U.S. Government Accountability Office

DHS Contracts: Reported Potential Cost Avoidance from Terminations Will Not Fully Materialize

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Accessible Version

Why This Matters

During fiscal year 2025, the Department of Homeland Security (DHS) obligated about $28.4 billion on federal contracts. Through these contracts, DHS purchases a diverse portfolio of goods and services needed to execute its missions, such as border security, marine safety, screening of travelers, cybersecurity, and disaster response. In fiscal year 2025, about $24 billion of these obligations went to purchase services such as the construction of non-building facilities, housekeeping-guard services and professional program management and support. The remaining $4 billion went to purchase products such as information technology and telecommunications, business application software, and hazard-detecting instruments.

In early 2025 the President directed the heads of federal agencies to implement a series of initiatives to reform government operations. To help advance these initiatives, the President established the United States DOGE Service (also known as the Department of Government Efficiency, hereafter referred to as "DOGE"), and directed agencies to establish DOGE teams to assist in carrying out administration priorities.[1] Executive Order 14222 directed agencies to consult with their agency DOGE teams to review federal contracts and grants for termination or modification.[2]

The Federal Acquisition Regulation gives the federal government the ability to completely or partially terminate performance of work under a contract when it is in the federal government's interest.[3] This is referred to as a termination for

[1]Executive Order 14158 reorganized and renamed the United States Digital Service the United States DOGE Service (hereafter, referred to as "DOGE"). The order also established within DOGE the U.S. DOGE Service Temporary Organization and provided that the Temporary Organization was to terminate on July 4, 2026. Exec. Order No. 14158, *Establishing and Implementing the President's "Department of Government Efficiency,"* 90 Fed. Reg. 8441 (Jan. 29, 2025). Generally, agency DOGE teams included a team lead, an engineer, a human resources specialist, and an attorney.

[2]Exec. Order No. 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative*, 90 Fed. Reg. 11095 (Mar. 3, 2025).

[3]The Federal Acquisition Regulation (FAR) is currently undergoing a revision called the Revolutionary FAR Overhaul. Executive Order 14275 directs the Office of Federal Procurement Policy to reduce the FAR to what is required by statute and is necessary for streamlined and efficient federal procurement. Exec. Order No. 14275, 90 Fed. Reg. 16447 (Apr. 18, 2025). The updated version of the FAR is referred to as FAR (deviation), while the version in place prior to the overhaul is referred to as FAR (legacy). The FAR (legacy) is referenced in this report since this review focuses on fiscal year 2025.

convenience.[4] Partial termination means the termination of a part, but not all, of the work that has not been completed and accepted under a contract. The agency's contracting officer is to provide written notice to the contractor, including the effective date of termination and whether the contract is being terminated in whole or in part. Contractors generally have up to 1 year from the effective date of the termination to submit a settlement proposal.[5] Hence, the government often incurs a cost when it terminates a contract for convenience.

We were asked to review DHS and DOGE efforts to terminate grant awards and contracts and make reductions to its workforce in 2025. This report, the first in a series, provides information on DHS actions to review and terminate contracts from January through September 2025, and the number and value of contracts terminated. [6]

Key Takeaways

- In early 2025, the President directed federal agencies to terminate contracts related to diversity, equity, and inclusion efforts, among other things, and also—in consultation with their agency DOGE teams—review and terminate certain contracts where appropriate to reduce or reallocate spending.
- DHS and its components reviewed their contracts and identified some as suitable for termination. The Deputy Secretary of Homeland Security was then responsible for approving termination of those contracts.
- Our analysis of federal procurement data shows that DHS fully or partially terminated 438 contracts from January 20 through September 30, 2025. Over $1.6 billion had been obligated on these contracts prior to their termination. Since termination, DHS has deobligated a net total of over $92 million on these terminated contracts. [7] This could represent cost savings to the government, provided that funds are not used for similar work associated with the terminated contracts.
- DHS publicly reported that its full or partial termination of contracts could allow the agency to potentially avoid $10.5 billion in costs. This potential cost avoidance, however, is based on the maximum amount that DHS could have obligated on these contracts. It is unclear how much DHS would have actually obligated on these contracts if they had not been terminated, and thus, how much cost to the agency will actually be avoided.

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[4]FAR Subpart 49.1. The government may also completely or partially terminate a contract for default because of the contractor's actual or anticipated failure to perform its contractual obligations. See FAR Subpart 49.4. In the termination for convenience of a commercial contract, the contractor is paid a percentage of the contract price reflecting the percentage of the work performed prior to notice of the termination and any charges the contractor can demonstrate directly resulted from the termination. See FAR 12.403(d), 52.212-4.

[5]FAR 49.206-1, 52.249-2. A settlement proposal can include costs already incurred, reasonable profits on those costs, and costs associated with termination like disposing of inventories, settlement of subcontracts, and expenses including certain legal and accounting costs. FAR 31.205-42.

[6]The next report in this series will be focused on the actions taken by DHS to take certain grant actions from January through September 2025, including reviewing and terminating grants, as well as the number and value of grants terminated. GAO also has work ongoing to review DHS's actions to make reductions to its workforce from January through December 2025.

[7]Deobligation refers to an agency's cancellation or downward adjustment of previously incurred obligations.

Executive Orders Led to Contract Terminations

In the first half of 2025, the President issued a series of executive orders directing federal agency heads to review and terminate contracts in a manner deemed to be in the federal government's interest, to include reducing spending. Specifically,

- On January 20, 2025, the President issued an executive order that calls for agencies to terminate, to the maximum extent allowed by law, all "equity-related" contracts.[8]
- On January 21, 2025, the President issued an executive order that requires, among other things, agencies to include in every contract a term requiring the counterparty to certify that it does not operate any programs promoting diversity, equity, and inclusion that violate any applicable federal anti-discrimination laws.[9]
- On February 26, 2025, the President issued an executive order that called for agency heads—in consultation with their agency DOGE team leads—to take actions including the following:[10]
  - build a technological system for employees who approve payments made towards covered contracts and grants to submit a justification for each payment and require relevant employees to do so;
  - review all covered contracts and grants and, where appropriate and consistent with law, "terminate or modify (including through renegotiation) such covered contracts and grants to reduce overall Federal spending or reallocate spending to promote efficiency and advance the policies of [the] Administration"; and
  - conduct a comprehensive review of the agency's contracting policies, procedures, and personnel.

Additionally, on February 18, 2025, the President directed all agencies to publicly provide details of terminated programs, contracts, and grants.[11] DHS first began posting data on contract terminations to its website in late February 2025.

DHS Components Reviewed and Identified Contracts for Termination

According to officials from DHS's Office of the Chief Procurement Officer, in early 2025, the General Services Administration and DOGE staff sent DHS lists of contracts for potential termination. The components reviewed these proposed termination lists to determine which contracts were critical or essential to their missions. If the components determined that any of those contracts were not critical or essential to the mission and could be terminated or reduced in scope,

[8]Exec. Order No. 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing,* 90 Fed. Reg. 8339 (Jan 29, 2025). The executive order does not define "equity-related."

[9]Exec. Order No. 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, 90 Fed. Reg. 8633 (Jan 31, 2025).

[10]Exec. Order No. 14222. Covered contracts and grants refers to "discretionary spending through Federal contracts, grants, loans, and related instruments, but excludes direct assistance to individuals; expenditures related to immigration enforcement, law enforcement, the military, public safety, and the intelligence community; and other critical, acute, or emergency spending, as determined by the relevant agency head."

[11]The White House, Memorandum, *Radical Transparency About Wasteful Spending* (Feb. 18, 2025).

consistent with applicable law, those contracts were terminated or reduced in scope.[12]

Subsequently, in March 2025, pursuant to Executive Order 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative,* DHS conducted a department-wide review of over 17,000 contracts to assess how critical or essential these contracts were to the agency's mission. Specifically, DHS's Office of the Chief Procurement Officer provided us with documentation that each component reviewed its contracts and categorized each of them as either "mission critical", "mission essential", or "other", and that the Office of the Chief Procurement Officer briefed the DOGE team lead on this approach.[13] Based on these categorizations and opportunities for potential cost savings, the components recommended actions to be taken on their contracts including full termination, partial termination (reduction in scope), non-renewal, renegotiation, or no action.

In conjunction with this review, a memo from the Deputy Secretary of Homeland Security on March 21, 2025, and subsequent implementing guidance, required approval by the Deputy Secretary's office for new awards of any contracts or grants worth $25 million or more and all contract and grant terminations, regardless of value.[14] In addition, on June 11, 2025, the then-Secretary of Homeland Security distributed a memo saying she must personally review and approve every DHS obligation of $100,000 or more and that all requests must allow for a minimum of 5 days for review.[15] Officials with the Office of the Chief Procurement officer noted that while this requirement led to some delays in obligations and spending, it also increased the visibility by senior leadership into spending and provided an additional level of accountability for funds being spent. On April 1, 2026, the current Secretary of Homeland Security rescinded this memo and announced that contract awards exceeding $25 million will require review and approval by the Deputy Secretary before obligations are to be incurred.[16]

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[12]According to the Office of the Chief Procurement Officer, approximately 15 contracts were terminated after being placed on the General Services Administration lists for proposed terminations or the DOGE recommended termination lists.

[13]DHS Office of the Chief Procurement Officer, *DHS Contract Cost Reduction Initiative Summary of Proposed Actions and Savings*, April 2025. DHS defined "mission critical" contracts as those directly related to immigration enforcement, law enforcement, the military, public safety, and the intelligence community, and contracts directly related to the enforcement of federal criminal or immigration law. "Mission essential" contracts were considered to have impacts on national security, mission-critical functions, or appropriate enabling functions, and statutory mandates if cut or terminated. "Other" contracts were those not under the other two categories.

[14]DHS Memorandum, *Guidance on DHS Contract and Grant Awards/Terminations; Agency Reorganization and Reduction in Force Plans; and Systems and Data Warehouse Access*, March 21, 2025; and DHS Acquisition Alert 25-11, *Award and Termination Approvals Required by the Deputy Secretary*, March 23, 2025. The DHS Acquisition Alert 25-11 was later rescinded and replaced by Acquisition Alert 25-17, *Termination Approvals Required by the Deputy Secretary*, June 26, 2025. According to the Office of the Chief Procurement Officer, Acquisition Alert 25-17 was rescinded effective April 9, 2026.

[15]DHS Memorandum, *Spending Over $100,000*, June 11, 2025. In this memorandum, the then-Secretary stated "prior to the Department incurring obligations for any grant or contract award in excess of $100,000, I will review and consider any and all such proposals to obligate the agency for expenditures over $100,000."

[16]DHS Memorandum, *Spending Over $25 Million*, April 2, 2026.

Regarding the review of contracts for terminations, the components were to submit information notifying the Office of the Chief Procurement Officer of their intent to terminate a contract. The Office of the Chief Procurement Officer was to review the termination information and then notify the components of the Deputy Secretary's decision. Approval from the Deputy Secretary was required before a termination could be made. According to the Office of the Chief Procurement Officer, as of April 9, 2026, Deputy Secretary approval is no longer required for contract terminations and the implementing guidance for that requirement has been rescinded.

In addition to reviewing contracts for potential termination, a memo from the Acting DHS Chief Financial Officer and Chief Procurement Officer on March 3, 2025, stated that the department must pause payments on all covered contracts and grants identified under the review stemming from Executive Order 14222.[17] This was to be in effect until further notice or the establishment of a technological system to allow payment approvals to be linked to a justification.[18] Exclusions were cited to this pause provision for contracts related to the enforcement of federal criminal or immigration law, contracts involving U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement, and some other types of contracts or grants. In accordance with this memo, DHS developed and implemented a payment verification tool to automate and centralize payment approval for contract invoices and capture payment justifications. According to the Office of the Chief Financial Officer, the payment pause was in place for a short time during the spring of 2025 while the payment verification tool was being developed. However, in a memo signed May 4, 2026, DHS determined that the department's existing internal controls and payment approval processes were sufficient for ensuring compliance with Executive Order 14222, and use of the payment verification tool was discontinued.[19]

DHS Terminated 438 Contracts and Deobligated $92 Million

GAO Analysis Shows that DHS Terminated 438 Contracts With an Obligated Value of over $1.6 Billion

As shown in tables 1 and 2, from January 20, 2025, through September 30, 2025, DHS completely or partially terminated 438 contracts for convenience.[20] According to DHS officials, these contracts were terminated in accordance with Executive Orders 14173 and 14222. According to our analysis of data from the Federal Procurement Data System (FPDS), DHS had obligated over $1.6 billion for these contracts prior to termination (see table 1).[21] This represented the

[17]Covered contracts and grants are defined in Executive Order 14222 as discretionary spending through federal contracts, grants, loans, and related instruments, but excludes direct assistance to individuals; expenditures related to immigration enforcement, law enforcement, the military, public safety, and the intelligence community; and other critical, acute, or emergency spending, as determined by the relevant agency head.

[18]DHS Memorandum, *Pause on Payments for Contracts and Grants*, March 3, 2025.

[19]DHS Memorandum from the Senior Official Performing the Duties of the Chief Financial Officer, *Modified Approach for Executive Order 14222 Compliance*, April 29, 2026. This memo was signed and approved on May 4, 2026.

[20]Hereafter, we refer to all completely or partially terminated contracts collectively as "terminated contracts". The Federal Procurement Data System (FPDS), from which we obtained the data for our analysis, does not distinguish between complete and partial terminations. Therefore, an undetermined portion of the terminated contracts are still active.

[21]DHS publicly reported on its website that from late January, 2025 through September 30, 2025, the department terminated for convenience 521 contracts with an obligated value at termination of over $1.2 billion, and nearly $181 million in deobligations since termination. In reviewing (cont.)

amount of money that DHS obligated from contract award through the last modification before the decision to terminate.[22] For more information on our methodology, see How GAO Did This Study.

Table 1: Number and Obligated Value of Terminated Contracts for the Department of Homeland Security (DHS) and Its Components, January 20, 2025–September 30, 2025

Agency / Component	Terminated contracts	Percentage of total contracts	Obligations prior to termination	Percentage of total obligations
Total for DHS	**438**	**100**	**$1,670,143,632**	**100**
By component:				
U.S. Customs and Border Protection	27	6	$494,001,432	30
U.S. Immigration and Customs Enforcement	25	6	$242,806,238	15
Federal Emergency Management Agency	139	32	$208,007,901	12
Office of the Chief Information Officer	5	1	$171,793,108	10
Transportation Security Administration	24	5	$136,103,552	8
Science and Technology Directorate	40	9	$98,023,666	6
Cybersecurity and Infrastructure Security Agency	22	5	$75,700,158	5
All other components[a]	156	36	$243,707,577	15

Source: GAO analysis of Federal Procurement Data System data. | GAO-26-109096

Note: Totals and percentages of component contracts and values may not sum to 100% due to rounding.

[a]Other components include: U.S. Citizenship and Immigration Services, Immediate Office of the Secretary, Office of the Under Secretary for Management, U.S. Secret Service, Federal Law Enforcement Training Center, Office of the Chief Readiness Support Officer, U.S. Coast Guard, Office of the Chief Human Capital Officer, Office of the Chief Financial Officer, Office of the Chief Procurement Officer, Countering Weapons of Mass Destruction, and the Office of Intelligence and Analysis.

Table 2 contains the number and obligated amounts of these terminated contracts by product or service type.

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these contracts, we identified 44 contracts that were listed more than once. For example, DHS partially terminated one contract and then later fully terminated it. For the purposes of our analysis, we counted unique contracts only once (thus excluding 44 duplicate listings) and aggregated obligations and deobligations at the contract level. We also excluded one contract that was terminated for cause (rather than convenience), and another which was not terminated but for which all funds were deobligated. Our analysis also excluded a number of contract vehicles that establish procedures for future purchases but either have no funds obligated against them (i.e. basic ordering agreements and blanket purchase agreements) or have only the stated minimum amount obligated against them (i.e., indefinite-delivery contracts) until the agency uses them. Thus, excluding these vehicles and including only orders placed against them provides a more accurate representation of money that was obligated to purchase goods or services, or subsequently deobligated after a contract was terminated. For further information on our methodology and the characteristics of these various vehicles, see How GAO Did This Study.

[22]Contract modifications are any written changes made to the terms of a contract.

Table 2: Number and Obligated Value of Terminated Contracts for the Department of Homeland Security (DHS) by Product or Service, January 20, 2025–September 30, 2025

Product or service category	Terminated contracts	Percentage of total contracts	Obligations prior to termination	Percentage of total obligations
Total for DHS	**438**	**100**	**$1,670,143,632**	**100**
Product or service type:				
Professional services[a]	123	28	$565,392,221	34
Operation of government owned buildings	3	1	$203,960,555	12
Information technology and telecommunications–end user	5	1	$173,634,991	10
Housekeeping services	19	4	$155,598,738	9
Information technology and telecommunications-delivery	3	1	$149,404,528	9
Lease or rental of equipment	5	1	$69,779,790	4
All other product or service types[b]	280	64	$352,372,809	21

Source: GAO analysis of Federal Procurement Data System data. | GAO-26-109096

Note: Totals and percentages of contract values may not sum to 100% due to rounding.

[a]Professional services includes support services such as program management and support, policy review and development, or program evaluation, review, and development.

[b]Other product or service types include construction of buildings, administrative support services, management support services, special studies-not research and development, and information technology and telecommunications-information technology management, among others.

As shown by the data in the tables above, contracts were terminated by DHS components for a number of different types of products and services. For example, in March 2025, U.S. Customs and Border Protection (CBP) terminated a contract with a vendor providing processing coordinators for incoming migrants in Del Rio, Texas. CBP officials informed us that due to the closing of soft-sided facilities at this location, there was no longer space available for the processing coordinators.[23] In addition, according to CBP, apprehensions in the area had decreased substantially. The amount obligated to the contract at the time of termination was over $194 million, and the agency deobligated nearly $211,000 at termination.

GAO Analysis Shows That DHS Deobligated over $92 Million from Terminated Contracts

Since terminating these contracts, DHS has

- obligated additional funds for expenses such as settlement costs or ongoing work under partially terminated contracts,

[23]U.S. Customs and Border Protection's soft-sided facilities are steel-framed tent-like structures with multiple rooms and sections and include services and equipment to temporarily hold and care for apprehended individuals. The agency relies on contracts to operate and maintain these facilities and provide necessary support and services.

- deobligated funds for expenses that will no longer be incurred, or[24]
- done neither.

Tables 3 and 4 provide the obligations resulting from these actions for contracts terminated from January 20, 2025, through September 30, 2025, from the date of termination through March 31, 2026. Since the termination of these contracts, DHS has deobligated over $249 million, but also obligated an additional $157 million, resulting in a net total of over $92 million deobligated. These funds represent cost savings in that they reduce federal obligations and may be available for other purposes. However, should DHS subsequently obligate additional funds to perform the same or replacement work associated with terminated contracts, the ultimate amount of savings or cost avoidance would be further diminished. Table 3 shows the DHS components with the greatest changes in net obligations since termination.

Table 3: Number and Net Obligations Since Termination for All Terminated Contracts, January 20, 2025–September 30, 2025, for the Department of Homeland Security (DHS) and Its Components as of March 31, 2026

Agency / Component	Terminated contracts	Net obligations since termination
Total for DHS	**438**	**$-92,367,557[a]**
Highest obligations since termination:		
Office of the Chief Information Officer	5	$46,892,630
Transportation Security Administration	24	32,502,168
Highest deobligations since termination:		
U.S. Customs and Border Protection	27	$-84,340,425
Federal Emergency Management Agency	139	$-63,079,886
All other components	243	$-24,342,044

Source: GAO analysis of Federal Procurement Data System data. | GAO-26-109096

[a]Of these 438 contracts, 261 had deobligations since termination of $249,158,880, 32 had additional obligations of $156,791,323, while the remaining 145 saw no additional deobligations or obligations. After terminating a contract, DHS may either obligate additional funds for expenses such as settlement costs or ongoing work under partially terminated contracts, deobligate funds for expenses that will no longer be incurred, or do neither.

Table 4 contains the net obligations of these terminated contracts organized by product or service type.

[24]Deobligation refers to an agency's cancellation or downward adjustment of previously incurred obligations. Deobligated funds may be reobligated within the period of availability of the appropriation. For example, annual appropriated funds may be reobligated in the fiscal year in which the funds were appropriated, while multiyear or no-year appropriated funds may be reobligated in the same or subsequent fiscal years.

Table 4: Number and Net Obligations Since Termination for All Terminated Contracts, January 20, 2025–September 30, 2025, for the Department of Homeland Security (DHS), by Product or Service, as of March 15, 2026

Product or service category	Terminated contracts	Net obligations since termination
Total for DHS	438	**$-92,367,557[a]**
Highest obligations since termination:		
Professional services[b]	9	$56,866,269
Information technology and telecommunications – end user	1	$48,575,942
Highest deobligations since termination:		
Lease or rental of equipment	3	$-69,363,574
Professional services[b]	73	$-61,636,878
All other product or service types	352	$-66,809,316

Source: GAO analysis of Federal Procurement Data System data. | GAO-26-109096

[a]Of these 438 contracts, 261 had deobligations since termination of $249,158,880, 32 had additional obligations of $156,791323, while the remaining 145 saw no additional deobligations or obligations. After terminating a contract, DHS may either obligate additional funds for expenses such as settlement costs or ongoing work under partially terminated contracts, deobligate funds for expenses that will no longer be incurred, or do neither.

[b]Professional services appears twice in the table above because contracts under that product or service code had both a relatively high dollar amount of obligations and deobligations. Adding the totals together provides a net of nearly $4.8 million in deobligations.

As shown by the data in the tables above, funds were obligated or deobligated by DHS since termination for contracts providing a number of different types of products and services. For example, according to DHS officials, in January of 2025, the Office of the Chief Information Officer partially terminated a contract providing support for DHS headquarters operations by eliminating certain project management support functions within the Chief Information Officer's office. Prior to the partial termination, nearly $167 million had been obligated under the contract. DHS officials further informed us that since the partial termination affected only a portion of the contract scope, DHS continued to obligate funding for the ongoing contract requirements, including over $48 million following the partial termination.

In addition, in April 2025, the Federal Emergency Management Agency partially terminated a contract in order to reduce the scope and level of effort provided in support of its housing mission following the major disaster declared due to the impacts of then-Tropical Storm Helene in North Carolina. According to FEMA, services such as administrative support, data analysis and input, and housing planning and installation were reduced in scope because the work had stabilized and the reduction in staff met the needs of the mission. Prior to the partial termination, over $26.6 million had been obligated under this contract. Since its partial termination, the agency has deobligated $8.4 million.

Actual Cost Avoidance from Terminations Will Be Less Than DHS-Reported Potential of $10.5 Billion

DHS's publicly reported data indicates that its 2025 contract terminations could allow the department to potentially avoid over $10.5 billion in costs.[25] However, this estimate overstates the total amount of costs avoided for two reasons:

[25]According to DHS, potential cost avoidance as reported on its website reflects the estimated value associated with unexercised contract options and contract line items that were not fully

- First, this represents the maximum amount that could be obligated on these contracts. However, it is unknown how much DHS would have actually obligated on these contracts had they not been terminated.
- Second, if the requirements for goods and services covered by those terminated contracts remain in place and are being met through other contracts, then those costs would not be avoided but incurred through different contracts.

In fact, we found that of the $10.5 billion in potential cost avoidance identified by DHS, nearly $10 billion (or 95 percent) is attributable to 30 terminated indefinite-delivery/indefinite-quantity contracts for information technology services and equipment.[26] These contracts had a 10-year period of performance from fiscal years 2025 through 2034. These contracts provided a mechanism for DHS to fulfill its information technology requirements, and DHS stated in its notice of termination that any needs of the agency could be filled through General Services Administration and other government-wide offerings.[27] According to the Office of the Chief Procurement Officer, in fiscal year 2025, DHS obligated over $1.7 billion through existing government-wide contracts to meet these requirements. Thus, $1.7 billion of potential costs under these contracts were not avoided but incurred through other contracts. Additionally, any additional obligations for the same requirements against the government-wide contracts in future years, through fiscal year 2034, would further reduce actual cost avoidance. As a result, actual cost avoidance will be less than the amount that DHS has reported as potential cost avoidance. While these terminations will affect how DHS purchases some information technology services going forward, it is unknown what future impact they will have on costs going forward, if any.

Agency Comments

We provided a draft of this report to DHS for review. DHS did not provide formal comments, but sent technical comments, which we incorporated as appropriate.

How GAO Did This Study

This report focuses on DHS's efforts to review and terminate contracts beginning in late January 2025, and the number and obligation amounts for contracts terminated for convenience from January 20, 2025, through September 30, 2025, the fiscal year-end date for which data were available when we began our analysis.

To analyze efforts to review and terminate contracts, we first reviewed executive orders establishing DOGE and directing federal agencies—including DHS—to review and terminate contracts in order to reduce federal spending and advance priorities of the Administration, among other things. We also reviewed internal DHS documents, such as memoranda directing components on the means by which it should review, terminate, or pause payments on contracts to align the department's actions with the executive orders. We also interviewed officials with DHS's Office of the Chief Procurement Officer and Office of the Chief Financial

funded at the time of termination. DHS continues to post updated data on terminated contracts to its website. GAO has not independently verified any claims of cost avoidance.

[26]An indefinite-delivery/indefinite-quantity contract is one that provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period. The government places orders for individual requirements. The contract must require the government to order and the contractor to furnish at least a stated minimum quantity of supplies or services.

[27]DHS's notice of termination also stated that these actions were taken in response to Executive Order 14240. See Exec. Order No.14240, *Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement,* 90 Fed. Reg. 13671 (Mar. 25, 2025).

Officer to gain a greater understanding of DHS's efforts to implement these directives.

To determine the number and dollar amounts obligated to contracts terminated for convenience from January 20, 2025, through September 30, 2025, we analyzed Federal Procurement Data System data to identify all DHS contracts that were terminated during this time frame.[28] We included in our analysis blanket purchase agreement (BPA) calls, purchase orders, delivery orders, and definitive contracts because obligations are made under these mechanisms.[29] We excluded the broader categories of basic ordering agreements, blanket purchase agreements, federal supply schedule vehicles, government-wide acquisition contracts, and indefinite delivery contracts, as these types of vehicles do not represent orders of goods and services.[30] To identify contracts that were terminated in response to Executive Orders 14173 and 14222, we analyzed FPDS data and data that DHS had publicly reported on its website on the contracts it terminated pursuant to these orders.[31] This analysis identified 438

[28]The Federal Procurement Data System, managed by the General Services Administration, is the central repository for capturing information on federal contracting. Federal agencies, including DHS, are responsible for collecting and reporting data into the system as required by the Federal Acquisition Regulation (FAR). FAR subpart 4.6. As part of the General Services Administration's ongoing systems modernization effort, on February 24, 2026, SAM.gov replaced the Federal Procurement Data System (FPDS) as the government's repository for federal procurement information.

[29]A blanket purchase agreement order call is a call against an existing blanket purchase agreement to request a service or product provided under the agreement. A purchase order is an offer established to buy supplies or services, including construction and research and development, upon specified terms and conditions, using simplified acquisition procedures. A delivery order is an order for supplies placed against an established contract or with government sources. A definitive contract is a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing.

[30]A basic ordering agreement—which is not a contract—is a written instrument of understanding, negotiated between an agency, contracting activity, or contracting office and a contractor, that contains (1) terms and clauses applying to future contracts (orders) between the parties during its term, (2) a description, as specific as practicable, of supplies or services to be provided, and (3) methods for pricing, issuing, and delivering future orders under the basic ordering agreement. A blanket purchase agreement is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. A federal supply schedule vehicle is a type of indefinite delivery contract established with suppliers included in the federal supply schedule program, which provides federal agencies with a simplified process for obtaining commonly used commercial supplies and services at prices associated with volume buying. A government-wide acquisition contract is a task order or delivery order contract for information technology established by one agency for government-wide use that is operated (1) by an executive agent designated by the Office of Management and Budget pursuant to 40 U.S.C. § 11302(e); or (2) under a delegation of procurement authority issued by the General Services Administration (GSA) prior to August 7, 1996, under authority granted GSA by former 40 U.S.C. § 759, repealed by Pub. L. No. 104-106. An indefinite delivery contract is used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. There are three types of indefinite delivery contracts: definite quantity contracts, requirements contracts, and indefinite quantity contracts. For indefinite delivery contracts, although the required minimum amount is obligated at the time of award, purchase and delivery orders are then used to cover the minimum amount and obligate additional funds under these contracts.

[31]These executive orders called for the termination, to the maximum extent allowed by law, of all "equity-related" contracts and the review and termination of contracts in order to reduce or reallocate federal spending, respectively.

unique contracts terminated for convenience in response to the executive orders.[32]

For each terminated contract, we analyzed FPDS data to identify the DHS component that provided most of the funding for the contract, as well as the product or service being purchased under each contract. We calculated obligations prior to termination as well as obligations from the initial termination through March 31, 2026. Including this lag time of nearly six months allowed us to capture additional obligations incurred due to, for example, additional work conducted under partially terminated contracts or contractor settlement costs, as well as deobligations incurred for work no longer needed.

To determine the reliability of these data, we reviewed documents such as DHS's annual reporting certification of FPDS data elements to the Office of Management and Budget, including its agency procurement data quality report, the FPDS data dictionary, user guide, and data validation rules. We conducted electronic testing of FPDS data elements and compared our results to data provided by DHS. This led us to exclude some contracts identified by DHS as having been terminated for convenience in accordance with Executive Orders 14173 and 14222 from our analysis. These exclusions included 44 duplicates, 45 blanket purchase agreements or indefinite delivery contracts, and 2 contracts that were either not identified as terminated in FPDS or identified as terminated for cause, not convenience. We determined that the data were sufficiently accurate for our analysis and usage in our report.

We conducted this performance audit from March 2026 to September 2026 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 audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Bennie G. Thompson
Ranking Member
Committee on Homeland Security
House of Representatives

The Honorable J. Luis Correa
Ranking Member
Subcommittee on Border Security and Enforcement
Committee on Homeland Security
House of Representatives

The Honorable Seth Magaziner
Ranking Member
Subcommittee on Counterterrorism and Intelligence

[32]DHS publicly reported on its website that it terminated 521 contracts for convenience during this time period. However, we found that 44 of the contracts in this data set were duplicates and there were only 477 unique contracts. We excluded 47 contracts from the 477 unique contracts from our analysis. Of these 47 exclusions, 45 were either blanket purchase agreements or (cont.) indefinite delivery contracts, which we excluded from our analysis as discussed above; one was listed in FPDS as a termination for cause (rather than for convenience), and the other was not formally terminated but all of its funds were deobligated. The remaining 430 contracts were included in our analysis. We included an additional eight terminations for convenience that we identified in FPDS as having been terminated in accordance with the executive orders, but which were not included in the contract data set provided by DHS, for a total of 438 contracts.

Committee on Homeland Security
House of Representatives

The Honorable Delia C. Ramirez
Ranking Member
Subcommittee on Cybersecurity and Infrastructure Protection
Committee on Homeland Security
House of Representatives

The Honorable Timothy M. Kennedy
Ranking Member
Subcommittee on Emergency Management and Technology
Committee on Homeland Security
House of Representatives

The Honorable Shri Thanedar
Ranking Member
Subcommittee on Oversight, Investigations, and Accountability
Committee on Homeland Security
House of Representatives

The Honorable LaMonica McIver
Ranking Member
Subcommittee on Transportation and Maritime Security
Committee on Homeland Security
House of Representatives

We are sending copies of this report to the appropriate congressional committees and the Department of Homeland Security. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

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