

OFFICE OF INSPECTOR GENERAL

Review of U.S. Customs and Border Protection's Fiscal Year 2015 Drug Control Performance Summary Report



Homeland
Security

January 27, 2016
OIG-16-26



DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection's Fiscal Year 2015 Drug Control Performance Summary Report

January 27, 2016

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

The Office of Inspector General (OIG) is required to conduct a review of the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

KPMG LLP, under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on the U.S. Customs and Border Protection's (CBP) fiscal year 2015 Drug Control Performance Summary Report. CBP's management prepared the Performance Summary Report and related disclosures to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to KPMG LLP's attention that caused it to believe that CBP's FY 2015 Performance Summary Report is not presented in conformity with the criteria in the ONDCP Circular. KPMG LLP did not make any recommendations as a result of its review.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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

JAN 27 2016

MEMORANDUM FOR: Eugene H. Schied
Assistant Commissioner
U.S. Customs and Border Protection

FROM: Mark Bell *Mark Bell*
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal Year 2015 Drug Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2015 Drug Control Performance Summary Report*. U.S. Customs and Border Protection's (CBP) management prepared the Performance Summary Report and related disclosures to comply with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm KPMG LLP (KPMG) to review CBP's Drug Control Performance Summary Report. KPMG is responsible for the attached Independent Accountants' Report, dated January 22, 2016, and the conclusions expressed in it. KPMG's report contains no recommendations.

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

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Report

Assistant Inspector General for Audits
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2015. CBP's management is responsible for the Performance Summary Report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of CBP prepared the Performance Summary Report to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular).

Based on our review nothing came to our attention that caused us to believe that the Performance Summary Report for the year ended September 30, 2015, referred to above, is not presented, in all material respects, in conformity with the criteria set forth in the Circular.

This report is intended solely for the information and use of management of DHS and CBP, the DHS Inspector General, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP
January 22, 2016



**U.S. Customs and
Border Protection**

January 22, 2016

MEMORANDUM FOR: Mark Bell
Assistant Inspector General for Audit
Department of Homeland Security

FROM: Jaye M. Williams
Chief Financial Officer

SUBJECT: Management's Assertions for CBP's Performance Summary
Report to ONDCP

In compliance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to ONDCP. The report contains the results of CBP's Fiscal Year (FY) 2015 performance in support of the *National Drug Control Strategy*.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied – CBP has a system to capture performance information accurately and the system was properly applied to generate the performance data;
- (2) All performance targets in FY 2015 were successfully met;
- (3) Methodology to establish performance targets is reasonable and consistently applied, given past performance and available resources. Professional judgment was used in establishing performance measure targets based on subject matter experts with several years of experience in the field; and
- (4) Adequate performance measures exist for all significant drug control activities. CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports. Each performance measure considers the intended purpose of the National Drug Control Program Activity.

If you have any questions or would like additional information, please contact me at (202) 344-2364, or a member of your staff may contact Mr. James McNally, Director, Investment Analysis Office, at (202) 344-1651.

Attachments

**U.S. Department of Homeland Security
U.S. Customs and Border Protection
Performance Summary Report
Fiscal Year 2015**

The performance measures presented below directly link to the 2015 *National Drug Control Strategy* by evaluating U.S. Customs and Border Protection (CBP) success in disrupting domestic drug trafficking. This Performance Summary Report (PSR) contains the performance measure aligned to drug control decision units as required by the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The drug control decision units are as follows: (1) Salaries and Expenses, (2) Air and Marine Operations, (3) Automation Modernization, and (4) Border Security Fence, Infrastructure and Technology.

Based on this PSR, the attached Management Assertions letter states the following: (1) the performance reporting system is appropriate and applied; (2) performance targets in fiscal year (FY) 2015 were met so an explanation for not meeting targets is not necessary; (3) the methodology used to establish performance targets is reasonable and applied; and (4) adequate performance measures exist for all significant drug control activities.

Drug Control Decision Unit – Salaries and Expenses

Performance Measure – Office of Field Operations – Amount of currency seized on exit from the United States.

(1) Performance Measures

The performance measure “Amount of currency seized on exit from the United States” provides the total dollar amount of all currency, in millions, seized during outbound inspection of exiting passengers and vehicles, both privately-owned and commercial. The scope of this measure includes all ports of entry on both the southwest and northern borders and all modes of transportation (land, air, and sea). This measure assists in evaluating CBP’s success in disrupting domestic drug trafficking at the land border ports of entry, a key outcome for the National Drug Control Strategy.

This measure is based upon the seizure-related enforcement outcomes of CBP’s Outbound Enforcement Program, which provides an indicator of the success that CBP has in disrupting domestic drug trafficking at the land borders by stemming the flow of potential narcotics-related proceeds destined to criminal or transnational groups.

The CBP Office of Field Operations (OFO) conducts risk-based Outbound operations at land border ports of entry and international airports, enabling CBP to enforce U.S. laws and regulations applying to the Outbound arena, including but not limited to immigration and drug laws. The Outbound Enforcement program is part of CBP’s effort to effectively monitor and control the flow of goods and people leaving the United States. The goal of

CBP's Outbound Enforcement program is to keep the United States safe by preventing the illicit export of goods, ranging from firearms to components of weapons of mass destruction, by individuals seeking to circumvent U.S. export control laws. This goal was developed in recognition of the fact that such goods could potentially fall into the hands of terrorists or criminal elements. The program also seeks to disrupt criminal elements and terrorist organizations by interdicting their proceeds and arresting members of their organizations.

A number of presidential strategies, including the President's National Export Initiative, the President's Export Control Reform Initiative, the National Drug Control Strategy, and the National Southwest Border Counter Narcotics Strategy, designate outbound enforcement as a crucial component on the war on drugs. The total currency seized upon exit from the United States in FY 2015, which was \$37.6 million, is an indicator of CBP's success in disrupting domestic drug trafficking at the borders. These seizures of currency were potentially destined for criminal or transnational groups.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target:	\$40.0M	\$35.0M	\$30.0M	\$30.0M	\$30.0M
Actual:	\$47.3M	\$31.9M	\$36.9M	\$37.7M	\$37.6M

Overall, since CBP instituted its risk-based Outbound enforcement strategy in FY 2009 and increased the overall level of Outbound enforcement activities, CBP has seen a gradual but significant decrease in currency seizures both in terms of absolute number of seizures and the average amount seized. Although the total amount seized at the ports of entry in FY 2014 and over the course of FY 2015 are nearly equal in amount, this was the result of very different seizure numbers and amounts, due to a number of larger seizures in FY 2015 that were the result of special operations set up in support of collaborative enforcement efforts with the Drug Enforcement Agency (DEA) and Immigration and Customs Enforcement (ICE), as well as working with other law enforcement agencies through the Border Enforcement Security Task Force (BEST).

(3) Current Year Performance Targets

Fiscal Year:	FY 2016
Target:	\$30.0M

Currently, CBP conducts limited Outbound enforcement operations based on the availability of CBP Officers and funding, examining only departing goods and travelers identified as high-risk based on CBP Officer assessment at the ports and/or automated systems alerts triggered by available data. Based upon this limited operational strategy and the deterrence effect associated with a relatively new program, as described above, such operations should result in a decrease in the amount of currency seized as an expected outcome. For FY 2016 and subsequent years, the combination of limited

special operations and the deterrence effect of Outbound operations since 2009 support the decision to maintain the \$30.0M target.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. This measure is calculated from Outbound seizure-related enforcement action data entered into Treasury Enforcement Communications System (TECS), a computer-based tool used to support CBP operations, by the CBP Officer at the time of occurrence of the violation. On a monthly basis, the detailed transaction data is compiled and extracted into the summary provided by the Operations Management Report (OMR) module in BorderStat, the CBP system of record for capturing and reporting on all enforcement and operations statistical data across its operational components. The monthly summary data is reviewed by OFO's Outbound Program Manager to verify accuracy and identify anomalies.

Drug Control Decision Unit – Air and Marine Operations

Performance Measure – Air and Marine Operations – Percentage of Joint Interagency Task Force-South (JIATF-S) annual mission hour objective achieved.¹

(1) Performance Measures

Air and Marine Operations (AMO) conducts extended border operations as part of CBP's layered approach to homeland security. AMO deploys assets in the source and transit zones through coordinated liaison with other U.S. agencies and international partners. The National Interdiction Command and Control Plan (NICCP) sets the overarching operational architecture for organizations involved in interdicting illicit drugs in keeping with the goals and objectives of the National Drug Control Strategy. AMO coordinates with the larger law enforcement and interdiction community through its partnership with Joint Interagency Task Force - South (JIATF-S). JIATF-S is the tasking coordinator and controller for counter-drug missions within the transit² and source³ zones. JIATF-S submits its resource allocation requirements through the NICCP. The Department of Homeland Security (DHS) responds to the requirements in a Statement of Intent. AMO typically supports JIATF-S requests with P-3 Airborne Early Warning (AEW) and P-3 Long-Range Tracker (LRT) aircraft, but has also supported JIATF-S with other aircraft, including its DHC-8 and C-12M fixed-wing aircraft; Black Hawk rotary-wing aircraft; and unmanned aircraft systems (UAS).

As a result of the August 19, 2003, Presidential Determination Regarding U.S. Assistance to the Government of Colombia Airbridge Denial Program, AMO began receiving funding in FY 2005 to support JIATF-S as part of its base budget.

The performance measure "Percentage of Joint Interagency Task-Force South (JIATF-S) Annual Mission Hour Objective" identifies the degree to which AMO meets its intended flight hours for JIATF-S in support of the National Drug Control Strategy.

(2) Prior Years Performance Targets and Results

The Percentage of JIATF-S Annual Mission Hour Objective Achieved was initially introduced as a measure in FY 2011.

Fiscal Year:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target:	100.0%	100.0%	100.0%	100.0%	100.0%
Actual:	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Actual results are presented on a binary basis, where 0% represents that the target was not met and 100% represents that the target was either met or exceeded.

² The transit zone encompasses Central America, Mexico, the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.

³ The source zone includes the principal drug producing countries of Bolivia, Columbia, and Peru.

In the NICCP, dated March 17, 2010, JIATF-S forecasted its FY 2011 support requirements for a range of aircraft. In its annual Statement of Intent, DHS responds to the requirements in the NICCP. The FY 2015 DHS Statement of Intent included CBP's objective to provide 6,000 flight hours for detection and monitoring activities with aircraft in support of JIATF-S operations. OAM exceeded the goal of 6,000 hours for FY 2015, flying a total of 7,300 hours with its P-3 (6,069 hours), UAS (909 hours), and the King Air B-350 Multi-Role Enforcement Aircraft (1 hour), AS350 aircraft (2 hours) and DHC-8 aircraft (318 hours).

(3) Current Year Performance Targets

Fiscal Year: 2016

Target: Provide 100% of the 6,000 hours of JIATF-S support budgeted for the transit zone.

On November 4, 2015, AMO submitted its input for the FY 2016 DHS Statement of Intent to the DHS Office of Policy, via the Homeland Secured Data Network. This input was based on current anticipated budgets and planning estimates involving maritime patrol aircraft flight hours in the transit zone.

The FY 2016 DHS Statement of Intent included CBP's objective to provide 6,000 flight hours in the transit zone with its P-3 and UAS.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. AMO flight data is recorded using the Tasking, Operations, and Management Information System (TOMIS). The data from this systems can be queried through any CBP computer with appropriate access.

Drug Control Decision Unit – Automation Modernization

Performance Measure – Office of Information Technology – Percent of time TECS is available to end users.

(1) Performance Measures

The measure, “Percent of time TECS is available to end users,” quantifies the availability of the TECS service to all end-users based on a service level of 24X7 service. TECS is a CBP mission-critical law enforcement application system designed to identify individuals and businesses suspected of or involved in violation of federal law. TECS is also a communications system permitting message transmittal between the DHS law enforcement offices and other National, state, and local law enforcement agencies, access to the Federal Bureau of Investigation's National Crime Information Center and the National Law Enforcement Telecommunication Systems (NLETS). NLETS provides direct access to state motor vehicle departments.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target:	99.0%	99.0%	99.0%	99.0%	99.0%
Actual:	99.6%	99.9%	99.9%	99.9%	99.9%

TECS is a CBP mission critical law enforcement application system designed to identify individuals and businesses suspected of or involved in violation of federal law. TECS surpassed its goal this year with an availability of 99.9%.

(3) Current Year Performance Targets

Fiscal Year: 2016
Target: 99.0%

Current trends and funding expectations point to a likelihood of achieving the FY 2015 target of 99.0% with no anticipated challenges to TECS system availability.

(4) Quality of Performance Data

TECS availability is a collection of Key Performance Indicators (KPI) gathered from off-the-shelf and custom monitoring tools. The tools monitor all components and sub-systems of three mission critical applications; Western Hemisphere Travel Initiative (WHTI), Traveler Primary Air Client (TPAC), and U.S. Arrival.

Synthetic transactions are performed on all three applications to simulate a user. The results of these transactions are measured against defined performance standards. Breaches of the performance standards are transmitted, as alerts, to the Technology Operations Center (TOC) and the application development team for review and resolution.

TECS is deemed unavailable when all three applications are in a critical or unresponsive state simultaneously. Outages for systems maintenance are considered down time and affect TECS availability.

All data logged is reviewed for accuracy and comments are added by Computer Operations staff for the purpose of identifying discrepancies. Each business day OIT Subject Matter Experts meet at the Significant Outages and Incidents meeting to review the Chief Information Officer (CIO) Outage Report which is generated for the Office of Information Technology (OIT) Assistant Commissioner and other senior CBP management staff. The Subject Matter Experts review incidents and validate the information that is being reported. The OIT Assistant Commissioner and senior CBP management review the report.

Drug Control Decision Unit – Border Security Fencing, Infrastructure and Technology

Performance Measure – United States Border Patrol – Interdiction Effectiveness Rate (IER) on the Southwest Border between the ports of entry.

(1) Performance Measures

Since FY 2014 the United States Border Patrol (USBP) has focused on and measured improvement in its IER on the Southwest border. The IER is the percent of detected illegal entrants who were apprehended or turned back after illegally entering the U.S. between the Southwest Border ports of entry. The IER focuses on positive outcomes (apprehensions or turnbacks) of recent entrants made in the immediate border area.

U.S. Border Patrol agents detect and intercept any and all combinations of threats that present themselves along the borders including: terrorists, weapons of terrorism, smuggling of narcotics and other contraband, and people who illegally enter the United States. The interdiction of people frequently coincides with the interdiction of drugs in the border environment; therefore, the IER can be associated with effectiveness in resolving all cross-border entries, including those involving persons transporting narcotics. Since introducing this measure in FY 2014, USBP has increased the IER from 79.3% in FY 2014 to 81% in FY 2015.

The enforcement advantage gained from fencing, other infrastructure, and technology, such as sensors and cameras, allows agents to more effectively and efficiently detect, identify, and intercept threats. CBP's enforcement posture over the past several years since 9/11 has benefitted from a build-up in resources and capabilities, including manpower. This improved enforcement posture has coincided with an overall decrease in apprehensions since 2005 and an improvement in the IER since it was tracked in FY 2014. During FY 2015, the USBP seized 1,536,499 pounds of marijuana along the Southwest border, an increase of more than 342,072 pounds seized in 2005 along the Southwest border.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target:	None	None	None	77.0%	80.0%
Actual:	None	None	76%	79.3%	81.0%

This performance measure was initially introduced as a DHS strategic measure in FY 2014. The baseline data collection during FY 2013 coincided with an effort on part of the USBP to standardize the methods across Southwest border sectors to record

apprehensions, gotaways, and turnbacks, the three key factors in the formula for calculating the IER. The baseline data collection year result of provided a reference for setting a target for FY 2014 of 77% or greater.

(3) Current Year Performance Targets

Fiscal Year: 2016

Target: $\geq 81\%$

A combination of efforts under a risk-based strategy can influence an improvement in the IER. Better intelligence and risk-based deployment of surveillance capabilities enhances situational awareness and aids in identifying potential or emerging threats. This allows for better informed and more agile responses at tactical and strategic levels. At the tactical level, field commanders can direct personnel and mobile technologies to respond to higher threat areas. At the strategic level, USBP can place increased focus on positioning assets according to changing threat levels. Through recent process improvements that identify capability gaps, as well as additional man hours attained through the Overtime Transition Plan, the USBP was able to strategically deploy resources based on risk in FY 2015 and end the year with an IER of 81.01%, exceeding our goal of 80%. Using this strategic approach, the USBP established a goal of an 81% IER in FY 2016.

(4) Quality of Performance Data

Targets and results for the “Rate of interdiction effectiveness along the Southwest Border between ports of entry” measure is based on data collected on apprehensions, turnbacks and gotaways, which together constitute entries. The formula used to calculate the Interdiction Effectiveness Rate is $(\text{Apprehensions} + \text{Turnbacks}) / (\text{Entries})$. The scope includes all areas of the Southwest border that are generally at or below the northern most checkpoint within a given area of responsibility.

Apprehensions are defined as: a deportable subject who, after making an illegal entry, is taken into custody and receives a consequence. Gotaways are defined as: a subject who, after making an illegal entry, is not turned back or apprehended and is no longer being actively pursued by Border Patrol agents. Turnbacks are defined as: a subject who, after making an illegal entry into the U.S., returns to the country from which he/she entered, not resulting in an apprehension or gotaway.

Apprehension, gotaway, and turnback data is captured by USBP agents (BPAs) at the station level and entered into the following systems:

- Apprehensions are entered into the e3 Processing (e3) system. All data entered via e3 resides in the Enforcement Integrated Database (EID), the official system of record for this data, which is under the purview of the U.S. Border Patrol Headquarters Statistics and Data Integrity (SDI) Unit. The physical database is owned and maintained by Immigrations and Customs Enforcement (ICE).

- Gotaways and turnbacks are entered into the CBP Enforcement Tracking System 1 (BPETS), which resides with the USBP. BPETS is under the purview of and is owned by the USBP Headquarters SDI Unit.

Apprehension data is entered into e3 by BPAs at the station level as part of the standardized processing procedure. BPAs use standard definitions for determining when to report a subject as a gotaway or turnback. Some subjects can be observed directly as evading apprehension or turning back; others are acknowledged as gotaways or turnbacks after agents report evidence that indicate entries have occurred, such as foot sign, sensor activations, and interviews with apprehended subjects, camera views, communication between stations and sectors, and other information. Data input into the BPETS system occurs at the station level, and normally by a supervisor. The e3 Processing application and BPETS are used to document apprehension, gotaway, and turnback data.

Patrol Agents in Charge ensure all agents are aware of and utilize proper definitions for apprehensions, gotaways, and turnbacks at their respective stations and ensure accurate documentation of subjects. In addition to station level safeguards, the USBP Headquarters SDI Unit validates data integrity by utilizing various data quality reports. Data issues are corrected at the headquarters level or forwarded to the original inputting station for correction. All statistical information requested is routed through the USBP Headquarters SDI Unit to ensure accurate data analysis and output.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
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