution.....	53

Abbreviations

ACS	Automated Case Support System
CBP	U.S. Customs and Border Protection
CRCL	Civil Rights and Civil Liberties
DHS	Department of Homeland Security
E.O.	Executive Order
FBI	Federal Bureau of Investigation
FY	fiscal year
HSIC	Homeland Security Intelligence Council
HSPD	Homeland Security Presidential Directive
I&A	Office of Intelligence and Analysis
ICE	U.S. Immigration and Customs Enforcement
IDENT	Automated Biometric Identification System
KST	known or suspected terrorist
NCTC	National Counterterrorism Center
NTC-P	National Targeting Center – Passenger
ODNI	Office of the Director of National Intelligence
OIG	Office of Inspector General
OPS	Office of Operations Coordination and Planning
SCO	Screening Coordination Office
TIDE	Terrorist Identities Datamart Environment
TSA	Transportation Security Administration
TSC	Terrorist Screening Center
TSDB	Terrorist Screening Database
USCIS	U.S. Citizenship and Immigration Services
US-VISIT	U.S. Visitor and Immigrant Status Indicator Technology
WLC	Watchlisting Cell



Executive Summary

The Department of Homeland Security (DHS) interacts with, observes, and gathers information from individuals during law enforcement, transportation security, and immigration and border security screening operations. The Department contributes some of this information to the Federal Government's watchlisting efforts, which are used to inform government interaction with U.S. citizens and foreign nationals. In October 2010, DHS established a Watchlisting Cell in the DHS Office of Intelligence and Analysis to serve as the coordination point for departmental watchlist nominations. In April 2012, in response to its growing caseload and limited resources, the Watchlisting Cell proposed to decentralize its watchlist nomination process by providing watchlist analyst training and certification to analysts in DHS operational components, and then delegating to the certified watchlist analysts the authority to submit terrorist nominations.

We reviewed the Watchlisting Cell to determine whether (1) it is timely, effective, and efficient in submitting DHS nominations; (2) the information provided to external partners is complete, accurate, and timely; (3) establishing the Watchlisting Cell has had an effect on the DHS component nomination process; and (4) the Watchlisting Cell has developed and communicated effective policies and procedures for coordinating nomination submissions within DHS. We also reviewed whether the Watchlisting Cell has developed an effective process for providing nominator certification training, quality assurance, and the oversight necessary for decentralization, and whether it has developed an effective methodology for planning and coordinating its resources.

We determined that the Watchlisting Cell has had a positive effect on DHS and the interagency watchlisting community, as it increased the number and quality of DHS nominations, and provided oversight, guidance, and required watchlisting overview training to DHS components. However, it needs to develop performance metrics to improve its operational processes and to measure the effectiveness of its program initiatives. In addition, the Watchlisting Cell did not communicate effectively on its decentralization plan, and needs to determine the effect decentralized execution will have on the Watchlisting Cell's caseload and ability to provide oversight. The Watchlisting Cell operated without an itemized budget or a method for tracking its expenses, and is not prepared to address increases or fluctuations in its caseload.

We are making ten recommendations to develop performance metrics; streamline internal procedures; evaluate decentralization effects; develop training, oversight, and quality assurance processes for decentralization; and develop financial and sustainability plans for the Watchlisting Cell.



Background

On September 16, 2003, the President issued Homeland Security Presidential Directive 6 (HSPD-6), *Directive on Integration and Use of Screening Information to Protect Against Terrorism*, which directed the U.S. Attorney General to “establish an organization to consolidate the Government's approach to terrorism screening and provide for the appropriate and lawful use of Terrorist Information in screening processes.”¹ In response, the U.S. Attorney General established the Terrorism Screening Center (TSC), which enables government officials to check individuals against the Federal Government’s consolidated terrorist watchlist, the Terrorist Screening Database (TSDB).²

The U.S. Government’s Watchlisting System

The TSDB provides sensitive but unclassified information to authorized users on both international and domestic terrorists. TSDB information on international terrorists is obtained from the Office of the Director of National Intelligence’s (ODNI) National Counterterrorism Center (NCTC) Terrorist Identities Datamart Environment (TIDE). The NCTC was established by Executive Order 13354 and the *Intelligence Reform and Terrorism Prevention Act of 2004* to implement a 9/11 Commission recommendation calling for the NCTC to serve as a center for joint operational planning and joint intelligence.³ This act further directed that the NCTC will be the central and shared classified knowledge bank on known or suspected terrorists (KSTs) and international terrorist groups, as well as their goals, strategies, capabilities, and networks of contacts and support.⁴ The NCTC is the primary U.S. Government organization for analyzing and integrating all intelligence possessed or acquired by the U.S. Government regarding terrorism and counterterrorism.⁵ However, the tasks of collecting and analyzing intelligence pertaining exclusively to domestic terrorists, and investigating terrorism within the United States, fall primarily under the purview of the Federal Bureau of Investigation (FBI).⁶ The FBI uses its Automated Case System (ACS) to support these efforts.

¹ HSPD-6, *Directive on Integration and Use of Screening Information to Protect Against Terrorism* (September 16, 2003).

² HSPD-11, *Comprehensive Terrorist-Related Screening Procedures* (August 27, 2004).

³ See *Final Report of the National Commission on Terrorist Attacks Upon the United States*, p. 403.

⁴ HSPD-11 defines a KST as an individual known or reasonably suspected to be or have been engaged in conduct constituting, in preparation for, in aid of, or related to terrorism ("suspected terrorists") and terrorist activities.

⁵ 50 U.S.C. § 404o(d)(1).

⁶ See 28 U.S.C. §§ 509, 510, 533, and 534; 18 U.S.C. § 2332b(f); Executive Order 12333; 28 CFR § 0.85.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

As appropriate, information maintained in TIDE and ACS is exported to the TSDB. The term “export” describes the transfer of record information from one database to another. TSDB information on domestic terrorists is obtained from ACS. To the extent permitted by law, TIDE and ACS contain both substantive derogatory information and identifying information such as biometric, biographic, and travel records.⁷ In addition to KSTs, TIDE and the TSDB include information on family members and associates who are not themselves KSTs.

HSPD-6 requires all executive departments and agencies to provide the TSC with information regarding KSTs, as permitted by law. For example, information may become available through analysis of information in Federal data systems, by checking whether a newly identified KST has ever applied for an immigration benefit, or from information obtained during an interview with a KST at a United States port of entry.

Relevant new and additional information is provided to the NCTC or the FBI for possible inclusion in TIDE, the TSDB, or ACS as a nomination, modification, enhancement, addendum, or removal. Nominations are new additions to TIDE, the TSDB, or ACS that contain information about individuals not previously identified as being associated with terrorism. Modifications/enhancements/addendums include new or corrected information about previously identified individuals with records in these data systems. Removals include TIDE, TSDB, or ACS records for individuals that were misidentified, no longer meet minimum standards for inclusion on the terrorist watchlist, or information has been uncovered that supports removal from watchlisting. The NCTC and FBI review information provided to determine whether it reaches the established threshold for inclusion in or removal from TIDE, the TSDB, or ACS.

Authorized Federal, State, local, and tribal government officials use TSDB information to screen individuals for law enforcement, transportation security, and immigration and border security decision making. When a possible match to a TSDB record occurs during these interactions, officials must contact the TSC for resolution. The watchlisting community refers to these interactions as encounters.



⁷ HSPD-6 states that integration and use of screening information “shall be implemented in a manner consistent with the ... Constitution and applicable laws, including those protecting the rights of all Americans.”

⁸ TSC, *Watchlisting Guidance*, (July 2010), Appendix 1. The guidance was updated in March 2013, after our fieldwork ended.



DHS’ Role and Contributions to the Federal Government’s Watchlisting Community

DHS has nine operational components that contribute information to TIDE, TSDB, and ACS: U.S. Customs and Border Protection (CBP), U.S. Citizenship and Immigration Services (USCIS), the U.S. Coast Guard, U.S. Immigration and Customs Enforcement (ICE), the Office of Intelligence and Analysis (I&A), the U.S. Secret Service, the Transportation Security Administration (TSA), Office of Operations Coordination and Planning (OPS), and the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program.⁹ In addition, I&A and DHS’ Office for Civil Rights and Civil Liberties (CRCL), the Privacy Office, the Office of the General Counsel, and the Office of Policy Screening Coordination Office (SCO) share responsibility for ensuring compliance with Federal laws, regulations, and policies on screening and watchlisting, including privacy, civil rights and civil liberties protections, and DHS information-sharing policies. I&A and the Coast Guard are also members of the Intelligence Community.¹⁰

DHS operational components contribute information through analysis of DHS data systems, as well as information gathered during encounters. I&A, OPS, TSA Office of Intelligence, USCIS Fraud Detection and National Security Directorate, and CBP’s Office of Intelligence and Investigative Liaison contribute primarily through analysis of information in DHS and Intelligence Community data systems and intelligence reports. US-VISIT provides photographic and biographic information from DHS data systems in addition to biometrics to TIDE for inclusion in the TSDB. CBP, USCIS, Coast Guard, ICE, Secret Service, and TSA obtain information during encounters, both in person and through automated matching of information in the TSDB and DHS screening systems and data subsets. For example, CBP officers at U.S. ports of entry encounter KSTs in

⁹ Operational component is used in this report to distinguish components directly involved in individual nominations, including intelligence components, from those that provide policy and oversight. In May 2013, the Office of Biometric Identity Management replaced US-VISIT. Because our fieldwork ended before this reorganization, this report refers to US-VISIT.

¹⁰ The Intelligence Community is defined by the *National Security Act*, as amended, and Executive Order (E.O.) 12333, as amended, to include 16 executive-level elements with oversight provided by the Office of the Director of National Intelligence. 50 U.S.C. § 401a (4), E.O. 12333 § 3.5 (h), and 46 Federal Regulation 59941 (December 4, 1981), as amended. DHS participation is specified in 6 U.S.C. § 101 et seq.



person, while CBP's National Targeting Center – Passenger (NTC-P) encounters individuals through automated screening of travelers seeking to enter or depart from the United States. TSA's use of the No Fly and Selectee lists enables automated identification of individuals who are prohibited from boarding an aircraft, or who should undergo enhanced screening prior to boarding. Appendix D provides additional information about the role of DHS components in screening and watchlisting.

Establishing and Operating the DHS Watchlisting Cell

In July 2010, the Intelligence Community published its *Watchlisting Guidance* to help departments and agencies that are part of the watchlisting and screening community to standardize watchlist nominations and screening decisions, and develop procedures to carry out these activities.¹¹

[REDACTED]

¹³ Before the WLC, DHS did not have a central point of contact for coordinating departmental watchlist nominations. The WLC was established to submit all routine DHS-generated international KST nominations to NCTC. As of January 2013, the WLC was staffed with four full-time contractors, one full-time Federal employee, and one full-time Federal manager. Because the WLC operates 12 hours each weekday, in exigent circumstances DHS operational components are able to nominate KSTs to NCTC or the TSC. Operational components also maintain responsibility for watchlist nominations related to domestic terrorism. Appendix E summarizes the legal authorities for DHS' watchlisting process.

The WLC provides the NCTC with nominations generated from several sources, including component request nominations and WLC nominations. In addition, the WLC coordinates with Intelligence Community nominators to update or add subjects to TIDE when the data source is from a non-DHS department or agency.

- **Component Request Nominations:** DHS operational components send the WLC nominations based on analysis of information in DHS holdings, and information gathered from DHS encounters.

¹¹ TSC, *Watchlisting Guidance* (July 2010).

¹² [REDACTED]

¹³ The National Intelligence Program funds intelligence activities in several Federal departments and agencies, including DHS and the Central Intelligence Agency. Office of Management and Budget, *National Intelligence Program*, Fiscal Year 2012 Budget.

http://www.whitehouse.gov/omb/factsheet_department_intelligence.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

- **WLC Nominations:** The WLC reviews and develops nominations from information in DHS holdings. Some nominations are based on information that DHS components publish following encounters, such as Homeland Intelligence Reports and other intelligence reports, reports generated by CBP on individuals denied entry into the United States, [REDACTED]¹⁴ The remaining nominations are based on advanced analysis, reviewing information in DHS data systems and classified systems to identify new KSTs or add information to the existing KST records.
- **Coordinations:** DHS officers and intelligence analysts review external Federal partner information about KSTs. When officers and analysts determine that this information is not already in TIDE, but qualifies for inclusion, a watchlisting coordination request is initiated.

Before submitting nominations to the NCTC for inclusion in TIDE, the WLC reviews and adds information from DHS holdings and equities, including biographic, biometric, immigration status, travel, law enforcement, and intelligence information. DHS officers, agents, and analysts maintain information relevant to watchlisting in multiple data systems listed in appendix F. WLC analysts routinely check as many as 13 of these systems. [REDACTED]

[REDACTED] The NCTC reviews each nomination to determine whether the information provided meets minimum standards and justifies the WLC's requested actions.

In addition to providing nominations to the NCTC, the WLC was established to bring consistency to DHS' role in the watchlisting process. The WLC provides required watchlisting overview training to component officers and analysts, and communicates Intelligence Community policy and procedure changes to operational components. The WLC also conducts oversight to ensure that nominations and coordinations satisfy the Intelligence Community's threshold for inclusion and protection of rights.

¹⁴ [REDACTED]



OFFICE OF INSPECTOR GENERAL Department of Homeland Security

Protection of rights is important to DHS, because it nominates to TIDE U.S. Persons, individuals with protected status, and individuals who are not themselves terrorists.¹⁵ The Federal Government has an obligation to “protect fully the legal rights of all United States persons, including freedoms, civil liberties, and privacy rights guaranteed by Federal law.”¹⁶ DHS is also responsible for securing information regarding certain categories of noncitizens with protected status, such as refugees, asylum seekers, *Violence Against Women Act* applicants, and T and U visa holders, about whom certain information can be shared only in a limited national security or counterterrorism context. Although protections are limited for KSTs, some of the individuals in TIDE and the TSDB are family members or associates of KSTs. Finally, DHS is responsible for offering redress, or timely and fair review of complaints, to identify and correct errors in TIDE and the TSDB.

In addition to its oversight role, the WLC coordinates DHS watchlisting policies and practices through DHS’ Watchlisting Working Group. All operational components involved in watchlisting are members of this working group. DHS offices that provide guidance and oversight for the watchlisting process, CRCL, Privacy, and SCO, as well as the Office of the General Counsel, participate in the working group in an advisory role. A separate organization, the Homeland Security Intelligence Council (HSIC), is DHS’ advisory body that manages departmental intelligence functions, provides senior-level direction for intelligence activities, and promotes integration efforts. The HSIC is chaired by the Under Secretary for I&A, and includes the heads of intelligence functions in DHS operational components.

WLC Efforts To Address Previous Recommendations

In September 2011, we reported on DHS’ watchlisting process.¹⁷ We recommended that the newly established WLC develop and disseminate policies and procedures to standardize watchlisting terminology and operations, and limit duplication between operational components and the WLC. In addition, we recommended reducing reliance

¹⁵ Executive Order 12333 defines a U.S. Person as “a United States citizen, an alien known by the intelligence element concerned to be a permanent resident alien, an unincorporated association substantially composed of United States citizens or permanent resident aliens, or a corporation incorporated in the United States, except for a corporation directed and controlled by a foreign government or governments.” *United States Intelligence Activities*, Executive Order 12333 § 3.5(k), (December 4, 1981), (as amended by Executive Orders 13284 (2003), 13355 (2004) and 13470 (2008)). <https://www.cia.gov/about-cia/eo12333.html>.

¹⁶ *United States Intelligence Activities*, Executive Order 12333 § 1.1(b), (December 4, 1981), (as amended by Executive Orders 13284 (2003), 13355 (2004) and 13470 (2008)). <https://www.cia.gov/about-cia/eo12333.html>.

¹⁷ *DHS’ Role in Nominating Individuals for Inclusion on the Government Watchlist and Its Efforts To Support Watchlist Maintenance* (OIG-11-107), September 2011.



on contract personnel, and that I&A ensure adequate WLC staffing and resources to conduct encounter package and Homeland Intelligence Report analysis in a timely manner. Although the WLC completed actions to close these recommendations, additional challenges remain.

Results of Review

The WLC has had a positive effect on the DHS component nomination process by developing information and completing nominations from operational components with limited resources; safeguarding the rights of U.S. Persons, individuals with protected status, and those who are eligible for redress; and providing guidance and required watchlisting overview trainings.¹⁸ The WLC, however, needs to develop performance metrics to ensure that its processes are timely, effective, and efficient. WLC officials did not communicate effectively with DHS' Watchlisting Working Group on its decentralization plan, and WLC officials need to evaluate the effect I&A's plan for decentralized execution will have on the WLC's caseload. The WLC also needs to further develop its watchlist analyst training and certification program, and provide oversight and quality assurance to implement decentralization. The WLC operated without a budget or method for tracking its expenses, and needs to develop an effective methodology for planning and coordinating its resources.

DHS Has Centralized Its Watchlisting Process Within the WLC, But Some Components Continue To Nominate Through External Partners

The WLC performs a critical role in coordinating DHS watchlist nominations and redress, is effective in coordinating nominations with other Federal departments and agencies, and provides guidance and required watchlisting overview training to DHS operational components. It provides assistance to DHS components with limited resources, and performs advanced analysis of information in classified systems and DHS holdings. Given the effective partnerships among Federal agencies and departments, some DHS operational components coordinate watchlist nominations through external agencies and departments, and some

¹⁸ Executive Order 12333 defines a U.S. Person as "a United States citizen, an alien known by the intelligence element concerned to be a permanent resident alien, an unincorporated association substantially composed of United States citizens or permanent resident aliens, or a corporation incorporated in the United States, except for a corporation directed and controlled by a foreign government or governments." *United States Intelligence Activities*, Executive Order 12333 (as amended by Executive Orders 13284 (2003), 13355 (2004) and 13470 (2008)). <https://www.cia.gov/about-cia/eo12333.html>.



provide biometrics and encounter packages directly to the NCTC for inclusion in TIDE.

WLC's Role Has Had a Positive Effect on DHS' Watchlisting Process

The WLC plays a critical role in managing DHS watchlist nominations. It reviews DHS nominations to ensure requirements for U.S. Persons are met, individuals who are determined not a threat are flagged for review by NCTC and removed from TIDE or removed from the TSDB export for DHS screening, and redress requests are considered. Although operational components also conduct compliance reviews, such as by identifying individuals who should be removed from the watchlist, operational priorities may take precedence. The WLC also disseminates guidance on Intelligence Community standards, ensures that component watchlisting staff receives required watchlisting overview training, and responds to DHS operational component requests for guidance.

WLC analysts develop nominations and coordinations that would otherwise not be available to the Intelligence Community. For example, as part of analytical efforts, OPS identified new information in DHS data systems for watchlist records, including fingerprints and photographs for individuals on the No Fly list. In addition, OPS identified KSTs who had not been placed on DHS' biometric watchlist, and provided clarification of U.S. Person status. [REDACTED]

[REDACTED] OPS officials said that the WLC's capacity to complete the additional steps required to forward these nominations for inclusion in TIDE and the TSDB is one of I&A's most important functions. In addition, WLC analysts conduct advanced analysis that most DHS components cannot perform because of limited access to classified or restricted systems. [REDACTED]

Some DHS Components Coordinate Watchlisting Information Directly With External Partners

DHS operational components continue to forward watchlist nominations to external partners when there is a long-standing relationship, which ensures information is shared efficiently. Operational components with personnel overseas, including the Secret Service, ICE, and USCIS, continue to forward watchlist nominations through Department of State embassy staff. Operational



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

components that participate in the FBI's Joint Terrorism Task Forces in the United States coordinate resulting watchlist nominations through the FBI.¹⁹ For example, Secret Service officials said if they were to encounter a watchlisted individual in the United States, they would notify the responsible intelligence agency and work directly with the Joint Terrorism Task Forces on any resulting investigation. ICE officials said their agents in the United States work primarily through the Joint Terrorism Task Forces on nominations. Coast Guard officials also said that any information they received through participation in Joint Terrorism Task Forces would be shared through the FBI.

Because DHS does not have an enterprise-wide automated process to provide encounter packages and biometric information directly to the Intelligence Community, direct exchange is more efficient. As a result, some operational components that provided this information directly to the NCTC or TSC before the WLC was established continue this practice. For example, USCIS personnel are detailed to the NCTC and TSC, and USCIS shares encounter information, such as interview notes and copies of documents, through these personnel. CBP's NTC-P provides encounter packages directly to the NCTC according to the mandate set forth in HSPD-6 and subsequent agreements.²⁰ US-VISIT also works with the NCTC to provide biometrics for inclusion in TIDE as part of its interoperability process.

In addition, DHS operational components have developed effective informal cooperative relationships for submitting nominations, based on partnerships, some of which predate DHS. When USCIS identifies a potential KST during applicant immigration benefit interviews, it provides the information to ICE. The Coast Guard screens passengers and crew on large vessels against law enforcement and terrorism information using Coast Guard and CBP data systems. Coast Guard officers who are collocated with CBP's NTC-P then coordinate any resulting nominations with CBP. Secret Service officials said that CBP assists them by conducting interviews with KSTs at United States ports of entry, and that CBP manages any resulting watchlist nominations.

Although the Coast Guard, ICE, Secret Service, USCIS, and US-VISIT do not channel most of their watchlisting activities through the WLC, all are members of

¹⁹ Joint Terrorism Task Forces are small cells of highly trained, locally based investigators, analysts, linguists, and other specialists from dozens of U.S. law enforcement and intelligence agencies, led by the Department of Justice and FBI, and designed to combine the resources of Federal, State, local, and tribal law enforcement. <http://www.justice.gov/jttf>.

²⁰ NTC-P has always coordinated removals with NCTC directly, given the nature of imminent encounters.



DHS' Watchlisting Working Group or are provided an opportunity to review watchlisting guidance. WLC officials said the DHS operational components are responsive when the WLC requests information or assistance to complete nominations, enhancements, or removal requests. Given limited WLC resources and the effectiveness of these long-standing external partnerships, we are not making a recommendation to augment these arrangements.

Additional Performance Metrics and Streamlined Operations Are Needed To Measure and Improve Timeliness, Effectiveness, and Efficiency

The ability to research, analyze, and compile information in multiple DHS holdings is one of the WLC's most valuable contributions to the Intelligence Community. Submitting information from DHS holdings is inherently complex. WLC analysts must routinely check 5 DHS data systems, and may check as many as 13, to compile unclassified biographic, biometric, immigration status, and travel information in DHS holdings. WLC analysts must also check this information against information in TIDE and other classified and unclassified systems. The need to check multiple systems impedes the timeliness, effectiveness, and efficiency of WLC nominations; however, the WLC can improve its operations by developing performance metrics and identifying and addressing processes that are labor intensive and susceptible to human error.

Additional Indicators Are Needed To Determine WLC Timeliness and Effectiveness

According to the President's December 2012 *National Strategy for Information Sharing and Safeguarding*, "[s]takeholders should not only measure improvements in information sharing and safeguarding processes (e.g., discoverability, timeliness, accuracy, compliance, and oversight), but also measure their overall effectiveness (e.g., how shared information helps to achieve the mission)."²¹ The WLC began reporting performance metrics in November 2011, primarily to inform operational components on the results of component requests. The WLC provides monthly reports on the number of component request nominations and coordinations submitted to NCTC, and the percent accepted by the NCTC for inclusion in TIDE. The WLC also reports on its timeliness in processing these cases.

²¹ *National Strategy for Information Sharing and Safeguarding*, December 2012, p. 9. Information safeguarding is defined as strengthening the protection of classified and sensitive information, for example by identifying and preventing unauthorized access and enhancing data system controls and monitoring.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

The WLC, in consultation with DHS’ Watchlisting Working Group, assigned priorities to component request nominations and coordinations based on the level of threat represented, and assigned timeliness goals to each priority level. The resulting statistics indicate that the WLC had difficulty meeting its timeliness goals for component requests: high-priority cases that should have been completed in 3 days averaged 4.91 days. Appendix G provides definitions for priority levels, as well as additional information on timeliness goals and results.

Most of the WLC’s caseload is documented in a Tracking Spreadsheet. Although the WLC provides monthly statistics on requests for nominations and coordinations submitted by DHS operational components, it does not report fully on WLC analyst initiatives to develop additional nominations and coordinations from review of DHS data systems and published intelligence reports. For example, table 1 indicates the WLC’s actual caseload from March to July 2012, compared with the caseload it reported in its monthly report to the working group. The WLC did not report 30 percent of the nominations and coordinations it reviewed. Although many of the unreported cases represent instances in which a WLC analyst reviewed an intelligence report and determined that it did not contain information relevant to the watchlisting process, these determinations should be reflected in WLC caseload statistics.

The WLC also needs to report consistently on the disposition of its caseload. For example, even though its September 2012 monthly statistics reported pending intelligence publications and encounter packages, the WLC did not provide an update in its October 2012 report. Consistent reporting will enable the WLC to assess its accomplishments and resource requirements better.

Table 1: WLC Actual and Reported Nominations and Coordinations Caseload, March Through July 2012

	Actual	Reported	Actual	Reported	Actual	Reported
March	10	10	10	10	10	10
April	10	10	10	10	10	10
May	10	10	10	10	10	10
June	10	10	10	10	10	10
July	10	10	10	10	10	10
Total	50	50	50	50	50	50



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

The WLC also needs to adopt standard performance metrics to track and report its review of intelligence publications, encounter packages, and other DHS sources of intelligence information. As of December 2012, for each of these caseloads the WLC provides a monthly report on the number pending, the number completed, and a cumulative number it refers to as a backlog. When the WLC identifies newly published intelligence information, it reports the new cases as additions to the cumulative backlog. The WLC needs to establish one process for tracking and reporting its backlog, or outstanding cases, and a separate process for managing and reviewing newly published intelligence information. The WLC also needs to develop a timeliness measure for review of newly published information. Standard performance metrics will inform the WLC of caseload increases or fluctuations, and its capacity to process new cases promptly.

In addition, the WLC should identify opportunities to track and report performance metrics that demonstrate its unique contributions to the watchlisting community. The WLC currently conducts analysis of information available only in DHS holdings, but does not report on its success in adding this information to TIDE and the TSDB. For example, DHS is uniquely positioned to collect and share biometric information from in-person KST encounters. Although WLC analysts routinely check whether biometrics are available when they complete nominations, they do not consistently track or report the number of KSTs for whom they have identified new biometric information. WLC analysts routinely identify information from unclassified DHS sources, such as a KST's telephone number or address listed on an immigration benefit application that may previously have been available only from classified sources. Information from unclassified sources can be added to the TSDB to assist screeners and investigators in identifying KSTs. In addition, WLC analysts routinely check U.S. Person status to ensure appropriate safeguards during terrorism investigations, but do not track or report the number of records modified. The WLC should consult with internal and external stakeholders, including DHS' Watchlisting Working Group and the NCTC, to identify performance metrics that will demonstrate the value of WLC contributions. Measuring the WLC's unique contributions to the watchlisting community can support a business case for maintaining or increasing WLC resources.

Additional Streamlining Is Needed To Improve DHS' Watchlisting Process Efficiency

The process for preparing DHS nominations is inherently complex, given the need to check DHS holdings in multiple unclassified systems and transfer unclassified information between classified and unclassified systems. However,



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

the WLC's current nomination process takes an estimated 2 to 4 hours for each case, and the WLC needs to address inefficiencies. For example, WLC analysts must request assistance from I&A's information technology staff to transfer an unclassified document between classified and unclassified systems. To avoid delays, WLC analysts manually cut and paste, or retype, individual data elements between systems and into the WLC-developed nominator source form, a process that is susceptible to human error. This unclassified form is then transferred to the classified system, where each data element is again manually entered into the NCTC standard nomination tool. While transferring text information from the NCTC standard nomination tool to TIDE is automated, biometric images, such as photographs and signatures, must be uploaded manually to TIDE in a separate process. Developing performance metrics will enable WLC officials to assess the staff costs associated with these manual processes and make informed decisions on streamlining processes and reducing human error susceptibility.

In addition, the WLC's process for internally managing and tracking its caseload has inefficiencies. The WLC has developed a Tracking Spreadsheet to manage its caseload and report monthly statistics, which requires WLC analysts to cut and paste, or retype data from other sources. There is also a separate internal process for managing support documents and adherence to record retention requirements, which requires analysts to transfer supporting electronic files and documents manually for each nomination among folders on I&A's internal classified computer share drive at several stages. Both processes are labor intensive and susceptible to human error. Although the WLC has developed specifications to automate transfer of data from the NCTC's standard nomination tool to streamline case tracking and reporting, the project has not been funded. Developing performance metrics will enable WLC officials to determine where funding automation projects could reduce costs and improve nomination quality or timeliness long-term.

The WLC needs to track and report all of its activities to provide better information on increases or fluctuations in its caseload and resource requirements. The WLC should also identify, track, and report metrics that demonstrate its value to DHS and the watchlisting community. Developing such performance metrics could inform decisions on information technology project investments to automate some WLC processes. Funding automation projects that minimize processes susceptible to human error and improve safeguarding of information, particularly information on U.S. Persons and individuals with protected status, should receive priority.



Recommendations

We recommend that the Acting Under Secretary for Intelligence and Analysis:

Recommendation #1:

Develop additional performance metrics that document all Watchlisting Cell operations accurately and demonstrate program effectiveness.

Recommendation #2:

Evaluate current watchlisting processes to identify opportunities to improve information sharing and ensure information integrity. At a minimum, this evaluation should include measures to streamline processes that are labor intensive and susceptible to human error.

Management Comments and OIG Analysis

We evaluated I&A's written comments and have made changes to the report where we deemed appropriate. A summary of I&A's written response to the report recommendations and our analysis of the response follows each recommendation. A copy of I&A's response, in its entirety, is included in appendix C. NCTC also provided a response, which is included in its entirety in appendix C.

In addition, we received technical comments from departmental components I&A, CBP, USCIS, CRCL, Office of the General Counsel, and Office of Biometric Identity Management (formerly US-VISIT), as well as NCTC, and incorporated these comments into the report where appropriate. I&A concurred with all ten recommendations contained in the report. We appreciate the comments and contributions made by each entity.

Management Response: I&A officials concurred with Recommendation 1. In its response, I&A said the WLC has captured metrics on production rates since December 2010. Component metrics were initially combined with I&A metrics; however, current reporting shows production by component. TSA has developed and shared an interim tool solution with the WLC, and that tool is being adapted to ensure the WLC can document its operations accurately and demonstrate program effectiveness. Testing and implementation is anticipated to be complete by March 2014.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

OIG Analysis: We consider I&A's proposed actions partially responsive to the intent of this recommendation, which is resolved and open. I&A and TSA are to be commended for adapting an automation tool that will document WLC operations accurately. To close this recommendation, I&A will also need to identify performance metrics that demonstrate the WLC's effectiveness and value to the Intelligence Community. We have provided some examples of performance metrics in the text that demonstrate effectiveness.

Management Response: I&A officials concurred with Recommendation 2. In its response, I&A said the WLC and participating Watchlisting Working Group members continually evaluate processes and procedures to ensure that methods in place are effective and efficient. In 2011 and 2012, the WLC worked with Intelligence Community and departmental partners to develop requirements for a DHS Watchlisting Enterprise nomination tool. Earlier in 2013, the WLC selected a nomination tool and has since taken steps to acquire funding for its development. This tool is expected to eliminate most labor intensive activities, reduce the potential for human error, and improve visibility. In the meantime, TSA has developed and shared an interim tool solution with the WLC that will streamline some, but not all, processes by March 2014.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. We will close this recommendation when we have reviewed a detailed description of I&A's selected nomination tool for sufficiency and I&A's request for funding this tool. We encourage the WLC to provide information on additional opportunities it has identified to improve information sharing and ensure information integrity. In its response, NCTC officials stated they want to partner with DHS in implementing this recommendation, and we believe NCTC can provide valuable suggestions on improving information sharing and ensuring information integrity.

WLC's Quality Assurance Process Ensures Complete and Accurate Products, But It Is Duplicative and Hinders Timeliness

The WLC submits high-quality nominations and coordinations to the NCTC. The WLC also demonstrates a commitment to meeting Intelligence Community standards, and to protecting privacy and civil liberties. However, its three levels of quality assurance review of information obtained from DHS operational component encounters, intelligence reports, and data systems is duplicative and hinders timeliness.



WLC Nominations Are Complete and Accurate, and Protect Individual Privacy

Nominations and coordinations that the WLC submits to the NCTC have a rejection rate of less than 1 percent. NCTC officials said that the WLC is responsive to correcting errors when identified. The WLC reviews component requests for nominations and coordinations before submission to the NCTC. Some requests, however, are not forwarded to the NCTC because the individual was previously nominated by another Federal department or agency or DHS component. The WLC also rejects component nominations when the individual does not meet Intelligence Community standards, such as when the association between an individual and a KST is too tenuous to meet the standard.

WLC's internal processes demonstrate a commitment to meeting Intelligence Community standards for privacy and civil liberties protections. WLC analysts are familiar with the added legal requirements for cases that involve U.S. Persons and individuals with protected status. Because these requirements are complex, WLC analysts keep this information at their work stations for reference and contact General Counsel, Privacy, CRCL, and other appropriate offices as necessary. In addition, the WLC's nomination source form requires analysts to verify whether an individual is a U.S. Person or has protected status. WLC analysts are familiar with DHS' data systems, know which data system is the most reliable source for information they routinely check, and know whom to call in DHS operational components to address questions with interpreting this information.

Quality Assurance Process Hinders WLC Timeliness

Although the WLC's quality assurance process promotes accurate and complete submissions to the NCTC, it is duplicative and hinders case processing timeliness. For example, there are three review levels for all NCTC submissions. At the first level, although most nominations are developed from a component request or published DHS intelligence report, WLC analysts describe these sources as a "starting point," and routinely recheck each data element provided, as well as searching DHS data systems for additional information. At the second level, another WLC analyst rechecks each data element to be submitted to the NCTC. Of the four full-time WLC contractor analysts, two analysts spend 50 percent of their time conducting second-level quality assurance reviews. Because these analysts are contractors, a Federal employee performs a third level of review and checks each record before submitting it to the NCTC. Although the Intelligence Community watchlisting guidance requires quality control measures, quality can likely be maintained with less duplication.



Better coordination with DHS operational components could reduce some duplication of effort. For example, the WLC has had some success encouraging components to submit requests using the WLC's nomination source form. The WLC should evaluate whether it is necessary to conduct multiple quality assurance checks when the source form is used. The WLC's remaining caseload stems largely from reviewing published DHS component intelligence reports. Should the WLC review the process by which operational components develop these reports, it may determine sufficient quality controls exist and it is unnecessary to recheck all data elements provided. Operational components may be willing to provide additional data elements or sourcing information in intelligence reports when doing so requires limited time and resources. If the WLC is not able to identify opportunities to streamline its quality assurance process through closer coordination with operational components, it may be necessary to develop a quality assurance process that relies in part on random review and feedback from the NCTC quality assurance process.

Recommendations

We recommend that the Acting Under Secretary for Intelligence and Analysis:

Recommendation #3:

Survey DHS operational components to determine which components have sufficient intelligence reporting quality controls to enable the Watchlisting Cell to reduce its duplicative quality assurance review.

Recommendation #4:

Identify and incorporate procedures and capabilities to streamline the Watchlisting Cell's internal quality assurance process to improve timeliness.

Management Comments and OIG Analysis

Management Response: I&A officials concurred with Recommendation 3. In its response, I&A said the WLC has demonstrated commitment to ensuring that effective procedures are developed and communicated. Beginning in September 2012 and continuing in 2013, the WLC developed and delivered training to Watchlisting Working Group intelligence and vetting analysts in a Watchlist Analyst Course. The training course comprised three modules: basic watchlisting; a training environment; and advanced concepts. Component personnel dedicated time and effort, spanning several months, towards certification. In advance of receiving their certification, component analysts had



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

to demonstrate their knowledge of departmental and Intelligence Community policies and procedures. [REDACTED]

In addition to this training and oversight, the WLC, through the Department's Watchlisting Working Group, led discussions on ways for the DHS Watchlisting Enterprise to maximize efficiencies and avoid redundant activities. As a result of this training, oversight, and communication, departmental production increased, and the WLC was able to shift resources to avoid redundancies. It is important to note that message releaser activities are not part of the WLC's quality assurance review. I&A said the WLC does not have "three levels of quality assurance review" as indicated in the draft report. I&A said that the training and certification program has already had the effect called for in the recommendation, believes these actions and clarification address the recommendation, and respectfully requests it be closed.

OIG Analysis: We consider I&A's proposed actions partially responsive to the intent of this recommendation, which is resolved and open. The intent of this recommendation is to address when a WLC contractor reviews an intelligence report published by an operational component, such as a Homeland Intelligence Report, and checks each fact provided. To close this recommendation, I&A should determine whether its current internal quality assurance process is necessary for developing nominations from intelligence reports published by operational components. In its response, NCTC officials stated they want to partner with DHS in implementing this recommendation, and we believe that NCTC can assist the WLC in evaluating whether operational components have sufficient intelligence reporting quality controls.

Management Response: I&A officials concurred with Recommendation 4. In its response, I&A said the WLC follows a "two-person rule" for all terrorist nomination activities. This rule ensures that the same watchlist analyst does not perform consecutive activities in the nomination process. The nomination process is labor intensive and the potential for human error is great. Because of this, it is necessary for the Department to continue with its current quality assurance process. The WLC's success, low error rate, and protection of civil rights and civil liberties are a direct result of this rule. As indicated previously, development of new software tools and increased DHS Watchlisting Enterprise communication by March 2014 will enable the WLC and DHS Watchlisting Enterprise members to improve the timeliness of its nominations and ensure the future success of the Department's watchlisting program.



OIG Analysis: We consider I&A's proposed actions partially responsive to the intent of this recommendation, which is resolved and open. Developing software tools could limit some vulnerabilities to error. However, assigning a Federal employee, rather than a contractor, to provide the second level of review necessary for the two-person rule could also streamline the process without sacrificing quality. We will close this recommendation when we receive an evaluation of procedures and capabilities that were adopted to streamline the WLC's internal quality assurance process.

WLC Coordinated Nomination Policies and Procedures With DHS Components, But Communication Could Be Improved

The WLC coordinated effectively with DHS' Watchlisting Working Group to develop required overview trainings, and policies and procedures for submitting watchlisting nominations. However, bilateral communication to resolve issues specific to components needs improvement.

WLC Coordinates With DHS' Watchlisting Working Group On Procedures

The WLC solicited comments from DHS Watchlisting Working Group members on its standard operating procedures, the working group charter, and topics for a watchlisting overview training required by the Intelligence Community. The WLC negotiated with working group members to determine what information would be provided in WLC monthly reports. Working group members also responded to WLC requests to test some forms and processes it developed.

Working group members consider monthly meetings constructive, and cite information received from these meetings, such as information on DHS data systems, changes in Intelligence Community standards and requirements, and monthly statistics on nominations. However, bilateral communication to resolve issues specific to components has been less effective. For example, several WLC analysts said some operational components continue to submit nominations that do not meet eligibility criteria. Several component working group participants said they were not aware of Intelligence Community or DHS policy that resulted in rejected nominations until the policy was explained in a subsequent working group meeting. Several component officials said they forward some nominations through other Federal departments or agencies, when they anticipate the external process will be less cumbersome or more successful than working through the WLC. Several USCIS officials said the WLC could provide USCIS with more case-specific assistance, such as when there are inconclusive matches to TIDE or the TSDB.



WLC Did Not Coordinate or Communicate Its Decentralization Plan With DHS Operational Components Effectively

The WLC developed its decentralization plan without analyzing potential effects decentralization would have on the WLC or DHS operational component caseloads. It also did not consult DHS offices responsible for providing oversight and guidance, including CRCL, SCO, and Privacy, of its plan. Only the operational components can determine whether they have the capacity and resources to process their own nominations.²² Although CBP's NTC-P has the capacity to assume its own watchlisting caseload and may have the resources to streamline and automate its watchlisting nomination process, decentralization effects on other DHS operational components are less clear.

WLC Needs Additional Information To Plan for Decentralization

The WLC developed its plan to decentralize watchlisting nominations to the operational components because its watchlisting nomination caseload increased while WLC staff resources remained constant. In FY 2012, the Intelligence Community expanded the categories of individuals that could be included in the TSDB, which increased DHS' watchlist nominations. Dedicated WLC funding from the National Intelligence Program ended, requiring I&A to fund WLC activities and resources from its general budget. In addition, in FY 2013 Intelligence Community guidance limited the use of contractors throughout the Federal Government's Intelligence Community.

The WLC published its decentralization memorandum, and corresponding nominator training and certification plan, through the HSIC. Because key DHS Watchlisting Working Group members and stakeholders, such as CBP's NTC-P, SCO, and CRCL, are not members of the HSIC, they did not receive notification of the decentralization plan. The WLC did not announce the decision to the DHS Watchlisting Working Group, and did not solicit comments from the operational components. SCO, CRCL, and Privacy, which have oversight and guidance roles in watchlisting, were not consulted in advance, and were not asked to assist in developing the nominator certification training or the certification program.

I&A officials said by providing watchlist analyst training and certification training to operational components and empowering them to prepare and submit watchlisting nominations directly to the NCTC, components could assume

²² Department of Homeland Security, *Delegation To the Under Secretary For Intelligence and Analysis/Chief Intelligence Officer*, DHS Delegation Number 08503 (August 10, 2012).



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

responsibility for a portion of the WLC's caseload. While CBP, OPS, USCIS, ICE, and TSA participated in the first nominator certification training, their commitment and ability to provide watchlisting nominations to the NCTC vary widely.

CBP's NTC-P officials said the NTC-P has the capacity to assume its own watchlisting caseload. NTC-P officers complete most of the steps required for nominations in the course of targeting and screening operations, and are experienced users of DHS data systems that are checked to complete watchlisting nominations. The NTC-P is exploring the technological resources necessary to automate interfaces between its case management system and the NCTC's standard nomination tool. Automation would improve the accuracy and timeliness of nominations. [REDACTED]

[REDACTED] Tables 2 and 3 provide additional information on the WLC caseload from component requests and other sources.



Table 3: WLC Nominations and Coordinations (December 2010 to August 2012*)

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED] OPS officials said that while they have resources to identify new biometric information on KSTs in DHS data systems, they cannot divert additional resources to the WLC’s labor-intensive process for completing nominations. OPS officials said that after the WLC announced its decentralization policy, staff focused on projects that did not require following the WLC’s watchlisting nomination procedures, such as identifying KSTs whose fingerprints do not appear on the US-VISIT biometric watchlist. [REDACTED]

[REDACTED]

[REDACTED] WLC officials, and some USCIS officials, said that USCIS could provide additional watchlisting nominations, including removals from the watchlist through supporting the redress system. USCIS officials from the Fraud Detection and National Security Directorate indicate USCIS stands committed to continuing coordination with the WLC, while developing its own USCIS watchlist function support capabilities. As a significant step toward support capabilities, USCIS



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

currently has two staff that completed course work within the DHS watchlist analyst training and certification program. However, USCIS officials from the Refugee and Asylum Offices said the USCIS terrorism-related caseload is smaller, more complex, and it is likely that most of the derogatory terrorist information would fall within the jurisdiction of another Federal department or agency. USCIS officials said they would continue to share information with ICE where there is no other record owner on KSTs, and will continue to coordinate through local Joint Terrorism Task Forces on these issues and through USCIS intelligence report publications.²³

How decentralization will affect ICE's caseload is not clear. [REDACTED]

[REDACTED] ICE officials said they would continue to respond to WLC requests for information, and value WLC review of intelligence reports, but do not consider developing their own nominations to be a priority.

TSA officials said they would welcome direct responsibility for their caseload, and are in a better position to advocate for TSA nominations than the WLC. However, TSA analysts do not routinely use most of the DHS data systems that the WLC checks in preparing nominations, and may require assistance with system access, training, and technical support.

I&A officials said they would continue to provide nominator certification training to all the DHS operational components, and believe components would begin submitting additional nominations as more officers and analysts are trained and certified. As of January 2013, however, it is not clear whether most DHS operational components can assume a significant portion of the WLC's caseload. The WLC should survey operational components to determine which have the operational capacity and resources necessary to manage a portion of the WLC's caseload. This information will enable I&A officials to evaluate the effect decentralization would have on the WLC's caseload.

Recommendation

We recommend that the Acting Under Secretary for the Office of Intelligence and Analysis:

²³ A Joint Terrorism Task Force is a multiple-agency effort led by the Department of Justice and the FBI, and is designed to promote regional information sharing to combat terrorism by combining Federal, State, and local law enforcement resources.



Recommendation #5:

Survey DHS operational components to determine which components have the operational capacity and resources to manage a watchlist nomination caseload, and determine how the Watchlisting Cell will prioritize the remaining caseload.

Management Comments and OIG Analysis

Management Response: I&A officials concurred with Recommendation 5. In its response, I&A said all DHS Watchlisting Enterprise members have demonstrated an interest and commitment to either performing or supporting watchlisting activities, but I&A understands that watchlisting is an additional duty for component analysts, and additional time will be required to determine actual component capabilities. [REDACTED]

[REDACTED] I&A said the other participating components are continuing to develop their own programs. The WLC will continue its Watchlisting Analyst Course and outreach efforts. [REDACTED]

[REDACTED] This model is already showing its value. [REDACTED]

[REDACTED] In addition to this caseload, the WLC was able to reduce its backlog of DHS-published intelligence reports, expand advanced analysis on subjects identified in current intelligence as posing a threat to the homeland, increase the number of encounter packages exploited, and perform quality assurance on nominations submitted by analysts seeking watchlist analyst certification.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. [REDACTED]



Procedures For Training, Quality Assurance, and Oversight Programs Are Needed

DHS operational component watchlisting nomination skills and experience vary. As a result, the WLC needs to develop an effective process for providing component personnel with watchlist analyst training and certification. The WLC also needs to develop a process for providing oversight to certified watchlist analysts and a quality assurance methodology for reviewing operational component nominations.

Training Should Reflect Skills and Experience of Operational Component Personnel

The WLC should develop appropriate training for DHS operational component analysts who will process watchlist nominations. During our review, the WLC had completed its first certification training program. Based on comments the WLC received from officers and analysts who attended the training, the skills, experience, and mission requirements of personnel from operational components vary too widely, and training all components in the same course would not have the same expected outcome. As a result, WLC officials determined that experience using DHS data systems would need to be a course prerequisite, because following the WLC's standard operating procedures requires access to and training on multiple, complex DHS data systems. For the remaining coursework, some students have prior experience or no operational need to be certified or trained on certain modules. For example, officers from USCIS and CBP's NTC-P are already proficient on the *Immigration and Nationality Act*, as amended.²⁴ OPS officials said training on writing narrative intelligence reports was not relevant to their mission, and intelligence analysts in many operational components have already received extensive training on Intelligence Community requirements for safeguarding information. However, I&A officials said that they could not exempt students from certain portions of the training based on prior experience or operational need.

The WLC should coordinate with CBP's NTC-P as it develops its training curriculum. The NTC-P is currently the only operational component prepared to assume a substantial caseload—that of the NTC-P—after its officers are trained and certified. Because the NTC-P personnel rotate to other CBP assignments, frequent training, or a train-the-trainer program, may be necessary to maintain a sufficient number of certified CBP analysts. NTC-P officials have raised concerns

²⁴ 8 U.S.C. 1101 et seq.



that the WLC is not providing a sufficient number of training courses within the year, and would prefer a train-the-trainer option for NTC-P staff.

Oversight and Quality Assurance Programs Need Development

The WLC needs to develop a plan for performing oversight on DHS operational component certified watchlist analysts, and a quality assurance review methodology for nominations from DHS operational components. Officials from both CRCL and SCO raised concerns about maintaining privacy and civil liberties protections and accurate interpretation of information in DHS data systems after WLC decentralizes some nominations. The WLC will need to coordinate closely with CRCL, SCO, Privacy, and General Counsel to ensure that relevant laws, regulations, and policies are integrated into the oversight and quality assurance methodology. The oversight and quality assurance program for each operational component will need to be adapted to the volume and complexity of nominations processed, and to the component's level of expertise in interpreting information in DHS data systems.

Recommendations

We recommend that the Acting Under Secretary for Intelligence and Analysis:

Recommendation #6:

Develop and document a process with CBP that ensures CBP has a sufficient number of trained and certified analysts to maintain CBP's watchlisting operations to include consideration of a train-the-trainer option.

Recommendation #7:

Develop and implement, in collaboration with the DHS Offices for Civil Rights and Civil Liberties, Privacy, General Counsel, and Screening Coordination Office, an oversight plan for certified DHS operational component analysts conducting watchlisting operations.

Recommendation #8:

Develop and implement a quality assurance review methodology for DHS operational components conducting watchlisting operations.



Management Comments and OIG Analysis

Management Response: I&A officials concurred with Recommendation 6. In its response, I&A said it is working with CBP as CBP develops its program, but that it is too early to determine CBP's needs. In addition, I&A is still developing the Watchlist Analyst Course, which will likely be programmed in FY 2014. [REDACTED] in an additional pilot Watchlist Analyst Course scheduled to begin in mid-September 2013; and two to four courses are planned for FY 2014. Upon completion of the pilot course in September 2013, I&A will work with CBP on a Memorandum of Understanding that develops a train-the-trainer program.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. We will close this recommendation when we receive the signed Memorandum of Understanding between I&A and CBP.

Management Response: I&A officials concurred with Recommendation 7. In its response, I&A said the WLC has drafted and implemented a standard operating procedure as part of its pilot DHS Watchlisting Training and Certification program. Included in the standard operating procedure are plans for obtaining watchlist analyst certification and for providing oversight of analyst compliance with departmental and Intelligence Community policies and procedures. I&A has certified watchlist analysts using this standard operating procedure; however, as this is a pilot program, adjustments may be made after consulting with DHS Watchlisting Enterprise members. In addition, the WLC has coordinated with NCTC to ensure that its feedback on DHS component submissions is funneled through the WLC.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. During the draft report comment period, this recommendation was revised to require collaboration with CRCL, Privacy, General Counsel, and SCO. As such, documentation of this collaboration should be provided. In addition, the sample size and methodology for selecting cases the WLC will review should be addressed to ensure adequate oversight of cases that involve civil rights and civil liberties issues, application of complex legal standards, and interpretation of data in DHS data systems. Other issues that should be addressed are oversight of analysts who do not routinely submit nominations, and criteria and procedures for decertification. In its response, NCTC officials stated they want to partner with DHS in implementing this recommendation.



Management Response: I&A officials concurred with Recommendation 8. In its response, I&A said the WLC developed, trained, and certified watchlist analysts via standard operating procedures for the DHS watchlisting program. *Standard Operating Procedures: 11-Quality Assurance*, a supplemental document to the overarching WLC standard operating procedures, contains requirements for watchlist analysts performing quality assurance. The WLC identified quality assurance requirements during its development of the DHS Watchlisting Program. The WLC-developed Watchlist Analyst Course included blocks of instruction in both its Basic and Advanced modules to emphasize standards and methodologies. DHS component analysts that pursue analyst certification are required to submit 20 terrorist nominations to the WLC for quality assurance and scoring on a rubric designed to emphasize departmental standards. This scoring rubric, and associated feedback on the submission, is returned to the analysts. In addition, the WLC lead visits each component and verifies processes and procedures prior to authorizing initiation of component nomination programs. The WLC lead will also make periodic site visits and verify that scheduled reviews are conducted.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. To close this recommendation, we require additional information on the quality assurance review methodology. For example, we need information on quality assurance standards and processes for components developing and submitting nominations, including processes to ensure that the quality assurance process is independent. In addition, we need more information on the schedule and criteria for periodic WLC quality assurance reviews. In its response, NCTC officials stated they want to partner with DHS in implementing this recommendation, and we believe that NCTC can provide valuable suggestions on developing the WLC's methodology.

WLC Needs Sustainability and Resource Allocation Plans

I&A officials did not estimate the additional expenses that would be incurred, or potential savings realized, before initiating its plan to train and certify officers and analysts and delegate certain authorities to them. The WLC needs to develop a sustainability plan to describe and prioritize its current and planned goals, operations, and resources. Doing so would be prudent and serve as a framework to support DHS' role and contributions to the Federal Government's watchlisting community.



Develop an Effective Methodology for Resource Planning

[REDACTED] This funding augmentation ended in September 2012, after which I&A sustained the program within its base budget. During this period, I&A did not track its expenses or estimate its funding requirements. WLC funding continued within I&A's base budget at a reduced level commensurate with available resources. At the time of our review, with the exception of Federal employee salaries, I&A could not itemize its expenses. I&A officials did not estimate the additional expenses that would be incurred, or potential savings realized, before initiating its plan to train and certify officers and analysts and delegate certain authorities to them. I&A officials said that the plan was developed to reduce dependence on contractors. The four full-time WLC contractors and two contractors who assist with watchlist analyst training and certification were funded from a larger I&A contract, and there was no dedicated funding for WLC technological enhancements or investments.

This situation was not unique to the WLC, as few I&A programs and operations tracked expenses or operated with a defined budget at this organizational level prior to the enactment of the FY 2013 DHS appropriation.²⁵ I&A officials said the first itemized budget I&A submitted was for FY 2013 funds. WLC funding was included in this budget request, based on its current staffing levels, not on analysis of current or projected expenses. I&A officials said that they are committed to maintaining WLC funding, but have not planned to request additional National Intelligence Program funding. Determining WLC costs, based on more complete performance metrics for its projects and initiatives, as well as tracking expenses better, will enable I&A to make informed decisions about staff allocation and potential savings from technological enhancements and investments.

The WLC would benefit from developing a sustainability plan to describe and prioritize its current and planned goals, operations, and resources. The WLC should develop a plan to manage its caseload to anticipate increases or fluctuations in component requests, coordination requests, or DHS intelligence reports available for review. It may be necessary for the WLC to restructure or scale back some of its projects and procedures, but several recommendations in this report can assist the WLC in managing its limited resources more effectively.

²⁵ In March 2013, after our fieldwork ended, DHS' FY 2013 budget was approved. I&A's approved FY 2013 budget includes dedicated funding for the WLC, and fixed amounts for such expenses as training, travel, contracts, and supplies as well as salaries and benefits.



Metrics designed to measure overall performance effectiveness may help the WLC prioritize its resources.

More complete information about the certification program results may enable the WLC to determine whether extending the program to all operational components simultaneously is the best use of I&A resources, given operational component capacity, and training, quality assurance, and oversight requirements. The WLC can identify opportunities to streamline its internal standard operating procedures, while ensuring that CBP has sufficient trained and certified analysts. This will benefit the WLC as CBP invests in technologies to automate the nomination process. Each of these measures will enable the WLC to identify and sustain activities that provide the greatest value to DHS screening operations and the DHS role and contribution to the Federal Government's watchlisting community.

Recommendations

We recommend that the Acting Under Secretary for Intelligence and Analysis:

Recommendation #9: Develop and implement a financial plan that addresses funding, staffing, and resources to sustain the Watchlisting Cell's operations for the next 5 years.

Recommendation #10: Develop and implement a sustainability plan for the Watchlisting Cell that describes and prioritizes current and planned goals, operations, and resources for the next 5 years.

Management Comments and OIG Analysis

Management Response: I&A officials concurred with Recommendation 9. In its response, I&A said that in collaboration with other DHS components, I&A will use FY 2013 financial and throughput data for the WLC, and data gathered for the other recommendations in this report, to build a financial plan that addresses funding, staffing, and other resources to sustain the WLC's operations for the next 5 years. WLC resource requirements, consistent with the predicted workload and ability to sustain the WLC training and certification efforts, are included in the FY 2014 President's Budget.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. We will close this recommendation when we receive and have reviewed the financial plan.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Management Response: I&A officials concurred with Recommendation 10. In its response, I&A said that in collaboration with other DHS components, I&A will use FY 2013 financial and throughput data, as well as information gathered to address this report's recommendations, to build a sustainability plan. The sustainability plan will describe and prioritize current and planned goals, operations, and resources for the next 5 years, and serve as an input to the FY 2016 President's Budget.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of this recommendation, which is resolved and open. We will close this recommendation when we receive and have reviewed the sustainability plan.

Conclusion

The WLC has made positive contributions to the Federal Government's watchlisting community. As a result of WLC initiatives, the number of nominations made by DHS components has increased, as has the accuracy and level of detail in nominations. The WLC has provided training and guidance to DHS operational components regarding Intelligence Community standards. Given the WLC's resource constraints, and CBP NTC-P's mission and commitment to technological improvements to the watchlisting process, DHS would benefit from delegating authority to CBP and certifying its analysts. However, the WLC should evaluate the effect of delegating authority and its caseload to all operational components. The WLC should develop performance metrics, a sustainability plan, and a financial plan to identify and prioritize the activities, projects, and initiatives that provide the greatest value to DHS screening operations and the Intelligence Community.



Appendix A

Objectives, Scope, and Methodology

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

We assessed I&A's efforts to manage and operate DHS' WLC as part of our *Fiscal Year 2012 Annual Performance Plan*. Our objectives were to determine whether (1) the WLC is timely, effective, and efficient in submitting DHS nominations to the NCTC; (2) the information provided to external partners is complete, accurate, and timely; (3) establishing the WLC has had an effect on the DHS component nomination process; and (4) the WLC has developed and communicated effective policies and procedures for coordinating nomination submissions within DHS. Because the WLC announced in July 2012 that it proposed to decentralize its watchlist nomination process, we also reviewed whether the WLC has developed an effective process for providing the training, quality assurance, and oversight necessary for decentralization and has developed an effective methodology for planning and coordinating its resources.

To accomplish our objectives, we interviewed Federal officials and contractor WLC analysts, and reviewed and analyzed related documents and data. Specifically, we interviewed officials and staff from I&A, CBP, OPS, USCIS, TSA, Coast Guard, Secret Service, Office of Policy's SCO, CRCL, Privacy, and US-VISIT. We also met with NCTC and Government Accountability Office officials to gain their perspectives on the WLC. In addition, we reviewed and analyzed more than 125 related documents, including WLC guidelines and procedures, and applicable laws, regulations, and policies. We also assessed WLC resources and staffing information, as well as training and DHS' Watchlisting Working Group materials. We also analyzed data in the WLC Tracking Spreadsheet. We did not assess the quality of individual nominations or the certification training.

Our review was limited to DHS' watchlisting process. We did not review the DHS HSIC or its decisions on intelligence policies and authorities. We did not assess the quality of Intelligence Community guidance and procedures. We interviewed NCTC officials on the quality and timeliness of DHS nominations, but did not review non-DHS Intelligence Community departments or agencies, or the joint programs in which DHS participates, such as the TSC or Joint Terrorism Task Forces. We discussed DHS data systems in this report, but did not review these systems or the data systems used by the Intelligence Community, such as TIDE, ACS, and the TSDB.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Our fieldwork began in August 2012 and concluded in December 2012. We conducted this review under the authority of the *Inspector General Act of 1978*, as amended, and according to the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency.



Appendix B

Recommendations

We recommend that the Acting Under Secretary for Intelligence and Analysis:

Recommendation #1: Develop additional performance metrics that document all Watchlisting Cell operations accurately and demonstrate program effectiveness.

Recommendation #2: Evaluate current watchlisting processes to identify opportunities to improve information sharing and ensure information integrity. At a minimum, this evaluation should include measures to streamline processes that are labor intensive and susceptible to human error.

Recommendation #3: Survey DHS operational components to determine which components have sufficient intelligence reporting quality controls to enable the Watchlisting Cell to reduce its duplicative quality assurance review.

Recommendation #4: Identify and incorporate procedures and capabilities to streamline the Watchlisting Cell's internal quality assurance process to improve timeliness.

Recommendation #5: Survey DHS operational components to determine which components have the operational capacity and resources to manage a watchlist nomination caseload, and determine how the Watchlisting Cell will prioritize the remaining caseload.

Recommendation #6: Develop and document a process with CBP that ensures CBP has a sufficient number of trained and certified analysts to maintain CBP's watchlisting operations to include consideration of a train-the-trainer option.

Recommendation #7: Develop and implement, in collaboration with the DHS Offices for Civil Rights and Civil Liberties, Privacy, General Counsel, and Screening Coordination Office, an oversight plan for certified DHS operational component analysts conducting watchlisting operations.

Recommendation #8: Develop and implement a quality assurance review methodology for DHS operational components conducting watchlisting operations.

Recommendation #9: Develop and implement a financial plan that addresses funding, staffing, and resources to sustain the Watchlisting Cell's operations for the next 5 years.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Recommendation #10: Develop and implement a sustainability plan for the Watchlisting Cell that describes and prioritizes current and planned goals, operations, and resources for the next 5 years.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix C
Management Comments to the Draft Report

[Redacted]

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



June 7, 2013

MEMORANDUM FOR: Deborah L. Outten-Mills
Acting Assistant Inspector General for Inspections
FROM: Glenn D. Krizay
Senior Component Accountable Official
SUBJECT: Response to Draft Report OIG-12-005-ISP-I&A, *DHS' Watchlisting Cell's Efforts to Coordinate Departmental Nominations*

The Department of Homeland Security Office of Intelligence and Analysis (I&A) appreciates the opportunity to review and comment on the Office of Inspector General (OIG) Draft Report OIG-12-005-ISP-I&A, *DHS' Watchlisting Cell's Efforts to Coordinate Departmental Nominations*. I&A is actively resolving the issues identified in the draft report, and provides the following responses to the recommendations in the report.

Recommendation #1: Develop performance metrics that document Watchlisting Cell operations accurately and demonstrate program effectiveness.

[Redacted] **DHS Response: Concur.** The I&A Watchlisting Cell (I&A WLC) has captured metrics on production rates since December 2010. Component metrics were initially combined with I&A WLC metrics, however, current reporting shows production by component. TSA has developed and shared an interim tool solution with the I&A WLC, and that tool is being adapted to ensure the I&A WLC can document Watchlisting Cell operations accurately and demonstrate program effectiveness. Testing and implementation is anticipated to be complete by March 2014.

Recommendation #2: Evaluate current watchlisting processes to identify opportunities to improve information sharing and ensure information integrity. At a minimum, this evaluation should include measures to streamline processes that are labor intensive and susceptible to human error.

[Redacted] **DHS Response: Concur.** The I&A WLC, and now participating Watchlisting Enterprise members, continually evaluate processes and procedures to ensure that methods in place are effective and efficient. In 2011 and 2012 the I&A WLC worked with IC and Departmental partners to develop requirements for a DHS Watchlisting Enterprise nomination tool. Earlier this year, the I&A WLC selected a

[Redacted]



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

[REDACTED]

nomination tool and has since taken steps to acquire funding for its development. The tool selected is expected to eliminate most labor intensive activities, reduce the potential for human error, and improve Enterprise visibility. In the meantime, TSA has developed and shared an interim tool solution with the I&A WLC that will streamline some, but not all, processes by March 2014.

Recommendation #3: Survey DHS operational components to determine which components have sufficient intelligence reporting quality controls to enable the Watchlisting Cell to reduce its duplicative quality assurance review.

[REDACTED] **DHS Response: Concur.** The I&A WLC has demonstrated its commitment to ensuring that effective procedures are developed and communicated. Beginning in September 2012 and continuing in 2013, the I&A WLC developed and delivered training to Watchlisting Enterprise intelligence and vetting analysts in a Watchlist Analyst Course. The training course comprised three modules: basic watchlisting; a training environment; and advanced concepts. Component personnel dedicated time and effort, spanning several months, towards certification. In advance of receiving their certification, Component analysts had to demonstrate their knowledge of Departmental and IC policies and procedures. [REDACTED]

[REDACTED] In addition to this training and oversight, the I&A WLC, through the Departments Watchlisting Working Group, led discussions on ways for the Enterprise to maximize efficiencies and avoid redundant activities. As a result of this training, oversight and communication, Departmental production increased, the I&A WLC was able to shift resources, and redundancies were avoided. It is important to note that, message releaser activities are not part of the I&A WLC's quality assurance review. The I&A WLC does not have "three levels of quality assurance review" as indicated in the Draft Report the training and certification program has already had the effect called for in the recommendation.

I&A believes these actions, and clarification address the recommendation and respectfully requests this recommendation be closed.

Recommendation #4: Identify and incorporate opportunities to streamline the Watchlisting Cell's internal quality assurance process to improve timeliness.

[REDACTED] **DHS Response: Concur.** The I&A WLC follows a "two" person rule for all terrorist nomination activities. This rule ensures that the same watchlist analyst does not perform consecutive activities in the nomination process. The nomination process is labor intensive and the potential for human error is great. Because of this, it is necessary for the Department to continue with its current quality assurance process. The I&A WLC's success, low error rate and protection of civil rights and civil liberties, is directly attributed to this rule. As indicated previously, development of new software tools and increased Enterprise communication will enable the I&A WLC, and Enterprise members, to improve the timeliness of its nominations and ensure the future success of the Departments watchlisting program by March 2014.

[REDACTED]



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

[REDACTED]

Recommendation #5: Survey DHS operational components to determine which components have the operational capacity and resources to manage a watchlist nomination caseload, and determine how the Watchlisting Cell will prioritize the remaining caseload.

DHS Response: Concur. All DHS Watchlisting Enterprise members have demonstrated interest and commitment to either performing or supporting watchlisting activities, but key to determining Enterprise capabilities is I&A's understanding that watchlisting is an additional duty for Component analysts and additional time will be required to determine actual Component capabilities. [REDACTED]

The other participating Components are continuing to develop their own programs. The I&A WLC will continue its Watchlist Analyst Course and outreach efforts. [REDACTED]

This model is already showing its value. [REDACTED]

Absent that caseload, the I&A WLC was able to reduce its backlog of DHS-published IIRs, expand advanced analysis on subjects identified in current intelligence as posing threat to the homeland, increase the number of encounter packages exploited, perform quality assurance on nominations submitted by analysts seeking watchlist analyst certification,.

I&A believes this action, addresses the recommendation and respectfully requests this recommendation be closed.

Recommendation #6: Develop and document a process with CBP that ensures it has a sufficient number of trained and certified analysts to maintain CBP's watchlisting operations.

DHS Response: Concur. I&A is working with CBP as it develops its program, but it is too early to determine CBP's needs. In addition, I&A is still developing the Watchlist Analyst Course, which will likely be programmed in FY14. An additional pilot Watchlist Analyst Course is scheduled to begin in mid-September 2013, [REDACTED] and between two and four courses are planned for FY14. Upon completion of the pilot course in September 2013, we will work with CBP on an MOU that develops a train the trainer program.

Recommendation #7: Develop and implement an oversight plan for certified DHS operational component analysts conducting watchlisting operations.

DHS Response: Concur. The I&A WLC has drafted and implemented an SOP as part of its pilot DHS Watchlisting Training and Certification program (Attachment 1). Included in the SOP are plans for obtaining watchlist analyst certification and for providing oversight of analyst compliance with Departmental and IC policies and procedures. I&A has certified watchlist analysts using this SOP, but, as this program is in pilot, adjustments may be made after consulting with the DHS Watchlisting Enterprise [REDACTED]

[REDACTED]



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

[REDACTED]

members. In addition, the I&A WLC has coordinated with NCTC to ensure that its feedback on Component submissions is funneled through the I&A WLC.

I&A believes this action, addresses the recommendation and respectfully requests this recommendation be closed.

Recommendation #8: Develop and implement a quality assurance review methodology for DHS operational components conducting watchlisting operations.

[REDACTED] **DHS Response: Concur.** The I&A WLC developed, trained, and certified watchlist analysts via standard operating procedures for the DHS Watchlisting program. In “Standard Operating Procedures: 11-Quality Assurance”, a supplemental document to the overarching program SOP, are requirements for watchlist analysts performing quality assurance (QA) (Attachment 2). The I&A WLC identified QA requirements during its development of the DHS Watchlisting Program and confirmed them during operations. The I&A WLC-developed Watchlist Analyst Course included blocks of instruction in both its Basic and Advanced modules to emphasize standards and methodologies. DHS component analysts that pursue certification as watchlist analysts are required to submit 20 terrorist nominations to the I&A WLC for quality assurance and scoring on a rubric designed to emphasize Departmental standards. This scoring rubric, and associated feedback on the submission, is returned to the analysts. In addition, the I&A WLC lead visits each Component and verifies processes and procedures prior to authorizing initiation of Component nomination programs. The I&A WLC lead will also make periodic site visits and verify scheduled reviews are conducted.

I&A believes this action, addresses the recommendation and respectfully requests this recommendation be closed.

Recommendation #9: Develop and implement a financial plan that addresses funding, staffing, and resources to sustain the Watchlisting Cell’s operations for the next 5 years.

DHS Response: Concur. I&A, in collaboration with other DHS Components, will use FY 13 financial and throughput data for the I&A WLC and data gathered for the other recommendations in this report to build a financial plan that addresses funding, staffing, and other resources to sustain the I&A WLC’s operations for the next five years. I&A WLC requirements consistent with the predicted workload and ability to sustain the I&A WLC training and certification efforts are included in the FY 2014 President’s Budget.

Recommendation #10: Develop and implement a sustainability plan for the Watchlisting Cell that describes and prioritizes current and planned goals, operations, and resources for the next 5 years.

DHS Response: Concur. I&A, in collaboration with other DHS Components, will use FY 13 financial and throughput data for the I&A WLC and data gathered for the other recommendations in this report to build a sustainability plan for the I&A WLC that describes and

[REDACTED]



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

[REDACTED]

prioritizes current and planned goals, operations, and resources for the next five years as an input to the FY 2016 President's Budget.

We look forward to continuing our work with you to ensure all required actions are completed. Should you require additional information, please do not hesitate to contact me or have your staff contact Keith Jones at 202-282-9553.

Attachments:

1)

[REDACTED]

2)

[REDACTED]



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



DIRECTOR
NATIONAL COUNTERTERRORISM CENTER
Washington DC 20505

JUN 05 2013

Mr. Charles K. Edwards
Deputy Inspector General
Office of the Inspector General
Department of Homeland Security
Washington, DC 20528

Dear Mr. Edwards:

On behalf of the National Counterterrorism Center (NCTC), I would like to thank the Department of Homeland Security's (DHS) Office of the Inspector General (IG) for providing its April 2013 draft report for our review and comment. We appreciate DHS's efforts on terrorism watchlisting and the extensive effort you undertake to coordinate departmental nominations.

Our office has reviewed your draft report, Department of Homeland Security, Office of the Inspector General, DHS' Watchlisting Cell's Efforts to Coordinate Departmental Nominations, and its associated recommendations. NCTC appreciates the DHS efforts in providing a significant quantity, as well as quality, of nominations to the Terrorist Identity Datamart Environment (TIDE).

Overall comment: NCTC wants to emphasize and would like to partner with DHS in implementing recommendations #2, 3, 7, and 8. While the operational DHS components are responsive to Watchlisting Cell requests, more examination of their process, metrics, and their proactive posture should be conducted to ensure DHS information is being added to TIDE in a timely, effective, and streamlined process to reduce labor intensive processes susceptible to human errors.

Specific Recommendations:

- **Page 3**, third paragraph – Remove the term “evidentiary” – often, this is intelligence based information and not tied to evidentiary standards.
- **Page 3**, third paragraph – Request DHS add term “Addendums” in the paragraph the two times where they list terms “Modification/Enhancement”.
 - Rationale - we need to continually use the same terminology across the community and bring terms together across the Intelligence and the Law Enforcement communities. If the nominator tool / TIDE Online submit, etc. are to be for everyone, they need to see the terms they expect in it.
- **Page 5**, first paragraph – Change “TSC” to “community”.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Mr. Charles K. Edwards

- **Page 7**, first paragraph – Change “watchlist” in the first sentence to “TIDE” and add the words “and TIDE” to the end of the final sentence in the paragraph after “in the TSDB”.
- **Page 7**, first paragraph, last line. Finally, DHS is responsible for offering redress, or timely and fair review of complaints, to identify and correct errors in the TSDB.” Add “and TIDE.” to the end of this sentence.

We appreciate the DHS IG’s independent review of the Watchlisting Cell’s processes and procedures and the Department’s commitment to continuous improvement through the IG process. NCTC values our critical relationship with DHS and recognizes the strides the Watchlisting Cell has made since its establishment in December 2010. We look forward to a continued partnership in this critical National Security mission.

Sincerely,

Matthew G. Olsen

cc: Office of the Inspector General of the
Intelligence Community



Appendix D

Roles of Components Involved In Watchlisting

U.S. Coast Guard – Screens for KSTs in crew and passenger information on vessel manifests prior to a vessel's arrival in a U.S. port. Conducts interviews and, as appropriate, collects biometric, biographic, and documentary evidence during migrant interdictions at sea, vessel inspections, ship boarding, investigations, or licensing activities.

CBP – Screens for KSTs at U.S. ports of entry, between ports of entry, and during the review of international flight and commercial vessel manifests. Conducts interviews and collects biometric, biographic, travel, and documentary evidence during in-person encounters with individuals seeking to enter or depart the United States.

CBP Office of Intelligence and Investigative Liaisons – Develops, provides, coordinates, and implements intelligence capabilities to support CBP, acts as CBP's liaison to the Intelligence Community.

CBP National Targeting Center – Passenger (NTC-P) – Screens passenger manifests and related information prior to a passenger's departure to or from the United States. Analyzes, assesses, and makes determinations of travel suitability based on TIDE, the TSDB, and other relevant immigration, intelligence, and law enforcement information.

CRCL – Works with Department components and offices to ensure that civil rights and civil liberties protections are incorporated into the Department's information and physical security programs, information sharing activities, and intelligence-related programs and products.

OPS – Reviews information in DHS data systems to identify biometric, biographic, travel, immigration, and U.S. Person status information on KSTs.

Office of the General Counsel – Implements the Department's statutory responsibilities and policies as set forth by the Administration, the Secretary, and senior officials within the Department.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

ICE – Serves as the principal law enforcement arm of DHS, and screens for KSTs during immigration and customs related investigations, security screening of visa applications, and detentions within the interior and at the borders of the United States. Conducts interviews and collects biometric, biographic, travel, and documentary evidence during in-person encounters with individuals seeking to remain in the United States.

I&A – Ensures that information related to homeland security threats is collected, analyzed, and disseminated to DHS, State, local, and tribal governments, the private sector, and the Intelligence Community. Through the WLC, coordinates watchlisting efforts and information sharing policies and programs.

National Protection and Programs Directorate – Protects and enhances the resilience of the nation’s physical and cyber infrastructure.

US-VISIT – Provides biometric identification services to Federal, State, local, and tribal government officials. Stores, matches, and shares fingerprints and photographs of KSTs in the DHS Automated Biometric Identification System (IDENT), and collects some international arrival and departure information.

Office of Policy’s SCO – Enhances screening and credentialing processes, programs, and technologies to facilitate legitimate travel and trade, including redress opportunities.

Privacy Office – Assesses programs for privacy risks, and recommends privacy protections for handling personally identifiable information to mitigate privacy risks. Evaluates Department programs, systems, and initiatives for potential privacy impacts, and provides mitigation strategies to reduce the privacy impact.

U.S. Secret Service – Screens for KSTs during investigative event management, such as National Special Security Events, political events, and large-scale sporting events. May conduct in-person interviews with international or domestic KSTs encountered in event screening or investigations, including financial investigations.

TSA – Screens for KSTs on the aviation No Fly and Selectee lists and during the application process for a credential or benefit in the transportation or critical infrastructure environment. Collects biometric, biographic, and documentary evidence from individuals applying for a TSA benefit or credential.

USCIS – Screens for KSTs who file petitions or applications for immigration benefits or protected status. Conducts interviews and collects biometric, biographic, and documentary evidence during in-person encounters with individuals seeking an immigration benefit or protected status.



Appendix E Watchlisting Legal Authorities

The *National Security Act of 1947* created the U.S. Intelligence Community to be a federation of Executive Branch agencies and organizations that work separately and together to perform intelligence activities necessary to conduct foreign relations and to protect the national security of the United States.²⁶ Executive Order (E.O.) 12333, as amended, defines the goals and direction of U.S. intelligence efforts and describes the roles and responsibilities of individual Intelligence Community elements.²⁷ The Intelligence Community is defined by the *National Security Act*, as amended, and E.O. 12333 to include 16 executive-level elements with oversight provided by ODNI.²⁸ The *Homeland Security Act of 2002* created DHS, which has 2 of the 17 Intelligence Community members: I&A and the Coast Guard.²⁹

The *Intelligence Reform and Terrorism Prevention Act of 2004* created the Director of National Intelligence to serve as the head of the Intelligence Community.³⁰ In accordance with this act and E.O. 12333, the Director functions as the principal adviser to the President and the National Security Council for intelligence matters related to national security, and manages the National Intelligence Program budget.³¹ Within the ODNI, the NCTC was established by E.O. 13354 and codified by the *Intelligence Reform and Terrorism Prevention Act of 2004* to serve as a center for joint operational planning and intelligence. This act further directed that the NCTC will be the central and shared knowledge bank on KSTs, and the primary organization analyzing and integrating intelligence pertaining to terrorism and counterterrorism.³² However, the tasks of collecting and analyzing intelligence pertaining exclusively to domestic terrorists and domestic counterterrorism investigations fall primarily under the purview of the FBI.³³

HSPD-6 instructed the U.S. Attorney General to establish an organization to consolidate the government's approach to terrorism screening and to provide for the appropriate and lawful use of terrorist information in screening processes. To implement the

²⁶ 50 U.S.C. § 401 et seq.

²⁷ Executive Order 12333, as amended [hereinafter referred to as E.O. 12333].

²⁸ 50 U.S.C. § 401a (4) and E.O. 12333 § 3.5 (h).

²⁹ 6 U.S.C. § 101 et seq.

³⁰ 50 U.S.C. § 403 (b)(1).

³¹ The National Intelligence Program funds intelligence activities in several Federal departments and agencies, including DHS and the Central Intelligence Agency. Detailed funding requests for intelligence activities are classified. Office of Management and Budget, *National Intelligence Program*, Fiscal Year 2012 Budget. http://www.whitehouse.gov/omb/factsheet_department_intelligence.

³² 50 U.S.C. § 404o (d)(1).

³³ E.O. 12333 § 2.3 (e).



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

directive, the U.S. Attorney General—acting through the Director of the FBI, and in coordination with the Secretary of State, Secretary of Homeland Security, and the Director of Central Intelligence—created the TSC.³⁴ HSPD-6 also requires the NCTC to provide the TSC with access to all appropriate information or intelligence in its possession that the TSC needs to perform its functions.³⁵

HSPD-11 requires a systematic approach to terrorist-related screening that optimizes detection and interdiction of suspected terrorists and terrorist activities. HSPD-11 defines the term “suspected terrorists” as individuals known or reasonably suspected to be or have been engaged in conduct constituting, in preparation for, in aid of, or related to terrorism. HSPD-11 also requires that terrorist-related screening be done in a manner that safeguards legal rights, including freedoms, civil liberties, and information privacy guaranteed by Federal law.³⁶

HSPD-24 “establishes a framework to ensure that Federal executive departments and agencies (agencies) use mutually compatible methods and procedures in the collection, storage, use, analysis and sharing of biometric and associated biographic and contextual information of individuals in a lawful and appropriate manner, while respecting their information privacy and other legal rights under United States law.” HSPD-24 directs the executive branch to integrate “biometrics to identify and screen KSTs and other persons who may pose a threat to national security.” HSPD-24 requires agencies and departments to make available to other agencies all biometric and associated biographic and contextual information associated with persons for whom there is an articulable and reasonable basis for suspicion that they pose a threat to national security, to the extent permitted by law.³⁷

The Delegation to the Under Secretary for Intelligence and Analysis/Chief Intelligence Officer vests authorities to the DHS Under Secretary for I&A, who also serves as the Department’s Chief Intelligence Officer. The delegation enables the Under Secretary, as the Executive Agent for DHS’s watchlisting process, to perform the duties and exercise the authority of the Secretary required in HSPD-6 to provide a mechanism for nominating all identifying or derogatory information about KSTs to the NCTC’s TIDE. The duties include: “(1) establishing, managing, and overseeing a unified watchlisting capability for the Department; (2) issuing DHS-wide terrorist watchlisting nomination policies, procedures, guidelines, and standards consistent with Federal watchlisting

³⁴ HSPD-6, *Directive on Integration and Use of Screening Information to Protect Against Terrorism* (September 16, 2003).

³⁵ HSPD-6. The NCTC was formerly known as the Terrorist Threat Integration Center.

³⁶ HSPD-11, *Comprehensive Terrorist-Related Screening Procedures* (August 27, 2004).

³⁷ HSPD-24, *Biometrics for Identification and Screening to Enhance National Security* (June 5, 2008).



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

guidance; and (3) representing the Secretary in all interagency forums relating to terrorist watch listing nominations.”³⁸

The National Strategy for Information Sharing and Safeguarding states that “[i]t is a national priority to efficiently, effectively, and appropriately share and safeguard information so any authorized individual (Federal, state, local, tribal, territorial, private sector or foreign partner) can prevent harm to the American people and protect national security. The [National] Strategy [for Information Sharing and Safeguarding] points toward a future in which information supports national security decisionmaking by providing the right information, at any time, to any authorized user, restricted only by law or policy, not technology; and where safeguarding measures, to include a comprehensive regimen of accountability, prevent the misuse of information.”³⁹

³⁸ *Delegation to the Under Secretary for Intelligence and Analysis / Chief Intelligence Officer*, Department of Homeland Security Delegation Number: 08503 (August 10, 2012).

³⁹ *National Strategy for Information Sharing and Safeguarding*, December 2012, pp. 3–4.



Appendix F

DHS Data Systems Used by Watchlist Analysts

Owner	System	Function
CBP	Advance Passenger Information System (APIS)	Receives air and sea passenger manifests
	Automated Targeting System-Passenger (ATS-P)	Provides an enforcement and decision support tool
	Electronic System for Travel Authorization (ESTA)	Screens applications from visa waiver travelers for travel authorization
	Targeting Framework	Allows users to track risk assessment effectiveness and create reports
	TECS	Collects, analyzes, and shares law enforcement information
ICE	Enforce Alien Removal Module (EARM)	Tracks detained aliens, aliens in removal proceedings, and case histories
	Enforcement Case Tracking System (ENFORCE)	Tracks immigration enforcement actions and cases
	Intelligence Fusion System (IFS)	Provides access to TECS and ENFORCE, and alien encounters and arrests
	Student and Exchange Visitor Information System (SEVIS)	Tracks and monitors students, exchange visitors, and dependents
TSA	Secure Flight	Watchlist matching for flights into, out of, within, and over the United States
USCIS	Central Index System (CIS)	Documents the existence and status of most aliens known to DHS and their alien file location
	Computer-Linked Application Information Management System 3 (CLAIMS 3)	Tracks immigrant and nonimmigrant applications/petitions
	Computer-Linked Application Information Management System 4 (CLAIMS 4)	Tracks naturalization applications
	Image Storage and Retrieval System (ISRS)	Provides query and retrieval of biometric image sets and biographical data
	Person Centric Query System (PCQS)	Aggregates information from USCIS data systems
	Refugees, Asylum, and Parole System (RAPS)	Tracks affirmative applicants for asylum status
US-VISIT	Arrival and Departure Information System (ADIS)	Matches biographic data on arrivals, departures, extensions, and changes or adjustments of status to identify foreign nationals who have overstayed authorized terms of admission
	US-VISIT Automated Biometric Identification System (IDENT)	Enrolls and stores biometric and limited biographic information on both foreign nationals and U.S. citizens

Source: *Information Sharing on Foreign Nationals: Border Security* (OIG-12-39), February 2012, Appendix C, Database Documentation, Demonstrations.



Appendix G Timeliness Standards

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]



Appendix H

Major Contributors to This Report

Marcia Moxey Hodges, Chief Inspector
Lorraine Eide, Lead Inspector
Morgan Ferguson, Inspector



Appendix I

Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
Acting Chief Privacy Officer
Acting Under Secretary, Office of Intelligence and Analysis
Deputy Commissioner, U.S. Customs and Border Protection
Director, U.S. Citizenship and Immigration Services
Acting Officer, Office for Civil Rights and Civil Liberties
Commandant, U.S. Coast Guard
Director, U.S. Immigration and Customs Enforcement
Director, Office of Operations Coordination and Planning
Director, U.S. Secret Service
Administrator, Transportation Security Administration
Director, U.S. Visitor and Immigrant Status Indicator Technology

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Office of the Director of National Intelligence

Director, National Counterterrorism Center
Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as appropriate

ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this document, please call us at (202) 254-4100, fax your request to (202) 254-4305, or e-mail your request to our Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

For additional information, visit our website at: www.oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).

OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at www.oig.dhs.gov and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to:

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

You may also call 1(800) 323-8603 or fax the complaint directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.