



United States Government Accountability Office  
Washington, DC 20548

July 30, 2010

The Honorable Frank Lautenberg  
Interim Chairman  
The Honorable George Voinovich  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
United States Senate

The Honorable David E. Price  
Chairman  
The Honorable Harold Rogers  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
House of Representatives

Subject: U.S. Customs and Border Protection's Border Security Fencing,  
Infrastructure and Technology Fiscal Year 2010 Expenditure Plan

This letter formally transmits the summary of a briefing we gave in June 2010 in response to a mandate in the Department of Homeland Security Appropriations Act, 2010, and subsequent agency comments.<sup>1</sup> This mandate required the Department of Homeland Security (DHS) to complete an expenditure plan that satisfied 11 specified conditions, and for the plan to be submitted to and approved by the House and Senate Appropriations Committees before the agency could obligate \$75 million of the \$800 million appropriated for U.S. Customs and Border Protection (CBP) border security fencing, infrastructure and technology.<sup>2</sup> Also, the Act required us to review this expenditure plan.<sup>3</sup> In addition, Conference, Senate, and House committee reports accompanying the act directed that the plan address 7 items (referred to as

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<sup>1</sup>Pub. L. No. 111-83, 123 Stat. 2142, 2145-47 (2009).

<sup>2</sup>The act required that the expenditure plan be submitted within 90 days after enactment.

<sup>3</sup>In response to similar requirements in previous appropriations acts, we issued three reports containing the results of our reviews of the fiscal year 2007, 2008, and 2009 SBI expenditure plans. See GAO, *U.S. Customs and Border Protection's Secure Border Initiative Fiscal Year 2009 Expenditure Plan*, [GAO-09-274R](#) (Washington, D.C.: Apr. 30, 2009); *Secure Border Initiative: Fiscal Year 2008 Expenditure Plan Shows Improvement, but Deficiencies Limit Congressional Oversight and DHS Accountability*, [GAO-08-739R](#) (Washington, D.C.: June 26, 2008); and *Secure Border Initiative: SBI Net Expenditure Plan Needs to Better Support Oversight and Accountability*, [GAO-07-309](#) (Washington, D.C.: Feb. 15, 2007).

“committee reports’ directions” in this letter).<sup>4</sup> In response to these requirements, the Department of Homeland Security submitted a plan to Congress on May 20, 2010, titled “Border Security Fencing, Infrastructure and Technology (BSFIT) Fiscal Year 2010 Expenditure Plan.” As required by the act, we reviewed the plan and on June 17 and 18, 2010, briefed the offices of the Senate and House Appropriations Subcommittees, respectively, on the analysis of whether the plan satisfied the 11 legislative conditions and the 7 committee reports’ directions. To conduct this work, we analyzed the expenditure plan and documents referenced within the plan, such as strategic plans and reports and interviewed CBP program officials to obtain clarification on material contained in the expenditure plan. Additional details on our scope and methodology are included in enclosure I, slides 5 and 6.

In summary, the expenditure plan did not fully satisfy all of the legislative conditions and committee reports’ directions. Specifically, of the 11 legislative conditions, the expenditure plan satisfied 4, partially satisfied 6, and did not satisfy 1.<sup>5</sup> For more information on the legislative conditions and the results of our analyses, see slides 7, 8, and 9. Also, of the 7 committee reports’ directions, the expenditure plan satisfied 2 and partially satisfied 5. For more information on the committee reports’ directions and the results of our analyses, see slides 10, 11, and 12. Based on the results of our review, we are not making any recommendations for congressional consideration or agency action.

We provided a draft of this report to DHS for review and comment. DHS provided written comments which are reprinted in Enclosure II. In commenting on a draft of this report, DHS responded to the findings related to 1 of the 11 legislative conditions and did not comment on the findings related to the 7 committee reports’ directions. Specifically, DHS stated that it concurred in part with our assessment of partially satisfied for legislative condition 8. This condition requires that the expenditure plan include a certification by the DHS Chief Procurement Office (CPO) that the program (1) complies with DHS’s acquisition management review process, among other things; (2) meets federal acquisition requirements; and (3) is adequately staffed. The condition also requires that the plan includes required supporting documentation used to obtain this certification.

The expenditure plan included the CPO certification, but this certification partially satisfied the condition, as indicated in our assessment of the condition in slides 47-49. The certification satisfied one aspect of the condition by certifying that the program complied with federal acquisition rules, requirements, guidelines, and practices, but it did not fully address the two other aspects of the condition regarding the

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<sup>4</sup>H.R. Rep. No. 111-298, at 68-70 (2009) (Conf. Rep.); S. Rep. No. 111-31, at 37-38 (2009); H.R. Rep. No. 111-157, at 41-45 (2009).

<sup>5</sup>**Satisfied** means that the plan and documentation referenced therein either satisfied or provided for satisfying each requirement of the condition or direction that we reviewed. **Partially satisfied** means that the plan either satisfied or provided for satisfying some, but not all, key aspects of the condition or direction that we reviewed. **Not satisfied** means that the plan and documentation referenced therein did not satisfy any of the key aspects of the condition or direction we reviewed.

certification.<sup>6</sup> Specifically, in certifying that the program complied with DHS's acquisition management review process and capital planning and investment control procedures, the certification did not satisfy this aspect of the condition because it did not provide information on the status of required actions from investment reviews. Also, it did not specifically certify that the program has adequate staff and resources to effectively manage the program, another aspect of the condition.

In its comments, DHS said that it believes that the CPO certification satisfied the aspect of the condition regarding compliance with DHS's acquisition management review process and capital planning and investment control procedures. Also, DHS believes that the certification satisfied the intent of the aspect of the condition regarding staffing. We do not agree that the certification satisfied these aspects of the condition. Specifically, we disagree with DHS's response that the CPO certification does not need to indicate the status of action items resulting from DHS's Acquisition Management Review process, as documented in the Acquisition Decision Memoranda, to satisfy the condition. The CPO certification cites the Acquisition Decision Memoranda as evidence of review and approval according to the DHS acquisition management review process, but it omits that action items resulting from the review process were not completed by their due dates. We believe that these items are required by the review process and that, by not including information on these items, the CPO certification provided an incomplete picture of the results of the review process.

DHS also commented that the CPO certification satisfied the intent of the aspect of the condition requiring that the CPO certify that the program has adequate staff and resources to effectively manage the program and all contracts, including the exercise of technical oversight. However, the CPO certification did not satisfy the condition because it did not specifically certify that the program has adequate staff and resources. Also, the language in the certification on whether staffing is adequate is unclear because the plan mentions staffing challenges while at the same time stating that the program office has increased government staffing and has adequate resources. In its comments, DHS agreed that to meet this aspect of the condition, the certification should have included a more specific statement regarding the adequacy of SBI staffing levels.

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We are sending copies of this report to the Chairman and Ranking Members of other Senate and House committees that have authorization and oversight responsibilities for homeland security. We are also sending copies to the Secretary of Homeland Security, the Commissioner of U.S. Customs and Border Protection, and the Director of the Office of Management and Budget. This report will also be available at no charge on our Web site at <http://www.gao.gov>. Should you or your offices have any questions concerning this report, please contact me at (202) 512-8816 or

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<sup>6</sup>The expenditure plan also did not satisfy condition 8, as noted in slide 48, because it did not include the required supporting documents or memoranda, and documentation and a description of the investment review process used to obtain the CPO certification.

[stanar@gao.gov](mailto:stanar@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Susan Quinlan, Assistant Director; and Juan Tapia-Videla, Analyst-in-Charge; managed this assignment. Frances Cook, Celina Davidson, Deborah Davis, Katherine Davis, Dan Gordon, Jeremy Manion, Taylor Matheson, Jamelyn Payan, Jerry Seigler, Amelia Shachoy, and Adam Vogt made significant contributions to the work.

A handwritten signature in black ink that reads "Richard M. Stana". The signature is written in a cursive style with a large initial 'R'.

Richard M. Stana, Director  
Homeland Security and Justice Issues

Enclosures (2)

# Enclosure I: Briefing to the Subcommittees on Homeland Security, Senate and House Committees on Appropriations



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## **Briefing on U.S. Customs and Border Protection's Border Security Fencing, Infrastructure and Technology Fiscal Year 2010 Expenditure Plan**

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Prepared for the  
Subcommittees on Homeland Security,  
Senate and House  
Committees on Appropriations

June 17 and 18, 2010

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## **Briefing Overview**

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- Introduction
- Objective, Scope, and Methodology
- Results in Brief
- Background
- Findings
  - Legislative Conditions
  - Committee Reports' Directions
- Related GAO Products



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## Introduction

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In November 2005, the Department of Homeland Security (DHS) announced the launch of the Secure Border Initiative (SBI), a multiyear, multibillion-dollar program aimed at securing U.S. borders and reducing illegal immigration.

U.S. Customs and Border Protection (CBP) is the lead agency within DHS responsible for the development and deployment of SBI technology (e.g., cameras, sensors, radars, and tactical communications) and tactical infrastructure (TI) (e.g., fences, roads, and lighting).

The focus of the SBI program has been on the southwest border areas between the ports of entry<sup>1</sup> that CBP has designated as having the highest need for enhanced border security because of serious vulnerabilities. However, the SBI program also has several ongoing initiatives to secure the northern border.

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<sup>1</sup>At a port of entry location, CBP officers are responsible for securing the flow of people and cargo into and out of the country, while facilitating legitimate travel and trade.



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## Introduction (continued)

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The Department of Homeland Security Appropriations Act, 2010, required DHS to complete an expenditure plan that would address 11 conditions and that would be submitted to and approved by the House and Senate Appropriations Committees before the agency could obligate \$75 million of the \$800 million appropriated for CBP fencing, infrastructure, and technology.<sup>2</sup> Also, the act required GAO to review this expenditure plan. In response to similar requirements in previous appropriations acts, we issued three reports containing the results of our reviews of the fiscal year 2007, 2008, and 2009 BSFIT expenditure plans.<sup>3</sup>

In addition, Conference, Senate, and House committee reports accompanying the act directed that the plan address seven items (referred to as committees reports' directions in this briefing).<sup>4</sup>

In response to the above requirements, DHS submitted a plan to Congress on May 20, 2010, titled *Border Security Fencing, Infrastructure and Technology (BSFIT) Fiscal Year 2010 Expenditure Plan*.<sup>5</sup>

<sup>2</sup>Pub. L. No. 111-83, 123 Stat. 2142, 2145-47 (2009).

<sup>3</sup>GAO, *U.S. Customs and Border Protection's Secure Border Initiative Fiscal Year 2009 Expenditure Plan*, GAO-09-274R (Washington, D.C.: Apr. 30, 2009); *Secure Border Initiative Fiscal Year 2008 Expenditure Plan Shows Improvement, but Deficiencies Limit Congressional Oversight and DHS Accountability*, GAO-08-739R (Washington, D.C.: June 26, 2008); and *Secure Border Initiative: SBinet Expenditure Plan Needs to Better Support Oversight and Accountability*, GAO-07-309 (Washington, D.C.: Feb. 15, 2007).

<sup>4</sup>H.R. Rep. No. 111-298, at 68-70 (2009) (Conf. Rep.); S. Rep. No. 111-31, at 37-38 (2009); H.R. Rep. No. 111-157, at 41-45 (2009).

<sup>5</sup>For purposes of this briefing, we refer to this plan as the BSFIT expenditure plan.



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## Objective, Scope, and Methodology

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Our objective was to determine whether CBP's BSFIT expenditure plan (1) satisfied the 11 legislative conditions specified in the Department of Homeland Security Appropriations Act, 2010, and (2) satisfied the 7 committee reports' directions contained in the Conference, Senate, and House committee reports accompanying the act.

To accomplish our objective, we

- analyzed the BSFIT expenditure plan and documents referenced within the plan, such as strategic plans and reports, and
- interviewed cognizant CBP program officials in Washington, D.C., to obtain clarification on material contained in the BSFIT expenditure plan.

In making our determination regarding whether the BSFIT expenditure plan satisfied each of the 11 legislative conditions and 7 committees reports' directions, we limited our assessment to the information in the expenditure plan and documents referenced in the plan because both the conditions and the directions specified that the *expenditure plan* was to contain the information to address them.



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## Objective, Scope, and Methodology (continued)

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We determined that funding, staffing, and fencing mileage data provided in the plan were sufficiently reliable for purposes of this briefing. We based our decision on an assessment for each respective area by questioning cognizant DHS officials about the source of the data and policies and procedures to maintain the integrity of these data.

We also met with DHS officials, including the Executive Director of the SBI Program, to obtain their oral comments on a copy of this briefing. They provided additional information for our consideration and technical comments that we incorporated, as appropriate.

We conducted this performance audit from November 2009 through June 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.



## Results in Brief: Legislative Conditions

Of the 11 legislative conditions, the BSFIT expenditure plan satisfied 4, partially satisfied 6, and did not satisfy 1.<sup>6</sup> The 11 legislative conditions and the level of satisfaction are summarized in table 1.

**Table 1: GAO Assessment of Satisfaction of Legislative Conditions**

Legislative conditions	Status
1. A detailed accounting of the program's implementation to date for all investments, including technology and tactical infrastructure, for funding already expended relative to system capabilities or services, system performance levels, mission benefits and outcomes, milestones, cost targets, program management capabilities, identification of the maximum investment, including life-cycle costs, related to the SBI program or any successor program, and description of the methodology used to obtain these cost figures.	Partially satisfied
2. A description of how specific projects will further the objectives of SBI, as defined in the Department of Homeland Security Secure Border Strategic Plan, <sup>a</sup> and how the expenditure plan allocates funding to the highest priority border security needs.	Satisfied
3. An explicit plan of action defining how all funds are to be obligated to meet future program commitments, with the planned expenditure of funds linked to the milestone-based delivery of specific capabilities, services, performance levels, mission benefits and outcomes, and program management capabilities.	Partially satisfied
4. An identification of SBI staffing, including full-time equivalents, contractors, and detailees, by program office.	Partially satisfied

<sup>6</sup>**Satisfied** means that the plan and documentation referenced therein either satisfied or provided for satisfying each requirement of the condition or direction that we reviewed. **Partially satisfied** means that the plan either satisfied or provided for satisfying some, but not all, key aspects of the condition or direction that we reviewed. **Not satisfied** means that the plan and documentation referenced therein did not satisfy any of the key aspects of the condition or direction we reviewed.



## Results in Brief: Legislative Conditions (continued)

**Table 1: GAO Assessment of Satisfaction of Legislative Conditions (continued)**

Legislative conditions	Status
5. A description of how the plan addresses security needs at the northern border and ports of entry, including infrastructure, technology, design and operations requirements, specific locations where funding would be used, and priorities for northern border activities.	Satisfied
6. A report on the budget, obligations and expenditures, activities completed, and progress made by the program in terms of obtaining operational control of the entire border of the United States.	Partially satisfied
7. A listing of all open GAO and Office of Inspector General (OIG) recommendations related to the program and the status of DHS actions to address the recommendations, including milestones to fully address them.	Partially satisfied
8. A certification by the Chief Procurement Officer (CPO) of the Department, including all supporting documents or memoranda, and documentation and a description of the investment review processes used to obtain such certifications, that (a) the program has been reviewed and approved in accordance with the investment management process of the Department, and that the process fulfills all capital planning and investment control requirements and reviews established by the Office of Management and Budget (OMB), including as provided in Circular A-11, part 7; (b) the plans for the program to comply with the Federal acquisition rules, requirements, guidelines, and practices, and a description of the actions being taken to address areas of non-compliance, the risks associated with such actions, together with any plans for addressing these risks, and the status of the implementation of such actions; (c) procedures to prevent conflicts of interest between the prime integrator and major subcontractors are established and that the SBI Program Office has adequate staff and resources to effectively manage the Secure Border Initiative program, all contracts, including the exercise of technical oversight.	Partially satisfied



## Results in Brief: Legislative Conditions (continued)

**Table 1: GAO Assessment of Satisfaction of Legislative Conditions (continued)**

Legislative conditions	Status
9. A certification by the Chief Information Officer (CIO) of the Department, including all supporting documents and memoranda, and documentation and a description of the investment review processes used to obtain such certifications, that: (a) the system architecture of the program is sufficiently aligned with the information systems enterprise architecture of the Department to minimize future rework, including a description of all aspects of the architectures that were or were not assessed in making the alignment determination, the date of the alignment determination, and any known areas of misalignment together with the associated risks and corrective actions to address any such areas; (b) the program has a risk management process that regularly and proactively identifies, evaluates, mitigates, and monitors risks throughout the system life-cycle and communicates high-risk conditions to U.S. Customs and Border Protection and Department of Homeland Security investment decision-makers, as well as a listing of all the program's high risks and the status of efforts to address such risks; and (c) an independent verification and validation agent is currently under contract for the projects funded.	Not satisfied
10. A certification by the Chief Human Capital Officer (CHCO) of the Department that the human capital needs of the Secure Border Initiative program are being addressed so as to ensure adequate staff and resources to effectively manage the Secure Border Initiative.	Satisfied
11. An analysis by the Secretary for each segment, defined as not more than 15 miles, of fencing or tactical infrastructure, of the selected approach compared to other, alternative means of achieving operational control, and such analysis should include cost, level of operational control, possible unintended effects on communities, and other factors critical to the decision making process.	Satisfied

Sources: Pub. L. No. 111-83, 123 Stat. 2142, 2145-47 (2009), and GAO analysis.

<sup>a</sup>Department of Homeland Security, *Secure Border Strategic Plan* (Washington, D.C., Dec. 1, 2006).



## Results in Brief: Committees Reports' Directions (continued)

Of the seven committees reports' directions, the BSFIT expenditure plan satisfied two and partially satisfied five. These committees reports' directions and the level of satisfaction are summarized in table 2.

**Table 2: GAO Assessment of Satisfaction of Committees Reports' Directions**

Committees reports' directions		Status
1.	<p>Funding for SBInet Block-2:</p> <p>Conference report direction: The conferees are concerned about the delays in deployment for SBInet "Blocks" 1 and 2,<sup>a</sup> while also recognizing the need to proceed carefully and to ensure steps are taken to address all mission and operational requirements. Therefore, the conferees also direct that the expenditure plan specify how additional funding included will be used to further key deployment and demonstrations in support of the launch of Block 2.</p> <p>Senate report direction: The expenditure plan for the use of the recommended \$800,000,000 shall provide an evaluation of opportunities to add key technology development and demonstrations for the launch of Block 2 of the SBI plan.</p>	Satisfied
2.	<p>Evaluation and acceptance criteria for SBInet:</p> <p>Conference report direction: The conferees continue to support expeditious deployment of effective technology to enhance CBP's execution of its border security mission, and recognize the renewed rigor with which the Office of Border Patrol (OBP) is evaluating the operational utility of such technology. In fiscal year 2010, the OBP is expected to evaluate the SBInet Block 1 increment through operational field testing along the Southwest Border. While OBP's operational requirements for border security technology are well documented, the criteria OBP will use to determine acceptance of the SBInet prime mission product remain unclear. The conferees direct CBP to delineate the evaluation and acceptance criteria for SBInet in the required BSFIT<sup>b</sup> expenditure plan.</p>	Satisfied
3.	<p>Investment tradeoffs along the northern border:</p> <p>Conference report direction: The conferees direct that the expenditure plan, in describing Northern Border technology investments, explicitly address tradeoffs between intensive investments (by operation or location) versus providing commercial off-the-shelf (COTS) technology and support to more areas of the Northern Border.</p>	Partially satisfied



## Results in Brief: Committees Reports' Directions (continued)

**Table 2: GAO Assessment of Satisfaction of Committees Reports' Directions (continued)**

Committees reports' directions	Status
<p>4. Expediting tactical communications modernization:                      Conference report direction: The conferees direct that the plan provide specific details on how additional funding shall be used to expedite P25 tactical communications modernization.<sup>c</sup>                      Senate report direction: Additional funds shall be used to expedite the P25 tactical communications modernization plan. The expenditure plan shall provide specific details for these additional activities.</p>	Partially satisfied
<p>5. Environmental planning and mitigation plan:                      Conference report direction: CBP is directed to include within the fiscal year 2010 expenditure plan and as specified in the House report, its proposed environmental planning and mitigation plan.                      House report direction: The Committee directs CBP to examine the use of buffer areas to accommodate both mitigation and security objectives for detecting and responding to illegal border crossing, such as those employed by the Department of Defense around bases and testing areas, and report on findings. Also, CBP is to include a detailed environmental mitigation plan and report on mitigation efforts. The plan should be science-based; include an extensive monitoring protocol; incorporate best practices developed in consultation with relevant federal, state, local and tribal authorities; and support land acquisition efforts for mitigation purposes, where applicable. The plan should also address mitigating and minimizing the impact not only of SBI construction and infrastructure, but also of increasingly intensive Border Patrol operations in sensitive border ecosystems.</p>	Partially satisfied
<p>6. Rationale for application of operations and maintenance funding:                      House report direction: The Committee includes \$200,000,000, as requested, for the operation and maintenance of systems and infrastructure deployed with BSFIT funding. This represents a 33 percent increase over the fiscal year 2009 appropriated level. Within this amount, the Committee understands that \$75,000,000 is for operations and maintenance costs for tactical infrastructure, with the remaining \$125,000,000 for support of technology, including tactical communications and integrated logistics support of newly deployed systems. The Committee expects to see a detailed rationale for the application of this funding.</p>	Partially satisfied



## Results in Brief: Committee Reports' Directions (continued)

**Table 2: GAO Assessment of Satisfaction of Committees Reports' Directions (continued)**

Committees reports' directions	Status
<p>7. Analyses of alternatives for fence construction: House report direction: To the extent that additional fencing is proposed, include analyses of alternatives for effective control of the border. Specifically, the Committee expects the fiscal year 2010 expenditure plan to document the decision process that led to selection of fencing as the optimal solution. The Committee also directs that such comparisons include the following: 1) A methodology section to explain how CBP determined ratings and weightings, and the standard direction applied to all segment analyses; 2) A description of baseline costs of each segment, broken out by personnel, infrastructure, and technology, and a detailed comparison of the cost of each alternative against that baseline; 3) A comparison of estimated level of border control, by segment, under each alternative (deterrence and time/distance) relative to the current level of border control. In defining the latter, CBP's estimates should incorporate natural barriers or other features of the landscape as appropriate and fully describe the contribution of such features in the plan. Alternatives should consist of reasonable combinations of elements (e.g., agents, sensors, and cameras), instead of being limited to individual elements unlikely to be used in isolation. CBP should also include alternatives proposed by communities or other stakeholder groups, such as eradication of vegetation; enhancement of natural barriers; or incorporation of security features into projects.</p>	<p>Partially satisfied<sup>d</sup></p>

Sources: H.R. Rep. No. 111-298, at 68-70 (2009) (Conf. Rep.); S. Rep. No. 111-31, at 37-38 (2009); and H.R. Rep. No. 111-157, at 41-45 (2009), and GAO analysis.

<sup>a</sup>SBI<sup>net</sup> refers to a technology system to include sensors; cameras; radars; command, control, communications; and intelligence technologies. CBP plans to deploy SBI<sup>net</sup> capabilities in "blocks." For example, CBP is currently deploying Block 1 in two areas in Arizona. Block 1 is the first phase of an effort to design, develop, integrate, test, and deploy a technology system of hardware, software, and communications.

<sup>b</sup>Border Security Fencing, Infrastructure, and Technology (BSFIT).

<sup>c</sup>P25 refers to a set of open system standards that apply to digital land mobile radio communications services and enable federal, state/province, and local public safety agencies in North America to communicate with other agencies and mutual aid response teams in emergencies regardless of their land mobile radio systems' manufacturers.

<sup>d</sup>Although the expenditure plan does not specifically mention this House report direction, we assessed it because it was one of the requirements in the House report.



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## Background: SBI Program Operations

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BSFIT funds SBI technology and TI programs and the CBP program offices responsible for their implementation:

- The SBI Systems Program Office administers all BSFIT funding and is responsible for SBI's main technology program, *SBI<sup>net</sup>*.
- The Tactical Communications Program Office within CBP's Office of Information Technology is responsible for tactical communications.
- The TI program is administered by the Office of Administration's Facilities Management and Engineering division.<sup>7</sup>

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<sup>7</sup>For the purposes of this briefing, we call this office the TI Program Management Office.



## Background: SBI Appropriations

About \$4.5 billion has been allocated for SBI for fiscal years 2005 through 2010 (see table 3).

Table 3: SBI Funding, Fiscal Years 2005 through 2010 (Dollars in Thousands)

Fiscal year	Appropriated funds
2005	\$38,480
2006	325,014
2007	1,187,565 <sup>a</sup>
2008	1,302,587 <sup>b</sup>
2009	845,000 <sup>c</sup>
2010	800,000
<b>Total</b>	<b>\$4,498,646</b>

Sources: CBP budget data and DHS's annual appropriations acts.

<sup>a</sup>Department of Homeland Security Appropriations Act, 2007, Pub. L. No. 109-295, 120 Stat. 1355, 1359-60 (2006). SBI funds from this appropriation act are no-year dollars, meaning they do not expire at the end of a given fiscal year.

<sup>b</sup>Includes approximately \$77.6 million of reprogrammed funds from other DHS accounts, plus \$1.225 million appropriated through the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, 121 Stat. 1844, 2047-49 (2007). SBI funds from this appropriations act are no-year dollars.

<sup>c</sup>Includes \$100 million from the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115, 162, 302 (2009), which expires at the end of fiscal year 2010, plus \$775 million appropriated through the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, Pub. L. No. 110-329, 122 Stat. 3574, 3655 (2008), which are no-year dollars. DHS later reprogrammed \$30 million to DHS's Office of Emergency Communications for an interoperable border communications technology demonstration project.



## Background: SBI Technology

SBI technology efforts have included Project 28, SBI<sup>net</sup> Block 1, mobile surveillance capabilities, the Northern Border Project, sustainment of legacy surveillance systems, the Innovative Technology Pilot Program, and tactical communications modernization.

- Project 28 was a pilot surveillance and situational awareness technology effort deployed to control 28 miles along the Arizona border. As we reported in October 2007 and February 2008, Project 28 was accepted for deployment by the government 8 months behind schedule for a number of reasons, including underestimation of project scope and complexity and limited contractor oversight.<sup>8</sup> While DHS affirmed that Project 28 met contractual requirements, SBI program officials stated that it did not fully meet their expectations and that the outcomes of future SBI<sup>net</sup> development will define the equipment that will replace most of Project 28 system components. Project 28 is currently operating, but will be disassembled and used for other purposes following deployment of the initial SBI<sup>net</sup> Block 1 technology project, Tus-1, which is being deployed along 23.5 of the same miles covered by Project 28.

<sup>8</sup>GAO, *Secure Border Initiative: Observations on Selected Aspects of SBI<sup>net</sup> Program Implementation*, GAO-08-131T (Washington, D.C.: Oct. 24, 2007), and *Secure Border Initiative: Observations on the Importance of Applying Lessons Learned to Future Projects*, GAO-08-508T (Washington, D.C.: Feb. 27, 2008).



## Background: SBI Technology

- *SBI*net Block 1 is a surveillance technology effort that consists of a system of sensor towers that are networked, including radar, cameras, sensors, and communications equipment. The system also includes command and control software and hardware to produce a common operating picture (COP)—a uniform presentation of activities along the border. The sensors, radars, and cameras are to gather information along the border, which the system is to transmit to COP terminals located in command centers to provide CBP agents with border situational awareness.
- The first deployments of *SBI*net Block 1 are to take place in two geographic areas within the Tucson border sector, designated as Tus-1 and Ajo-1. As of May 2010, the Tus-1 and Ajo-1 systems were scheduled to be ready for government acceptance in September 2010 and the fourth quarter of calendar year 2010, respectively.<sup>9</sup> Figure 1 shows the changes in the planned deployment schedule for Tus-1 and Ajo-1 from February 2008 through May 2010.

<sup>9</sup>The SBI Program Office defines government acceptance as the SBI Program Office taking ownership of the *SBI*net technology system from the contractor.

## Background: SBI Technology

Figure 1: Depiction of Changes in the SBI<sup>net</sup> Block 1 Deployment Schedule from February 2008 through May 2010

Planned SBI <sup>net</sup> Block 1 technology deployment	2008	2009	2010
TUS-1—one of two geographic sectors within Tucson sector (23.5 miles)	(as of Feb. 2008) ▲	(as of Dec. 2008; Feb. 2009; and, Apr. 2009) ▲ ▲ ▲	(as of May 2010) ▲
Ajo-1—one of two geographic sectors within Tucson sector (29.9 miles)	(as of Feb. 2008) ▲	(as of Dec. 2008) ▲	(as of Feb. 2009, Apr. 2009 and May 2010) ▲ ▲ ▲

▲ Estimated completion date

Sources: CBP's SBI Program Office and Border Patrol.



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## Background: SBI Technology

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- Mobile surveillance capabilities consist of Mobile Surveillance System (MSS) units that integrate surveillance technologies (e.g., cameras and radars) mounted on a trailer or truck chassis, for deployment along the southwest and northern borders. As of May 2010, the SBI Systems Program Office had procured 44 MSS units.
  - The Northern Border Project consists of three technology increments and is intended to demonstrate technology for addressing the vulnerabilities of the northern border maritime, cold weather environment as well as to deploy proven, stand-alone technology. Through the first increment of this project, 3 MSS units were deployed to the Detroit and Swanton sectors in June 2009. Five Remote Video Surveillance Systems—systems of towers with cameras that transmit information to video monitors at a sector's headquarters—have been deployed to the Buffalo sector, while 10 have been deployed in the Detroit sector. The second increment, a demonstration project currently under way, is intended to evaluate the integration of border security capabilities in the Detroit sector. The third increment, which is planned to be initiated in fiscal year 2010, is intended to fill remaining capability gaps through investments against priority threats (e.g., low-flying aircraft in remote areas) across the northern border.
  - Prior to SBI, CBP acquired and fielded a variety of video surveillance systems to monitor large spans of the border. Using BSFIT funding, SBI has sustained these legacy systems.
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## Background: SBI Technology

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- The Innovative Technology Pilot Program is assessing near-term, low-cost border technologies, such as contraband detection and tunnel detection systems.
- The Tactical Communications Modernization Program is upgrading tactical communications radio systems used by CBP agents and officers nationwide to provide expanded coverage and to ensure communications equipment interoperability with that of neighboring federal, state, local, and tribal law enforcement agencies. This program, which CBP officials said is expected to be completed in 2021, has received funding from multiple sources, but BSFIT is currently the primary source.



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## Background: SBI Technology

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We have reported on the SBI program 19 times since February 2007, and made more than 20 recommendations (see list of related GAO products). Among other things, our reports and recommendations point to an *SBI<sup>net</sup>* technology program in a constant state of flux, with delays in deployment that require the Border Patrol to continue relying on existing technology for securing the border and weaknesses in testing and acquisition that have resulted in a program that has not produced expected results. We have a report scheduled to be released in June 2010 that provides recommendations on the way forward for *SBI<sup>net</sup>*. With respect to TI, we have reported on delays in fence construction and recommended that an impact analysis be conducted.

In January 2010, the Secretary of Homeland Security ordered a department-wide assessment of the SBI program and, in March 2010, froze funding for efforts beyond Tus-1 and Ajo-1 until the assessment is completed, scheduled for October 2010.

In March 2010, the Secretary of Homeland Security announced that the department was redirecting the \$50 million in funding received through the American Recovery and Reinvestment Act<sup>10</sup> originally allocated to *SBI<sup>net</sup>* Block 1 to procure tested and commercially available technologies, such as MSS.

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<sup>10</sup>American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115, 162, 302 (2009).



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## Background: SBI Tactical Infrastructure

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CBP planned to have a total of 670 miles of fencing, including 370 miles of single-layer pedestrian fencing and 300 miles of vehicle fencing, completed, under construction, or under contract by December 31, 2008. According to the BSFIT expenditure plan, the goal was changed to 652 because some miles were removed because of hydrology issues, among other things.

According to the BSFIT expenditure plan, as of October 2009, CBP had completed a total of about 641 of the 652 miles of fencing and planned to complete the remaining 11 miles by December 2010; however, meeting this schedule depends on several factors, including the resolution of pending litigation to acquire the necessary property rights from landowners who have not agreed to sell these rights to the federal government.

In addition, according to the BSFIT expenditure plan, approximately 14 additional miles of pedestrian fence are expected to be built using fiscal year 2010 funds.



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## **Background: SBI Tactical Infrastructure**

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The TI program management office is using the U.S. Army Corps of Engineers to contract for the construction of fencing and supporting infrastructure (e.g., roads and lighting), complete required environmental assessments, and acquire necessary real estate.<sup>11</sup>

See figure 2 for examples of fencing.

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<sup>11</sup>The SBI Program Office also has a supply and supply chain management contract with Boeing to provide some construction materials, such as steel, for fence construction projects. Boeing was previously contracted to construct 32 miles of fencing in the Barry M. Goldwater Range in 2007.

## Background: SBI TI (continued)

Figure 2: Examples of Fencing Styles along the Southwest Border



Sources: CBP and GAO.

Picket fence (upper left), post and rail with wire mesh (upper right), and bollard fence (lower left) are examples of pedestrian fencing; Normandy vehicle barrier (lower right), is an example of vehicle fencing.



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## Legislative Condition #1: Details SBI Program Progress to Date (Partially Satisfied)

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Legislative condition: Includes a detailed accounting of the program's implementation to date for all investments, including technology and tactical infrastructure, for funding already expended relative to system capabilities or services, system performance levels, mission benefits and outcomes, milestones, cost targets, program management capabilities, identification of the maximum investment, including life-cycle costs, related to the SBI program or any successor program, and description of the methodology used to obtain these cost figures.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* this condition. Specifically, the plan included some required information, such as a detailed accounting of milestones completed to date.

However, it did not include a detailed accounting of the program's progress to date relative to other aspects of the legislative condition, including capabilities for some technology investments and life-cycle costs for technology investments and TI.



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## Legislative Condition #1 (continued)

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With regard to technology investments, the BSFIT expenditure plan and documentation referenced therein:

- Provided a detailed accounting of the milestones completed to date, including previously planned versus currently planned or actual implementation dates.
- Described system capabilities provided by some technology investments, such as the capability provided by the \$20.7 million investment in Project 28 to detect items of interest (e.g., humans or vehicles) at a distance using radar, then to use cameras to identify them. However, it did not provide a detailed description of the capabilities provided by BSFIT investments in tactical communication modernization.
- Provided cost baselines for *SBlnet* Block 1 and the Tactical Communications Modernization Program, but did not include maximum investment figures or life-cycle costs for these or other technology program components (e.g., MSS).



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## Legislative Condition #1 (continued)

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Additionally, with regard to technology investments, the BSFIT expenditure plan and documentation referenced therein referenced a cost estimate for the Tactical Communications Modernization Program; however, as of June 2010, this estimate had not been finalized. According to SBI officials, the Tactical Communications Modernization Program Office is in the process of revising the program's logistical support plans, which will affect the cost estimate, and the estimate will not likely be finalized until the end of calendar year 2010.



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## Legislative Condition #1 (continued)

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With regard to TI, the BSFIT expenditure plan and documentation referenced therein:

- Provided an accounting of TI program implementation to date relative to system capabilities and services, such as the completion of approximately 342 miles of pedestrian fencing and 299 miles of vehicle fencing as of October 30, 2009.
- Identified fence performance standards, such as the requirement for pedestrian fencing to have the capability to disable a vehicle, and a design that will allow for expedient repair of damage or breaching.
- Included milestones for activities completed, such as the miles of fence completed, and an accounting of the planned versus actual implementation dates by milestones.
- Included a life-cycle cost estimate for all fencing on the southwest border and other types of TI, including roads, lights, and drainage structures deployed or planned to be completed by fiscal year 2011, based on a 20-year life span. However, this estimate did not meet our criteria for a life-cycle cost estimate because it did not include cost estimates for environmental mitigation, or costs for the retirement and disposal of TI after the end of its 20-year life span.<sup>12</sup>

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<sup>12</sup>For guidance on estimating costs, see GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, GAO-09-3SP (Washington, D.C.: March 2009), p. 32.



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## Legislative Condition #2: Describes How Activities Will Further the Objectives of SBI's Strategic Plan (Satisfied)

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Legislative condition: Includes a description of how specific projects will further the objectives of SBI, as defined in the Department of Homeland Security (DHS) *Secure Border Strategic Plan*, and how the expenditure plan allocates funding to the highest priority border security needs.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *satisfied* the condition. The plan provided information on how *SBI*net technology and pedestrian and vehicle fencing further the specific goals established in DHS's *Secure Border Strategic Plan* and how CBP determines the highest priority border security needs and allocates funding accordingly.



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## Legislative Condition #2: (continued)

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The BSFIT expenditure plan and documents referenced therein:

- Described how projects align with and contribute directly to the achievement of the goal in the DHS *Secure Border Strategic Plan* “to develop and deploy the optimal mix of personnel, infrastructure, technology, and response capabilities to identify, classify, and interdict cross-border violators.” Examples of specific projects that align with this goal include
  - *SBI<sub>net</sub>* technology, which provides CBP agents with an enhanced ability to identify illegal cross-border activity, and
  - pedestrian and vehicle fencing, which persistently impedes (consistently slows, delays, and obstructs movement of) illegal cross-border traffic and facilitates patrol and interdiction efforts.
  
- Stated that funding is allocated to the highest-priority border security needs through a review of threat and vulnerability assessments, operational requirements, strategic priorities, and performance targets, informed by congressional direction.



## Legislative Condition #3: Describes How Funds Are Obligated to Meet Future Program Commitments (Partially Satisfied)

Legislative condition: Includes an explicit plan of action defining how all funds are to be obligated to meet future program commitments, with the planned expenditure of funds linked to the milestone-based delivery of specific capabilities, services, performance levels, mission benefits and outcomes, and program management capabilities.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* this condition. Specifically, the plan included some information required by the condition, such as planned obligations for tactical communications modernization and TI activities for fiscal year 2010 funds and program management capabilities for SBI*net*.

However, all of the information required to satisfy this condition was not provided. For example, the plan did not describe program management capabilities for SBI TI or tactical communications modernization, describe program activities associated with all planned fiscal year 2010 technology obligations, or link planned fiscal year 2010 expenditures to the milestone-based delivery of mission benefits and outcomes.<sup>13</sup>

<sup>13</sup>Office of Management and Budget (OMB) Circular A-11 states that outcomes describe the intended result of carrying out a program or activity. Outcomes define an event or condition that is external to the program or activity and that is of direct importance to the intended beneficiaries, the public, or both.



## Legislative Condition #3 (continued)

For SBI technology and TI, the BSFIT expenditure plan defined how fiscal year 2010 funds are planned to be obligated to meet future program commitments. Table 4 provides a summary of the planned obligations of fiscal year 2010 funds.

**Table 4: Planned Obligations of Fiscal Year 2010 Funding (Cumulative Dollars in Millions)**

	2010 Obligated <sup>a</sup>	2010 Quarter 3	2010 Quarter 4	2011 Quarter 1	2011 Quarter 2
Program Management Office	11.7	88.4	92.0	92.0	92.0
SBI <sup>net</sup>	56.6	288.4	352.6	358.3	469.0
Tactical communications	-	30.0	54.0	54.0	54.0
Tactical infrastructure	11.8	108.4	185.0	185.0	185.0
<b>Total</b>	<b>80.1</b>	<b>515.2</b>	<b>683.6</b>	<b>689.3</b>	<b>800.0</b>

Source: CBP.

<sup>a</sup> Funds obligated are as of March 31, 2010.



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## Legislative Condition #3 (continued)

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With regard to SBI technology, the BSFIT expenditure plan and documents referenced therein:

- Described planned obligations for some technology activities for fiscal year 2010 funds, including the operation and maintenance of *SBI<sub>net</sub>* deployments and tactical communications modernization, but did not describe program activities associated with approximately \$270 million in technology development and deployment funds.
- Described the performance requirements for *SBI<sub>net</sub>* Block 1, but did not identify performance requirements for Northern Border Increments 1, 2, and 3, and stated that the Tactical Communications Modernization Program is in the process of developing system availability requirements.
- Described the program management capabilities that will continue to be used in the future for technology activities administered by the SBI program office, such as the strategic human capital management plan, but did not include such descriptions for the Tactical Communications Modernization Program.



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## Legislative Condition #3 (continued)

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Additionally, with regard to SBI technology, the BSFIT expenditure plan and documents referenced therein described the links between planned activities, expenditures, and outputs for some technology activities,<sup>14</sup> but did not link these to mission benefits and outcomes (i.e., planned Tactical Communications Modernization Program activities were linked to outputs, such as the purchase of all services and equipment to complete the El Paso sector modernization, but these outputs were not directly linked to outcomes, such as improvements in operational control).

We plan to release a report in June 2010 that provides, among other things, our assessment of Block 1 performance requirements, acquisition, and mission benefits associated with SBI*net* investments.

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<sup>14</sup>OMB Circular A-11 states that outputs describe the level of activity that will be provided over a period of time, including a description of the characteristics (e.g., timeliness) established as standards for the activity. Outputs refer to the internal activities of a program (i.e., the products and services delivered).



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## Legislative Condition #3 (continued)

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With regard to TI, the BSFIT expenditure plan

- identified milestones and planned dates of completion for TI projects planned for fiscal year 2010;
- included planned obligations for TI activities;
- described planned TI activities for fiscal year 2010, including construction of pedestrian fencing and real estate planning and acquisition to support future TI deployments; and
- described fence performance standards—such as the ability of pedestrian fencing to disable a vehicle—and described the miles of fencing needed, for instance, in the Rio Grande Valley sector.



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## Legislative Condition #3 (continued)

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However, with regard to TI, the BSFIT expenditure plan

- linked planned actions and expenditures generally to outputs, but did not link these to the outcome of operational control of the border (i.e., planned TI activities were linked to outputs, such as the construction of approximately 14 miles of fence along the southwest border in the Rio Grande Valley sector, but these outputs were not linked to improvements in operational control), and
- mentioned the transfer of TI management from the SBI System Program Office to Facilities Management and Engineering—CBP’s primary organization for accomplishing construction efforts, but did not include information on the program management capabilities under the new office.



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## Legislative Condition #4: Identifies Staffing by Activity (Partially Satisfied)

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Legislative condition: Identifies staffing, including full-time equivalents, contractors, and detailees, by program office.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* the condition because they identified staffing by program office, including contractors and detailees. However, they did not specify whether this information included full-time equivalents.



## Legislative Condition #4 (continued)

- The BSFIT expenditure plan and documentation referenced therein identified staffing by program office for organizations that execute BSFIT funds. As of December 31, 2009, CBP’s program offices executing BSFIT funds, including the SBI System Program Office, Office of Administration, and Office of Information Technology, were staffed with 299 employees (see table 5).
- However, they did not specify whether this information included full-time equivalents.

**Table 5: CBP Employees Executing BSFIT Funds, as of December 31, 2009**

	Government employees	Contract employees	Detailees	Total
SBI System Program Office	87	88	13	188
CBP Office of Administration	29	35	2	66
CBP Office of Information Technology	6	31	-	37
Other CBP Offices	8	-	-	8
<b>Total</b>	<b>130</b>	<b>154</b>	<b>15</b>	<b>299</b>

Source: GAO analysis of CBP data.



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## Legislative Condition #5: Describes Security Needs at the Northern Border and Ports of Entry (Satisfied)

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Legislative condition: Includes a description of how the plan addresses security needs at the northern border and ports of entry, including infrastructure, technology, design and operations requirements, specific locations where funding would be used, and priorities for northern border activities.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *satisfied* this condition. For example, the plan provided a general description of northern border security initiatives and described the priorities and specific locations where the funding designated for northern border technology will be used.



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## Legislative Condition #5 (continued)

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The BSFIT expenditure plan and the documents referenced therein:

- Provided a general description of northern border security initiatives at and between ports of entry, such as (1) enhancing technology infrastructure at and between ports of entry, (2) modernizing communications infrastructure, and (3) deploying additional border patrol agents to the northern border.
  - Described how the \$20 million appropriated in fiscal year 2007 was used to start deploying additional existing sensor capability technologies in four areas along the northern border.
  - Described how the \$40 million appropriated in fiscal year 2009 was used to start a laboratory for improving operational integration of border security efforts in the Detroit area.
  - Described how the \$40 million appropriated in fiscal year 2010 for northern border technology will be mainly used to start filling capability gaps against priority threats in six high-threat areas across the northern border.
  - Linked planned activities to primary threats along the northern border, including terrorism, drug smuggling, contraband smuggling, human smuggling, and travelers with bad intent (at ports of entry).
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## Legislative Condition #6: Reports on Budget, Activities Completed, and Progress (Partially Satisfied)

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Legislative condition: Includes a report on budget, obligations and expenditures, the activities completed, and the progress made by the program in terms of obtaining operational control of the entire border of the United States.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* this condition. The plan reported budget, obligations, and expenditure amounts from fiscal years 2006 through 2010, and discussed activities completed.

However, the plan did not explicitly discuss the progress that the program has made in terms of obtaining operational control of the U.S. border.



## Legislative Condition #6 (continued)

The BSFIT expenditure plan and documents referenced therein:

- Reported on appropriations, obligations,<sup>15</sup> and expenditures for fiscal years 2006 through 2010 (see table 6).

**Table 6: Funds Appropriated, Obligated and Expended, from Fiscal Years 2006-2010 through March 31, 2010 (Dollars in Millions)**

Activity	Appropriated	Distributed	Obligated	Expended	Available
Program management	300.0	299.6	188.0	156.0	102.1
SBI <sup>net</sup>	1,469.2	1,464.6	958.0	745.9	448.4
P25 tactical communications	150.7	153.4	22.4	10.2	86.5
TI	2,540.2	2,542.0	2,332.4	2,095.1	197.7
<b>BSFIT total</b>	<b>4,460.2</b>	<b>4,459.7</b>	<b>3,500.8</b>	<b>3,007.3</b>	<b>834.7</b>

Source: CBP data.

Note: Amounts may not add to totals because of rounding. Distributed funds do not always match appropriated funds because of the status of recoveries and their redistribution by CBP.

<sup>15</sup>An independent auditor's report on DHS's fiscal year 2009 financial statements found that CBP did not enforce its policies and procedures to monitor and deobligate or close out its obligations in a timely manner, but noted that CBP had initiated a review of open obligations and, as a result, had deobligated funds. We did not assess the extent to which this audit finding is material to the obligation and expenditure data provided by CBP in its BSFIT expenditure plan. See Department of Homeland Security, Office of Inspector General, *Independent Auditors' Report on U.S. Custom and Border Protection's FY 2009 Financial Statements* (Washington, D.C., Feb. 2, 2010).



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## Legislative Condition #6 (continued)

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- Discussed completed activities, including
  - completion of over 640 miles of fencing as of October 30, 2009;
  - deployment of Project 28; and
  - procurement of 44 MSS units.
- Did not explicitly discuss the progress made by these and other program's activities in obtaining operational control of the U.S. border. Instead, the plan focused on describing the progress made by the program in terms of securing the U.S. border without defining this term, linking it to the operational control of the border, or providing performance measures on the progress made in obtaining operational control of the border.

In September 2009, we recommended that the Commissioner of CBP conduct a cost-effectiveness evaluation of the impact of TI on effective control of the border in order to improve the quality of information available to allocate resources and determine TI's contribution to effectively controlling the border.<sup>16</sup> CBP concurred with our recommendation, and according to SBI officials, the Homeland Security Institute is conducting the evaluation.

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<sup>16</sup>GAO, *Secure Border Initiative: Technology Deployment Delays Persist and the Impact of Border Fencing Has Not Been Assessed*, GAO-09-896 (Washington, D.C.: Sept. 9, 2009).



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## Legislative Condition #7: Lists All Open GAO and OIG Recommendations (Partially Satisfied)

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Legislative condition: Include a listing of all open GAO and OIG recommendations related to the program and the status of DHS actions to address the recommendations, including milestones to fully address them.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* the condition because they listed and provided the status and actions taken to address 9 of 14 open GAO recommendations and 2 of 5 open OIG recommendations.



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## Legislative Condition #7 (continued)

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The expenditure plan lists nine open GAO recommendations.

- In February 2007, we recommended that “future expenditure plans include explicit and measurable commitments relative to the capabilities, schedule, costs, and benefits associated with individual *SBI*net program activities.”<sup>17</sup> The BSFIT expenditure plan stated that the fiscal year 2010 plan is more developed because it includes additional information, such as *SBI*net milestones and life-cycle costs for TI, and fully addresses this recommendation.
- However, based on our review, the fiscal year 2010 BSFIT expenditure plan and documentation referenced therein did not fully address our February 2007 recommendation because it did not include explicit and measurable commitments relative to the capabilities, costs, and benefits for all individual SBI program activities. For example, the TI life-cycle cost information included in the plan did not meet our criteria for a life-cycle cost estimate, and the plan did not include complete life-cycle cost estimates for any SBI technology activities.

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<sup>17</sup>GAO-07-309.



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## Legislative Condition #7 (continued)

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- In September 2008, we made eight recommendations related to improving DHS's efforts to acquire and implement *SBI<sub>net</sub>*.<sup>18</sup> The BSFIT expenditure plan and documentation referenced therein includes the status of actions to address each of these eight recommendations. For example, the plan stated that since January 2009, the SBI program has been actively working with the Deputy Secretary of Homeland Security and the DHS Acquisition Review Board on issues regarding *SBI<sub>net</sub>* Block 1 deployment activities. We plan to publicly release a report in June that among other things, addresses the DHS efforts to address our prior *SBI<sub>net</sub>* recommendations.

The expenditure plan lists two open OIG recommendations

- In April 2009, the OIG made four recommendations intended to help CBP improve its management of TI fencing construction, two of which remain open.<sup>19</sup> The BSFIT expenditure plan and documentation referenced therein includes the status of actions to address both of these recommendations and associated time frames. For example, the plan described CBP efforts under way to refine the capabilities of its TI monitoring system.

<sup>18</sup>GAO, *Secure Border Initiative: DHS Needs to Address Significant Risks in Delivering Key Technology Investment*, GAO-08-1086 (Washington, D.C.: Sept. 22, 2008).

<sup>19</sup>Department of Homeland Security, Office of Inspector General, *Progress in Addressing Secure Border Initiative Operational Requirements and Constructing the Southwest Border Fence* (Washington, D.C., Apr. 15, 2009).



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## Legislative Condition #7 (continued)

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The BSFIT expenditure plan and documents referenced therein did not list or provide the status of actions taken to address three open DHS OIG recommendations and five open GAO recommendations.

- In June 2009, the OIG made two recommendations related to improving oversight of support services contractors in SBI programs.<sup>20</sup>
- In February 2010, the OIG recommended that CBP continue to monitor prime contractor efforts to identify and recruit small businesses to participate in awards under the SBI<sup>net</sup> contract.<sup>21</sup>
- In September 2009, we recommended that CBP conduct a cost-effectiveness evaluation of the impact of TI on operational control of the border.<sup>22</sup>
- In January 2010, we made four recommendations related to improving DHS's management of SBI<sup>net</sup> testing.<sup>23</sup>

<sup>20</sup>Department of Homeland Security, Office of Inspector General, *Better Oversight Needed of Support Services Contractors in Secure Border Initiative Programs* (Washington, D.C., June 17, 2009).

<sup>21</sup>Department of Homeland Security, Office of Inspector General, *CBP Faces Challenges in Achieving Its Goals for Small Business Participation in Secure Border Initiative Network*. (Washington, D.C., Feb. 3, 2010).

<sup>22</sup>GAO-09-896.

<sup>23</sup>GAO, *Secure Border Initiative: DHS Needs to Address Testing and Performance Limitations That Place Key Technology Program at Risk*, GAO-10-158 (Washington, D.C.: Jan. 29, 2010).



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## **Legislative Condition #8: Includes Certification by the DHS CPO (Partially Satisfied)**

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Legislative condition: Includes a certification by the Chief Procurement Officer (CPO) of the Department, including all supporting documents or memoranda, and documentation and a description of the investment review processes used to obtain such certifications, that (a) the program has been reviewed and approved in accordance with the investment management process of the Department, and that the process fulfills all capital planning and investment control requirements and reviews established by the Office of Management and Budget (OMB), including as provided in Circular A-11, part 7; (b) the plans for the program comply with the Federal acquisition rules, requirements, guidelines, and practices, and a description of the actions being taken to address areas of non-compliance, the risks associated with such actions, together with any plans for addressing these risks, and the status of the implementation of such actions; and (c) procedures to prevent conflicts of interest between the prime integrator and major subcontractors are established and that the SBI Program Office has adequate staff and resources to effectively manage the program, all contracts, including the exercise of technical oversight.



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## Legislative Condition #8 (continued)

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GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* this condition. The DHS CPO certified that the program met the condition's requirements. However, this certification did not fully address all aspects of the condition. For example, the assessment did not provide information on the status of required action items from investment reviews, and the assessment did not specifically certify that the program has adequate staff and resources to effectively manage the program. Also, the plan did not include all supporting documents or memoranda and documentation and a description of the investment review processes used to obtain such certification.

- On April 12, 2010, the DHS CPO certified that the SBI program was reviewed in accordance with DHS capital planning and investment control procedures, per OMB Circular A-11, Part 7, as well as DHS's Acquisition Management Review process as documented in Acquisition Decision Memoranda. The DHS Acquisition Review Board issued five Acquisition Decision Memoranda in fiscal year 2009. These memoranda authorized aspects of the program with required action items and associated due dates as part of the acquisition review process. However, the DHS CPO certification letter did not indicate the status of required program action items resulting from the review process. In related work, we found overdue action items for the *SBI*net program.



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## Legislative Condition #8 (continued)

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- The DHS CPO also certified that the program complied with federal acquisition rules, requirements, guidelines, and practices. A recent DHS CPO review identified opportunities for improvement in contracting processes and procedures, and the SBI Acquisition Office has incorporated these recommendations into an action plan.
- The DHS CPO also certified that procedures to prevent conflicts of interest between the prime integrator and major subcontractors are established. The DHS CPO reported that procedures put in place prior to fiscal year 2009 remain in effect and no changes have been made. We previously reported that the prime contractor's Organizational Conflict of Interest Mitigation Plan delineates responsibilities, rules, and procedures for avoiding, identifying, evaluating, and resolving organizational conflicts of interest.<sup>24</sup> However, the DHS CPO's assessment did not specifically certify that the program has adequate staff and resources to effectively manage the program and all contracts, including the exercise of technical oversight. The CPO stated that staffing challenges remained and the SBI Program Office had made progress in increasing its government staffing.

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<sup>24</sup>GAO-09-274R.



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## **Legislative Condition #9: Includes Certification by the DHS CIO (Not Satisfied)**

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Legislative condition: Includes a certification by the Chief Information Officer of the Department, including all supporting documents and memoranda, and documentation and a description of the investment review processes used to obtain such certification, that: (a) the system architecture of the program is sufficiently aligned with the information systems enterprise architecture of the Department to minimize future rework, including a description of all aspects of the architectures that were or were not assessed in making the alignment determination, the date of the alignment determination, and any known areas of misalignment together with the associated risks and corrective actions to address any such areas; (b) the program has a risk management process that regularly and proactively identifies, evaluates, mitigates, and monitors risks throughout the system life-cycle and communicates high-risk conditions to CBP and DHS investment decision-makers, as well as a listing of all the program's high risks and the status of efforts to address such risks; and (c) an independent verification and validation agent is currently under contract for the projects funded under this heading.



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## Legislative Condition #9 (continued)

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GAO analysis: The BSFIT expenditure plan and documents referenced therein did *not satisfy* this condition. The expenditure plan included a CIO certification memorandum dated May 12, 2010. However, this certification did not explicitly certify the conditions required by the law. Also, the plan did not include any supporting documents or memorandums and did not contain documentation and a description of the investment review processes to obtain such certification.

- The CIO's May 12, 2010, memorandum did not certify that the system architecture has been sufficiently aligned with the department's architecture, that an effective risk management process is in place, or that the program has an independent verification and validation (IV&V) agent under contract.
- Instead, the CIO's memorandum certified "the FY10 Expenditure Plan," and identified a number of required actions that must be completed to ensure enterprise architecture alignment, robust risk management, and an effective use of an IV&V agent. For example:



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## Legislative Condition #9 (continued)

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- The CIO directed the *SBinet* Program Office to develop a target architecture consistent with the CBP Technical Architecture and DHS Service Oriented Architecture Technical Framework, and submit a plan to show how the program will transition from the current *SBinet* COP to the target architecture. DHS states in the Expenditure Plan that it has begun a new initiative to procure an open architecture. Compliance with the CBP and DHS target architecture is important because it facilitates information sharing across DHS, as well as the sharing of common system components and services across the department, thus avoiding wasteful duplication.
- In addition, the CIO directed that the *SBinet* program undergo a comprehensive, department-level evaluation to ensure that all risks are being identified and managed, among other things. This evaluation is to be completed by September 30, 2010.



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## Legislative Condition #10: Includes Certification by the DHS CHCO (Satisfied)

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Legislative condition: Includes a certification by the Chief Human Capital Officer (CHCO) of the Department that the human capital needs of the SBI program are being addressed so as to ensure adequate staff and resources to effectively manage SBI.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *satisfied* the condition.

On April 13, 2010, the DHS CHCO certified that the CBP SBI human capital capabilities are sufficient to execute the plans discussed in the *Human Capital Strategic Plan* and supporting documentation. In the certification, the DHS CHCO noted that the certification was based on a review of the SBI program's human capital documents and on regular discussions with human capital personnel.



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## Legislative Condition #10 (continued)

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- On April 13, 2010, the DHS CHCO certified that the CBP SBI human capital capabilities are sufficient to execute the plans discussed in the *Human Capital Strategic Plan* and supporting documentation.
  - The DHS CHCO commended SBI for working aggressively to increase the size of the federal staff, working more closely with managers to ensure that positions are appropriately announced and highly qualified candidates are referred for selection, and recognizing the need to develop strategies for knowledge management and transfer, among other things.
  - The DHS CHCO also said that SBI recognizes that there are ongoing staffing challenges, but is working to address those challenges through its dedicated human capital staff to ensure the success of SBI and to demonstrate its strong commitment to the workforce.
  - To ensure continued compliance, the DHS CHCO said he will continue to track progress toward identified goals and will meet quarterly with SBI staff starting in July 2010 to track the progress of their efforts and ensure that action plans and metrics show the results of these activities and how they align with DHS strategic human capital initiatives.
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## Legislative Condition #11: Includes Analysis of Alternatives (Satisfied)

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Legislative condition: Includes an analysis by the Secretary for each segment, defined as not more than 15 miles, of fencing or TI, of the selected approach compared to other, alternative means of achieving operational control, and such analysis should include cost, level of operational control, possible unintended effects on communities, and other factors critical to the decision making process.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *satisfied* the condition. Specifically, the plan includes the required information for each fencing segment, such as an alternative means of achieving operational control, including cost, level of operational control, and the possible unintended effects on communities.



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## Legislative Condition #11 (continued)

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The BSFIT expenditure plan and documents referenced therein provided an analysis of alternatives for three fencing segments<sup>25</sup> and the analysis included

- lengths of each fencing segment,
- level of operational control for each fencing segment,
- an analysis of the selected approach compared to other alternative means of achieving operational control,
- costs associated with the different alternatives, and
- the possible unintended effects on communities.

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<sup>25</sup>An attachment to the BSFIT expenditure plan provided an analysis of alternatives for three fencing segments that are expected to be completed, under construction, or under contract using fiscal year 2010 funds.



## Conference and Senate Reports' Directions #1: Block 2 Funding (Satisfied)

Conference report direction: The conferees are concerned about the delays in deployment for *SBlnet* "Blocks" 1 and 2, while also recognizing the need to proceed carefully and to ensure steps are taken to address all mission and operational test requirements. Therefore, the conferees also direct that the expenditure plan specify how additional funding included under this heading will be used to further key deployment and demonstrations in support of the launch of "Block 2."

Senate report direction: The expenditure plan for the use of the recommended \$800,000,000 shall provide an evaluation of opportunities to add key technology development and demonstrations for the launch of Block 2 of the SBI plan.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *satisfied* the Conference and Senate reports' directions because they stated that *SBlnet* is not approved beyond Block 1 and that funding is frozen beyond the Tus-1 and Ajo-1 Block 1 deployments pending the department's assessment of *SBlnet*, and described activities that may contribute to the launch of Block 2, if Block 2 were to be approved. For example, the expenditure plan stated that DHS intends to use \$3 million of the additional fiscal year 2010 funds to procure an open architecture COP that among other things, could be used to meet existing and future *SBlnet* requirements.<sup>26</sup>

<sup>26</sup>An open architecture is an architecture that employs public and nonproprietary standards for key interfaces within a system. The BSFIT expenditure plan identifies the benefits of an open architecture to include the ability to reuse components among systems and to insert technology as it evolves.



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## Conference Report's Direction #2: SBI<sup>net</sup> Evaluation and Acceptance Criteria (Satisfied)

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Conference report direction: The conferees continue to support expeditious deployment of effective technology to enhance CBP's execution of its border security mission, and recognize the renewed rigor with which the Office of Border Patrol (OBP) is evaluating the operational utility of such technology. In fiscal year 2010, OBP is expected to evaluate the SBI<sup>net</sup> "Block 1" increment through operational field testing along the Southwest Border. While OBP's operational requirements for border security technology are well documented, the criteria OBP will use to determine acceptance of the SBI<sup>net</sup> prime mission product remain unclear. The conferees direct CBP to delineate the evaluation and acceptance criteria for SBI<sup>net</sup> in the required BSFIT expenditure plan.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *satisfied* the conference report direction because they described how OBP will operationally assess the SBI<sup>net</sup> system. Specifically, the expenditure plan states that OBP will assess the SBI<sup>net</sup> Block 1's system performance under actual operational conditions in order to evaluate the system's mission effectiveness and suitability, and it identifies the measures to be used to do so. It further states, for example, that suitability will be evaluated by assessing system reliability, operational availability, and interoperability with legacy capabilities. According to SBI officials, an operational test and evaluation plan for the initial SBI<sup>net</sup> deployment to the Tucson sector, Tus-1, is being developed by the U.S. Army, which has been appointed to plan and execute the testing, and is anticipated to be completed by August 2010.



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## Conference Report's Direction #3: Northern Border Investment Trade-offs (Partially Satisfied)

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Conference report direction: The conferees are concerned that not all options are receiving due consideration when allocating funding to deploy technology to Border Patrol Sectors along the northern border. While proven commercial off-the-shelf (COTS) technology, such as cameras, can significantly leverage existing manpower, many Border Patrol stations lack such basic technology. At the same time, most northern border technology investment is being put into one sector's integration center. The conferees direct that the expenditure plan, in describing northern border technology investments, explicitly address tradeoffs between intensive investments (by operation or location) versus providing COTS technology and support to more areas of the northern border.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* the Conference report direction because, although the expenditure plan acknowledged tradeoffs between intensive investments versus providing COTS technology and support to more areas of the northern border and described initiatives involving both, the expenditure plan did not provide an explicit discussion of those tradeoffs.



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## Conference and Senate Reports' Direction #4: Tactical Communications Modernization (Partially Satisfied)

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Conference report direction: The conferees direct that the plan provide specific details on how additional funding shall be used to expedite P25 tactical communications modernization.

Senate report direction: These additional funds shall be used to expedite the P25 tactical communications modernization plan. The expenditure plan shall provide specific details for these additional activities.

GAO analysis: The BSFIT expenditure plan and documents referenced therein *partially satisfied* the Conference and Senate reports' directions because, of the \$11 million SBI determined would be dedicated to P25, the plan described how \$10 million would be used to expedite P25 tactical communications modernization, for example, by supporting environmental analysis in advance of contract awards for the El Paso, Rio Grande Valley, and Houlton sectors. However, it did not explain how the remaining \$1 million would be used.



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## Conference and House Reports' Direction #5: Environmental Efforts (Partially Satisfied)

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Conference report direction: CBP is directed to include within its fiscal year 2010 expenditure plan and as specified in the House report, its proposed environmental planning and mitigation plan.

House report direction: The Committee directs CBP to examine the use of buffer areas to accommodate both mitigation and security objectives for detecting and responding to illegal border crossings, such as those employed by the Department of Defense around bases and testing areas, and report on findings. Also, include a detailed environmental mitigation plan and report on mitigation efforts. The plan should be science-based; include an extensive monitoring protocol; incorporate best practices developed in consultation with relevant federal, state, local and tribal authorities; and support land acquisition efforts for mitigation purposes, where applicable. The plan should also address mitigating and minimizing the impact not only of SBI construction and infrastructure, but also of increasingly intensive Border Patrol operations in sensitive border ecosystems.

GAO analysis: Regarding environmental planning and mitigation efforts, the BSFIT expenditure plan and documents referenced therein *partially satisfied* the Conference and House reports' directions because they

- examined the use of buffer areas in future projects and provided examples where use the buffer area concept may be successful, and



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## Conference and House Reports' Direction #5: (continued)

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- contained detailed information about environmental planning and the agency's approach in developing a science-based mitigation plan.
- However, they did not include a detailed environmental mitigation plan and did not discuss how CBP will address mitigating the impact of increasingly intensive Border Patrol operations.



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## House Report's Direction #6: Operations and Maintenance Funding (Partially Satisfied)

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House report direction: The Committee includes \$200,000,000, as requested for the operation and maintenance of systems and infrastructure deployed with BSFIT funding. This represents a 33 percent increase over the fiscal year 2009 appropriated level. Within this amount, the Committee understands that \$75,000,000 is for operations and maintenance costs for TI, with the remaining \$125,000,000 for support of technology, including tactical communications and integrated logistics support of newly deployed systems. The Committee expects to see a detailed rationale for the application of this funding.

GAO analysis: Regarding the application of operations and maintenance (O&M) funding, the BSFIT expenditure plan and documents referenced therein *partially satisfied* the House report's direction because the plan

- identified how the \$125 million in total O&M funding for technology would be used, but did not provide a detailed rationale for the application of all of these funds (for example, the plan identified a contingency reserve, but it did not provide details for the application of this funding);
- identified how the \$50 million representing the 33 percent increase in O&M funding would be used, but did not provide a detailed rationale for the application of all of this funding (for example, the plan again identified the contingency reserve, but it did not provide any details); and



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## House Report's Direction #6: Operations and Maintenance Funding (continued)

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- mentioned that \$75 million in total O&M funding would be used for TI and provided a detailed rationale for the application of this funding.



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## House Report's Direction #7: Analyses of Alternatives (Partially Satisfied)

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House report direction: To the extent that additional fencing is proposed, include analyses of alternatives for effective control of the border. Specifically, the Committee expects the fiscal year 2010 expenditure plan to document the decision process that led to selection of fencing as the optimal solution. The Committee also directs that such comparisons include the following: 1) A methodology section to explain how CBP determined ratings and weightings, and the standard direction applied to all segment analyses; 2) A description of baseline costs of each segment, broken out by personnel, infrastructure, and technology, and a detailed comparison of the cost of each alternative against that baseline; 3) A comparison of estimated level of border control, by segment, under each alternative (deterrence and time/distance) relative to the current level of border control. In defining the latter, CBP's estimates should incorporate natural barriers or other features of the landscape as appropriate and fully describe the contribution of such features in the plan.

Alternatives should consist of reasonable combinations of elements (e.g., agents, sensors, and cameras), instead of being limited to individual elements unlikely to be used in isolation. CBP should also include alternatives proposed by communities or other stakeholder groups, such as eradication of vegetation; enhancement of natural barriers; or incorporation of security features into projects.



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## House Report's Direction #7: Analyses of Alternatives (continued)

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GAO analysis: Regarding the analyses of alternatives, the BSFIT expenditure plan and documents referenced therein *partially satisfied* the House report's directions because it, for example, provided the required methodology section and described baseline costs; however, the costs were not broken out by personnel, infrastructure, and technology for each alternative, as required. The BSFIT expenditure plan and documents referenced therein

- provided a methodology section to explain how CBP determined ratings and weightings, and the standard guidance applied to all segment analyses;
  - compared the estimated level of border control, by segment, under each alternative relative to the current level of border control;
  - considered alternatives that consist of combinations of elements (e.g., agents, sensors, and cameras), instead of being limited to individual elements—in addition to individual elements analyses; and
  - provided a description of baseline costs for each segment broken out by each alternative of control, but did not provide estimated costs broken out by personnel, infrastructure, and technology for each alternative.
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## House Report's Direction #7: Analyses of Alternatives (continued)

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However, the BSFIT expenditure plan and documentation referenced therein did not provide information about alternatives proposed by communities or other stakeholder groups, such as eradication of vegetation, enhancement of natural barriers, or incorporation of security features into projects.



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## Related GAO Products

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*Secure Border Initiative: DHS Has Faced Challenges Deploying Technology and Fencing Along the Southwest Border.* GAO-10-651T. Washington, D.C.: May 4, 2010.

*Secure Border Initiative: Testing and Problem Resolution Challenges Put Delivery of Technology Program at Risk.* GAO-10-511T. Washington, D.C.: March 18, 2010.

*Secure Border Initiative: DHS Needs to Address Testing and Performance Limitations That Place Key Technology Program at Risk.* GAO-10-158. Washington, D.C.: January 29, 2010.

*Secure Border Initiative: Technology Deployment Delays Persist and the Impact of Border Fencing Has Not Been Assessed.* GAO-09-1013T. Washington, D.C.: September 17, 2009.

*Secure Border Initiative: Technology Deployment Delays Persist and the Impact of Border Fencing Has Not Been Assessed.* GAO-09-896. Washington, D.C.: September 9, 2009.

*U.S. Customs and Border Protection's Secure Border Initiative Fiscal Year 2009 Expenditure Plan.* GAO-09-274R. Washington, D.C.: April 30, 2009.

*Secure Border Initiative Fence Construction Costs.* GAO-09-244R. Washington, D.C.: January 29, 2009.

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## Related GAO Products (continued)

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*Northern Border Security: DHS's Report Could Better Inform Congress by Identifying Actions, Resources, and Time Frames Needed to Address Vulnerabilities.* GAO-09-93. Washington, D.C.: November 25, 2008.

*Department of Homeland Security: Billions Invested in Major Programs Lack Appropriate Oversight.* GAO-09-29. Washington, D.C.: November 18, 2008.

*Secure Border Initiative: DHS Needs to Address Significant Risks in Delivering Key Technology Investment.* GAO-08-1086. Washington, D.C.: September 22, 2008.

*Secure Border Initiative: DHS Needs to Address Significant Risks in Delivering Key Technology Investment.* GAO-08-1148T. Washington, D.C.: September 10, 2008.

*Secure Border Initiative: Observations on Deployment Challenges.* GAO-08-1141T. Washington, D.C.: September 10, 2008.

*Secure Border Initiative Fiscal Year 2008 Expenditure Plan Shows Improvement, but Deficiencies Limit Congressional Oversight and DHS Accountability.* GAO-08-739R. Washington, D.C.: June 26, 2008.

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## Related GAO Products (continued)

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*Department of Homeland Security: Better Planning and Oversight Needed to Improve Complex Service Acquisition Outcomes.* GAO-08-765T. Washington, D.C.: May 8, 2008.

*Department of Homeland Security: Better Planning and Assessment Needed to Improve Outcomes for Complex Service Acquisitions.* GAO-08-263. Washington, D.C.: April 22, 2008.

*Secure Border Initiative: Observations on the Importance of Applying Lessons Learned to Future Projects.* GAO-08-508T. Washington, D.C.: February 27, 2008.

*Secure Border Initiative: Observations on Selected Aspects of SBInet Program Implementation.* GAO-08-131T. Washington, D.C.: October 24, 2007.

*Secure Border Initiative: SBInet Planning and Management Improvements Needed to Control Risks.* GAO-07-504T. Washington, D.C.: February 27, 2007.

*Secure Border Initiative: SBInet Expenditure Plan Needs to Better Support Oversight and Accountability.* GAO-07-309. Washington, D.C.: February 15, 2007.

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# Enclosure II: Comments from the Department of Homeland Security

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



**Homeland  
Security**

July 14, 2010

Mr. Richard M. Stana  
Director, Homeland Security and Justice Issues  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Stana:

Thank you for providing us with a copy of the Government Accountability Office's (GAO) draft report entitled, U.S. Customs and Border Protection's Border Security Fencing, Infrastructure and Technology Fiscal Year 2010 Expenditure Plan, GAO-10-877R.

A mandate in the Department of Homeland Security (DHS) Appropriations Act, 2010, required DHS to complete an expenditure plan that satisfied 11 specified conditions, and for the plan to be submitted to and approved by the House and Senate Appropriations Committee before the agency could obligate \$75 million of the \$800 million appropriated for U.S. Customs and Border Protection (CBP) border security fencing, infrastructure and technology. Also, the Act required GAO to review this expenditure plan. In addition, Conference, Senate, and House committee reports accompanying the Act directed that the plan address 7 items (referred to as "committee reports' directions").

In response to these requirements, DHS submitted a plan to Congress on May 20, 2010, titled, "Border Security Fencing, Infrastructure and Technology (BSFIT) Fiscal Year 2010 Expenditure Plan." As required by the Act, GAO reviewed the plan and on June 17 and 18, 2010, briefed staff of the Senate and House Appropriations Subcommittees, respectively, on the analysis of whether the plan satisfied the 11 legislative conditions and the 7 committee reports' directions. CBP and the Office of the Chief Procurement Officer (CPO) provided comments to this draft report. GAO did not make any recommendations for congressional consideration or agency action.

**GAO's Findings:** Certification by the DHS CPO was partially satisfied. CPO failed to completely satisfy two of the three conditions to which it certified.

**CPO's Response:** Concur in Part. We believe that the CPO certification completely satisfied two of the three conditions of the legislative requirements. In addition, we believe that the CPO certification satisfied the intent of the third condition, although we agree it could have included a more specific statement regarding the adequacy of SBI staffing levels.

The GAO position and the CPO response for the two conditions cited by the GAO are provided below:

1. **GAO Assertion:** GAO noted the CPO certified the SBI program was reviewed in accordance with DHS capital planning and investment control procedures, per OMB Circular A-11, Part 7, as well as DHS's Acquisition Management Review process as documented in the Acquisition Decision Memorandum. GAO further notes that the DHS Acquisition Review Board issued five Acquisition Decision Memorandum in fiscal year 2009, and that these memoranda authorized aspects of the program with required action items and associated due dates as part of the acquisition review process. However, despite all of these actions, GAO does not believe the legislative requirement was satisfied because "the DHS CPO certification letter did not indicate the status of required program action items resulting from the review process. In related work, we found overdue action items for the SBI Net Program."

**CPO Response:** CPO believes that this portion of the legislative requirement was completely satisfied. The BSFIT programs have been reviewed in accordance with the Department's Acquisition Management Review process (attached Directive 102-01, Acquisition Management) and documented in the five Acquisition Decision Memorandums (ADMs). These ADMs document the Department's decisions concerning the BSFIT programs, and specify the actions assigned, and the next Department Management Reviews. This is per the Department's Acquisition Management Review process. Including a statement regarding the status of each of the action items assigned by the ADM is not required to satisfy the legislative condition (although each action item is tracked by the CPO).

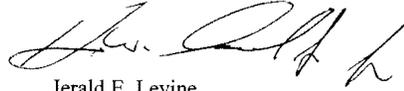
2. **GAO Assertion:** The DHS CPO is required to certify that the SBI Program Office has adequate staff and resources to effectively manage the program and all contracts, including the exercise of technical oversight. The GAO contends that this legislative requirement was not satisfied because "the DHS CPO's assessment did not specifically certify that the program has adequate staff and resources to effectively manage the program and all contracts, including the exercise of technical oversight. The CPO stated that staffing challenges remained and the SBI Program Office had made progress in increasing its government staffing."

**CPO Response:** CPO believes that the statement made in the certification provides an accurate depiction of the current status of the SBI staffing. However, we agree with the GAO that, in order to meet the specific language in the statute, the certification statement should have stated that the progress SBI has made in increasing its Government staffing has resulted in having adequate staff to effectively manage the program and all contracts, including the exercise of technical oversight. However, as noted in the CPO certification, we also believe it is important to recognize that staffing challenges remain. This assures that the users of the certification recognize that we are continuing to work on improving the staffing levels across all acquisition functions to assure optimal management of the program and its contracts.

**Enclosure II: Comments from the Department of Homeland Security**

Thank you for the opportunity to comment on this Draft Report and we look forward to working with you on future homeland security issues.

Sincerely,



Jerald E. Levine  
Director  
Departmental GAO/OIG Liaison Office

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