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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

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August 28, 2017

Claire M. Grady
Under Secretary for Management
U.S. Department of Homeland Security
3801 Nebraska Ave. NW
Washington, D.C. 20016

Dear Ms. Grady:

The Office of the Inspector General (OIG) of the Department of Homeland Security (DHS) recently released a report on DHS Performance and Learning Management System (PALMS). PALMS is intended to be a cost effective performance and learning management system that would consolidate efforts across multiple components within DHS. The DHS OIG found that PALMS did not achieve its expected cost savings because it has not met the requirements of three major DHS components, and its performance management capability is not yet operational. According to the DHS OIG, DHS has spent \$24.2 million as of February 2017 for a system that does not address the Department's needs.¹

In 2016, the Government Accountability Office (GAO) released a report that found that DHS did not adequately manage and oversee the PALMS acquisition. In particular, DHS failed to develop a life cycle cost estimate for PALMS, did not create a complete and accurate integrated master schedule for its implementation, and failed to monitor total costs for the program. The GAO report also stated, "until the PALMS program effectively addresses identified weaknesses in its project planning, project monitoring, and risk management practices and implements PALMS department-wide, DHS's performance management processes will continue to be cumbersome, time-consuming, and primarily paper-based."²

I am concerned that DHS is not doing enough to ensure that waste does not continue with the PALMS program. While DHS does not consider PALMS to be a major acquisition, the acquisition has major problems that require your attention.

¹ Department of Homeland Security Office of Inspector General, *PALMS Does Not Address Department Needs* (OIG-17-91) (June 30, 2017).

² Government Accountability Office, *Homeland Security: Oversight of Neglected Human Resources Information Technology Investment is Needed* (GAO-16-253) (Feb. 11, 2016).

To better understand the cost and operational effectiveness of PALMS, I request that your office provide the following information and documents regarding DHS's acquisition process for this requirement no later than September 18, 2017:

- (1) A copy of the contract(s) awarded for the PALMS program and all amendments, task orders, and modifications to date;
- (2) A narrative response providing explanations for why DHS did not monitor contract performance and the agency's plan is for monitoring contract performance going forward;
- (3) Information on why DHS accepted 21 operational requirements despite failed test results in January 2015, as well as the plan to ensure that operational requirements are accurately assessed going forward; and
- (4) A copy of the current schedule for implementation of PALMS across DHS and information on whether CBP field offices currently are able to generate accurate reports on employee training.

Please contact Tim Brennan at (202) 224-1839 or Tim_Brennan@hsgac.senate.gov with any questions. Please send any official correspondence relating to this request to Amanda Trosen at Amanda_Trosen@hsgac.senate.gov. Thank you in advance for your attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman