



# DEPARTMENT OF HOMELAND SECURITY

## Billions Invested in Major Programs Lack Appropriate Oversight

Highlights of [GAO-09-29](#), a report to the Chairman, Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

### Why GAO Did This Study

In fiscal year 2007, the Department of Homeland Security (DHS) obligated about \$12 billion for acquisitions to support homeland security missions. DHS's major investments include Coast Guard ships and aircraft; border surveillance and screening equipment; nuclear detection equipment; and systems to track finances and human resources. In part to provide insight into the cost, schedule, and performance of these acquisitions, DHS established an investment review process in 2003. However, concerns have been raised about how well the process has been implemented—particularly for large investments. GAO was asked to (1) evaluate DHS's implementation of the investment review process, and (2) assess DHS's integration of the investment review and budget processes to ensure major investments fulfill mission needs. GAO reviewed relevant documents, including those for 57 DHS major investments (investments with a value of at least \$50 million)—48 of which required department-level review through the second quarter of fiscal year 2008; and interviewed DHS headquarters and component officials.

### What GAO Recommends

GAO is making several recommendations aimed at better ensuring DHS fully implements and adheres to its investment review process, including tracking major investments and better integrating oversight results with budget decisions. DHS generally concurred with these recommendations.

To view the full product, including the scope and methodology, click on [GAO-09-29](#). For more information, contact John Hutton at (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

### What GAO Found

While DHS's investment review process calls for executive decision making at key points in an investment's life cycle—including program authorization—the process has not provided the oversight needed to identify and address cost, schedule, and performance problems in its major investments. Poor implementation of the process is evidenced by the number of investments that did not adhere to the department's investment review policy—of DHS's 48 major investments requiring milestone and annual reviews, 45 were not assessed in accordance with this policy. At least 14 of these investments have reported cost growth, schedule slips, or performance shortfalls. Poor implementation is largely the result of DHS's failure to ensure that its Investment Review Board (IRB) and Joint Requirements Council (JRC)—the department's major acquisition decision-making bodies—effectively carried out their oversight responsibilities and had the resources to do so. Regardless, when oversight boards met, DHS could not enforce IRB and JRC decisions because it did not track whether components took actions called for in these decisions. In addition, many major investments lacked basic acquisition documents necessary to inform the investment review process, such as program baselines, and two out of nine components—which manage a total of 8 major investments—do not have required component-level processes in place. DHS has begun several efforts to address these shortcomings, including issuing an interim directive, to improve the investment review process.

The investment review framework also integrates the budget process; however, budget decisions have been made in the absence of required oversight reviews and, as a result, DHS cannot ensure that annual funding decisions for its major investments make the best use of resources and address mission needs. GAO found almost a third of DHS's major investments received funding without having validated mission needs and requirements—which confirm a need is justified—and two-thirds did not have required life-cycle cost estimates. At the same time, DHS has not conducted regular reviews of its investment portfolios—broad categories of investments that are linked by similar missions—to ensure effective performance and minimize unintended duplication of effort for investments. Without validated requirements, life-cycle cost estimates, and regular portfolio reviews, DHS cannot ensure that its investment decisions are appropriate and will ultimately address capability gaps. In July 2008, 15 of the 57 DHS major investments reviewed by GAO were designated by the Office of Management and Budget as poorly planned and by DHS as poorly performing.

**DHS Major Investments Lacking Appropriate Oversight**

Oversight element	Applicable investments	Number lacking element	Percent lacking element
DHS review in accordance with policy	48	45	94
Required information at key decision points	34	27	79
Life-cycle cost estimate	57	39	68

Source: GAO.