



**TESTIMONY OF
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UNDER SECRETARY FOR MANAGEMENT
U.S. DEPARTMENT OF HOMELAND SECURITY
BEFORE THE US SENATE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL
AFFAIRS
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Thank you Mr. Chairman, Senator Collins and members of the Committee. It is a pleasure to appear before you today.

I am here today to discuss where the Department of Homeland Security (DHS) stands after its first four years – both its successes and where more work is needed. In particular, I am here to discuss the recent Government Accountability Office (GAO) report entitled *Department of Homeland Security, Progress Report on Implementation of Mission and Management Functions* (GAO Report).

We appreciate the opportunity to review and provide comments on the draft report submitted by GAO, as well as the opportunity to review its recent reply to our July 20, 2007 comments prior to my testimony here today. I also want to say at the outset that we are very appreciative of the frank and open communication with GAO that has been established during recent months, especially during the final stages of GAO's work on this report. In this regard we are especially appreciative of the efforts of the Comptroller General, Mr. Norman Rabkin, Managing Director, Homeland Security and Justice, and their team for their professionalism, courtesy and cooperation. We look forward to building on and continuing this cooperative approach.

As you know, this report looks at DHS' first four years, although GAO has observed that "successful transformations of large organizations, even those faced with less strenuous reorganizations than DHS, can take at least five to seven years to achieve." We appreciate GAO's acknowledgement of the challenges the Department faces and recognition of the progress we have made in the past four years. Without question, the most significant challenge we face at DHS is to continue to transform the Department into a unified force that

protects our country. DHS, whose size is comparable to a Fortune 50 company, has been an entrepreneurial start-up effort that, at the same time, has been required to merge 22 agencies with approximately 209,000 employees into one. GAO itself has referred to this project as an “enormous management challenge,” and in regards to the size, complexity and importance of our efforts, as “daunting.”

Although the Department has faced numerous challenges during the first four years of this daunting – and critical – undertaking, we have made great progress. The GAO Report largely recognizes this progress across 14 mission and management areas. In fact, GAO concluded that the Department has “Generally Achieved” 78 performance expectations, despite GAO’s recognition that in many cases they had not expected that the Department could achieve the performance expectations by the end of our fourth year. In other areas, GAO also recognizes the Department’s ongoing programs but nevertheless concludes that the progress to date warrants a different assessment of “Generally Not Achieved”.

Although the Department takes issue with the methodology and rating system employed by GAO, there can be no dispute that GAO’s positive assessments in 78 performance expectations reflect the Department’s significant progress in four major mission areas, including: (1) securing modes of transportation, (2) securing the border and administering the immigration system, (3) defending against, preparing for, and responding to threats and disasters, and (4) implementing management functions.

Securing modes of transportation. The Department has implemented a strategic approach for aviation security functions. In order to make air travel more secure, the Department has hired and deployed a federal screening workforce as well as federal air marshals on high-risk flights, and developed and implemented procedures for physically screening passengers and air cargo. The GAO Report also recognizes the Department’s progress in developing and testing checkpoint technologies and deploying explosive detection systems and explosive trace detection systems to screen checked baggage. The Department has also established policies and procedures to ensure that individuals known to pose, or suspected of posing, a risk or threat to security, are identified and subjected to an appropriate action.

In the area of maritime security, GAO recognizes the Department’s development of national plans for maritime security, and progress in developing a vessel-tracking system to improve awareness on vessels in U.S. waters, ensuring port facilities have completed vulnerability assessments and developed security plans; and developing a system for screening and inspecting cargo for illegal contraband.

Securing the border and administering the immigration system. The Department has implemented a biometric entry system to prevent

unauthorized border crossers from entering the United States through ports of entry and is developing a program to detect and identify illegal border crossings between ports of entry. We have also developed a strategy to detect and interdict illegal flows of cargo, drugs, and other items into the United States. In the area of immigration enforcement, the Department has developed a program to ensure the timely identification and removal of noncriminal aliens as well as a comprehensive strategy to interdict and prevent the trafficking and smuggling of aliens into the United States. We have also developed a prioritized worksite enforcement strategy to ensure that only authorized workers are employed. In order to provide better immigration services, the Department has established revised immigration application fees based on a comprehensive fee study and has created an office to reduce immigration benefit fraud.

Defending against, preparing for, and responding to threats and disasters. In order to satisfy our mission of being prepared for and responding to future threats and disasters, whether they are along the lines of the September 11, 2001 terrorist attacks or Hurricanes Katrina and Rita, the Department has developed a national incident management system and a comprehensive national plan for critical infrastructure protection. The Department has identified and assessed threats and vulnerabilities for critical infrastructure and has supported efforts to reduce those threats and vulnerabilities. The GAO Report also recognizes the Department's progress in coordinating and sharing homeland security technologies with federal, state, local, tribal and private sector entities.

Implementing Management Functions. While I have indicated in my prior testimony that there remains much work to be done in the area of improving and integrating management functions, there has nevertheless been progress in these areas. For example, GAO's assessments reflect our progress in assessing and organizing acquisition functions to meet agency needs. We have also designated a Department Chief Financial Officer, appointed by the President and confirmed by the Senate, who is currently working to prepare corrective action plans to address internal control weaknesses. In the area of human capital, we have developed a results-oriented strategic human capital plan, and have created a comprehensive plan for training and professional development. We have also organized roles and responsibilities for information technology under the Chief Information Officer and developed policies and procedures to ensure the protection of sensitive information. A Senior Real Property Officer has also been established and an Office of Management and Budget-approved asset management plan has been developed.

I think it is worth noting that many of the areas in which GAO rightly recognizes the Department's progress were those areas where we have chosen to focus our resources during our first four years based upon a risk-based approach. For example, the Secretary has focused the Department's efforts on securing

transportation modes given the nature of the September 11, 2001 attacks. The GAO Report recognizes that the Department has indeed made great strides in this area, giving the Department assessments of “Generally Achieved” in 37 out of 50 performance expectations in this area.

While we were pleased that GAO recognizes our progress in these and other areas by indicating that we had “Generally Achieved” relevant performance expectations, the Department continues to believe that the GAO Report is based upon a flawed methodology. This methodology results in many assessments that do not fully or accurately reflect the Department’s progress.

We have raised our concerns with the methodology used by GAO on several occasions, including in our July 20, 2007 comments to the draft report. GAO’s recent reply to our comments notwithstanding, these methodological issues continue to contribute to the report’s systematic understatement of the Department’s progress at the four-year mark. Therefore, I think they bear repeating here. We are particularly concerned that the GAO report:

- Is based on vague and shifting criteria, standards, and performance expectations that results in an “A or Fail” grading system;
- Does not properly credit DHS for the on-track implementation of long-term, multi-year goals;
- Does not account for constantly evolving programs, especially those where total achievement may never be possible;
- Is subjective and does not normalize the audit standard amongst analysts to ensure consistent assessments across the 171 performance expectations;
- Does not consistently account for issues outside the control of DHS;
- Relies on outdated or inaccurate information; and
- Weighs all performance expectations equally.

Many of these concerns were first expressed to GAO in connection with an initial, draft Statement of Facts provided by GAO to the Department in February. To evaluate the Department’s progress over its first four years, GAO officials had relied almost exclusively on outdated reports and data to rate the Department’s performance on a subjective, binary scale of “Generally Addressed” or “Generally Not Addressed.” GAO indicated that an assessment of “Generally Addressed” was given where analysts determined that DHS had “taken steps to effectively satisfy most of the key elements of the performance expectation.” GAO neither defined “effectively satisfy,” nor identified the key elements or criteria associated with each performance expectation. Accordingly, the initial Statement of Facts and assessments provided us with little insight into how GAO had evaluated the Department’s activities.

After the Secretary personally reviewed the initial Statement of Facts, he wrote to the Comptroller General on March 7, 2007 expressing his concerns and offering to work with GAO “to ensure the final GAO statement fully reflect[ed] the Department’s achievements over the past four years.” Shortly thereafter, the Department provided GAO with thousands of pages of documents explaining how key programs were on track and a detailed 100-plus-page explanation of the Department’s overall progress. Over many weeks, the Department continued to provide additional documentation and meet with GAO officials to demonstrate how DHS was addressing various program areas and performance expectations.

In late May 2007, GAO officials submitted a Revised Statement of Facts which altered the standard for judging the Department’s progress without prior warning or consultation with the Department. The Revised Statement of Facts indicated for the first time that the Department’s progress would now be rated as “Generally Achieved” or “Generally Not Achieved,” rather than as “Generally Addressed” or “Generally Not Addressed.” Although GAO’s recent reply to our comments suggests that this was merely a change in language rather than substance, the practical differences between these standards are significant, reflecting, at a minimum, a difference in how the performance expectations would be perceived. “Addressed” suggests that a program is on track, whereas “achieved” indicates final completion. The Department went from being rated on the GAO standard to “effectively satisfy most of the key elements of the performance expectation but may not have satisfied all of the elements” to now completely satisfying all of the requirements. Our view is that GAO went from a Pass/Fail to an A/Fail grading system without explaining why. This is like moving the goal post in the middle of a game. Consequently, DHS spent many months working to show how the Department had satisfied those now-abandoned standards to new ones.

Based on this new standard, GAO downgraded its assessments of the Department in 28 performance expectations. In 24 such instances, the Department went from “No Assessment Made” to “Generally Not Achieved.” These changes were particularly surprising in light of the extensive documentation and materials describing the Department’s progress and successes that were provided to GAO. As discussed in the Department’s formal response, which is included in the final GAO Report, we believe the downgraded assessments are not supported by the facts.

The binary “Achieved”/“Not Achieved” standard ultimately adopted by GAO mid-audit is particularly ill-equipped to evaluate accurately the Department’s multi-year programs, especially when DHS is only a few years into the project. GAO acknowledges the applied standard is “not perfect” but supports its decision to maintain the binary standard as it was unable “to assess where along a spectrum of progress DHS stood for individual performance expectations”. We disagree with the standard used. For example, although GAO officials have indicated that

the Department's Secure Border Initiative (SBI) is "on a trajectory" towards achievement, the Department received a score of "Generally Not Achieved" in this performance expectation because it had not yet fully completed the goals of the entire SBI program. It is important to note that the Department was authorized to commence SBInet just one year ago. To assess this program within this report under the assumption that the Department has had four years to implement it is misleading. GAO's assessments of multi-year programs are thus at odds with GAO's own disclaimer that its assessments are "not meant to imply that DHS should have fully achieved the performance expectation by the end of its fourth year."

We are also concerned with the apparent shifting of the already nontransparent criteria used by GAO to assess the Department. We disagree with GAO's reply that the key elements are somehow "inherent" to the performance expectations. While certain elements of a given performance expectation may in some cases be obvious, the subjectivity of other key elements and criteria used by GAO is borne out by our exchanges with GAO over the past months. In many instances, where the Department provided GAO with supplemental information directly addressing specific criteria discussed in the initial or Revised Statement of Facts, GAO acknowledges DHS's new information yet does not fully consider its significance or include additional criteria for that performance expectation that was not previously provided to the Department. In some cases, this new criteria contained in the GAO Report goes beyond or contradicts the scope of the performance expectation itself. For instance, GAO's assessment of the Department's efforts to implement a strategy to detect and interdict illegal flows of cargo, drugs, and other items illustrates this point. The Revised Statement of Facts indicated that GAO's assessment was based in part on GAO's belief that the Department had not established or met milestones for achieving relevant goals. After GAO was provided with information to the contrary, GAO simply dropped its reference to those criteria and added language regarding new criteria, including the criticism that the Securing America's Borders at the Ports of Entry Strategic Plan (SABPOE) was "in the early stages of implementation" where the performance expectation only asks whether a strategy has been implemented.

Moreover, there appears to have been no effort to "normalize" the process by which GAO officials made admittedly subjective assessments across the entire spectrum of 171 performance expectations. As a result, GAO analysts in various mission and management areas could have evaluated the Department's performance differently. The vague descriptions of "Generally Addressed" and then "Generally Achieved" do not appear to provide detailed guidance to support these determinations or ensure consistency in application. Therefore it is difficult to have confidence in the level of consistency applied in evaluating the performance expectation criteria or the assessments based upon them.

Furthermore, the GAO Report treats all of the performance expectations as if they were of equal significance. While all of the 171 performance expectations included in the GAO Report are important, they are not of the same priority when it comes to securing the nation's homeland. GAO readily admits that it did not weigh the relationship between each performance expectation with the Department's overall priorities and mission. In contrast, the Department uses a risk-based approach to consider its overall priorities and mission in choosing where to focus its limited resources. As previously discussed, the GAO Report indicates that DHS has made the greatest progress in several areas that it identified as priorities, such as securing transportation modes.

In addition to these methodological concerns, we believe that many of GAO's specific assessments do not reflect the significant progress made by the Department over the past four years. The following are a few prime examples:

- Even after our July 20, 2007 comments GAO continues to assess the Department's efforts to detect and identify illegal border crossings as "Generally Not Achieved." This assessment understates the importance of our successful efforts to deploy 6,000 National Guard agents to the border, to increase Border Patrol staffing by 30 percent since 2001, and to begin implementation of the comprehensive SBI Program. For example, GAO does not take into consideration the Department's efforts to secure the northern border. It also does not mention that U.S. Customs and Border Protection (DHS-CBP) Border Patrol apprehensions for the first three quarters of Fiscal Year 2007 are down 24 percent compared to the previous year along the southwest border, indicating a significant decline in illegal cross-border activity between ports of entry. The Yuma, Arizona, and Del Rio, Texas, sectors experienced the greatest declines, with decreases of 68 percent and 51 percent, respectively. The number of other-than-Mexican alien apprehensions dropped 48 percent along the southern border. The decrease in other-than-Mexican apprehensions reduces the time agents spend transporting and processing them, and increases the time spent patrolling the border.
- The GAO Report's assessment that the Department has "Generally Not Achieved" the goal to establish standards and procedures for effective airport perimeter security and to control access to secured areas does not give proper consideration to the extensive documentation recently provided to GAO by the Department's Transportation Security Administration (TSA). The documentation not only demonstrates substantial progress in establishing standards, but also the steps the Department is taking in implementing those standards. For instance, TSA established the Aviation Inspection Plan as guidance to implement the Aviation and Transportation Security Act (ATSA). Based on the Aviation Inspection Plan, TSA is conducting perimeter and access control pilots with airports, and has recommended to airport operators commercially

available measures or procedures to prevent unauthorized access to secured airport areas. The Report continues to downplay the significance of the detailed action plan addressing all GAO recommendations from its 2004 audit and many processes already in place to improve airport perimeter security and access controls.

- GAO continues to maintain that the Department has “Generally Not Achieved” the goal of establishing, coordinating, and implementing a single, all hazards national response plan. In fact, the Department issued the National Response Plan in December of 2004. With regard to implementation, the Department has actively trained Federal, state and local government and non-governmental leadership and first responders since the plan’s release through a formal roll-out process, an on-line training course, workshops, and regular exercises. GAO’s reliance on ongoing efforts to revise and update the NRP as a basis to downgrade the Department’s assessment does not reflect the reality that the NRP is a living document that will be regularly reviewed and revised as long as it is in existence. This assessment is an example of the concerns expressed by the Department regarding GAO’s flawed methodology, as it does not take into account the nature of the Department’s constantly evolving, yet established programs. Even as the NRP is being reviewed, the existing NRP continues to serve as a single, all-hazards national response plan.
- The GAO Report’s assessment that the Department has “Generally Not Achieved” the goal of leveraging technology, personnel and information to secure the border is incorrect. The US-VISIT program incorporates eligibility determinations made by both DHS and the Department of State into a continuum of security measures to secure the border. US-VISIT manages systems that operate at 283 air, sea and land ports and 210 Consular Offices worldwide. These systems collect data and screen travelers against existing watch lists and databases containing information about previous DHS encounters with the traveler, verifying identities and travel documents. The Department also captures data on individuals attempting illegal entry between the ports of entry, as well as individuals who are being investigated or removed from the interior of the country. This information is then shared with the ports of entry, Consular Offices, Border Patrol Stations, Immigration and Customs Enforcement (USICE) Field Offices, U.S. Citizenship Immigration Services (USCIS), and the U.S. Coast Guard. GAO’s statement that there is “more work to be done,” which will almost certainly be true should substantiate this subjective score.
- The GAO Report’s assessment that the Department has “Generally Not Achieved” the goal of developing new programs to prevent future immigration benefit application backlogs from developing is incorrect. In GAO’s response to the Department’s July 20, 2007 comments, they

acknowledge that the Department has initiated various programs to help reduce processing time. Despite this acknowledgement, GAO maintains its subjective assessment of “Generally Not Achieved”.

- We continue to disagree with GAO’s assessment that the Department has “Generally Not Achieved” the goal of establishing training programs to reduce fraud in the benefits process. This assessment provides an example of our concerns about GAO’s shifting and vague criteria, as GAO’s focus has apparently shifted from the “establishment” of training programs to concerns about the specific implementation of those programs. Not only has the Department established training programs, it is implementing them and has provided to GAO statistics on these training classes including number of attendees and course content. Additionally, this assessment is based on shifting criteria. The GAO requested we establish training programs and is assessing the Department on how the training program has been implemented.
- The GAO Report’s assessment that the Department has “Generally Not Achieved” the goal of implementing a prioritized worksite enforcement strategy does not capture the significant progress that ICE has made since 2004. Immigration and Customs Enforcement’s (USICE) efforts have resulted in a significant increase in the use of the employment verification system as well as significant increases in investigations and arrests. The worksite enforcement strategy is a comprehensive three-pronged approach: (a) criminal investigations of egregious employer violators; (b) enhanced employer compliance and outreach to help employers follow the law; and (c) ensuring that critical infrastructure sites have only authorized workers.
- The GAO Report’s assessment that the Department has “Generally Not Achieved” the goal of implementing a comprehensive strategy to interdict and prevent trafficking and smuggling of aliens into the U.S is not supported by the facts provided to GAO officials. The Department’s implementation strategy for counteracting the trafficking and smuggling of aliens is just one part of the larger SBI and SABPOE Strategic Plan. DHS has made significant progress coordinating with other departmental components and federal agencies to target cross-border criminal activity, including human trafficking.
- The Department does not agree with the assessment that the Department’s Science and Technology (S&T) directorate has “Generally Not Achieved” the goal to create a plan for its departmental research, development, testing and evaluation activities. S&T delivered a Strategic Plan to Congress on June 26, 2007 that incorporates a five-year Research and Development Plan including information on milestones for fiscal years 2007 through 2011. The milestones, deliverables and goals are included

for every project within S&T, especially Test and Evaluation. It reflects the highest level objectives for internal departmental activities, and provides overarching guidance for addressing the science and technology needs within each homeland security mission area. The Plan also addresses the importance of developing a strong homeland security science and technology national workforce by developing professional S&T employees.

- Although GAO changed its assessment of our efforts towards developing a comprehensive Enterprise Architecture (EA) that substantially meets each of the Enterprise Architecture Management Maturity Framework (EAMMF) elements from “Generally Achieved” to “No Assessment Made,” we continue to believe that this expectation has been met.

We also believe that the comprehensive EA has been implemented, contrary to GAO’s assessment of that related expectation. With significant input from stakeholders, the Department has made great strides in these areas. In fact, the Office of Management and Budget has rated the Homeland Security Enterprise Architecture 2007 as a 4.3 on a 5.0 scale for completeness and a 4.5 on a 5.0 scale for use, which includes the elements of governance, change management, deployment, collaboration, and Capital Planning and Investment Control integration. The August 2006 GAO report found that DHS fully satisfied 24 out of 31 applicable EAMMF elements, and partially satisfied four additional elements. Since that time, DHS has taken additional steps to identify and/or address the final three elements.

Products related to the EA are now required to undergo independent verification and validation (IV&V) which will ensure interoperability, compatibility, and efficiency within the larger structure. DHS has also worked to centralize information technology (IT) processes and avoid unnecessary duplication, by requiring adherence to the EA for all IT investments over \$2.5 million. In addition, the Office of the Chief Information Officer is currently aligning all new investments to the EA. All IT investments in Fiscal Year 2008 have already been aligned with the Department’s strategic plans and will continue in future fiscal years. Also, with respect to implementing the EA, DHS has created a repeatable methodology for assessing potential IT investments. The developed methodology is based upon detailed compliance criteria.

Our response to the GAO dated July 20, 2007, which is included in the GAO Report contains a more detailed discussion of these and other particularly problematic assessments contained in the GAO Report.

Conclusion:

The Department has done a great deal to ensure the safety and security of our country. We are proud of what DHS has been able to accomplish in a short time, notwithstanding the many challenges faced by the Department. We are pushing ourselves to strengthen the Department and are committed to strengthening its management and operational capabilities.

I want to take this opportunity to publicly thank the Department's employees for their tireless efforts and those who made the ultimate sacrifice with their lives to ensure the freedom of our nation. Moving forward, we will build upon the Department's recent program developments and successes while dedicating ourselves for continual improvement.

In pursuing our mission, I look forward to maintaining the cooperative approach with the GAO that was followed in preparing this report. This process has provided valuable lessons on a better way ahead and we look forward to working with GAO to obtain upfront the necessary clarifications on performance expectations. I also want to thank the Congress and this Committee for your leadership and your continued support of the Department of Homeland Security. I am happy to answer questions that you may have.