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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

February 21, 2013

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The Honorable Janet Napolitano
Secretary
U.S. Department of Homeland Security
3801 Nebraska Avenue, N.W.
Washington, D.C. 20528

Dear Secretary Napolitano:

I read with interest your letter of February 13, 2013, to Ranking Member Bennie Thompson as well as your February 14, 2013 testimony before the Senate Appropriations Committee regarding the potential impact of sequestration on the Department of Homeland Security (DHS). I would like to offer some additional perspective, which I believe could help avoid some of the potentially negative outcomes you foresee.

The message of the letter was clear: DHS believes sequestration will significantly impact the Department's most important functions. The projected impacts are stark – longer lines at airports and border crossings, furloughed employees, halted research and reductions in disaster relief aid.

However, these proposals may not be need to be implemented if we can focus the mandated cuts on wasteful, duplicative, ineffective and low-priority programs first.

While sequestration will cut each non-exempt “program, project, and activity” equally, the Department does have some flexibility to reduce spending on lower priority items. In fact, Office of Management and Budget (OMB) guidance provided to agencies on January 14, 2013 urged each agency to “use any available flexibility to reduce operational risks and minimize impacts on the agency’s core mission...” This language provides a unique opportunity for each federal department to reduce spending in each program on those expenditures that are less essential.

However, if additional savings are needed beyond what can be achieved in this way, there are numerous other areas for potential reductions. Over the last several years, I and others have identified billions of dollars in savings at DHS we could achieve by eliminating wasteful and duplicative spending. While it is possible additional legal authority would be necessary, I would be happy to work with you to pass legislation allowing each agency the ability to further prioritize crucial programs and activities within your jurisdiction. I believe the following set of proposals would be a helpful place to start.

In 2011, I released a report called *Back in Black* that detailed billions of dollars in savings at DHS. Many of these proposals have the support of independent watchdogs such as the

Government Accountability Office (GAO) and agency inspectors general. A few examples will help illustrate how DHS can reduce spending without compromising its core missions.

Your testimony said sequestration would require furloughs for employees at the Transportation Security Administration (TSA), increasing airport wait times. However, GAO has repeatedly identified significant problems with the behavior detection program at TSA, intended for "Screening Passengers by Observation Techniques." According to GAO, the program carries an annual cost of approximately \$212 million, but "lacks outcome-oriented goals" as well as scientific validation of its methods. Eliminating or reducing this program's budget before doing the same for baggage screening could lessen the need for furloughs.

Your testimony noted that funding for cybersecurity within the National Programs and Programs Directorate (NPPD) would be scaled back. However, several programs within NPPD have proven far less effective than expected and could be reduced before we expose our federal cyber networks to more risk. These include the Chemical Facilities Anti-Terror Standards (CFATS) program and the Office of Bombing Prevention (OBP). CFATS, which costs approximately \$75 million a year, is responsible for validating security plans at more than 4,000 chemical sites, but to date has been unable to accomplish this at more than a handful of locations. OBP spends approximately \$15 million to train state and local bomb squads and provide information on bombing threats. Only, it appears to duplicate the efforts of other federal offices with the same or similar missions at the Federal Bureau of Investigation (FBI) and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Scaling back these programs could allow funds to be freed up for higher priorities, such as investments in cybersecurity protections

Your testimony also stated that reductions in the department's preparedness grants would negatively impact our nation's first responders. However, several investigations completed by my office show that these funds have not always been well tracked or well spent. An October 2012 report of the Permanent Subcommittee on Investigations, on which I served as ranking member, found that DHS was unable to track the amount of money it spent on support for the State and Local Fusion Center program. Moreover, the subcommittee uncovered questionable purchases by the centers for flat-screen televisions to monitor broadcast news, shirt-button cameras and SUVs – all of which were unneeded for their information-sharing missions.

A second report, *Safety At Any Price*, released by my office, found dozens of examples of wasteful spending within the Urban Area Security Initiative (UASI), a component of the Homeland Security Grant Program with a \$700 million annual budget. These included domestic drones, an underwater robot, sno-cone machines, security upgrades for a spring training stadium, color printers and military-style BearCat vehicles. Unfortunately, the component in charge of administering DHS grant programs, the Federal Emergency Management Agency (FEMA), has no way to track how funds are spent at the State and local level, making it impossible to know if the grant programs are achieving their purposes. Reducing funding for these low-priority items first could eliminate the need to reduce funding for first responders.

Last year, DHS announced that approximately \$8.3 billion FEMA grant funds for preparedness programs had not been spent. The Department issued new guidance to grant recipients to expedite the spending on those funds "in light of the current economic situation and the need for further fiscal stimulus." According to an estimate the Department recently gave my

staff, \$5.25 billion of those funds remained unspent. In light of the looming sequester, DHS might reconsider this move and instead recover some or all unspent grants and reallocate them to higher priorities.

Likewise, the Office of Management and Budget projected that at the end of fiscal year 2013, DHS would carry forward more than \$9 billion in unobligated balances. This is money that has not yet been spent, nor even assigned to a specific project, raising the question of why we would not start by reclaiming these funds. I would appreciate if DHS could provide an explanation for what these funds are for and whether the agency has considered them for sequestration. Should DHS determine that it would need legislative authority to recover these funds, I would be happy to work with you to review legislative options.

In addition to these examples, GAO once again placed management of DHS on its high-risk list because of challenges in areas such as information sharing and contracting. Regarding the latter, GAO cited the department's failure to follow its own policies as one reason, "major acquisition programs continue to cost more than expected, take longer to deploy than planned, or delivery less capability than promised." In 16 acquisition programs alone, costs increased from \$19.7 billion in 2008 to \$52.2 billion in 2011. Addressing this would save billions in needless costs.

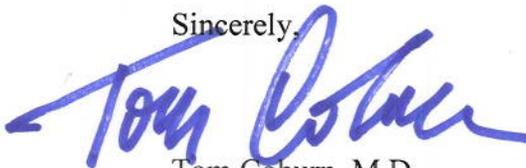
Finally, in March 2011, GAO issued a report on duplication throughout government, and identified six areas within DHS that would yield substantial savings if reformed. These areas included efforts to secure the northern border, TSA's assessments of commercial trucking companies, information sharing with public transit agencies, oversight of FEMA grants and others.

Taken together, the proposals in this letter identify billions of dollars in immediate savings that would not require DHS to compromise national security. By eliminating wasteful, duplicative, ineffective and low-priority programs first, rather than starting with its high-priority missions, DHS can successfully navigate sequestration and continue to perform its vital functions.

As we prepare to consider what, if any, response to sequestration will be necessary in Congress, it would be helpful to know how you determined the potential impact on DHS. To that end, please provide any documents or justification you feel is sufficient to support your conclusions as laid out in either the February 13 letter or February 14 testimony.

I look forward to your response and appreciate your efforts on this important matter.

Sincerely,



Tom Coburn, M.D.
Ranking Member

CC: Tom Carper, Chairman, Senate Homeland Security and Governmental Affairs Committee