

The background of the slide is a close-up photograph of a printed circuit board (PCB) with a grid overlay. The grid is a fine, light-colored mesh that covers the entire image. The PCB traces and components are visible through the grid, creating a complex, technical pattern. The lighting is warm, with a golden-brown hue, and the overall composition is abstract and technical.

# Other Information

The ***Other Information*** section contains information on Tax Burden/Tax Gap, Combined Schedule of Spending, Summary of Financial Statement Audit and Management Assurances, Payment Integrity, Fraud Reduction, Reduce the Footprint, and Other Key Regulatory Requirements. Also included in this section are the OIG’s Summary of Major Management and Performance Challenges Facing the Department of Homeland Security and Management’s Response.

Unaudited, see accompanying Auditors’ Report.

<b>Other Information</b> .....	<b>180</b>
Tax Burden/Tax Gap .....	182
Combined Schedule of Spending .....	183
Summary of Financial Statement Audit and Management Assurances .....	187
Payment Integrity .....	189
Grants .....	209
Civil Monetary Penalty Adjustment for Inflation .....	210
Other Key Regulatory Requirements .....	217
Office of Inspector General’s Report on Major Management and Performance Challenges Facing the Department of Homeland Security .....	218



## Tax Burden/Tax Gap

### Revenue Gap

The Entry Summary of Trade Compliance Measurement (TCM) program collects objective statistical data to determine the compliance level of commercial imports with U.S. trade laws, regulations and agreements, and is used to produce a dollar amount for Estimated Net Under-Collections, and a percent of Revenue Gap. The Revenue Gap is a calculated estimate that measures potential loss of revenue owing to noncompliance with trade laws, regulations, and trade agreements using a statistically valid sample of the revenue losses and overpayments detected during TCM entry summary reviews conducted throughout the year.

**Table 1: Entry Summary of Trade Compliance Measurement**  
(in millions)

	FY 2021 (Preliminary)	FY 2020 (Final)
Estimated Revenue Gap	\$1,496.6	\$1,076
Estimated Revenue Gap of all collectable revenue for year (%)	1.49%	1.19%
Estimated Over-Collection	\$2,173.8	\$1,994
Estimated Under-Collection	\$3,643.4	\$3,020
Estimated Overall Trade Compliance Rate (%)	98.96%	99.1%

The preliminary overall compliance rate for Fiscal Year (FY) 2021 is 98.96 percent. The final overall trade compliance rate and estimated revenue gap for FY 2021 will be issued in March 2022.





## Combined Schedule of Spending

The Combined Schedule of Spending (SOS) presents an overview of how departments or agencies are spending money. The SOS presents combined budgetary resources and obligations incurred for the reporting entity. Obligations incurred reflect an agreement to either pay for goods and services, or provide financial assistance once agreed upon conditions are met. The data used to populate this schedule is the same underlying data used to populate the Statement of Budgetary Resources (SBR). Simplified terms are used to improve the public's understanding of the budgetary accounting terminology used in the SBR.

**What Money is Available to Spend?** This section presents resources that were available to spend as reported in the SBR.

- **Total Resources** refers to total budgetary resources as described in the SBR and represents amounts approved for spending by law.
- **Amounts Not Agreed to be Spent** represents amounts that the Department was approved to spend but did not take action to spend by the end of the fiscal year.
- **Amounts Not Available to Spend** represents amounts that the Department was not approved to spend during the current fiscal year.
- **Total Amounts Agreed to be Spent** represents amounts that the Department has made arrangements to pay for goods or services through contracts, orders, grants, or other legally binding agreements of the Federal Government. This line total agrees to the New Obligations and Upward Adjustments line on the SBR.

**How was the Money Spent/Issued?** This section presents services or items that were purchased, categorized by Component. Those Components that have a material impact on the SBR are presented separately. Other Components are summarized under Directorates and Other Components, which includes the Cybersecurity and Infrastructure Security Agency (CISA), the Countering Weapons of Mass Destruction (CWMD) Office, the Federal Law Enforcement Training Centers (FLETC), the Office of Intelligence and Analysis (I&A), the Office of Operations Coordination (OPS), the Management Directorate (MGMT), the Office of Inspector General (OIG), the Science and Technology Directorate (S&T), U.S. Citizenship and Immigration Services (USCIS), and the U.S. Secret Service (USSS).

For purposes of this schedule, the breakdown of "How Was the Money Spent/Issued" is based on the Office of Management and Budget (OMB) definitions for budget object class found in OMB Circular A-11.

- **Personnel Compensation and Benefits** represents compensation, including benefits directly related to duties performed for the government by federal civilian employees, military personnel, and non-federal personnel.
- **Contractual Service and Supplies** represents purchases of contractual services and supplies. It includes items like transportation of persons and things, rent, communications, utilities, printing and reproduction, advisory and assistance services, operation and maintenance of facilities, research and development, medical care, operation and maintenance of equipment, subsistence and support of persons, and purchase of supplies and materials.
- **Acquisition of Assets** represents the purchase of equipment, land, structures, investments, and loans.





- **Grants, Subsidies, and Contributions** represents, in general, funds to states, local governments, foreign governments, corporations, associations (domestic and international), and individuals for compliance with such programs allowed by law to distribute funds in this manner.
- **Insurance, Refunds, and Other Spending** represents benefits from insurance and federal retirement trust funds, interest, dividends, refunds, unvouchered or undistributed charges, and financial transfers.

**Who did the Money Go To?** This section identifies the recipient of the money, by federal and non-federal entities. Amounts in this section reflect “amounts agreed to be spent” and agree to the New Obligations and Upward Adjustments line on the SBR.

The Department encourages public feedback on the presentation of this schedule. Feedback may be sent via email to [par@hq.dhs.gov](mailto:par@hq.dhs.gov).

**Department of Homeland Security  
Combined Schedule of Spending  
For the Years Ended September 30, 2021 and 2020  
(In Millions)**

	<u>2021</u>	<u>2020</u>
<b>What Money is Available to Spend?</b>		
Total Resources	\$ 198,989	\$ 196,638
Less Amount Available but Not Agreed to be Spent	(52,144)	(33,291)
Less Amount Not Available to be Spent	(4,673)	(2,815)
<b>TOTAL AMOUNT AGREED TO BE SPENT</b>	<b><u>\$ 142,172</u></b>	<b><u>\$ 160,532</u></b>
<b>How Was the Money Spent/Issued?</b>		
<b><i>U.S. Customs and Border Protection</i></b>		
Personnel Compensation and Benefits	\$ 11,908	\$ 12,501
Contractual Services and Supplies	5,824	5,008
Acquisition of Assets	1,226	2,927
Grants, Subsidies, and Contributions	-	-
Insurance, Refunds, and Other Spending	7,314	7,480
<b>Total Spending</b>	<b><u>26,272</u></b>	<b><u>27,916</u></b>

(Continued)



**Department of Homeland Security  
Combined Schedule of Spending  
For the Years Ended September 30, 2021 and 2020  
(In Millions)**

	<u>2021</u>	<u>2020</u>
<b><i>U.S. Coast Guard</i></b>		
Personnel Compensation and Benefits	10,407	6,427
Contractual Services and Supplies	2,359	4,846
Acquisition of Assets	597	1,218
Grants, Subsidies, and Contributions	181	116
Insurance, Refunds, and Other Spending	11	19
<b>Total Spending</b>	<b><u>13,555</u></b>	<b><u>12,626</u></b>
<b><i>Federal Emergency Management Agency</i></b>		
Personnel Compensation and Benefits	2,168	1,904
Contractual Services and Supplies	10,719	11,338
Acquisition of Assets	471	305
Grants, Subsidies, and Contributions	53,140	72,588
Insurance, Refunds, and Other Spending	2,715	1,599
<b>Total Spending</b>	<b><u>69,213</u></b>	<b><u>87,734</u></b>
<b><i>U.S. Immigration and Customs Enforcement</i></b>		
Personnel Compensation and Benefits	3,927	3,775
Contractual Services and Supplies	4,266	4,349
Acquisition of Assets	386	407
Grants, Subsidies, and Contributions	-	-
Insurance, Refunds, and Other Spending	42	48
<b>Total Spending</b>	<b><u>8,621</u></b>	<b><u>8,579</u></b>
<b><i>Transportation Security Administration</i></b>		
Personnel Compensation and Benefits	5,413	5,521
Contractual Services and Supplies	2,850	2,509
Acquisition of Assets	331	180
Grants, Subsidies, and Contributions	75	79
Insurance, Refunds, and Other Spending	2	3
<b>Total Spending</b>	<b><u>8,671</u></b>	<b><u>8,292</u></b>
<b><i>Directorates and Other Components</i></b>		
Personnel Compensation and Benefits	6,167	5,943
Contractual Services and Supplies	8,356	8,596
Acquisition of Assets	1,159	682
Grants, Subsidies, and Contributions	156	148
Insurance, Refunds, and Other Spending	2	16
<b>Total Spending</b>	<b><u>15,840</u></b>	<b><u>15,385</u></b>

(Continued)



**Department of Homeland Security  
Combined Schedule of Spending  
For the Years Ended September 30, 2021 and 2020  
(In Millions)**

	<u>2021</u>	<u>2020</u>
<b><i>Department Totals</i></b>		
Personnel Compensation and Benefits	39,990	36,071
Contractual Services and Supplies	34,374	36,646
Acquisition of Assets	4,170	5,719
Grants, Subsidies, and Contributions	53,552	72,931
Insurance, Refunds, and Other Spending	10,086	9,165
<b>TOTAL AMOUNT AGREED TO BE SPENT</b>	<b><u>\$ 142,172</u></b>	<b><u>\$ 160,532</u></b>
<b>Who Did the Money Go To?</b>		
Non-Federal Governments, Individuals and Organizations	\$ 118,290	\$ 133,939
Federal Agencies	23,882	26,593
<b>TOTAL AMOUNT AGREED TO BE SPENT</b>	<b><u>\$ 142,172</u></b>	<b><u>\$ 160,532</u></b>





## Summary of Financial Statement Audit and Management Assurances

The tables below provide a summary of the financial statement audit results and management assurances for FY 2021.

**Table 2: Summary of Financial Statement Audit**

Audit Opinion	Unmodified				
Restatement	No				
Areas of Material Weakness(es)	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Financial Reporting	1	0	0	0	1
IT Controls & Information Systems	1	0	0	0	1
<b>Total Areas of Material Weakness</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

Management has performed its evaluation, and the assurance is provided based upon the cumulative assessment work performed on Entity Level Controls, Financial Reporting, Budgetary Resource Management, Fund Balance with Treasury, Human Resources and Payroll Management, Payment Management, Insurance Management, Grants Management, Property Plant and Equipment, Revenue and Receivables, and Information Technology General Controls across the Department. DHS has remediation work to continue in FY 2022; however, no additional areas of material weakness were identified as a result of the assessment work performed in FY 2021. The following table indicates the areas of material weakness that were identified and where DHS will continue focused remediation efforts in FY 2022.



**Table 3: Summary of Management Assurances**

EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING (FMFIA § 2)						
Statement of Assurance	Modified					
Areas of Material Weakness(es)	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Financial Reporting	1	0	0	0	0	1
IT Controls & System Functionality	1	0	0	0	0	1
<b>Total Areas of Material Weakness</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS (FMFIA SECTION 2)						
Statement of Assurance(es)	Unmodified					
Areas of Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None Noted	0	0	0	0	0	0
<b>Total Areas of Material Weakness</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
CONFORMANCE WITH FEDERAL FINANCIAL MANAGEMENT SYSTEMS REQUIREMENTS (FMFIA § 4)						
Statement of Assurance	Federal Systems do not conform to financial management system requirements					
Non Conformance(s)	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Federal Financial Management Systems Requirements, including Financial Systems Security & Integrate Financial Management Systems.	1	0	0	0	0	1
Noncompliance with the U.S. Standard General Ledger	1	0	0	0	0	1
Federal Accounting Standards	1	0	0	0	0	1
<b>Total Non-Conformances</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
COMPLIANCE WITH SECTION 803(a) OF THE FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA)						
Requirements	DHS		Auditor			
1. Federal Financial Management System Requirements	Lack of compliance noted		Lack of compliance noted			
2. Applicable Federal Accounting Standards	Lack of compliance noted		Lack of compliance noted			
3. USSGL at Transaction Level	Lack of compliance noted		Compliant			



## Payment Integrity

The Payment Integrity Information Act of 2019 (PIIA)<sup>12</sup>, requires agencies to review and assess all programs and activities they administer and identify those determined to be susceptible to significant improper payments<sup>13</sup>, estimate the annual amount of improper payments, and submit those estimates to Congress. In accordance with the Office of Management and Budget (OMB) Circular A-123, Appendix C<sup>14</sup>, *Requirements for Payment Integrity Improvement*, Federal agencies are required to assess improper payments and report<sup>15</sup> annually on their efforts. In addition to this report, official detailed information on the Department's improper payments as well as information reported in prior years can be found on [PaymentAccuracy.gov](https://www.dhs.gov/payment-accuracy).

We remain strongly committed to ensuring our agency's transparency and accountability to the American taxpayer and achieving the most cost-effective strategy on the reduction of improper payments.

### **Supplemental Appropriations for Disaster Relief Requirements**

In 2017, the nation faced a historic Atlantic hurricane season. The effects from consecutive hurricanes Harvey, Irma and Maria were widespread, causing long-lasting damage across the southern continental U.S. and surrounding islands, as well as Puerto Rico and the U.S. Virgin Islands.

- On August 25, 2017, Hurricane Harvey made landfall in Texas as a Category 4 storm. For several days, the storm hovered near the Houston metropolitan area and set a record for the most rainfall from a U.S. tropical cyclone. Of households impacted by Harvey, 80 percent did not have flood insurance.
- On September 6, 2017, Hurricane Irma became one of the strongest Atlantic hurricanes on record. The storm's center passed just north of the U.S. Virgin Islands and Puerto Rico and destroyed critical infrastructure on St. Thomas and St. John in the U.S. Virgin Island, as well as Puerto Rico and the Florida Keys. As Irma was the first major hurricane to make landfall in Florida since 2005, the public followed evacuation orders as the storm approached Florida, resulting in one of the largest sheltering missions in U.S. history.

---

<sup>12</sup> Unless otherwise indicated, the term "PIIA" is used to reflect the current legislative language regarding improper payments as it formal revoked the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).

<sup>13</sup> A program with significant improper payments has both a 1.5 percent improper payment rate of program outlays and at least \$10 million in improper payments of all program or activity payments made during the year or exceeds \$100 million dollars in improper payments regardless of the improper payment rate percentage of total program outlays.

<sup>14</sup> In accordance with OMB guidance, agencies should use the OMB Circular A-123, Appendix C (M-18-20) until PIIA implementation guidance is formally published. On March 5, 2021, OMB released an updated Circular A-123, Appendix C (M-21-19) to formalize implantation expectations under PIIA effective for FY 2021 implementation.

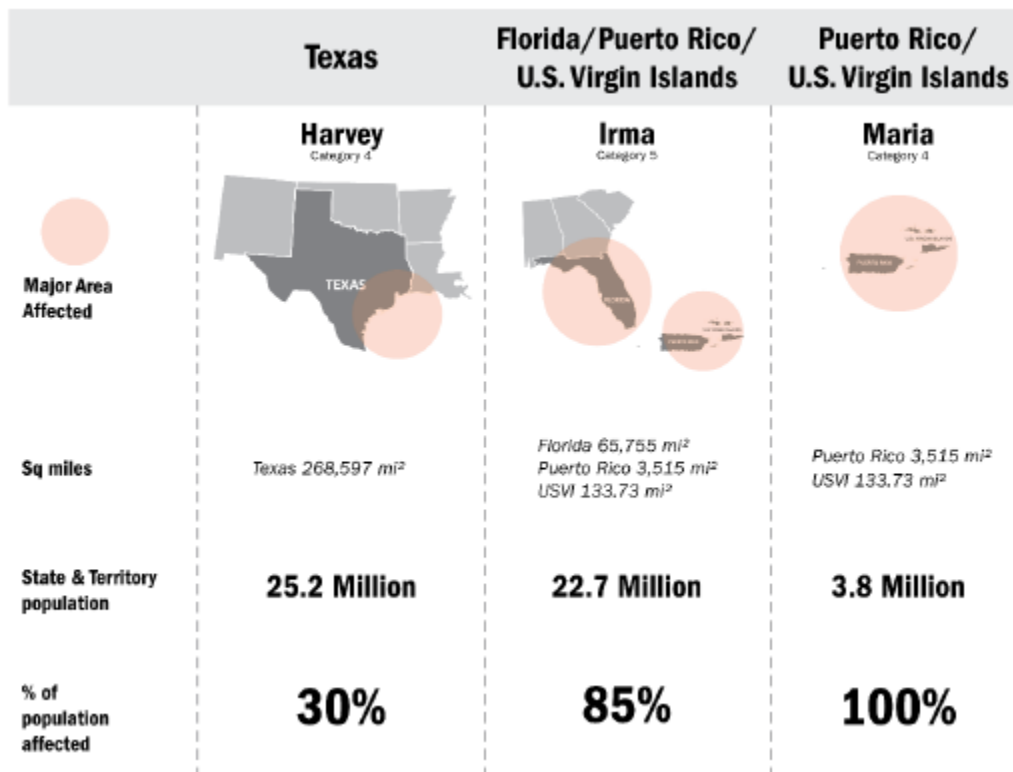
<sup>15</sup> Due to rounding throughout all following figures and tables, amounts and percentages may reflect the exact total respective at the summary amounts and percentages reported. For precise data at the reportable program level, please refer to [PaymentAccuracy.gov](https://www.dhs.gov/payment-accuracy).





- On September 19, 2017, the Center of Hurricane Maria passed southeast of St. Croix, U.S. Virgin Islands as a Category 5 storm and made landfall in Puerto Rico as a Category 4 storm the next day. Hurricane Maria severely damaged or destroyed a significant portion of both territories' already fragile critical infrastructure. Maria left Puerto Rico's 3.7 million residents without electricity and the resulting response represents the longest sustained air mission of food and water delivery in FEMA history.

Figure 1: Harvey, Irma, and Maria Locations and Associated Impact



Supplemental appropriations were designated as an emergency requirement in the Supplemental Appropriations for Disaster Relief Requirements, 2017 (P.L. 115-56, the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017 (P.L. 115-72), and the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (P.L. 115-123) were issued to specific agencies to provide the resources needed to recover and rebuild following recent hurricanes and other applicable natural disasters. Within these supplemental appropriations, DHS received a total supplemental appropriation amount of \$50.72 billion<sup>16</sup>. The breakout of DHS Components receiving this supplemental funding is documented in the table below.

<sup>16</sup> Due to rounding, amounts may not reflect precise appropriated values.



**Table 4: DHS Breakout of Supplemental Appropriation Funding Received**

Public Law	Component	Program	Period of Availability (FY)	Appropriated Value (\$M)	Transfer-In Value (\$M)	Transfer-Out Value (\$M)	Value for Program Use (\$M)
115-56	Federal Emergency Management Agency	Disaster Relief Fund	No-Year	\$7,400.00	\$0.00	\$0.00	\$7,400.00
115-72		Disaster Relief Fund	No-Year	\$18,670.00	\$0.00	\$10.00	\$18,660.00
115-123		Operations and Support	18-19	\$58.80	\$0.00	\$0.00	\$58.80
		Procurement, Construction, and Improvements	18-20	\$1.20	\$0.00	\$0.00	\$1.20
		Disaster Relief Fund	No-Year	\$23,500.00	\$0.00	\$0.00	\$23,500.00
115-123	Federal Law Enforcement Training Center	Operations and Support	18-19	\$5.37	\$0.00	\$0.00	\$5.37
		Procurement, Construction, and Improvements	18-22	\$5.00	\$0.00	\$0.00	\$5.00
115-72	Office of the Inspector General	Operations and Support	No-Year	\$0.00	\$10.00	\$0.00	\$10.00
115-123		Operations and Support	18-20	\$25.00	\$0.00	\$0.00	\$25.00
115-123	Transportation and Security Administration	Operations and Support	18-19	\$10.32	\$0.00	\$0.00	\$10.32
115-123	U.S. Customs and Border Protection	Operations and Support	18-19	\$104.49	\$0.00	\$0.00	\$104.49
		Procurement, Construction, and Improvements	18-22	\$45.00	\$0.00	\$0.00	\$45.00
115-123	U.S. Immigration and Customs Enforcement	Operations and Support	18-19	\$30.91	\$0.00	\$0.00	\$30.91
		Procurement, Construction, and Improvements	18-22	\$33.05	\$0.00	\$0.00	\$33.05
115-123	United States Coast Guard	Operating Expenses	18-19	\$112.14	\$0.00	\$0.00	\$112.14
		Environmental Compliance and Restoration	18-22	\$4.04	\$0.00	\$0.00	\$4.04
		Acquisition, Construction, and Improvements	18-22	\$718.92	\$0.00	\$0.00	\$718.92
<b>TOTAL:</b>							<b>\$50,724.24</b>

P.L. 115-123 requires any agency receiving funds under P.L. 115-123 as well as P.L. 115-72 and P.L. 115-56 to consider any programs expending more than \$10 million of funds in any one fiscal year highly susceptible to improper payments for the purposes of the PIIA. Once disaster supplemental funded programs met or exceeded the \$10M threshold in payments applicable for PIIA review, the program was deemed susceptible to significant improper payments and thus applicable for statistical sampling and reporting.

Due to the burden of testing and reporting for the programs related solely to disaster supplemental appropriation disbursements, DHS is reporting statistical testing results two years in arrears. Therefore, FY 2019 disbursement testing and results are reported in the 2021 results noted below for the following programs:

- CBP Operations & Support - Disaster Supplemental Funds
- FEMA Commercial Bill of Lading - Disaster Supplemental Funds
- FEMA Disaster Case Management - Disaster Supplemental Funds
- FEMA Disaster Relief Fund - Individuals and Households Program - Disaster Supplemental Funds
- FEMA Payroll - Disaster Supplemental Funds
- FEMA Public Assistance - Disaster Supplemental Funds
- FEMA Travel - Disaster Supplemental Funds
- FEMA Urban Search & Rescue - Disaster Supplemental Funds
- OIG Audits, Inspections, & Investigations - Disaster Supplemental Funds
- USCG Aviation Logistics Center - Disaster Supplemental Funds



- USCG Operations & Support <sup>17</sup> - Disaster Supplemental Funds
- USCG Procurement, Construction, & Improvement - Disaster Supplemental Funds

## 1. Payment Reporting

The OMB Circular A-123, Appendix C provides the definition for an improper payment and serves as applicable guidance to agencies for compliance with PIIA. Following the updated OMB Circular A-123, Appendix C guidance, and accounting for the additional requirements within the Supplemental Appropriations for Disaster Relief Requirements, the Department has identified the following twelve programs or activities susceptible to significant improper payments and is able to provide results and reporting this year<sup>18</sup>.

In accordance with OMB Circular A-123, Appendix C<sup>19</sup>, the following terminology is used for DHS reporting:

*Improper Payment: A payment that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. The term improper payment includes: any payment to an ineligible recipient; any payment for an ineligible good or service; any duplicate payment; any payment that was not authorized by law; and any payment that does not account for credit for applicable discounts.*

*Overpayment: A payment in excess of what is due. When an overpayment occurs, the improper amount is the difference between the amount due and the amount of what was actually paid. Overpayments are monetary loss<sup>20</sup> type improper payments and in theory, should/could be recovered.*

*Proper Payment: A payment made to the right recipient for the right amount that has met all program specific legally applicable requirements for the payment.*

*Technically Improper Payment: A payment made to an otherwise qualified recipient for the right amount, but the payment failed to meet all regulatory and/or statutory requirements. A technically improper payment is a non-monetary loss type improper payment.*

*Underpayment: A payment that is less than what is due. When an underpayment occurs, the improper payment amount is the difference between the amount due and the amount which was actually paid. An underpayment is a non-monetary loss type improper payment.*

---

<sup>17</sup> Previously titled Coast Guard Operating Expenses

<sup>18</sup> Due to the burden of testing and reporting for the twelve programs related solely to disaster supplemental appropriation disbursements, DHS is reporting statistical testing results two years in arrears for these programs. For additional information, please refer to the additional detail around the Supplemental Appropriations for Disaster Relief Requirements supplied later in this section.

<sup>19</sup> For additional terminology and definitions please refer to OMB Circular A-123, Appendix C located at: <https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf>

<sup>20</sup> For confirmed overpayments that resulted in monetary loss to the government, DHS Components follow established recovery and collection processes and procedures in order to recoup funds, as possible.





## Other Information

*Unknown Payment: A payment that could be either proper or improper, but the agency is unable to discern whether the payment was proper or improper as a result of insufficient of lack of documentation.*

Please refer to [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) for additional detail regarding any program's reporting, to include, but not limited to, the following: root causes and categorization themes of reported improper payments and unknown payments, corrective actions taken and planned, and anticipated future year outlays and reduction targets.

### **Disaster Supplemental<sup>21</sup> DHS Programs for Reporting**

#### **CBP Operations & Support (O&S) – Disaster Supplemental Funding Program**

During the Hurricane Harvey, Irma, and Maria disasters, CBP's highest priorities were to promote lifesaving and life-sustaining activities, the safe evacuation of people who are leaving the impacted area, the maintenance of public order, the prevention of the loss of property to the extent possible, and the speedy recovery of the region. At the request of FEMA, local and state authorities, DHS law enforcement personnel would be in the affected areas to conduct search and rescue, air traffic de-confliction and public safety missions.

CBP was also responsible for providing for the safety and security of CBP employees and associated family members. As such, CBP actively evacuated employees as needed, from the paths of the hurricanes.

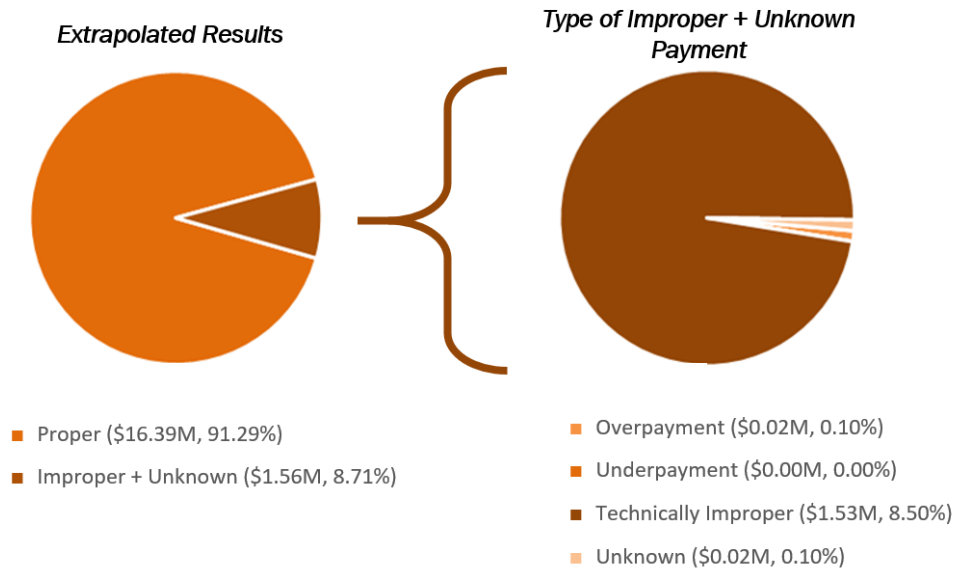
For the testing conducted in 2021, CBP's assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$17 million applicable for review under PIIA. The CBP O&S - Disaster Supplemental Funds program reported an 8.71 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

---

<sup>21</sup> Program funding solely consisting of funding received through the Supplemental Appropriations for Disaster Relief Requirements, 2017 (P.L. 115-56, the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017 (P.L. 115-72), and the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (P.L. 115-123)



Figure 2: CBP O&S - Disaster Supplemental Funds Reported Results



**FEMA Commercial Bill of Lading (CboL) – Disaster Supplemental Funds Program**

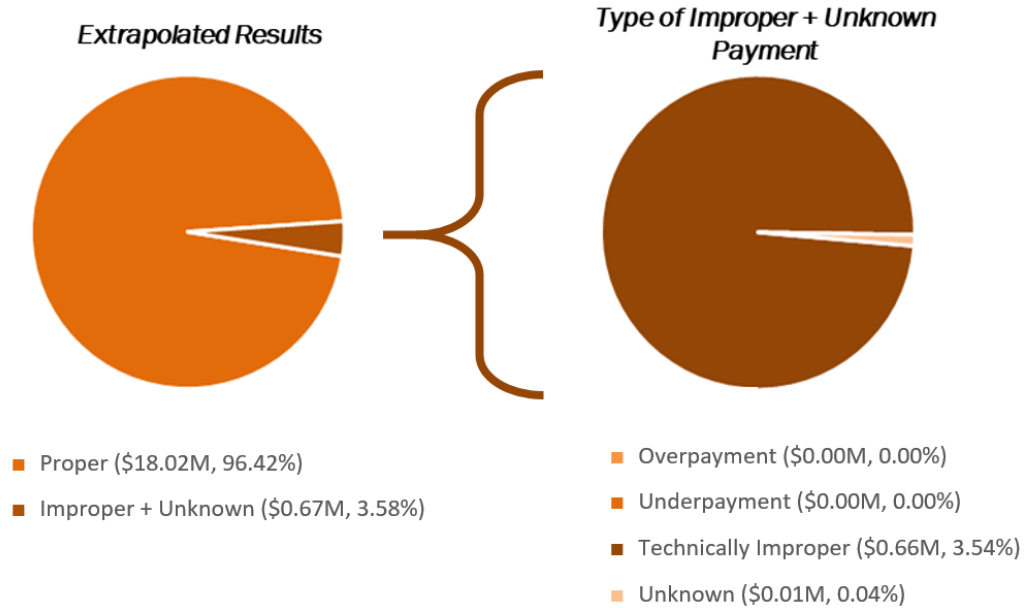
The FEMA Tender of Service Program uses bills of lading to acquire freight transportation services. The bills of lading, sometimes referred to as a commercial bill of lading, establishes the terms of contract between a shipper (i.e., FEMA or other authorized federal agencies) and a Tender of Service Program and serves as a receipt of goods, a contract of carriage, and documentary evidence of title.

FEMA uses an automated, web-based third-party payment system to streamline the audit, approval and payment processes associated with transportation-related expenses.

For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$18 million applicable for review under PIIA. The FEMA CBoL – Disaster Supplemental Funds program reported a 3.58 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.



**Figure 3: FEMA CBoL – Disaster Supplemental Funds Reported Results**



**FEMA Disaster Case Management (DCM) – Disaster Supplemental Funds Program**

Disaster Case Management involves partnerships between a case manager and a disaster survivor. The intention of this program is to assess and address a survivor’s unmet needs through a disaster recovery plan. This disaster recovery plan includes resources, decision-making priorities, providing guidance, and tools to assist disaster survivors.

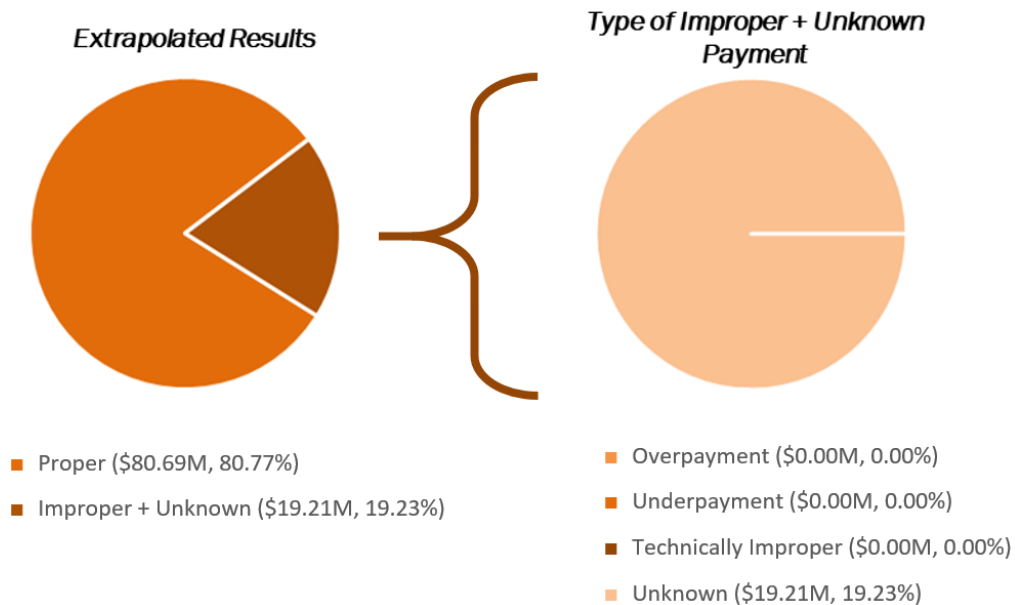
While Section 426 of the Stafford Act authorizes FEMA to “provide case management services, including financial assistance, to State or local government agencies or qualified private organizations to provide such services to victims of major disasters to identify and address unmet needs,” the Disaster Case Management program is administered in partnership with the U.S. Department of Health and Human Services. This partnership provides the client with a single person to facilitate access to a broad range of resources. The process involves assessing the client’s needs caused by and related to the disaster, developing a goal-oriented plan outlining the steps necessary for recovery; organizing and coordinating resources that match the client’s needs; monitoring progress; and, when necessary, advocating on behalf of the client.

For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$99 million applicable for review under PIIA. The FEMA DCM – Disaster Supplemental Funds program reported a 19.23 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.





Figure 4: FEMA DCM – Disaster Supplemental Funds Reported Results



Based on 2021 program reporting, the FEMA DCM – Disaster Supplemental Funds program estimated error rate can be attributed to deficiencies primarily related to Region 6 internal processes and documentation. A corrective action plan has been established with all substantial milestones and corrective actions planned to be fully completed by May 2022 and further expansion and support by an electronic platform planned to be implemented by December 2023.

**FEMA Disaster Relief Fund (DRF) – Individuals and Households Program (IHP) – Disaster Supplemental Funds Program**

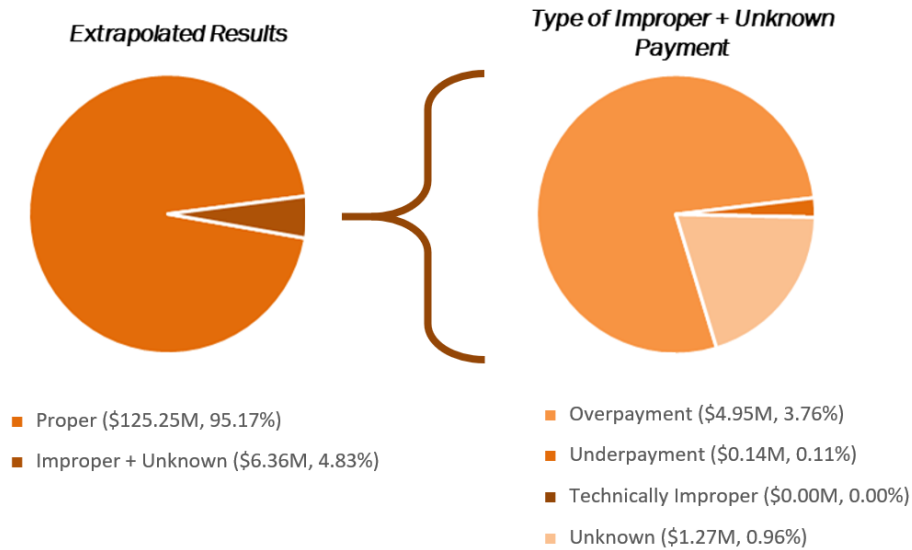
FEMA’s DRF IHP provides financial and direct services to eligible individuals and households affected by a disaster, who have uninsured or under-insured necessary expenses and serious needs. FEMA determines the appropriate types of Housing Assistance for which an individual or household may be eligible based on disaster-caused loss, access to life-sustaining services, cost-effectiveness, and other factors. Individuals and households may receive more than one type of Housing Assistance, including a combination of financial assistance and direct services for disaster-caused damage to a disaster survivor’s primary residence.

Applicants may also receive financial assistance for other disaster-caused necessary expenses and serious needs. The types of other needs assistance are divided into two categories of assistance that are either dependent or non-dependent on the applicant’s ability to secure a U.S. Small Business Administration (SBA) disaster loan. The SBA provides low-interest, long-term loans to help eligible applicants with transportation losses, moving and storage expenses, as well as repair/replacement funds for real and personal property damage caused by the disaster.



For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$131 million applicable for review under PIIA. The FEMA DRF IHP – Disaster Supplemental Funds program reported a 4.83 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

**Figure 5: FEMA DRF IHP – Disaster Supplemental Funds Reported Results**



**FEMA Payroll – Disaster Supplemental Funds Program**

The federal disaster workforce is designed to scale up or down depending on the timing and magnitude of disasters, and primarily includes the following categories of employees:

- **Title 5** – Employees that make up FEMA’s day-to-day workforce and are responsible for administering the agency’s ongoing program activities. During disasters, these employees can be deployed as needed.
- **Stafford Act** – Stafford Act employees provide support for disaster-related activities and augment FEMA’s disaster workforce. Stafford Act employees include on call and recovery staff who are temporary employees and can be deployed to fulfill any role specifically related to the incident for which they are hired and qualified. In addition, reservists can be utilized. These reservists work on an intermittent basis and are deployed as needed to fulfill incident management roles.
- **Surge Capacity Force** – The Surge Capacity Force supplements FEMA’s disaster workforce in a major disaster and consists of volunteers who are employees of DHS components, such as the Transportation Security Administration and U.S. Secret Service, as well as employees of other federal agencies, as authorized by the Post-Katrina Act<sup>22</sup>.

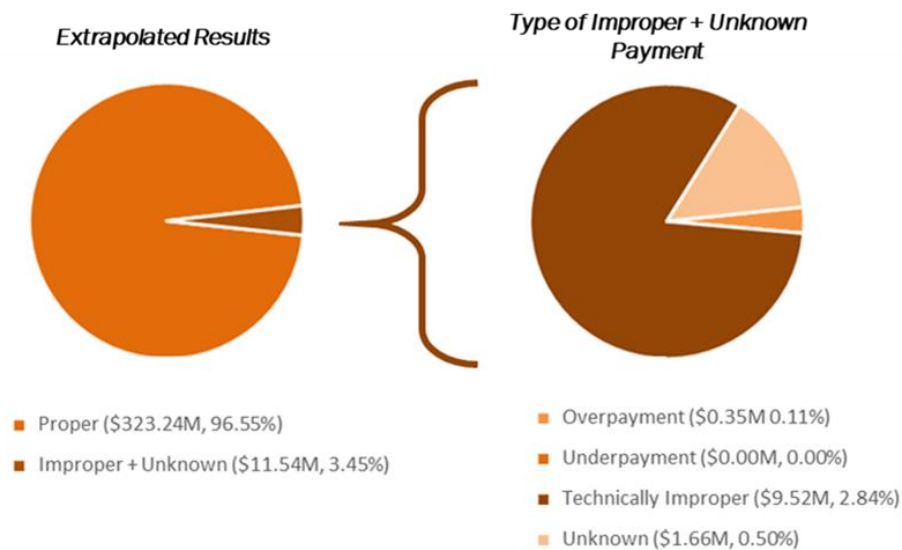
<sup>22</sup> 266 U.S.C. § 711(b)



- **FEMA Corps** – FEMA Corps is a team-based national service program operated by AmeriCorps in partnership with FEMA. Members are not FEMA employees, but are deployed to augment FEMA’s workforce for disaster readiness, preparedness, response, and recovery work under the supervision of FEMA staff.

For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$334 million applicable for review under PIIA. The FEMA Payroll – Disaster Supplemental Funds program reported a 3.45 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

**Figure 6: FEMA Payroll – Disaster Supplemental Funds Reported Results**



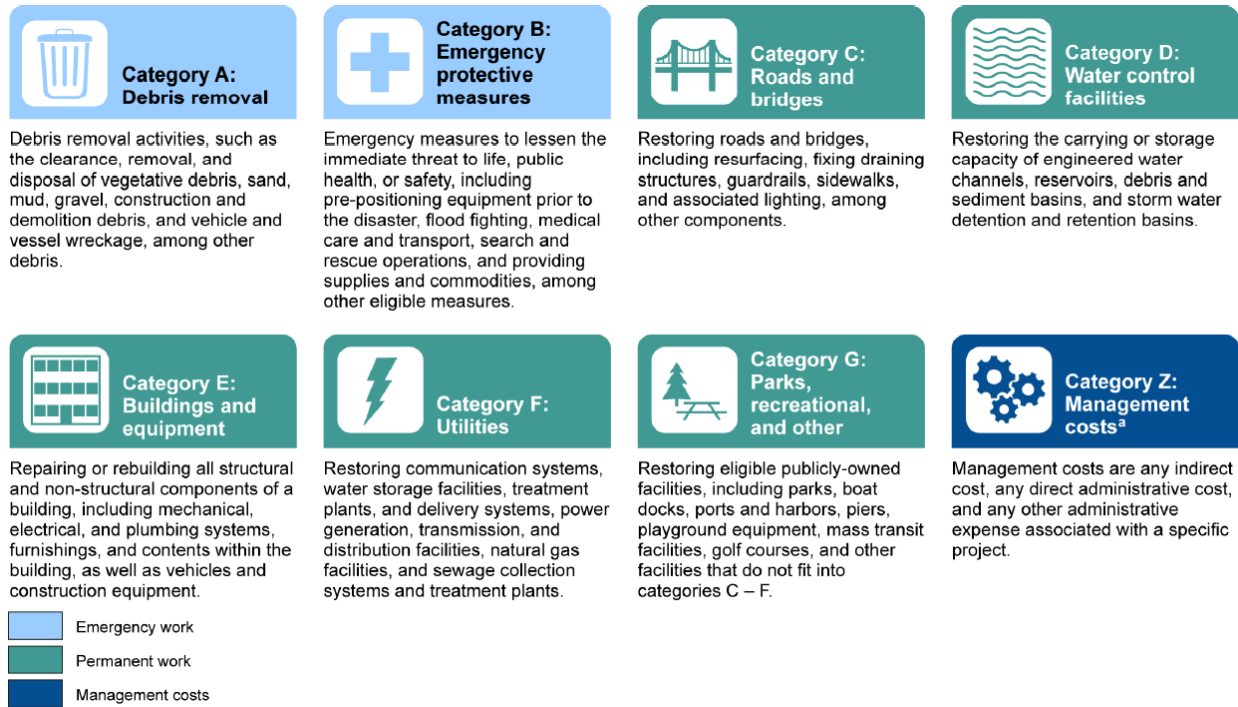
**FEMA Public Assistance (PA) – Disaster Supplemental Funds Program**

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as Amended (Stafford Act), Title 42 of the United States Code (U.S.C.) § 5121 et seq., authorizes the President to provide federal assistance when the magnitude of an incident or threatened incident exceeds the affected state, territorial, Indian tribal, and local government capabilities to respond or recover.

The purpose of the PA grant program is to support communities’ recovery from major disasters by providing them with grant assistance for debris removal, life-saving emergency protective measures, and restoring public infrastructure. Local governments, states, tribes, territories, and certain private nonprofit organizations are eligible to apply.



Figure 7: FEMA PA Program Categories of Work<sup>23</sup>

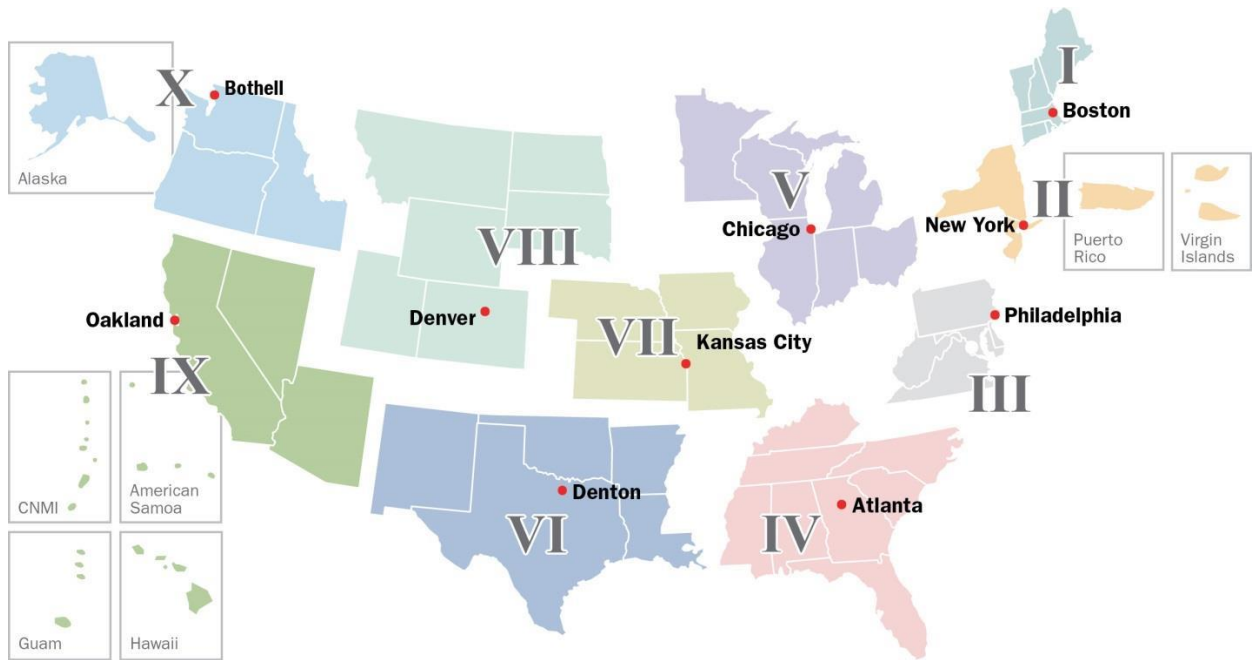


The FEMA PA Grant Program relies on Regional Offices to manage, operate, and maintain program activities and operations. For the breakout of FEMA Regions, please refer to the figure below.

<sup>23</sup> Source: Federal Emergency Management Agency. | GAO-20-221



Figure 8: Map of FEMA regions



Public Assistance is FEMA's largest grant program and provides emergency assistance to save lives and protect property and assists communities with repairing public infrastructure affected by federally declared incidents.

Since Hurricanes Harvey, Irma, and Maria in 2017, FEMA has continued working with impacted areas, to include Puerto Rico and the U.S. Virgin Islands, to identify possible opportunities to prevent similar damage in the future <sup>24</sup>. Section 20601 of the Bipartisan Budget Act of 2018 authorized FEMA, when using the alternative procedures, to provide assistance to fund the replacement or restoration of disaster-damaged infrastructure that provides critical services—such as medical and educational facilities—to an industry standard without regard to pre-disaster condition. Further, the Additional Supplemental Appropriations for Disaster Relief Act of 2019 (Supplemental Relief Act), which was signed into law on June 6, 2019, provides additional direction to FEMA in the implementation of section 20601.

Based on 2020 program reporting, the FEMA PA – Disaster Supplemental Funds program had identified deficiencies primarily related to payment deficiencies noted in Puerto Rico and the U.S. Virgin Islands. As of April 2019, all payment integrity corrective action milestones specific to FEMA Public Assistance provided to Puerto Rico as a result of the 2017 Harvey, Irma, and Maria hurricanes are complete. In addition, as of February 2021, FEMA completed corrective actions specific to FEMA Public Assistance that was provided to the U.S. Virgin Islands as a result of the 2017 Harvey, Irma, and Maria hurricanes. For example, the U.S. Virgin Islands issued an Internal Control Plan in September 2020 that addresses grants management, cash management compliance and sub-recipient

<sup>24</sup> Efforts primarily align to the FEMA Hazard Mitigation Grant Program.

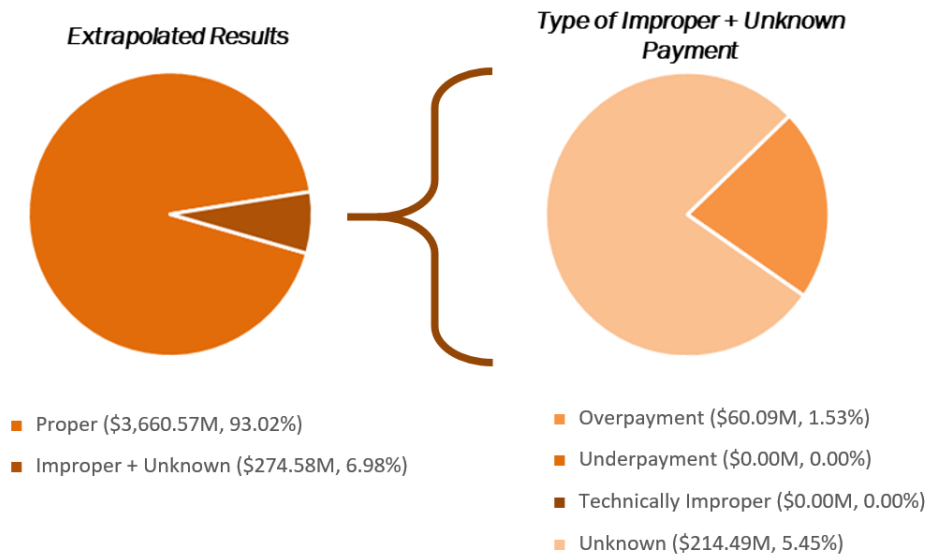




monitoring processes. In response, FEMA has lifted the imposed Manual Drawdown restrictions for Public Assistance provided to the U.S. Virgin Islands, effective February 1, 2021.

For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$3.9 billion applicable for review under PIIA. The FEMA PA – Disaster Supplemental Funds program reported a 6.98 percent estimated payment error rate in 2021, primarily due to the elevated rates noted for Puerto Rico and the U.S. Virgin Islands. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

**Figure 9: FEMA PA – Disaster Supplemental Funds Reported Results**



While Puerto Rico and the U.S. Virgin Islands remain as the significant contributors to the estimated error rate and extrapolated amount for the program, both localities have seen improvements over prior year reporting. Despite the FEMA PA – DSF program reporting an approximate 125 percent increase in annual disbursement activity in FY 2019, the program decreased its estimated error rate and amount by over 15 percent and over \$425 million. In addition, Puerto Rico and the U.S. Virgin Islands both decreased their respective contribution percentages to the overall sampling and extrapolated error for the program.

In accordance with established processes and procedures, FEMA will move forward with efforts, to include appeal rights and a final determination on debt recoupment amounts, to recover known improper payments as well as payments that the locality is unable to support with adequate documentation.

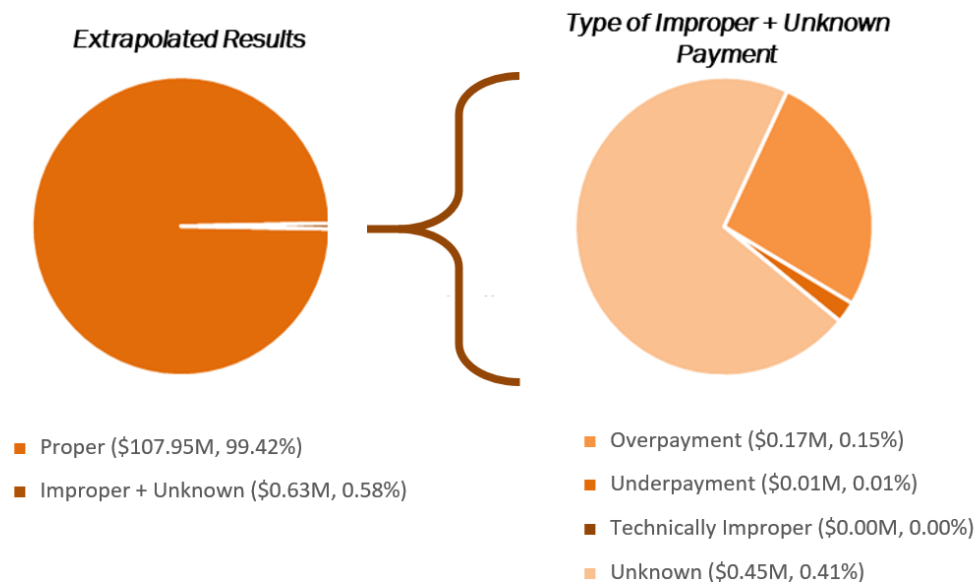


### **FEMA Travel – Disaster Supplemental Funds Program**

Under typical disaster operations, responders are moved to the disaster response area via commercial travel options or on roadways from nearby states, as possible. However, limitations on air travel due to capacity constraints and power outages can result in the requirement to coordinate and mobilize agency partners to provide chartered transportation until commercial travel options can be fully resumed.

For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$108 million applicable for review under PIIA. The FEMA Travel – Disaster Supplemental Funds program reported a 0.58 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

**Figure 10: FEMA Travel – Disaster Supplemental Funds Reported Results**



### **FEMA Urban Search & Rescue (US&R) – Disaster Supplemental Funds Program**

The National US&R Response System, established under the authority of the Federal Emergency Management Agency in 1989, is a framework for organizing federal, state, and local partner emergency response teams as integrated federal disaster response task forces. US&R task forces can be deployed by FEMA to a disaster area to provide assistance in structural collapse rescue, or they may be pre-positioned when a major disaster threatens a community. Each US&R task force is composed of members specializing in search, rescue, medicine, hazardous materials, logistics and planning, including technical specialists such as physicians, structural engineers, and canine search teams.



Disaster response is locally executed, state/territory managed and federally supported. Local fire departments, emergency management, and local and state law enforcement are the first to arrive at the scene and begin rescue. As the Disaster Supplemental Funding was provided to assist in Hurricane Harvey, Irma, and Maria response and assistance, US&R response was largely focused in the locations of Texas, Florida, Puerto Rico, and the U.S. Virgin Islands.

Based on 2020 program reporting, the FEMA US&R – Disaster Supplemental Funds program had identified deficiencies primarily related to 1) documentation collection, 2) labor rate recognition, and 3) labor rate review and validation processes. As a result, the program established a corrective action plan related to the funding received related to the 2017 Harvey, Irma, and Maria hurricanes to mitigate the risk of improper payments and to enhance existing processes. As of September 2021<sup>25</sup>, completed corrective actions include, but are not limited to, the following:

- Provide additional definition regarding documentation requirements for a reimbursement package;
- Hold recurring meetings with applicable Task Forces; and
- Provide internal training on an as needed basis.

In addition, FEMA US&R remaining milestones aim to improve forms, templates, and instructions; and develop and distribute associated Directive and Manuals to ensure that enhanced processes are sufficiently designed, documented, and implemented.

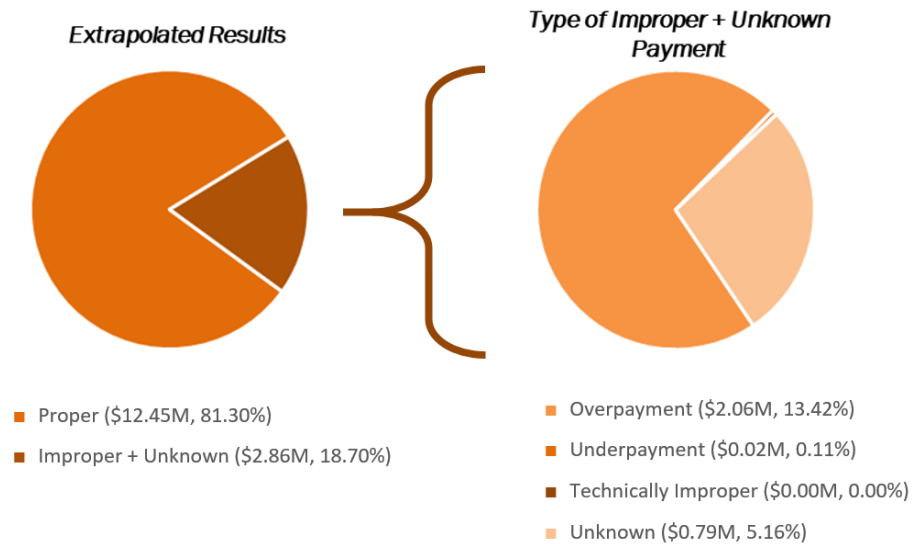
For the testing conducted in 2021, FEMA’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$15 million applicable for review under PIIA. The FEMA US&R – Disaster Supplemental Funds program reported an 18.70 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

---

<sup>25</sup> Note that as the FEMA US&R – Disaster Supplemental Funds program is performing payment integrity testing and reporting two years in arrears due to overall agency burden, impacts of the completed corrective actions are not anticipated to have a reduction on reported error rates for the program until 2022 reporting, at the earliest.



Figure 11: FEMA US&R – Disaster Supplemental Funds Reported Results



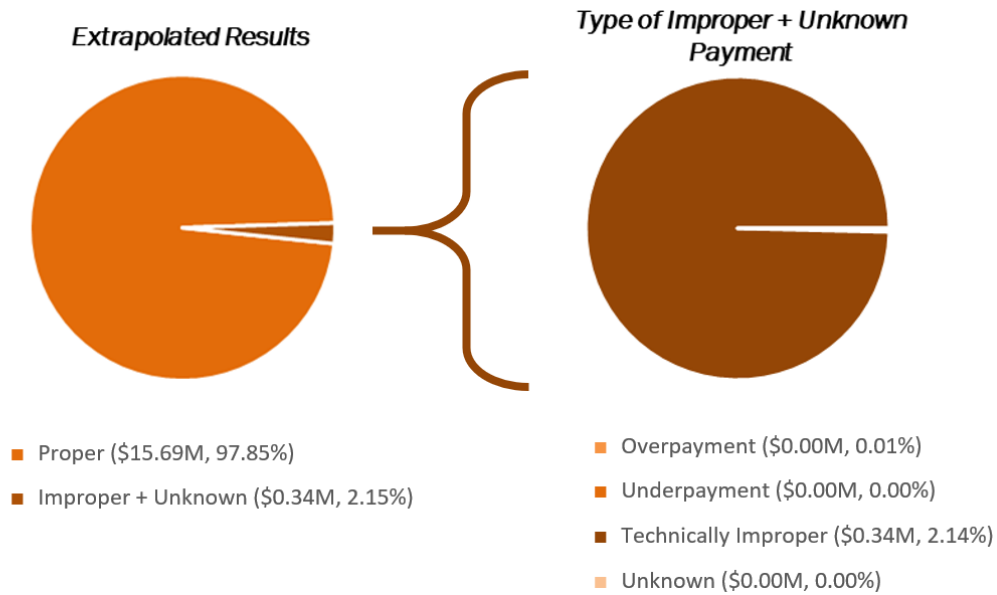
**OIG Audits, Inspections, & Investigations – Disaster Supplemental Funds Program**

As part of the Disaster Supplemental Funding received by DHS, funding was provided to the OIG for conducts audits, inspections, and investigations related to the FEMA disaster assistance programs under the Stafford Act, FEMA disaster related programs, and other DHS programs that were provided Disaster Supplemental Funding.

For the testing conducted in 2021, OIG’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$16 million applicable for review under PIIA. The OIG Audits, Inspections, & Investigations – Disaster Supplemental Funds program reported a 2.15 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.



**Figure 12: OIG Audits, Inspections, & Investigations – Disaster Supplemental Funds Reported Results**



**USCG Aviation Logistics Center (ALC) – Disaster Supplemental Funds Program**

The Coast Guard ALC provides centralized logistics support for all Coast Guard aviation missions. ALC's mission supports 26 Coast Guard aviation units that operate approximately 200 aircraft with air stations located throughout the continental United States, Alaska, Hawaii, and Puerto Rico. In addition, ALC supports deployed aircraft worldwide. USCG receipt of Disaster Supplemental Funding addresses operational response costs as well as reconstitution costs for damage to Coast Guard aviation assets and equipment due to Hurricanes Harvey, Irma, and Maria.

For the testing conducted in 2021, USCG's assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$16 million applicable for review under PIIA. The USCG Aviation Logistics Center – Disaster Supplemental Funds program no improper or unknown payments identified in 2021.

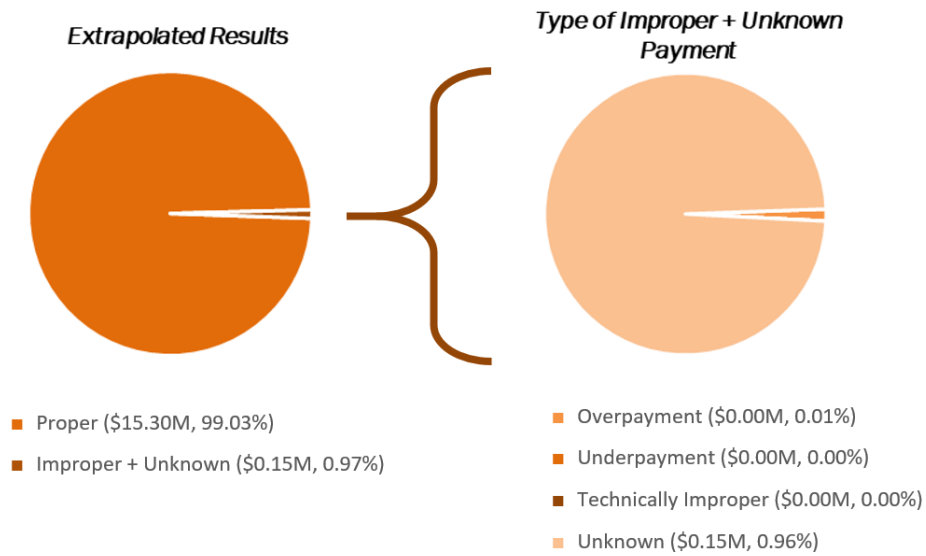
**USCG Operations & Support – Disaster Supplemental Funds Program**

As the Nation's maritime first responder, the Coast Guard has unique capabilities, capacity, and authorities that allow it to play a critical role in disaster response. For each of the Hurricanes noted and all-natural disasters along our coastline, Coast Guard crews are typically the first federal responders to enter an impacted area, right alongside the state, local, tribal, and territorial responders, to conduct rescues and assess damage. In addition to search and rescue operations, the Coast Guard flows forces into the impacted regions to restore ports and waterways, respond to pollution, provide security and additional law enforcement capability where necessary, and protect offshore petrochemical platforms.



For the testing conducted in 2021, USCG’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$15 million applicable for review under PIIA. The USCG O&S – Disaster Supplemental Funds program reported a 0.97 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.

Figure 13: USCG O&S – Disaster Supplemental Funds Reported Results



**USCG Procurement, Construction, & Improvement (PC&I)– Disaster Supplemental Funds Program**

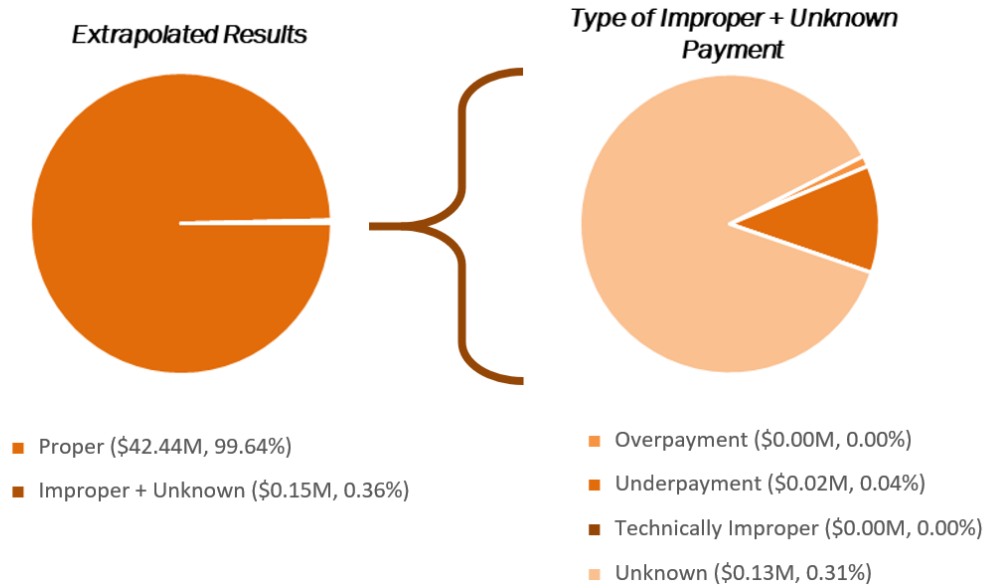
Due to the expanse and extent of damage tied to Hurricanes Harvey, Irma, and Maria, many USCG facilities, assets, systems, and equipment suffered damage. Disaster Supplemental Funding received addresses recovery and reconstitution costs due to damage incurred by numerous coastal response and security stations, particularly along the Florida, Georgia, North Carolina, Virginia, and Texas coasts as well as throughout Puerto Rico and the U.S. Virgin Islands.

For the testing conducted in 2021, USCG’s assessment was focused on the associated FY 2019 disaster supplemental funding disbursements of over \$42 million applicable for review under PIIA. The USCG PC&I – Disaster Supplemental Funding Funds program reported a 0.36 percent estimated payment error rate in 2021. Please refer to the figure below for additional detail regarding the breakouts and associated error categorization.





Figure 14: USCG PC&I – Disaster Supplemental Funds Reported Results



The table below summarizes improper payment amounts for all DHS programs deemed to be susceptible to significant improper payments. It provides a breakdown of estimated proper as well as consolidated improper and unknown payments and the associated rates for each applicable DHS program or activity.



**Table 5: DHS Improper Payment Results and Reduction Outlook**

DHS Program Name	Testing Conducted in FY 2020			Testing Conducted in FY 2021					Testing Planned for FY 2022
	Outlays (\$M)	IP + UP (\$M)	IP + UP (%)	Outlays (\$M)	Proper (\$M)	Proper (%)	IP + UP (\$M)	IP + UP (%)	Reduction Target (%)
<b>DHS Programs in Phase 2<sup>26</sup> and Reporting on Disbursements from Two Fiscal Years Prior</b>									
CBP O&S – Disaster Supplemental Funds	\$15.73	\$0.86	5.45%	\$17.96	\$16.39	91.29%	\$1.56	8.71%	6.50%
FEMA CBoL – Disaster Supplemental Funds	\$94.38	\$8.81	9.33%	\$18.69	\$18.02	96.42%	\$0.67	3.58%	2.50%
FEMA DCM – Disaster Supplemental Funds	\$18.30	\$0.08	0.46%	\$99.90	\$80.69	80.77%	\$19.21	19.23%	18.50%
FEMA DRF IHP – Disaster Supplemental Funds	\$2,447.52	\$26.17	1.07%	\$131.61	\$125.25	95.17%	\$6.36	4.83%	2.50%
FEMA Payroll – Disaster Supplemental Funds	\$662.22	\$4.77	0.72%	\$334.78	\$323.24	96.55%	\$11.54	3.45%	2.50%
FEMA PA – Disaster Supplemental Funds	\$3,139.60	\$700.15	22.30%	\$3,935.14	\$3,660.57	93.02%	\$274.58	6.98%	6.50%
FEMA Travel – Disaster Supplemental Funds	\$328.37	\$7.37	2.25%	\$108.58	\$107.95	99.42%	\$0.63	0.58%	0.50%
FEMA US&R – Disaster Supplemental Funds	\$39.70	\$7.37	18.56%	\$15.31	\$12.45	81.30%	\$2.86	18.70%	18.00%
OIG Audits, Inspections, & Investigations – Disaster Supplemental Funds	N/A - Program identified to begin reporting in 2021			\$16.03	\$15.69	97.85%	\$0.34	2.15%	N/A <sup>27</sup>
USCG ALC – Disaster Supplemental Funding	N/A - Program identified to begin reporting in 2021			\$16.50	\$16.50	100.00%	\$0.00	0.00%	N/A <sup>27</sup>
USCG O&S – Disaster Supplemental Funds	\$35.46	\$0.43	1.21%	\$15.45	\$15.30	99.03%	\$0.15	0.97%	0.90%
USCG PC&I – Disaster Supplemental Funds	N/A - Program identified to begin reporting in 2021			\$42.60	\$42.44	99.64%	\$0.15	0.36%	N/A <sup>27</sup>
<b>DHS Programs Moved out of Phase 2 (Statistical Testing and Reporting) in 2021</b>									
FPS Payroll	\$195.57	\$3.66	1.87%	N/A – As program was below the thresholds to be deemed susceptible to significant improper payments, the FPS Payroll program has been reverted to Phase 1. <sup>26</sup>					
FEMA Vendor Pay (VP) Program	\$2,289.03	\$26.84	1.17%	N/A – As program was below the thresholds to be deemed susceptible to significant improper payments, the FEMA VP program has been reverted to Phase 1. <sup>26, 28</sup>					
ICE O&S – Disaster Supplemental Funding	\$11.05	\$0.00	0.00%	N/A - Program did not exceed \$10M of FY 2019 disbursements from Disaster Supplemental Funding. As such, the ICE O&S program has been reverted to Phase 1. <sup>26</sup>					
<b>TOTAL<sup>29</sup></b>	<b>\$9,276.94</b>	<b>\$786.51</b>	<b>8.48%</b>	<b>\$4,752.54</b>	<b>\$4,434.48</b>	<b>93.31%</b>	<b>\$318.06</b>	<b>6.69%</b>	<b>N/A</b>

<sup>26</sup> Per updated OMB Circular A-123, Appendix C (M-21-19), programs determined as not likely to have an annual amount of improper payments plus an annual amount of unknown payments above the statutory threshold are referred to as being in Phase 1. Whereas programs likely to be above the statutory threshold must report an annual estimate and are referred to as being in Phase 2.

<sup>27</sup> Program does not have reduction target provided as a formal baseline has not yet been established.

<sup>28</sup> The Disaster Supplemental Funding was previously part of the consolidated FEMA VP program which had FY 2019 disbursements tested and reported in 2020. FY 2020 disbursements will roll onto the DHS two years in arrears schedule and will be tested and reported in 2022.

<sup>29</sup> The total amounts and percentages do not represent a true statistical improper payment estimate for the Department programs at a consolidated level. Estimates were calculated using estimated total outlays as well as the estimated total improper payment amount as reported for testing conducted in 2021.



For additional information related to the Department’s improper payment efforts, details on the annual results to include error reasoning, corrective actions, as well as other areas of interest, please refer to the government-wide reporting archive available on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

**2. Actions Taken to Address Auditor Recovery Recommendations**

During FY 2021, the Department did not have any recapture audit activities conducted. As such, DHS did not have any auditor recovery recommendations to be addressed and reported in 2021. For additional information related to the Department’s recovery audit efforts, please refer to [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

**Grants Programs**

**Grants Programs**

The DHS continues its efforts in closing out grants and cooperative agreement awards. The summary table below shows the number of awards and balances for which closeout has not yet occurred, but for which period of performance had elapsed by two years or more prior to September 30, 2021 (i.e., on or before September 30, 2019).

**Table 6: Grants/Cooperative Agreements Summary Status**

Category	2 3 years <u>FYs 2018 19</u>	3 5 years <u>FYs 2017 18</u>	More than 5 years <u>Before FY 2016</u>
Number of Grants / Cooperative Agreements with Zero Dollar Balances	43	69	8
Number of Grants / Cooperative Agreements with Undistributed Balances	54	43	20
Total Dollar Amount of Undistributed Balances	\$38,854,003	\$19,659,110	\$43,433,283

The above table comprises only FEMA’s data and efforts in closing out its grants and cooperative agreements. During FY 2021, FEMA made a concerted effort to reduce the backlog of open grant awards through improved tracking, oversight, and coordination with responsible offices. Due to FEMA’s efforts, FY 2021 reportable amounts are 84% less than the FY 2020 amounts. Challenges preventing the closure of the awards reported is primarily due to limited systematic closeout functionality. To remedy this challenge, FEMA is currently scheduled to deploy electronic closeout capabilities within FEMA GO during FY 2022. In addition to FEMA’s systemic closeout functionality development in FY 2022, FEMA will continue its efforts to closeout awards by tracking, oversight, and coordination with responsible offices.



In FY 2021, DHS awarded \$43 billion in grants and cooperative agreements through seven DHS financial assistance awarding offices. The awarding offices include the Federal Emergency Management Agency (FEMA), U.S. Coast Guard, U.S. Citizenship and Immigration Services, Cybersecurity and Infrastructure Security Agency, U.S. Immigration and Customs Enforcement, Science and Technology Directorate, and Countering Weapons of Mass Destruction Office. Since FEMA awarded ninety-nine percent of DHS grants and cooperative agreements in FY 2021

## Civil Monetary Penalty Adjustment for Inflation

The Civil Monetary Penalties, adjusted for inflation, were published pursuant to The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114– 74 section 701, Nov. 2, 2015; part of the Bipartisan Budget Act of 2015), which amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note).

The following represents the Department’s civil monetary penalties, all of which were last updated via regulation in 2021. Additional information about these penalties and the latest adjustment is available in the [Federal Register Volume 86, No. 198](#).

**Table 7: Civil Monetary Penalties**

Penalty	Authority	Year Enacted	Adjusted New Penalty
<b>CBP</b>			
Non-compliance with arrival and departure manifest requirements for passengers, crew members, or occupants transported on commercial vessels or aircraft arriving to or departing from the United States	8 USC 1221(g); INA Section 231(g); 8 CFR 280.53(b)(1)	2002	\$1,436
Non-compliance with landing requirements at designated ports of entry for aircraft transporting aliens	8 USC 1224; INA Section 234; 8 CFR 280.53(b)(2)	1990	\$3,901
Violations of removal orders relating to aliens transported on vessels or aircraft under section 241(d) of the INA, or for costs associated with removal under section 241(e) of the INA	8 USC 1253(c)(1)(A); INA Section 243(c)(1)(A); 8 CFR 280.53(b)(4)	1996	\$3,289
Failure to remove alien stowaways under section 241(d)(2) of the INA	8 USC 1253(c)(1)(B); INA Section 243(c)(1)(B); 8 CFR 280.53(b)(5)	1996	\$8,224
Failure to report an illegal landing or desertion of alien crewmen, and for each alien not reported on arrival or departure manifest or lists required in accordance with section 251 of the INA (for each alien)	8 USC 1281(d); INA Section 251(d); 8 CFR 280.53(b)(6)	1990	\$390
Use of alien crewmen for longshore work in violation of section 251(d) of the INA	8 USC 1281(d); INA Section 251(d); 8 CFR 280.53(b)(6)	1990	\$9,753
Failure to control, detain, or remove alien crewmen	8 USC 1284(a); INA Section 254(a); 8 CFR 280.53(b)(7)	1990	Minimum \$975 Maximum \$5,851
Employment on passenger vessels of aliens afflicted with certain disabilities	8 USC 1285; INA Section 255; 8 CFR 280.53(b)(8)	1990	\$1,951
Discharge of alien crewmen	8 USC 1286; INA Section 256; 8 CFR 280.53(b)(9)	1990	Minimum \$2,925 Maximum \$5,851



Penalty	Authority	Year Enacted	Adjusted New Penalty
Bringing into the United States alien crewmen with intent to evade immigration laws	8 USC 1287; INA Section 257; 8 CFR 280.53(b)(10)	1990	\$19,505
Failure to prevent the unauthorized landing of aliens	8 USC § 1321(a); INA Section 271(a); 8 CFR 280.53(b)(11)	1990	\$5,851
Bringing to the United States aliens subject to denial of admission on a health-related ground	8 USC § 1322(a); INA Section 272(a); 8 CFR 280.53(b)(12)	1990	\$5,851
Bringing to the United States aliens without required documentation	8 USC § 1323(b); INA Section 273(b); 8 CFR 280.53(b)(13)	1990	\$5,851
Improper entry	8 USC § 1325(b) INA Section 275(b); 8 CFR 280.53(b)(15)	1996	Minimum \$82 Maximum \$412
Dealing in or using empty stamped imported liquor containers	19 USC 469	1879	\$546
Transporting passengers between coastwise points in the United States by a non-coastwise qualified vessel	46 USC 55103(b); 19 CFR 4.80(b)(2)	1898	\$822
Towing a vessel between coastwise points in the United States by a non-coastwise qualified vessel	46 USC 55111(c); 19 CFR 4.92	1940	Minimum \$957 Maximum \$3,011 plus \$164 per ton
Failure to depart voluntarily	8 USC 1229(c)(d); INA Section 243(c)(1)(A); 8 CFR 280.53(b)(3)	1952	Minimum \$1,644; Maximum \$8,224
Failure to depart	8 USC 1324d; INA Section 274D; 8 CFR 280.53(b)(14)	1952	\$823
Employing a vessel in a trade without a required Certificate of Documentation	19 USC 1706(a); 19 CFR 4.80(i)	1980	\$1,368
Transporting passengers coastwise for hire by certain vessels (known as Bowaters vessels) that do not meet specified conditions	46 USC 12118(f)(3)	1958	\$546
<b>ICE</b>			
Violation of Immigration and Naturalization Act (INA) sections 274C(a)(1)–(a)(4) (First offense)	8 CFR 270.3(b)(1)(ii)(A)	1990	Minimum \$487 Maximum \$3,901
Violation of Immigration and Naturalization Act (INA) sections 274C(a)(5)–(a)(6) (First offense)	8 CFR 270.3(b)(1)(ii)(B)	1996	Minimum \$412 Maximum \$3,289
Violation of Immigration and Nationality Act (INA) sections 274C(a)(1)–(a)(4) (Subsequent offenses)	8 CFR 270.3(b)(1)(ii)(C)	1990	Minimum \$3,901 Maximum \$9,753
Violation of Immigration and Naturalization Act (INA) sections 274C(a)(5)–(a)(6) (Subsequent offenses)	8 CFR 270.3(b)(1)(ii)(D)	1996	Minimum \$3,289 Maximum \$8,224
Violation/prohibition of indemnity bonds	8 CFR 274a.8(b)	1986	\$2,360
Knowingly hiring, recruiting, referral, or retention of unauthorized aliens (per unauthorized alien) (First offense)	8 CFR 274a.10(b)(1)(ii)(A)	1986	Minimum \$590 Maximum \$4,722
Knowingly hiring, recruiting, referral, or retention of unauthorized aliens (per unauthorized alien) (Second offense)	8 CFR 274a.10(b)(1)(ii)(B)	1986	Minimum \$4,722 Maximum \$11,803



Other Information

Penalty	Authority	Year Enacted	Adjusted New Penalty
Knowingly hiring, recruiting, referral, or retention of unauthorized aliens (per unauthorized alien) (Subsequent offenses)	8 CFR 274a.10(b)(1)(ii)(C)	1986	Minimum \$7,082 Maximum \$23,607
1-9 paperwork violations	8 CFR 274a.10(b)(2)	1986	Minimum \$237 Maximum \$2,360
Failure to depart voluntarily	8 USC 1229c(d); INA Section 240B(d); 8 CFR 280.53(b)(3)	1996	Minimum \$1,644 Maximum \$8,224
Failure to depart	8 USC 1324(d); INA Section 274D; 8 CFR 280.53(b)(14)	1996	\$823
<b>NPPD</b>			
Non-compliance with CFATS regulations	6 USC 624(b)(1); 6 CFR 27.300(b)(3)	2002	\$35,905
<b>TSA</b>			
Certain aviation related violations by an individual or small business concern (49 CFR Ch. XII § 1503.401(c)(1))	49 USC 46301(a)(1), (4), (5); 49 USC 46301(d)(8)	2003	\$14,074 (up to a total of \$70,375 total for small business, \$562,996 for others)
Certain aviation related violations by any other person not operating an aircraft for the transportation of passengers or property for compensation (49 CFR Ch. XII § 1503.401(c)(2))	49 USC 46301(a)(1), (4), (5); 49 USC 46301(d)(8)	2003	\$14,074 (up to a total of \$70,375 total for small business, \$562,996 for others)
Certain aviation related violations by a person operating an aircraft for the transportation of passengers or property for compensation (49 CFR Ch. XII § 1503.401(c)(3))	49 USC 46301(a)(1), (4), (5); 49 USC 46301(d)(8)	2003	\$35,188 (up to a total of \$562,996 per civil penalty action)
Violation of any other provision of title 49 USC or of 46 USC ch. 701, a regulation prescribed, or order issued under thereunder (49 CFR Ch. XII § 1503.401(b))	49 USC 114(v)	2009	\$12,045 (up to a total of \$60,226 for individuals and small businesses, \$481,802 for others)
<b>USCG</b>			
Saving Life and Property	14 USC 521(c)	2014	\$10,967
Saving Life and Property (Intentional Interference with Broadcast)	14 USC 521(e)	2012	\$1,125
Confidentiality of Medical Quality Assurance Records (first offense)	14 USC 645(i); 33 CFR 27.3	1992	\$5,508
Confidentiality of Medical Quality Assurance Records (subsequent offenses)	14 USC 645(i); 33 CFR 27.3	1992	\$36,726
Aquatic Nuisance Species in Waters of the United States	16 USC 4711(g)(1); 33 CFR 27.3	1996	\$41,120
Obstruction of Revenue Officers by Masters of Vessels	19 USC 70; 33 CFR 27.3	1935	\$8,212
Obstruction of Revenue Officers by Masters of Vessels—Minimum Penalty	19 USC 70; 33 CFR 27.3	1935	\$1,916
Failure to Stop Vessel When Directed; Master, Owner, Operator or Person in Charge	19 USC 1581(d)	1930	\$5,148
Failure to Stop Vessel When Directed; Master, Owner, Operator or Person in Charge - Minimum Penalty	19 USC 1581(d)	1930	\$1,030
Anchorage Ground/Harbor Regulations General	33 USC 471; 33 CFR 27.3	2010	\$11,906



Other Information



Penalty	Authority	Year Enacted	Adjusted New Penalty
Anchorage Ground/Harbor Regulations St. Mary's River	33 USC 474; 33 CFR 27.3	1946	\$822
Bridges/Failure to Comply with Regulations	33 USC 495(b); 33 CFR 27.3	2008	\$30,058
Bridges/Drawbridges	33 USC 499(c); 33 CFR 27.3	2008	\$30,058
Bridges/Failure to Alter Bridge Obstructing Navigation	33 USC 502(c); 33 CFR 27.3	2008	\$30,058
Bridges/Maintenance and Operation	33 USC 533(b); 33 CFR 27.3	2008	\$30,058
Bridge to Bridge Communication; Master, Person in Charge or Pilot	33 USC 1208(a); 33 CFR 27.3	1971	\$2,190
Bridge to Bridge Communication; Vessel	33 USC 1208(b); 33 CFR 27.3	1971	\$2,190
PWSA Regulations	33 USC 1232(a)	1978	\$97,014
Vessel Navigation: Regattas or Marine Parades; Unlicensed Person in Charge	46 USC 70041(d)(1)(B); 33 CFR 27.3	1990	\$9,753
Vessel Navigation: Regattas or Marine Parades; Owner Onboard Vessel	46 USC 70041(d)(1)(C); 33 CFR 27.3	1990	\$9,753
Vessel Navigation: Regattas or Marine Parades; Other Persons	46 USC 70041(d)(1)(D); 33 CFR 27.3	1990	\$4,876
Oil/Hazardous Substances: Discharges (Class I per violation)	33 USC 1321(b)(6)(B)(i); 33 CFR 27.3	1990	\$19,505
Oil/Hazardous Substances: Discharges (Class I total under paragraph)	33 USC 1321(b)(6)(B)(i); 33 CFR 27.3	1990	\$48,762
Oil/Hazardous Substances: Discharges (Class II per day of violation)	33 USC 1321(b)(6)(B)(ii); 33 CFR 27.3	1990	\$19,505
Oil/Hazardous Substances: Discharges (Class II total under paragraph)	33 USC 1321(b)(6)(B)(ii); 33 CFR 27.3	1990	\$243,808
Oil/Hazardous Substances: Discharges (per day of violation) Judicial Assessment	33 USC 1321(b)(7)(A); 33 CFR 27.3	1990	\$48,762
Oil/Hazardous Substances: Discharges (per barrel of oil or unit discharged) Judicial Assessment	33 USC 1321(b)(7)(A); 33 CFR 27.3	1990	\$1,951
Oil/Hazardous Substances: Failure to Carry Out Removal/Comply With Order (Judicial Assessment)	33 USC 1321(b)(7)(B); 33 CFR 27.3	1990	\$48,762
Oil/Hazardous Substances: Failure to Comply with Regulation Issued Under 1321(j) (Judicial Assessment)	33 USC 1321(b)(7)(C); 33 CFR 27.3	1990	\$48,762
Oil/Hazardous Substances: Discharges, Gross Negligence (per barrel of oil or unit discharged) Judicial Assessment	33 USC 1321(b)(7)(D); 33 CFR 27.3	1990	\$5,851
Oil/Hazardous Substances: Discharges, Gross Negligence—Minimum Penalty (Judicial Assessment)	33 USC 1321(b)(7)(D); 33 CFR 27.3	1990	\$195,047
Marine Sanitation Devices; Operating	33 USC 1322(j); 33 CFR 27.3	1972	\$8,212
Marine Sanitation Devices; Sale or Manufacture	33 USC 1322(j); 33 CFR 27.3	1972	\$21,896
International Navigation Rules; Operator	33 USC 1608(a); 33 CFR 27.3	1980	\$15,352
International Navigation Rules; Vessel	33 USC 1608(b); 33 CFR 27.3	1980	\$15,352
Pollution from Ships; General	33 USC 1908(b)(1); 33 CFR 27.3	1980	\$76,764
Pollution from Ships; False Statement	33 USC 1908(b)(2); 33 CFR 27.3	1980	\$15,352
Inland Navigation Rules; Operator	33 USC 2072(a); 33 CFR 27.3	1980	\$15,352
Inland Navigation Rules; Vessel	33 USC 2072(b); 33 CFR 27.3	1980	\$15,352
Shore Protection; General	33 USC 2609(a); 33 CFR 27.3	1988	\$54,157



Other Information

Penalty	Authority	Year Enacted	Adjusted New Penalty
Shore Protection; Operating Without Permit	33 USC 2609(b); 33 CFR 27.3	1988	\$21,663
Oil Pollution Liability and Compensation	33 USC 2716a(a); 33 CFR 27.3	1990	\$48,762
Clean Hulls; Civil Enforcement	33 USC 3852(a)(1)(A); 33 CFR 27.3	2010	\$44,646
Clean Hulls; False statements	33 USC 3852(a)(1)(A); 33 CFR 27.3	2010	\$59,528
Clean Hulls; Recreational Vessel	33 USC 3852(c); 33 CFR 27.3	2010	\$5,953
Hazardous Substances, Releases Liability, Compensation (Class I)	42 USC 9609(a); 33 CFR 27.3	1986	\$59,017
Hazardous Substances, Releases Liability, Compensation (Class II)	42 USC 9609(b); 33 CFR 27.3	1986	\$59,017
Hazardous Substances, Releases Liability, Compensation (Class II subsequent offense)	42 USC 9609(b); 33 CFR 27.3	1986	\$177,053
Hazardous Substances, Releases, Liability, Compensation (Judicial Assessment)	42 USC 9609(c); 33 CFR 27.3	1986	\$59,017
Hazardous Substances, Releases, Liability, Compensation (Judicial Assessment subsequent offense)	42 USC 9609(c); 33 CFR 27.3	1986	\$177,053
Safe Containers for International Cargo	46 USC 80509; 33 CFR 27.3	2006	\$6,451
Suspension of Passenger Service	46 USC 70305; 33 CFR 27.3	2006	\$64,515
Vessel Inspection or Examination Fees	46 USC 2110(e); 33 CFR 27.3	1990	\$9,753
Alcohol and Dangerous Drug Testing	46 USC 2115; 33 CFR 27.3	1998	\$7,939
Negligent Operations: Recreational Vessels	46 USC 2302(a); 33 CFR 27.3	2002	\$7,181
Negligent Operations: Other Vessels	46 USC 2302(a); 33 CFR 27.3	2002	\$35,905
Operating a Vessel While Under the Influence of Alcohol or a Dangerous Drug	46 USC 2302(c)(1); 33 CFR 27.3	1998	\$7,939
Vessel Reporting Requirements: Owner, Charterer, Managing Operator, or Agent	46 USC 2306(a)(4); 33 CFR 27.3	1984	\$12,363
Vessel Reporting Requirements: Master	46 USC 2306(b)(2); 33 CFR 27.3	1984	\$2,473
Immersion Suits	46 USC 3102(c)(1); 33 CFR 27.3	1984	\$12,363
Inspection Permit	46 USC 3302(i)(5); 33 CFR 27.3	1983	\$2,579
Vessel Inspection; General	46 USC 3318(a); 33 CFR 27.3	1984	\$12,363
Vessel Inspection; Nautical School Vessel	46 USC 3318(g); 33 CFR 27.3	1984	\$12,363
Vessel Inspection; Failure to Give Notice IAW 3304(b)	46 USC 3318(h); 33 CFR 27.3	1984	\$2,473
Vessel Inspection; Failure to Give Notice IAW 3309 (c)	46 USC 3318(i); 33 CFR 27.3	1984	\$2,473
Vessel Inspection; Vessel ≥ 1600 Gross Tons	46 USC 3318(j)(1); 33 CFR 27.3	1984	\$24,730
Vessel Inspection; Vessel <1600 Gross Tons	46 USC 3318(j)(1); 33 CFR 27.3	1984	\$4,946
Vessel Inspection; Failure to Comply with 3311(b)	46 USC 3318(k); 33 CFR 27.3	1984	\$24,730
Vessel Inspection; Violation of 3318(b)-3318(f)	46 USC 3318(l); 33 CFR 27.3	1984	\$12,363
List/count of Passengers	46 USC 3502(e); 33 CFR 27.3	1983	\$257
Notification to Passengers	46 USC 3504(c); 33 CFR 27.3	1983	\$25,780
Notification to Passengers; Sale of Tickets	46 USC 3504(c); 33 CFR 27.3	1983	\$1,288
Copies of Laws on Passenger Vessels; Master	46 USC 3506; 33 CFR 27.3	1983	\$516
Liquid Bulk/Dangerous Cargo	46 USC 3718(a)(1); 33 CFR 27.3	1983	\$64,452
Uninspected Vessels	46 USC 4106; 33 CFR 27.3	1988	\$10,832
Recreational Vessels (maximum for related series of violations)	46 USC 4311(b)(1); 33 CFR 27.3	2004	\$341,000
Recreational Vessels; Violation of 4307(a)	46 USC 4311(b)(1); 33 CFR 27.3	2004	\$6,820

Other Information



Penalty	Authority	Year Enacted	Adjusted New Penalty
Recreational Vessels	46 USC 4311(c); 33 CFR 27.3	1983	\$2,579
Uninspected Commercial Fishing Industry Vessels	46 USC 4507; 33 CFR 27.3	1988	\$10,832
Abandonment of Barges	46 USC 4703; 33 CFR 27.3	1992	\$1,835
Load Lines	46 USC 5116(a); 33 CFR 27.3	1986	\$11,803
Load Lines; Violation of 5112(a)	46 USC 5116(b); 33 CFR 27.3	1986	\$23,607
Load Lines; Violation of 5112(b)	46 USC 5116(c); 33 CFR 27.3	1986	\$11,803
Reporting Marine Casualties	46 USC 6103(a); 33 CFR 27.3	1996	\$41,120
Reporting Marine Casualties; Violation of 6104	46 USC 6103(b); 33 CFR 27.3	1988	\$10,832
Manning of Inspected Vessels; Failure to Report Deficiency in Vessel Complement	46 USC 8101(e); 33 CFR 27.3	1990	\$1,951
Manning of Inspected Vessels	46 USC 8101(f); 33 CFR 27.3	1990	\$19,505
Manning of Inspected Vessels; Employing or Serving in Capacity not Licensed by USCG	46 USC 8101(g); 33 CFR 27.3	1990	\$19,505
Manning of Inspected Vessels; Freight Vessel <100 GT, Small Passenger Vessel, or Sailing School Vessel	46 USC 8101(h); 33 CFR 27.3	1983	\$2,579
Watchmen on Passenger Vessels	46 USC 8102(a)	1983	\$2,579
Citizenship Requirements	46 USC 8103(f)	1983	\$1,288
Watches on Vessels; Violation of 8104(a) or (b)	46 USC 8104(i)	1990	\$19,505
Watches on Vessels; Violation of 8104(c), (d), (e), or (h)	46 USC 8104(j)	1990	\$19,505
Staff Department on Vessels	46 USC 8302(e)	1983	\$257
Officer's Competency Certificates	46 USC 8304(d)	1983	\$257
Coastwise Pilotage; Owner, Charterer, Managing Operator, Agent, Master or Individual in Charge	46 USC 8502(e)	1990	\$19,505
Coastwise Pilotage; Individual	46 USC 8502(f)	1990	\$19,505
Federal Pilots	46 USC 8503	1984	\$61,820
Merchant Mariners Documents	46 USC 8701(d)	1983	\$1,288
Crew Requirements	46 USC 8702(e)	1990	\$19,505
Small Vessel Manning	46 USC 8906	1996	\$41,120
Pilotage: Great Lakes; Owner, Charterer, Managing Operator, Agent, Master or Individual in Charge	46 USC 9308(a)	1990	\$19,505
Pilotage: Great Lakes; Individual	46 USC 9308(b)	1990	\$19,505
Pilotage: Great Lakes; Violation of 9303	46 USC 9308(c)	1990	\$19,505
Failure to Report Sexual Offense	46 USC 10104(b)	1989	\$10,366
Pay Advances to Seamen	46 USC 10314(a)(2)	1983	\$1,288
Pay Advances to Seamen; Remuneration for Employment	46 USC 10314(b)	1983	\$1,288
Allotment to Seamen	46 USC 10315(c)	1983	\$1,288
Seamen Protection; General	46 USC 10321	1993	\$8,935
Coastwise Voyages: Advances	46 USC 10505(a)(2)	1993	\$8,935
Coastwise Voyages: Advances; Remuneration for Employment	46 USC 10505(b)	1993	\$8,935
Coastwise Voyages: Seamen Protection; General	46 USC 10508(b)	1993	\$8,935



Other Information

Penalty	Authority	Year Enacted	Adjusted New Penalty
Effects of Deceased Seamen	46 USC 10711	1983	\$516
Complaints of Unfitness	46 USC 10902(a)(2)	1983	\$1,288
Proceedings on Examination of Vessel	46 USC 10903(d)	1983	\$257
Permission to Make Complaint	46 USC 10907(b)	1983	\$1,288
Accommodations for Seamen	46 USC 11101(f)	1983	\$1,288
Medicine Chests on Vessels	46 USC 11102(b)	1983	\$1,288
Destitute Seamen	46 USC 11104(b)	1983	\$257
Wages on Discharge	46 USC 11105(c)	1983	\$1,288
Log Books; Master Failing to Maintain	46 USC 11303(a)	1983	\$516
Log Books; Master Failing to Make Entry	46 USC 11303(b)	1983	\$516
Log Books; Late Entry	46 USC 11303(c)	1983	\$387
Carrying of Sheath Knives	46 USC 11506	1983	\$129
Documentation of Vessels	46 USC 12151(a)(1)	2012	\$16,884
Documentation of Vessels; Activities involving mobile offshore drilling units	46 USC 12151(a)(2)	2012	\$28,142
Engaging in Fishing After Falsifying Eligibility (fine per day)	46 USC 12151(c)	2006	\$129,032
Numbering of Undocumented Vessel; Willful violation	46 USC 12309(a)	1983	\$12,891
Numbering of Undocumented Vessels	46 USC 12309(b)	1983	\$2,579
Vessel Identification System	46 USC 12507(b)	1988	\$21,663
Measurement of Vessels	46 USC 14701	1986	\$47,216
Measurement; False Statements	46 USC 14702	1986	\$47,216
Commercial Instruments and Maritime Liens	46 USC 31309	1988	\$21,663
Commercial Instruments and Maritime Liens; Mortgagor	46 USC 31330(a)(2)	1988	\$21,663
Commercial Instruments and Maritime Liens; Violation of 31329	46 USC 31330(b)(2)	1988	\$54,157
Port Security	46 USC 70119(a)	2002	\$35,905
Port Security; Continuing Violations	46 USC 70119(b)	2006	\$64,515
Maritime Drug Law Enforcement	46 USC 70506(c)	2010	\$5,953
Hazardous Materials: Related to Vessels	49 USC 5123(a)(1)	2012	\$84,425
Hazardous Materials: Related to Vessels; Penalty from Fatalities, Serious Injuries/ Illness or substantial Damage to Property	49 USC 5123(a)(2)	2012	\$196,992
Hazardous Materials: Related to Vessels; Training	49 USC 5123(a)(3)	2012	\$508



## Other Key Regulatory Requirements

### ***Prompt Payment Act***

The Prompt Payment Act requires federal agencies to make timely payments (within 30 days of receipt of invoice) to vendors for supplies and services, to pay interest penalties when payments are made after the due date, and to take cash discounts only when they are economically justified. The Department's Components submit Prompt Payment data for the OMB CFO Council's Metric Tracking System. Metric statistics are reported with at least a six-week lag. DHS Components conduct periodic reviews to identify potential problems. On time-payments for FY 2021 were 99.62 percent versus the goal of 98 percent. Total interest paid in FY 2021 was \$837,101.94 or \$40.33 per million invoiced. This represents an improvement over FY 2020 where the Department's on time-payments was 96.79 percent and the total interest paid was \$1,043,287.14.

### ***Debt Collection Improvement Act***

The Debt Collection Improvement Act (DCIA) of 1996 passed as part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 100-134) tasked Treasury with certain governmentwide debt collection responsibilities. Among other things, the law provides that delinquent non-tax debts generally must be turned over to the Treasury for appropriate action to collect the debt. Certain types of debts are exempt from this requirement. In compliance with DCIA, the Department manages its debt collection activities under the DHS DCIA regulation. The regulation is implemented under the Department's comprehensive debt collection policies that provide guidance to the Components on the administrative collection of debt; referring non-taxable debt; writing off non-taxable debt; reporting debt to consumer reporting agencies; assessing interest, penalties, and administrative costs; and reporting receivables to the Treasury. The Digital Accountability and Transparency Act of 2014 was enacted in May 2014 and updated DCIA requirements for referring non-taxable debt.

### ***Biennial User Charges Review***

The Chief Financial Officers Act of 1990 and OMB Circular A-25 Revised, User Charges, requires each agency CFO to review, on a biennial basis, the fees, royalties, rents, and other charges imposed by the agency for services and items of value provided to specific recipients, beyond those received by the general public. While this is not a year for reporting results, the Department is using this opportunity to provide an update to a Government Accountability Office (GAO) report recommendation.

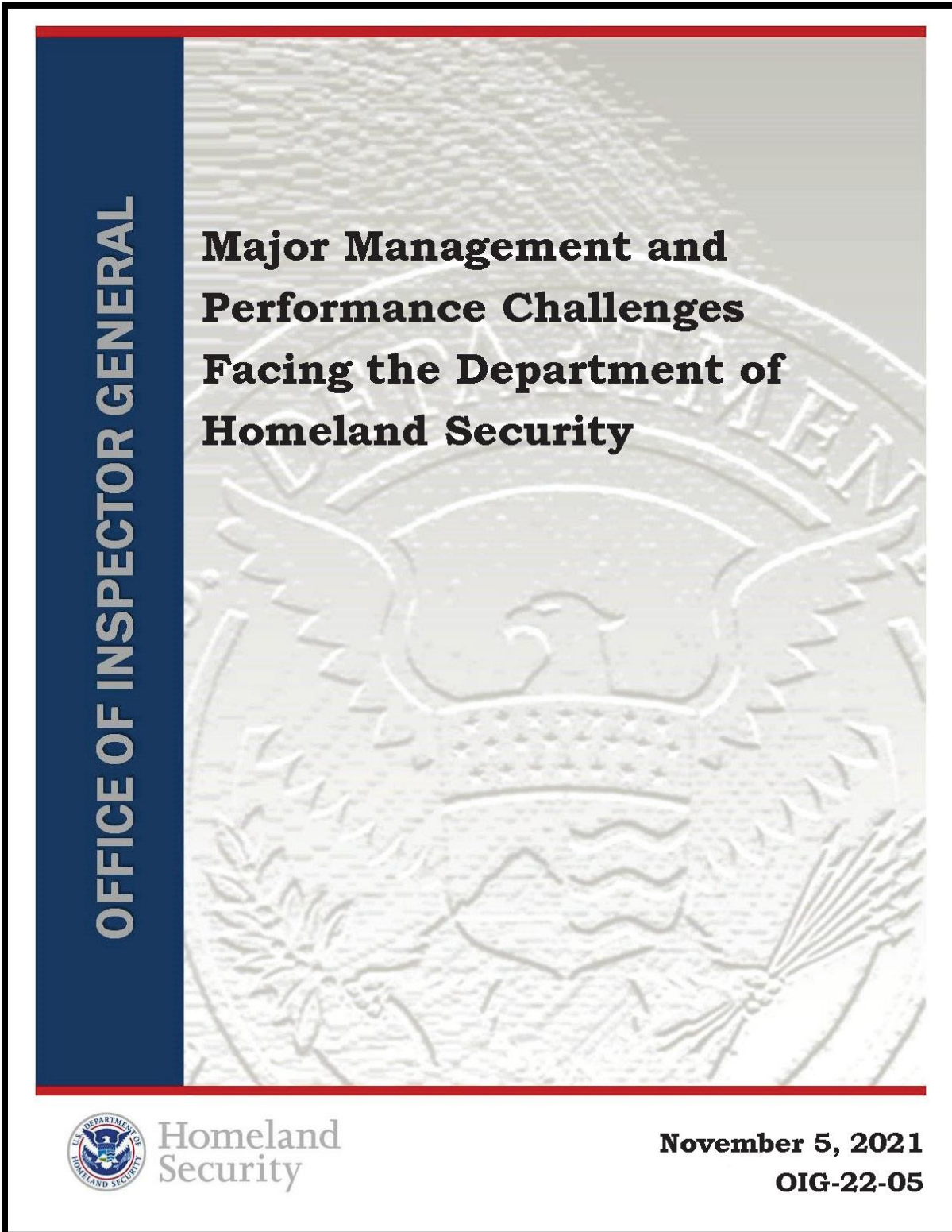
In FY 2021, the Department, in coordination with the Fee Governance Council, reviewed the results of the FY 2020 Biennial Fee Review (BFR), took follow-on steps to track and report on deficiencies, and made recommendations to DHS Components on what steps can be taken to achieve full cost recovery or improve fee collections. An example of a successful outcome of the BFR can be seen in the Student and Exchange Visitor Program (SEVP) fee Final Rule, which increased I-901 and I-97 fees, established a new fee for Appeals and Recertification efforts, and increased the scope of the Site Visit fee, all moving the SEVP closer towards full cost recovery.

A copy of GAO's full report (GAO-16-443) can be accessed at the following link: [DHS Management: Enhanced Oversight Could Better Ensure Programs Receiving Fees and Other Collections Use Funds Efficiently | U.S. GAO](#) .





# Office of Inspector General's Report on Major Management and Performance Challenges Facing the Department of Homeland Security







**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

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

November 5, 2021

MEMORANDUM FOR: Alejandro N. Mayorkas  
Secretary

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V** Digitally signed by  
Inspector General **CUFFARI** JOSEPH V CUFFARI  
Date: 2021.11.05  
10:56:51 -04'00'

SUBJECT: *Major Management and Performance Challenges  
Facing the Department of Homeland Security*

For your information is our annual report, *Major Management and Performance Challenges Facing the Department of Homeland Security*. Pursuant to the *Reports Consolidation Act of 2000*, the Office of Inspector General must issue an annual statement summarizing what the Inspector General considers the most serious management and performance challenges facing the Department of Homeland Security and assessing its progress addressing them. This requirement is consistent with our duties under the *Inspector General Act of 1978*, as amended, to conduct audits as well as provide leadership and recommend policies to promote economy, efficiency, and effectiveness in DHS programs and operations. We remain committed to conducting independent oversight and making recommendations to help the Department address these major management and performance challenges.

These challenges stem from the Department's operations under its six strategic goals contained in the [Department of Homeland Security's Strategic Plan for Fiscal Years 2020-2024 \(DHS' FY 2020-2024 Strategic Plan\)](#). (See [Appendix A](#) for the goals and objectives in DHS' FY 2020-2024 Strategic Plan).

Based on our recent and prior audits, inspections and evaluations, and investigations, and the ongoing pandemic, DHS' most serious management and performance challenges remain largely unchanged from FY 2020. They include:

- [Performing Fully and Effectively during COVID-19](#);
- [Countering Terrorism and Homeland Security Threats](#);
- [Securing Cyberspace and Critical Infrastructure](#);
- [Ensuring Proper Financial Management](#);
- [Ensuring Technology Supports Essential Mission Operations](#);
- [Improving FEMA's Contracts and Grants Management, Disaster Assistance, and Fraud Prevention](#); and



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- [Strengthening Oversight and Management of Major Systems Acquisition and Procurement.](#)

In this report, we describe each challenge and the risks it poses, summarize actions DHS has taken or is taking to address each challenge, and summarize steps DHS needs to take to further address each challenge. These challenges affect a broad spectrum of the Department's operations and may overlap. They also mirror three major priorities you identified as you assumed leadership of DHS: addressing immigration, cybersecurity, and domestic violence/terrorism.<sup>1</sup> DHS provided technical comments and we amended the report to incorporate them, as appropriate. [Appendix B](#) contains the Department's response in its entirety.

### ***Performing Fully and Effectively during COVID-19***

#### **THE CHALLENGE**

The challenge to maintain mission critical operations and programs during disruptions relates to all of DHS' strategic goals (see [Appendix A](#) for DHS' Strategic Goals for FY 2020–2024). The Department is also charged with leading a whole-of government response to confront the pandemic, keep Americans safe, help detect and slow the spread of the virus and its variants, and make vaccines available to as many people as possible.

#### **WHY IS THIS A CHALLENGE?**

While DHS has been able to continue operating effectively, it comprises components and critical operations that traditionally interact face-to-face with stakeholders. A prolonged emergency response may take a toll on critical mission operations including managing detainee, migrant, and workforce health and safety; response coordination efforts; and unified planning oversight. In addition, the abundance of pandemic-related Federal assistance is susceptible to mismanagement and fraud.

#### **Detainee and Workforce Health and Safety:**

Our unannounced inspections consistently identified weaknesses in measures to prevent COVID-19 outbreaks among detainees, protect staff, and identify and treat those sickened by the virus in ICE detention centers around the country. For example, video footage examined by Office of Inspector General (OIG) shows detainees and detention center staff not wearing masks and not

---

<sup>1</sup> Testimony of Alejandro N. Mayorkas during a hearing on "Department of Homeland Security Resource Management and Operational Priorities," before the United States House of Representatives, Committee on Appropriations, Subcommittee on Homeland Security, May 26, 2021.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

distanced from each other.<sup>2</sup> Further, we determined that DHS needs to strengthen its COVID-19 response for migrants at the southwest border.<sup>3</sup> Evaluating detainee, migrant, and workforce health and safety will continue to be a high priority for OIG.

**Response Coordination Efforts:**

Given the magnitude and importance of the Department's response coordination efforts, we initiated several reviews, including efforts to determine the extent of DHS' coordination with Federal agencies and mission assignments, and the effectiveness of pandemic-related aid and assistance programs.

**DHS Internal Oversight of Unified Planning:**

We found that DHS did not effectively implement corrective actions intended to provide the operational efficiencies and controls needed in the COVID-19 pandemic.<sup>4</sup> Specifically, DHS did not ensure the office it designated to manage and account for pandemic personal protective equipment (PPE) provided adequate management oversight; confirmed components' compliance with the Integrated Logistics Support Plan; or designated an office to promote continued oversight, review, and approval of the Department's and components' pandemic plans. As a result, early in the pandemic as COVID-19 spread throughout the world, DHS did not have sufficient department-wide oversight of PPE or pandemic planning.

**DHS Oversight of Pandemic Funding:**

OIG has received a substantial number of COVID-19 fraud complaints nationwide and continues to investigate COVID-19 fraud perpetrated by companies and individuals seeking to exploit DHS-affiliated programs. This is most evident in relief programs that the Federal Emergency Management Agency (FEMA) administers. As of September 17, 2021, OIG had received more than 6,300 complaints and initiated more than 160 investigations related to COVID-19 fraud.

<sup>2</sup> [Violations of ICE Detention Standards at Adams County Correctional Center, OIG-21-46, July 2021](#); [Violations of ICE Detention Standards at Pulaski County Jail, OIG-21-32, April 2021](#); [Violations of Detention Standards Amidst COVID-19 Outbreak at La Palma Correctional Center in Eloy, AZ, OIG-21-30, March 2021](#); [ICE's Management of COVID-19 in Its Detention Facilities Provides Lessons Learned for Future Pandemic Responses, OIG-21-58, Sept. 2021](#).

<sup>3</sup> [DHS Needs to Enhance Its COVID-19 Response at the Southwest Border, OIG-21-60, Sept. 2021](#).

<sup>4</sup> [Ineffective Implementation of Corrective Actions Diminishes DHS' Oversight of Its Pandemic Planning, OIG-21-14, Dec. 2020](#).





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

### WHAT PROGRESS HAS DHS MADE?

#### **Detainee and Workforce Health and Safety:**

DHS is working to implement OIG recommendations for COVID-19 protocols in its ICE detention centers and offering detainees vaccinations, as well as improving its COVID-19 response at the southwest border. DHS is also working more closely with its contractors to fully comply with Centers for Disease Control and Prevention, Health and Human Services (HHS), and other guidance to improve health and safety conditions for detainees and staff.

#### **Coordination Efforts:**

FEMA worked closely with HHS and other Federal agencies to facilitate the shipment of PPE and ventilators to support state, local, territorial, and tribal governments during the pandemic. DHS provided significant logistical support to these stakeholders to fulfill requests for PPE and ventilators. After the Stafford Act declaration, FEMA took further action to coordinate the whole-of-government Federal response by activating and establishing the National Response Coordination Center (NRCC), Regional Response Coordination Centers (RRCCs), and, with HHS, established the Unified Coordination Group (UCG). Also, during the height of the pandemic, the Nation experienced a significant shortage of ventilators used to treat COVID-19 patients. FEMA and the UCG developed and communicated a standard process for allocating limited supplies of ventilators.<sup>5</sup>

#### **DHS Implementation of Unified Planning:**

Responses to OIG recommendations show that DHS has implemented centralized processes to manage department-wide pandemic funding and PPE supplies to ensure greater oversight and control.

#### **DHS Oversight of Pandemic Funding:**

Since the start of the pandemic, OIG has provided significant oversight of DHS' COVID-19 relief efforts. The [CARES Act](#) provided OIG with funding to conduct oversight of DHS' CARES Act funding. We are currently using this funding for audits and inspections of DHS' administration and oversight of the CARES Act and investigations of fraud related to contracts and grants.

### WHAT DHS STILL NEEDS TO DO

Continuing and improving on a centralized strategic approach to its ongoing pandemic response should help DHS better prepare its components to protect the workforce and persons in their care and custody; operate in a well-

<sup>5</sup> [Lessons Learned from FEMA's Initial Response to COVID-19, OIG-21-64, Sept 2021](#)



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

coordinated, effective manner in non-standard circumstances; and better manage funding and supplies during this and future pandemics.

***Countering Terrorism and Homeland Security Threats***

**THE CHALLENGE**

DHS is challenged to properly plan and provide adequate guidance, oversight, and monitoring of programs and operations to counter terrorism and homeland security threats; make related improvements to U.S. Border Security and Immigration operations; and leverage law enforcement unity of effort. In addition, DHS seeks to achieve specific objectives related to countering terrorism and homeland security threats as well as securing U.S. borders and approaches. (See [Appendix A](#), Goals 1 and 2).

**WHY IS THIS A CHALLENGE?**

The threats facing the Nation are dynamic and become more complex over time. Threats are more interconnected, technologically advanced, targeted, and close to home. Developing an understanding of today's challenges includes assessing dangers posed by domestic and international actors abroad, in the Nation's interior, and at its borders.

**Countering Terrorism:**

We discovered that, although Transportation Security Administration (TSA) has developed a deployment strategy based on risk for Explosives Detection Canine Teams (EDCT) at airports, there is no such strategy for surface transportation. Consequently, TSA cannot be sure that EDCTs are properly allocated based on risk to protect the traveling public from a terrorist attack.<sup>6</sup> Further, TSA has yet to complete implementation of the 9/11 Act and TSA Modernization Act to develop strategies, programs, regulations, reports, and other initiatives to strengthen transportation security.<sup>7</sup> We also found that the BioWatch Program, charged with bioterror early warning systems, has information sharing and program deployment challenges that reduce nationwide readiness for response to biological terror threats.<sup>8</sup> CBP had not made significant improvement in response to a past audit examining mail inspection and physical security. Further, CBP did not properly document and conduct searches of electronic devices, fully assess the effectiveness of the electronic

<sup>6</sup> [TSA Did Not Assess Its Explosives Detection Canine Team Program for Surface Transportation Security](#), OIG-21-52, August 2021; [CBP Needs to Improve the Oversight of Its Canine Program to Better Train and Reinforce Canine Performance](#), OIG-21-19, Feb. 2021.

<sup>7</sup> [TSA Has Not Implemented All Requirements of the 9/11 Act and the TSA Modernization Act](#), OIG-21-68, Sept. 2021.

<sup>8</sup> [Biological Threat Detection and Response Challenges Remain for BioWatch](#), OIG-21-22, March 2021.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

device search program, or adequately manage electronic device search equipment.<sup>9</sup> Moreover, DHS did not fully assess the effectiveness of the Transportation Security Card Program, as required by the *Transportation Security Card Program Assessment* statute.<sup>10</sup>

**Border Security and Immigration:**

We found ICE did not consistently enforce I-9 requirements with employers, allowing unauthorized noncitizens<sup>11</sup> workers to remain in the United States with unlawful employment.<sup>12</sup> Additionally, CBP allowed potentially high-risk drivers into its Free and Secure Trade program, exposing its land ports of entry to heightened threats.<sup>13</sup> We are currently examining multiple facets of [border security and immigration](#), including admissibility operations, medical care, sheltering programs, detention conditions, and benefit programs.

**Law Enforcement Unity of Effort:**

We found that DHS did not benefit from unity of effort, such as sharing and leveraging processes, data collection, and best practices across components when it did not contribute to the FBI's criminal database DNA samples from those it arrested.<sup>14</sup> ICE Homeland Security Investigations did not accurately track dissemination and receipt of human trafficking tips; did not consistently follow up on tips; and used independently managed program offices with partial responsibilities, creating challenges for HSI to coordinate and oversee human trafficking efforts and assist U.S. Attorney prosecution efforts. In addition, DHS did not have a comprehensive strategy accommodating state and local law enforcement assistance to protect Federal facilities during a disturbance.<sup>15</sup>

<sup>9</sup> [CBP Continues to Experience Challenges Managing Searches of Electronic Devices at Ports of Entry](#), OIG-21-63, Sept. 2021.

<sup>10</sup> [DHS Did Not Fully Comply with Requirements in the Transportation Security Card Program Assessment](#), OIG-21-66, Sept. 2021.

<sup>11</sup> Many existing DHS policies and procedures refer to noncitizens as "aliens."

<sup>12</sup> [Guidance Needs Improvement to Deter Illegal Employment](#), OIG-21-15, Jan. 2021.

<sup>13</sup> [CBP's Fast Program Exposes Border to Security Risks](#), OIG-21-70, Sept. 2021.

<sup>14</sup> [DHS Law Enforcement Components Did Not Consistently Collect DNA From Arrestees](#), OIG-21-35, May 2021.

<sup>15</sup> [ICE Faces Challenges in Its Efforts to Assist Human Trafficking Victims](#), OIG-21-40, June 2021; [DHS Had Authority to Deploy Federal Law Enforcement Officers to Protect Federal Facilities in Portland, Oregon, but Should Ensure Better Planning and Education](#), OIG-21-31, April 2021.





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### WHAT PROGRESS HAS DHS MADE?

#### Countering Terrorism:

TSA provides significant resources and support to law enforcement canine teams within the surface transportation system by providing a canine for each handler, initial team training, and an annual stipend. It is working to improve its resource allocation models and coordination strategies. DHS is also working to update its assessments to optimize the Nation's defense against bioterrorism; improve cooperative agreements with stakeholders; update detection capability; and conduct, document, and assess exercises. CBP continues to struggle with mail inspection and physical security.

#### Border Security and Immigration:

Corrective action plans submitted to OIG show that DHS is updating internal guidance to ensure staff fully understand processes, procedures, information gathering systems, and the value of robust controls.

#### Law Enforcement Unity of Effort:

DHS is developing more stringent internal control aimed at consistent adherence to the *DNA Fingerprint Act of 2005* and other relevant legislation. It is updating internal directives, policies, procedures, and training plans to support improved controls fostering collaboration among its components and Federal law enforcement partners.<sup>16</sup>

### WHAT DHS STILL NEEDS TO DO

According to OIG's recommendations, DHS needs to remain committed to effective threat assessment methods and law enforcement collaboration, as well as internal control development, including useful and relevant goals, performance indicators, metrics, measures, corrective action plan implementation, and deliberate improvement.

### ***Securing Cyberspace and Critical Infrastructure***

#### THE CHALLENGE

DHS' missions in this area, providing enterprise-wide security solutions to protect the Department and partnering with industry and government to understand and manage risk to the Nation's critical infrastructure, are multi-faceted and vast. This challenge relates to every aspect of DHS' mission and

<sup>16</sup> [ICE Faces Challenges in Its Efforts to Assist Human Trafficking Victims, OIG-21-40, June 2021](#); [DHS Had Authority to Deploy Federal Law Enforcement Officers to Protect Federal Facilities in Portland, Oregon, but Should Ensure Better Planning and Education, OIG-21-31, April 2021](#); [DHS Law Enforcement Components Did Not Consistently Collect DNA From Arrestees, OIG-21-35, May 2021](#).



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

relates to all of DHS' strategic goals (See [Appendix A](#) for DHS' Strategic Goals for FY 2020–2024).

### WHY IS THIS A CHALLENGE?

Threats in this area can be characterized similarly to those of countering terrorism in that they are dynamic, more interconnected, technologically advanced, and more targeted. For example, the recent introduction of malicious code into IT monitoring and management software tools at [SolarWinds](#), compromised nine Federal agencies and hundreds of private sector companies. Nation-state hackers are suspected to have caused this unprecedented breach.

#### Cybersecurity:

We found that DHS' information security program for Top Secret/Sensitive Compartmented Information intelligence systems is effective. However, we identified deficiencies in some areas. We also found that DHS has not yet strengthened its cybersecurity posture by implementing a Continuous Diagnostics and Mitigation (CDM) program.<sup>17</sup> Additionally, we found that CBP potentially exposed the personally identifiable information of more than 10 million people by not protecting Mobile Passport Control applications from cybersecurity threats.<sup>18</sup> We continue to examine cybersecurity topics such as protections to safeguard sensitive data from malware, ransomware, and phishing attacks; information security requirements on CBP contracts; USCIS access controls; cyber intrusion prevention efforts; and progress in joint cybersecurity efforts.

#### Critical Infrastructure:

In [DHS Has Secured the Nation's Election Systems, but Work Remains to Protect the Infrastructure \(OIG-21-01\)](#), we found that DHS had made progress in its coordination efforts to secure election systems, but needed to take additional steps to more effectively address both cyber and physical security risks. In [CISA Can Improve Efforts to Ensure Dam Security and Resilience \(OIG-21-59\)](#), we found that the Cybersecurity and Infrastructure Security Agency (CISA) cannot demonstrate how its oversight has improved Dams Sector security and resilience. We are also in the process of assessing FEMA's and CISA's coordination efforts to improve [Energy Sectors resilience](#).

<sup>17</sup> [Evaluation of DHS' Compliance with Federal Information Security Modernization Act Requirements for Intelligence Systems for Fiscal Year 2020, OIG-21-55, August 2021; DHS Made Limited Progress in Implementing the Continuous Diagnostics and Mitigation Program, OIG-21-38, June 2021.](#)

<sup>18</sup> [CBP Has Placed Travelers' PII at Risk of Exploitation, OIG-21-47, July 2021.](#)



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

**WHAT PROGRESS HAS DHS MADE?**

**Cybersecurity:**

Responses to OIG recommendations show that DHS has continued to provide effective oversight of the department-wide intelligence system and has implemented programs to monitor ongoing security practices. It is also working to update relevant plans, address identified vulnerabilities, and continue to improve configuration and patch management. The DHS Office of the Chief Information Officer claims it holds monthly meetings with Component CIOs to focus on information security improvements related to security authorizations, weakness remediation, reducing vulnerabilities, and ensuring prompt installation of software patches, among other things.

**Critical Infrastructure:**

DHS is improving coordination efforts and outreach to a broad spectrum of stakeholders.

**WHAT DHS STILL NEEDS TO DO**

According to OIG's recommendations, DHS needs to continue making deliberate improvements to manage the risks to information security and critical infrastructure. DHS needs to develop systems, assets, processes, and capabilities to reduce threat, increase visibility into Federal cyberposture, and improve response capabilities. DHS needs to continue to revise planning documents to address risks, improve information sharing, and conduct timely assessments to better secure information systems and critical infrastructure.

***Ensuring Proper Financial Management***

**THE CHALLENGE**

This challenge is foundational to every aspect of DHS' mission and relates to all of DHS' strategic goals (See [Appendix A](#) for DHS' Strategic Goals for FY 2020–2024). Proper financial management and resulting data are commonly viewed as important strategic assets.

**WHY IS THIS A CHALLENGE?**

DHS has shown it has strong financial principles, but notable financial deficiencies can undermine the public's confidence in DHS and its ability to make strategic investments using taxpayer dollars. Strong financial management principles and results are compelling strengths for appropriators.

**Financial Management and Oversight:**

Independent auditors identified material weaknesses in Information Technology Controls and Information Systems and Financial Reporting. The auditors





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

identified significant deficiencies in Custodial Activities: Entry Processing, Refunds and Drawback, and Seized and Forfeited Property; Grants Management; and Insurance Liabilities. They also noted noncompliance with the *Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019*; *Federal Managers' Financial Integrity Act of 1982*; and *Federal Financial Management Improvement Act of 1996*.<sup>19</sup> We found a pattern of noncompliance with applicable laws, regulations, and policies relative to internal controls, oversight, and reporting.<sup>20</sup>

We are in the process of completing our third mandated *Digital and Transparency Act of 2014* (DATA Act) audit. As previously reported,<sup>21</sup> DHS needed to take action to accurately align budgetary data with the President's budget, reduce award misalignments across DATA Act files, improve the timeliness of financial assistance reporting, implement and use government-wide data standards, and address risks to data quality.

### WHAT PROGRESS HAS DHS MADE?

#### Financial Management and Oversight:

Corrective action plans provided to OIG show that DHS is working to improve compliance with requirements set forth in laws, regulations, directives, and policies by strengthening oversight, internal control, data quality, and transparency.

DHS has taken steps toward remediating issues OIG previously reported, including in Financial Statement Audit reports. DHS has undertaken a Financial Systems Modernization program which is intended to replace outdated systems across the Department. To date, a modernized financial management system has been deployed to the Countering Weapons of Mass Destruction Office and TSA, and according to DHS, United States Coast Guard is on schedule to be deployed in early FY 2022. DHS officials have stated that this modernization effort will help mitigate many of the underlying causes of

<sup>19</sup> [Independent Auditors' report on DHS' FY 2020 Financial Statements and Internal Control over Financial Reporting](#), OIG-21-08, Nov. 2020.

<sup>20</sup> [Department of Homeland Security's FY 2020 Compliance with the Payment Integrity Information Act of 2019 and Executive Order 13520, Reducing Improper Payments](#), OIG-21-33, May 2021; [FY 2018 Audit of Science and Technology Bankcard Program Indicates Risks](#), OIG-21-51, July 2021; [FEMA Prematurely Obligated \\$478 Million in Public Assistance Funds from FY 2017 through FY 2019](#), OIG-21-54, August 2021; [TSA Needs to Improve Its Oversight for Human Capital Contracts](#), OIG-21-39, June 2021.

<sup>21</sup> [DHS' Implementation of the DATA Act](#), OIG-18-34, Dec. 2017; [DHS Has Made Progress in Meeting DATA Act Requirements, But Challenges Remain](#), OIG-20-62, August 2020.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

the Information Technology Controls and Information Systems and Financial Reporting material weaknesses identified in our previous audit reports.

**WHAT DHS STILL NEEDS TO DO**

OIG's recommendations express DHS' need to continue to thoughtfully execute its role as steward of taxpayer investment in its programs and make conscientious progress toward full compliance with applicable laws, regulations, directives, policies, prevailing guidance, and internal control standards.

***Ensuring Technology Supports Essential Mission Operations***

**THE CHALLENGE**

DHS continues to struggle to provide technology support for personnel, system functionality and integration, address deficiencies, identify and prioritize systems for modernization, and ensure data is accurate and reliable for strategic decision makers. In addition, DHS seeks to achieve specific objectives related to improving workforce capability and strengthening governance. (See [Appendix A](#), Goal 6).

**WHY IS THIS A CHALLENGE?**

DHS struggles to align DHS technology, personnel, resources, assets, systems, and infrastructure to support its mission. State-of-the-art technology and services are critical tools to that end. It is important for DHS to mitigate risks to operational performance before they become issues and to deploy capability timely.

**Systems and Applications:**

We found a pattern of control deficiencies, outdated or incorrectly configured systems, and inadequate operator training.<sup>22</sup> In addition, independent auditors identified material weaknesses in Information Technology Controls and Information Systems.<sup>23</sup>

**Data Management:**

In [OIG-21-37 Summary Report: Persistent Data Issues Hinder DHS Mission, Programs, and Operations](#), we reported that significant challenges hinder DHS' day-to-day use of some of the Nation's largest and most diverse databases to

<sup>22</sup> [CBP's Configuration Management Practices Policies and Procedures Did Not Effectively Prevent System Outage](#), OIG-21-13, Dec. 2020; [USCIS Needs to Improve Its Electronic Employment Eligibility Process](#), OIG-21-56, August 2021; [CBP Has Placed Travelers' PII at Risk of Exploitation](#), OIG-21-47, July 2021.

<sup>23</sup> [Independent Auditors' Report on DHS' FY 2020 Financial Statements and Internal Control over Financial Reporting](#), OIG-21-08, Nov. 2020.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

support its vast mission operations. DHS needs to improve the collection and management of data across its components to better serve and safeguard the public. The data access, availability, accuracy, completeness, and relevance issues we identified presented numerous obstacles for DHS personnel who did not have essential information they needed for decision making or to effectively and efficiently carry out day-to-day mission operations. OIG also found data quality problems in the National Flood Insurance Program system.<sup>24</sup>

### WHAT PROGRESS HAS DHS MADE?

#### Systems and Applications:

Responses to OIG's recommendations show that DHS is working to dedicate necessary resources to oversight, controls, configuration management, modernization, and strategic capability deployment.

#### Data Management:

As noted above, DHS has taken steps towards remediating issues OIG previously reported, including in Financial Statement Audit reports. The Department has taken corrective actions to implement recommendations in prior reports and has developed various plans and strategies to improve the quality and management of its data.<sup>25</sup>

### WHAT DHS STILL NEEDS TO DO

OIG's recommendations show that DHS needs to increase and sustain its focus and effort to: (1) improve oversight, (2) ensure consistent configuration management, (3) prioritize systems and applications modernization, and (4) remediate the internal control issues that underlie data deficiencies.

### ***Improving FEMA's Contracts and Grants Management, Disaster Assistance, and Fraud Prevention***

#### THE CHALLENGE

FEMA continues to struggle to administer procurements and reimburse procurement costs and continues to experience systemic problems and operational difficulties contributing to inadequate management of disaster relief grants and supplies. In addition, DHS seeks to achieve specific objectives related to strengthening preparedness and resilience (See [Appendix A](#), Goal 5).

<sup>24</sup> [FIMA Made Progress Modernizing Its NFIP System, but Data Quality Needs Improvement, OIG-21-04, Nov. 2020](#)

<sup>25</sup> [Independent Auditors' Report on DHS' FY 2020 Financial Statements and Internal Control over Financial Reporting, OIG-21-08, Nov. 2020.](#)





**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

**WHY IS THIS A CHALLENGE?**

At times, FEMA has not followed procurement laws, regulations, and procedures, nor has it ensured disaster grant recipients and subrecipients understand and comply with relevant authorities. FEMA has also proven susceptible to widespread fraud and made billions in improper payments.<sup>26</sup>

**Contracts and Grants Management:**

We have identified a pattern of grantee and subgrantee oversight weakness, insufficient systems to process information and data, inadequate policies and guidance, and improper payments.<sup>27</sup> We continue to examine FEMA's management of contracts and grants, including FEMA's contracting practices during national disaster declarations.

**Disaster Assistance:**

We identified persistent, systemic shortcomings in FEMA's disaster response and assistance.<sup>28</sup> OIG has published more than two dozen reports and issued 115 recommendations to improve Federal disaster response. We continue to examine [FEMA's disaster response programs](#), including controls over mission

<sup>26</sup> [FEMA Should Disallow \\$12.2 Million in Disaster Case Management Program Grant Funds Awarded to New York for Hurricane Sandy](#), OIG-21-10, Nov. 2020; [FEMA Needs to Reduce the \\$579 Million Backlog of Projects in Its New York Public Assistance Grant Program](#), OIG-21-23, March 2021; [Inadequate FEMA Oversight Delayed Completion and Closeout of Louisiana's Public Assistance Projects](#), OIG-21-50, July 2021; [FEMA Prematurely Obligated \\$478 Million in Public Assistance Funds from FY 2017 through FY 2019](#), OIG-21-54, August 2021; [FEMA's Procurement and Cost Reimbursement Review Process Needs Improvement](#), OIG-21-26, March 2021; [FEMA Needs Revised Policies and Procedures to Better Manage Recovery of Disallowed Grant Funds](#), OIG-21-28, March 2021; [FEMA Has Not Prioritized Compliance with the Disaster Mitigation Act of 2000, Hindering Its Ability to Reduce Repetitive Damages to Roads and Bridges](#), OIG-21-43, July 2021; [FEMA Initiated the Hurricane Harvey Assistance Agreement without Necessary Processes and Controls](#), OIG-21-42, July 2021; [FEMA Has Paid Billions in Improper Payments for SBA Dependent Other Needs Assistance since 2003](#), OIG-20-60, August 2020.

<sup>27</sup> [FEMA Should Disallow \\$12.2 Million in Disaster Case Management Program Grant Funds Awarded to New York for Hurricane Sandy](#), OIG-21-10, Nov. 2020; [FEMA Needs to Reduce the \\$579 Million Backlog of Projects in Its New York Public Assistance Grant Program](#), OIG-21-23, March 2021; [Inadequate FEMA Oversight Delayed Completion and Closeout of Louisiana's Public Assistance Projects](#), OIG-21-50, July 2021; [FEMA Prematurely Obligated \\$478 Million in Public Assistance Funds from FY 2017 through FY 2019](#), OIG-21-54, August 2021; [FEMA's Procurement and Cost Reimbursement Review Process Needs Improvement](#), OIG-21-26, March 2021; [FEMA Needs Revised Policies and Procedures to Better Manage Recovery of Disallowed Grant Funds](#), OIG-21-28, March 2021; [FEMA Has Not Prioritized Compliance with the Disaster Mitigation Act of 2000, Hindering Its Ability to Reduce Repetitive Damages to Roads and Bridges](#), OIG-21-43, July 2021; [FEMA Initiated the Hurricane Harvey Assistance Agreement without Necessary Processes and Controls](#), OIG-21-42, July 2021.

<sup>28</sup> [Success of Future Disaster Response and Recovery Efforts Depends on FEMA Addressing Current Vulnerabilities](#), OIG-21-2, March 2021; [Better Oversight and Planning Are Needed to Improve FEMA's Transitional Sheltering Assistance Program](#), OIG-21-20, Feb. 2021.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

assignments in response to the pandemic and topics related to supply chain integrity.

**Fraud Prevention:**

There is overlap between fraud prevention challenges at the Department relative to the pandemic and fraud prevention in FEMA's contracts, grants management, and disaster assistance. As previously discussed, OIG has provided significant oversight of DHS' COVID-19 relief efforts. For example, OIG has investigated fraud allegations related to FEMA's PPE contracts and fraud networks that secured pandemic-related benefits.<sup>29</sup>

**WHAT PROGRESS HAS DHS MADE?**

**Contracts and Grants Management:**

OIG has reviewed corrective action plans showing that FEMA continues to strengthen adherence to Federal regulations and its own policy, oversight, risk assessment, and training.

**Disaster Assistance:**

Responses to OIG's recommendations show that FEMA is working to augment staff and systems to improve oversight, and develop resources, tools, and procedures to support more effective programs.

**Fraud Prevention:**

Since the passage of the CARES Act, FEMA has collaborated with OIG and others to leverage multi-disciplinary expertise to identify fraud schemes.

**WHAT DHS STILL NEEDS TO DO**

While DHS and FEMA continue to address the many recommendations in our reports, they need to analyze systemic weaknesses across the spectrum of disaster-related funding and services and make overarching improvements in risk assessment, controls, policies, systems and applications, resources, training, and collaboration with stakeholders.<sup>30</sup>

<sup>29</sup> [\*Success of Future Disaster Response and Recovery Efforts Depends on FEMA Addressing Current Vulnerabilities\*, OIG-21-2, March 2021.](#)

<sup>30</sup> [\*Lessons Learned from Prior Reports on Disaster-related Procurement and Contracting\*, OIG-18-29, Dec 2017; \*Lessons Learned from FEMA's Initial Response to COVID-19\*, OIG-21-64, Sept 2021; \*Summary and Key Findings of Fiscal Year 2015 FEMA Disaster Grant and Program Audits\*, OIG-17-13, Nov 2016.](#)





**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

***Strengthening Oversight and Management of Major Systems Acquisition and Procurement***

**THE CHALLENGE**

Systems acquisitions are a key part of DHS' annual budget and are fundamental to accomplishing its many critical missions. This challenge relates to every aspect of DHS' mission and relates to all of DHS' strategic goals (See [Appendix A](#) for DHS' Strategic Goals for FY 2020–2024).

**WHY IS THIS A CHALLENGE?**

A successful systems acquisition process requires an effective acquisition management infrastructure. This is especially important for DHS because, in FY 2021 alone, DHS planned to spend more than \$7 billion on major acquisition programs — with lifecycle costs in excess of \$300 million.<sup>31</sup>

**Acquisitions and Contracts Oversight and Management:**

We identified issues with poorly defined operational requirements for assets being acquired, adherence to the DHS Acquisition Lifecycle Framework, contract oversight, and reporting.<sup>32</sup>

**WHAT PROGRESS HAS DHS MADE?**

The Department has generally made progress in its acquisition oversight processes and controls through implementation of a revised acquisition management directive.

**Acquisitions Oversight and Management:**

DHS is working to update acquisition policy and guidance, including specific guidance on developing operational requirements and sharing lessons learned across acquisitions programs.

**WHAT DHS STILL NEEDS TO DO**

DHS Office of Program Accountability and Risk Management needs to continue to strengthen oversight of acquisitions programs to ensure they are in compliance with all key steps in the Acquisition Lifecycle Framework and other

<sup>31</sup> [GAO's DHS Annual Assessment, GAO-21-175](#)

<sup>32</sup> [U.S. Customs and Border Protection's Acquisition Management of Aviation Fleet Needs Improvement to Meet Operational Needs, OIG-21-53, August 2021](#); [ICE's Oversight of the Capgemini Contract Needs Improvement, OIG-21-57, August 2021](#); [DHS Grants and Contracts Awarded through Other Than Full and Open Competition, FYs 2018 and 2019, OIG-21-17, Feb. 2021](#); [DHS Did Not Effectively Oversee TSA's Acquisition of Computed Tomography Systems, OIG-21-69, Sept. 2021](#); [TSA Needs to Improve its Oversight for Human Capital Contracts, OIG-21-39, June 2021](#).



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

requirements and guidance. DHS also needs to reinforce the use of the checklists, job aids, and guides developed by the DHS Office of the Chief Procurement Officer.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

**Appendix A**

**GOAL 1: COUNTER TERRORISM AND HOMELAND SECURITY THREATS**

- OBJECTIVE 1.1: COLLECT, ANALYZE, AND SHARE ACTIONABLE INTELLIGENCE
- OBJECTIVE 1.2: DETECT AND DISRUPT THREATS
- OBJECTIVE 1.3: PROTECT DESIGNATED LEADERSHIP, EVENTS, AND SOFT TARGETS
- OBJECTIVE 1.4: COUNTER WEAPONS OF MASS DESTRUCTION AND EMERGING THREATS

**GOAL 2: SECURE U.S. BORDERS AND APPROACHES**

- OBJECTIVE 2.1: SECURE AND MANAGE AIR, LAND, AND MARITIME BORDERS
- OBJECTIVE 2.2: EXTEND THE REACH OF U.S. BORDER SECURITY
- OBJECTIVE 2.3: ENFORCE U.S. IMMIGRATION LAWS
- OBJECTIVE 2.4: ADMINISTER IMMIGRATION BENEFITS TO ADVANCE THE SECURITY AND PROSPERITY OF THE NATION

**GOAL 3: SECURE CYBERSPACE AND CRITICAL INFRASTRUCTURE**

- OBJECTIVE 3.1: SECURE FEDERAL CIVILIAN NETWORKS
- OBJECTIVE 3.2: STRENGTHEN THE SECURITY AND RESILIENCE OF CRITICAL INFRASTRUCTURE
- OBJECTIVE 3.3: ASSESS AND COUNTER EVOLVING CYBERSECURITY RISKS
- OBJECTIVE 3.4: COMBAT CYBERCRIME

**GOAL 4: PRESERVE AND UPHOLD THE NATION'S PROSPERITY AND ECONOMIC SECURITY**

- OBJECTIVE 4.1: ENFORCE U.S. TRADE LAWS AND FACILITATE LAWFUL INTERNATIONAL TRADE AND TRAVEL
- OBJECTIVE 4.2: SAFEGUARD THE U.S. TRANSPORTATION SYSTEM
- OBJECTIVE 4.3: MAINTAIN U.S. WATERWAYS AND MARITIME RESOURCES
- OBJECTIVE 4.4: SAFEGUARD U.S. FINANCIAL SYSTEMS

**GOAL 5: STRENGTHEN PREPAREDNESS AND RESILIENCE**

- OBJECTIVE 5.1: BUILD A NATIONAL CULTURE OF PREPAREDNESS
- OBJECTIVE 5.2: RESPOND DURING INCIDENTS
- OBJECTIVE 5.3: SUPPORT OUTCOME-DRIVEN COMMUNITY RECOVERY
- OBJECTIVE 5.4: TRAIN AND EXERCISE FIRST RESPONDERS

**GOAL 6: CHAMPION THE DHS WORKFORCE AND STRENGTHEN THE DEPARTMENT**

- OBJECTIVE 6.1: STRENGTHEN DEPARTMENTAL GOVERNANCE AND MANAGEMENT
- OBJECTIVE 6.2: DEVELOP AND MAINTAIN A HIGH PERFORMING WORKFORCE
- OBJECTIVE 6.3: OPTIMIZE SUPPORT TO MISSION OPERATIONS

*Source: [Department of Homeland Security's Strategic Plan for Fiscal Years 2020-2024 \(undated\)](#)  
[Table of Contents](#)*



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

**Appendix B**

**DHS Comments to the Draft Report**

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



November 1, 2021

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

FROM: Jim H. Crumacker, CIA, CFE  
Director  
Departmental GAO-OIG Liaison Office

SUBJECT: Management Response to Draft Report: "Major Management and Performance Challenges Facing the Department of Homeland Security" (Project No. 21-058-OEA-DHS)

JIM H  
CRUMPACKER  
Digitally signed by  
JIM H CRUMPACKER  
Date: 2021.11.01  
15:11:03 -04'00'

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS or the Department) appreciates the Office of Inspector General's (OIG) work preparing and issuing this report, which summarizes the most serious management and performance challenges you believe are facing the Department and assesses progress in addressing them.

As Secretary of Homeland Security Alejandro N. Mayorkas recently stated: "DHS is fundamentally a Department of partnerships." DHS depends on close coordination with the intelligence community, law enforcement, state, local, tribal and territorial officials, nonprofit organizations, social service groups, and many others to successfully fulfill its vital mission of securing the Nation from the many threats we face. This includes DHS's partnership with the OIG.

Senior DHS leadership is committed to maintaining a culture where its employees and contractors understand the OIG's work—providing independent oversight, detecting and preventing waste, fraud, and abuse, and promoting excellence, integrity, and accountability within the Department—truly helps strengthen the Department, and that everyone must be open and transparent during their interactions with the OIG staff.

DHS leadership, program officials, and subject matter experts will consider the OIG perspectives offered in this report when moving forward to further address these management and performance challenges during the coming year. Of particular note, the Department welcomes OIG's format change to this year's report which more clearly





**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

outlines (1) each challenge and why the challenge exists, (2) the progress made to address the challenge, and (3) what remains to be done. Examples of additional context regarding the progress made to address each challenge follows.

**Performing Fully and Effectively during COVID-19 Pandemic**

Since the start of the coronavirus (COVID-19) public health emergency, the Federal Emergency Management Agency (FEMA) provided unprecedented assistance to state, local, tribal, and territorial (SLTT) governments in taking action to protect public health and safety. In particular, the FEMA Public Assistance (PA) program awarded more funding in 2020 than in any prior year, amounting to approximately five times the previous annual average. Further, FEMA PA program exceeded this number in just the first half of 2021. As of October 26, 2021, FEMA’s PA program obligated more than \$32.8 billion as part of the response to COVID-19, and expects this sum will continue to grow as the Nation combats the surging Delta variant and ongoing emergency.

At the outset of COVID-19, FEMA made significant changes to the PA process to avoid delays and remove barriers to providing assistance to the public and SLTT governments, such as simplifying information and application requirements and enabling applicants to apply directly to FEMA. Despite the increase in PA applications for COVID-19 assistance, the steps FEMA took to simplify and streamline the PA process resulted in significantly faster processing times for COVID-19 emergency protective measure projects. For emergency protective measure projects in all disasters declared from January 1, 2018 to October 26, 2021, COVID-19 applications were processed (from project creation to initial funding) in a median of 85 days, compared to a median of 115 days for non-COVID-19 applications. It is important to recognize that FEMA addressed challenges in delivering COVID-19 assistance with innovative approaches that resulted in significantly improved results, including measurably faster processing timeframes for COVID-19 PA requests while maintaining the health and safety of employees, applicants, and stakeholders.

**Countering Terrorism and Homeland Security Threats**

The Department continues to assess past threats to national security and safeguard its law enforcement officers and the communities they serve against new ones. To foster additional unity of effort, this year DHS launched the Law Enforcement Coordination Council (LECC) chaired by Secretary of Homeland Security Mayorkas – the Department’s first unified law enforcement coordination body to comprehensively assess a broad range of law enforcement matters, including its law enforcement policies and training. The LECC, led by an Executive Director (selection pending), is comprised of two committees, one covering training and the other use of force policy reform. The training committee met for the first time on October 25, 2021. Through these groups, the



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

LECC will conduct comprehensive reviews that ensure more fair, equitable, and impartial policing, as well as officer and community safety.

The LECC includes the leadership of each DIIS law enforcement Component, as well as leadership of DIIS Headquarters Offices with advisory and oversight roles, including the Office for Civil Rights and Civil Liberties, Privacy Office, and Office of the General Counsel. The LECC will evaluate and respond to emerging law enforcement challenges and opportunities, comprehensively assess potential policy changes, facilitate information sharing, and promote best practices. The LECC will also coordinate closely with partners across every level of government, as well as with other key stakeholders.

**Securing Cyberspace and Critical Infrastructure**

The Cybersecurity and Infrastructure Security Agency (CISA) continued to lead the national effort to understand, manage, and mitigate risk to the Nation’s physical and cyber infrastructure. For example, CISA is coordinating closely with the FEMA Grants Programs Directorate and National Dam Safety Program to develop the appropriate interagency coordination agreements to formally document and define the respective roles and responsibilities for information-sharing and analytical collaboration for grant decision-making related to the safety, security, and resilience of dams.

At the same time, CISA’s Cybersecurity Division has grown its personnel and programs over the past several years to enhance its ability to manage risk to critical infrastructure. This includes the creation of the Joint Cyber Defense Collaborative, which will strengthen CISA’s partnerships and planning collaboration with private and public sector stakeholders. Additionally, CISA has grown its Cyber Defense Operations, ensuring that when there is a major cybersecurity attack, the Agency can analyze the many data feeds it receives to inform the impact of the attack on national critical functions. In sum, CISA continues to mature and strengthen its ability to reduce cybersecurity risk by building cybersecurity resilience into our Nation’s most critical infrastructure, including partnerships with federal, state, local, and private sector partners.

Also, the DHS Office of the Chief Information Officer is enhancing the use of Continuous Diagnostics and Mitigation through an upgraded dashboard to monitor Component tool use, manage deadlines, and integrate Component data.

**Ensuring Proper Financial Management**

During the past year, DHS made significant progress to address this challenge as the Department sustained its unmodified financial statement audit opinion for the 9<sup>th</sup> consecutive year and took significant steps to strengthen internal controls and address audit findings. Many of the root causes behind the material weaknesses identified in the annual audit reports are related to outdated financial and business systems. At the start of



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

fiscal year (FY) 2021, DHS deployed a modernized financial, procurement, and asset management solution to the Transportation Security Administration (TSA) – the first major operational Component to modernize. DHS is currently on track to deploy the U.S. Coast Guard on the same modern platform during the first quarter of FY 2022.

Furthermore, in FY 2021, DHS awarded strategic sourcing vehicles for software and system integration services which will support the upcoming modernization of the financial systems used by CISA, FEMA, U.S. Immigration and Customs Enforcement, the Science and Technology Directorate, U.S. Citizenship and Immigration Services, and other DHS Headquarters offices during the next five years. These system modernization efforts, coupled with ongoing efforts to address prior-year audit findings and improve internal controls, will help DHS remediate the remaining auditor-reported material weaknesses and promote more efficient financial operations and effective stewardship of public funds.

**Ensuring Technology Supports Essential Mission Operations**

The Department continues to improve oversight and ensure consistent configuration management in three important ways. DHS is implementing the Unified Cybersecurity Maturity Model to standardize cybersecurity maturity level measurement including security practices, controls, and configurations and expanded the DHS Cybersecurity Service Provider program to include operational maturity assessment of the Component Network Operation Centers. In concert with CISA and other agencies, DHS also accelerated our Information Communications and Technology supply chain risk management implementation to ensure and improve the cybersecurity of the vendors entrusted with safeguarding DIIS information products, services, and software.

Further, the Department continues to remediate the internal control issues that underlie data deficiencies by continuing to demonstrate improvements in data management operations. For example, DHS established a Data Inventory Program that provides a collection of data assets to create a data catalog that is accurate, complete, timely, secure, and will allow the Department to make more efficient use of the data it has, create new programs, engage in evidence-building activities, and dramatically reduce reporting requirements. DHS enhances mission effectiveness through quality data that is trusted and secure, whereby the Chief Data Officer collaborates with programs across the Department to implement the strategic objectives and information system controls for appropriate access by internal and external sources to protect the confidentiality, integrity, and availability of the data.





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### **Improving FEMA's Contracts and Grants Management, Disaster Assistance, and Fraud Prevention**

FEMA's Office of the Chief Component Procurement Officer (OCCPO) continues to improve communication and processes to support successful acquisitions during disaster and non-disaster operations. In June 2021, FEMA issued its FEMA Acquisition Manual that supplements the DHS Homeland Security Manual. FEMA OCCPO also revamped its Procurement Policy website to ensure Contracting Officers can easily navigate regulations, alerts, directives, and templates to obtain important information. In addition, the website for Disaster Contracting is continuously updated with advance contract information. OCCPO also has a Community of Practice that supports its core capability of procurement.

Regarding FEMA's disaster relief to state and local governments who procure goods and services, FEMA's Grant Programs Directorate's Procurement Disaster Assistance Team (PDAT) made significant progress to ensure that FEMA award recipients and subrecipients understand the federal rules that govern their purchasing actions under FEMA declarations and grant awards. Since January 2020, PDAT has launched the "Purchasing Under FEMA Awards" website ([www.fema.gov/grants/procurement](http://www.fema.gov/grants/procurement)) designed to aid FEMA award recipients and subrecipients in complying with the Federal procurement rules. This website contains FEMA-wide policy resources, fact sheets, guides, as well as a schedule for upcoming training sessions. From January 2020 through mid-October 2021, PDAT delivered 224 procurement under grant training sessions to 24,332 participants which include FEMA staff, state, local, and tribal government representatives; and nonprofit partners.

### **Strengthening Oversight of Management and Major Systems Acquisition**

DHS agrees with OIG's assessment that the Department has "made progress in its acquisition processes and controls" and is committed to further improvement and reinforcing the use of various tools and guides designed to facilitate compliance. Components will continue to work openly and collaboratively with DHS oversight organizations, while still following Departmental acquisition policy.

The Department believes that all acquisition programs within the portfolio are in compliance with established processes and policies and that adequate management and oversight is in place to continually monitor program cost, schedule, and performance against DHS-approved baselines. DHS, through the Office of Program Accountability and Risk Management (PARM), effectively manages acquisition program policy, governance, and oversight.

For example, as of September 2021, there are three programs in breach of their approved Acquisition Program Baseline, representing a 50 percent reduction in the number of

5



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

---

breach programs over the last year (three programs removed from breach status). In accordance with DHS acquisition policy, the remaining three breach programs are aggressively executing DIIS-approved remediation plans in an effort to rebaseline and remove the programs from breach status by the end of 2021.

In addition, PARM continues to conduct quarterly portfolio assessments using the improved Acquisition Program Health Assessment tool and report, which provide an accurate picture of program performance. PARM also continues to participate in annual Component Acquisition Executive oversight reviews and individual program reviews for all Level 3 programs on the Master Acquisition Oversight List.

\* \* \*

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



### **Additional Information and Copies**

To view this and any of our other reports, please visit our website at:  
[www.oig.dhs.gov](http://www.oig.dhs.gov).

For further information or questions, please contact Office of Inspector General  
Public Affairs at: [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov).  
Follow us on Twitter at: @dhsoug.



### **OIG Hotline**

To report fraud, waste, or abuse, visit our website at [www.oig.dhs.gov](http://www.oig.dhs.gov) and click on the red "Hotline" tab. If you cannot access our website, call our hotline at (800) 323-8603, fax our hotline at (202) 254-4297, or write to us at:

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





## Appendix A: Acronyms

### A

ACE – Automated Commercial Environment  
AFR – Agency Financial Report  
AGA – Association of Government Accountants  
APG – Agency Priority Goal  
ATON – Aids to Navigation

### B

BRS – Blended Retirement System  
BFR – Biennial Fee Review

### C

CBoL – Commercial Bill of Lading  
CBP – U.S. Customs and Border Protection  
CBRN – Chemical, Biological, Radiological and Nuclear  
CDC – Centers for Disease Control and Prevention  
CDL – Community Disaster Loans  
CEAR – Certificate of Excellence in Accountability Reporting  
CFATS – Chemical Facility Anti-Terrorism Standards  
CFO – Chief Financial Officer  
CFR – Code of Federal Regulations  
CIO – Chief Information Officer  
CISA – Cybersecurity and Infrastructure Security Agency  
COBRA – Consolidated Omnibus Budget Reconciliation Act of 1985  
COLA – Cost of Living Allowance  
CONOPS – Concept of Operations  
COTS – Commercial Off-the-Shelf  
CPI – Consumer Price Index  
CSR – Cancer Statistics Review  
CSRS – Civil Service Retirement System

CUAS – Counter Unmanned Aircraft Systems  
CWMD – Countering Weapons of Mass Destruction

### D

DADLP – Disaster Assistance Direct Loan Program  
DATA Act – Digital Accountability and Transparency Act of 2014  
DC – District of Columbia  
DCIA – Debt Collection Improvement Act of 1996  
DCM – Disaster Case Management  
DHS – Department of Homeland Security  
DIEMS – Date of Initial Entry into Military Service  
DOD – U.S. Department of Defense  
DOJ – Department of Justice  
DOL – U.S. Department of Labor  
DPIO – Deputy PIO  
DRF – Disaster Relief Fund

### E

EDS – Explosive Detection System  
ERM – Enterprise Risk Management  
ERO – Enforcement and Removal Operations

### F

FAA – DHS Financial Accountability Act  
FBwT – Fund Balance with Treasury  
FCRA – Federal Credit Reform Act of 1990  
FECA – Federal Employees Compensation Act of 1916  
FEMA – Federal Emergency Management Agency  
FERS – Federal Employees Retirement System



FEVB – Federal Employee and Veterans’ Benefits  
FFMIA – Federal Financial Management Improvement Act of 1996  
FISMA – Federal Information Security Management Act  
FLETC – Federal Law Enforcement Training Centers  
FMFIA – Federal Managers’ Financial Integrity Act  
FPS – Federal Protective Service  
FR – Financial Report  
FRDAA – Fraud Reduction and Data Analytics Act  
FSM – Financial Systems Modernization  
FY – Fiscal Year

**G**

GAAP – Generally Accepted Accounting Principles  
GAO – U.S. Government Accountability Office  
GETS – Government Emergency Telecommunications Service  
GPRA – Government Performance and Results Act of 1993  
GPRAMA – GPRA Modernization Act of 2010  
GSA – General Services Administration  
GTAS – Government-wide Treasury Account Symbol

**H**

HFIAA – Homeowner Floor Insurance Affordability Act  
HVA – High Value Assets

**I**

IA – Individual Assistance  
I&A – Office of Intelligence and Analysis  
ICE – U.S. Immigration and Customs Enforcement

ICMM – Internal Control Maturity Model  
IEFA – Immigration Examination Fee Account  
IHP – Individuals and Households Program  
INA – Immigration and Nationality Act  
IPE – Information Produced by Entity  
IPERA – Improper Payments Elimination and Recovery Act of 2010  
IPERIA – Improper Payments Elimination and Recovery Improvement Act of 2012  
IPIA – Improper Payments Information Act of 2002  
IT – Information Technology

**L**

LOI – Letter of Intent

**M**

MERHCF – Medicare–Eligible Retiree Health Care Fund  
MGMT – Management Directorate  
MHS – Military Health System  
MRS – Military Retirement System

**N**

NRCC – National Response Coordination Center  
NRMCM – National Risk Management Center

**O**

O&S – Operations & Support  
OCPO – Chief Procurement Officer  
OIG – Office of Inspector General  
OMB – Office of Management and Budget  
OM&S – Operating Materials and Supplies  
OPA – Oil Pollution Act of 1990  
OPCON – Operational Control  
OPEB – Other Post Retirement Benefits  
OPLA – Office of the Principal Legal Advisor  
OPM – Office of Personnel Management  
OPO – Office of Protective Operations



OPS – Office of Operations Coordination  
ORB – Other Retirement Benefits  
OSLTF – Oil Spill Liability Trust Fund  
OTA – Other Transaction Agreement

**P**

PA – Public Assistance  
PA&E – Program Analysis and Evaluation  
PIIA – Payment Integrity Information Act of 2019  
PIO – Performance Improvement Officer  
PP&E – Property, Plant, and Equipment  
P.L. – Public Law

**S**

SAR – Search and Rescue  
SBA - Small Business Administration  
SBR – Statement of Budgetary Resources  
SFFAS – Statement of Federal Financial Accounting Standards  
SFRBTF – Sport Fish Restoration Boating Trust Fund  
SNC - Statement of Net Cost  
SOC – Service Organization Control  
SOS – Schedule of Spending  
SR – Strategic Review  
S&T – Science and Technology Directorate

**T**

TAFS – Treasury Appropriation Fund Symbol  
TBI – Treasury Breakeven Inflation  
TCM – Trade Compliance Measurement  
Treasury – Department of the Treasury  
TSA – Transportation Security Administration

**U**

UAS – Unmanned Aerial System  
U.S. – United States  
US&R – Urban Search & Rescue  
USC – United States Code  
U.S. Department of Homeland Security

USCG – U.S. Coast Guard  
USCIS – U. S. Citizenship and Immigration Services  
USPS – U.S. Postal Service  
USSGL – U.S. Standard General Ledger  
USSS – U.S. Secret Service

**V**

VA – U.S. Department of Veterans Affairs  
VP – Vendor Payment

**W**

WYO – Write Your Own



## Appendix B: Acknowledgements

This AFR was produced with the tireless energies and talents of Department of Homeland Security Headquarters and Component employees and contract partners. Within the Office of the Chief Financial Officer, the division of Financial Management is responsible for financial management policy, preparing annual financial statements and related notes and schedules, and coordinating the external audit of the Department's financial statements.

The division of Risk Management and Assurance provides direction in the areas of internal control to support the Secretary's assurance statement, risk management, and improper payments.

The division of Program Analysis and Evaluation conducts analysis for the Department on resource allocation issues and the measurement, reporting, and improvement of DHS performance, and coordinates the Performance Overview section of the AFR.

The division of GAO-OIG Audit Liaison facilitates Department relationships with audit organizations and coordinates with OIG on the Management Challenges report.

We offer our sincerest thanks to all the offices involved in the Department's FY 2021 Agency Financial Report for their hard work and contributions.

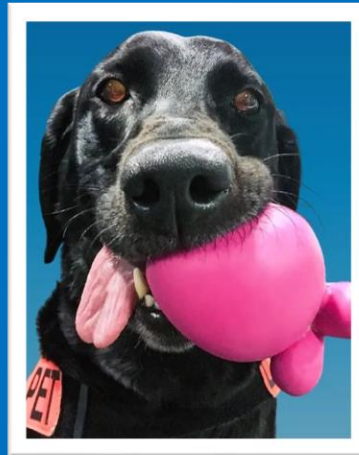




# DHS DOGS ON DUTY

## BELLA BELL

Bella Bell works hard for TSA to keep Sacramento International Airport (SMF) and our Nation safe. She was named in tribute to Nina Patrice Bell who died on September 11<sup>th</sup>, 2001.

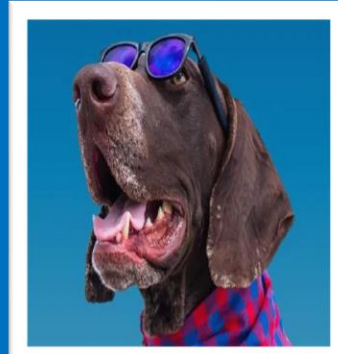
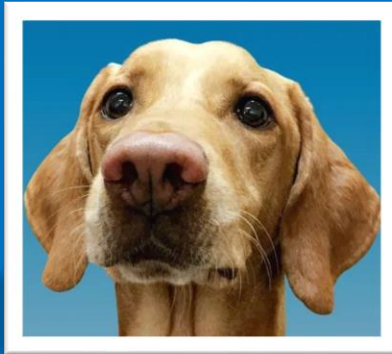


## JJAGODA

Jjagoda works hard for TSA to keep Washington Dulles International (IAD) and our Nation safe.

## RONY

Rony works hard for TSA to keep Chicago Midway International Airport (MDW) and our Nation safe!

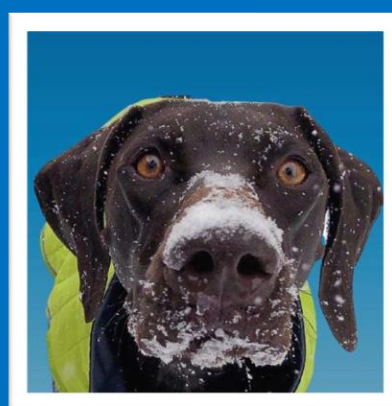


## JUNG

Jung works hard for TSA to keep Miami International Airport (MIA) and our Nation Safe!

## REA

Rea works hard for TSA to keep San Francisco International Airport (SFO) and our Nation safe.



## CSOKI

Csoki works hard for TSA to keep Denver International Airport (DEN) and our Nation Safe.

Thanks to all the dogs that are critical to supporting our security missions!





Homeland  
Security