DEPARTMENT OF HOMELAND SECURITY

Addressing Management Challenges That Face Immigration Enforcement Agencies

Statement of Richard M. Stana, Director,
Homeland Security and Justice Issues

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DEPARTMENT OF HOMELAND SECURITY

Addressing Management Challenges That Face Immigration Enforcement Agencies

Why GAO Did This Study

The Department of Homeland Security (DHS) assumed responsibility for the immigration programs of the former Immigration and Naturalization Service (INS) in 2003. The three DHS bureaus with primary responsibility for immigration functions are U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), and U.S. Citizenship and Immigration Services (CIS). This testimony focuses on CBP and ICE, which took over the immigration enforcement function. CBP is responsible for functions related to inspections and border patrol, and ICE is responsible for functions related to investigations, intelligence, detention, and removal.

The Subcommittee on Immigration, Border Security, and Claims, House Committee on the Judiciary, held a hearing to discuss management challenges and potential structural changes. Some research organizations have suggested structural changes to address management challenges, including a merger of CBP and ICE.

This testimony addresses the following questions: (1) Have ICE and CBP encountered similar management challenges to those encountered at INS? (2) What factors might be considered in addressing some of the management challenges that exist at ICE and CBP?

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What GAO Found

A number of similar management challenges that had been experienced by INS have continued in the new organizations now responsible for immigration enforcement functions. In 2001, GAO testified that, while restructuring may help address certain management challenges, INS faced significant challenges in assembling the basic systems and processes that any organization needs to accomplish its mission. These include clearly delineated roles and responsibilities, policies and procedures that effectively balance competing priorities, effective internal and external communications and coordination, and automation systems that provide accurate and timely information. In March 2003, the functions of the INS were transferred to the new DHS and placed in the newly-created ICE and CBP. In 2004, we reported that many similar management challenges we found at INS were still in existence in the new bureaus.

In evaluating solutions to ICE and CBP management challenges, including potential structural changes, several factors might be considered. The first factor is whether ICE and CBP currently have good management frameworks in place. Such a management framework, among other items, would include a clear mission, a strategic planning process, good organizational alignment, performance measures, and leadership and accountability mechanisms. The second factor is whether ICE and CBP have developed systems and processes to support the management frameworks they may have in place. The third factor is that the management challenges in these two bureaus exist in the larger context of the creation and evolution of DHS. The transformation and integration activities at DHS can take 5-7 years to accomplish, and some management challenges might be resolved in this process.

Reorganization of INS into DHS
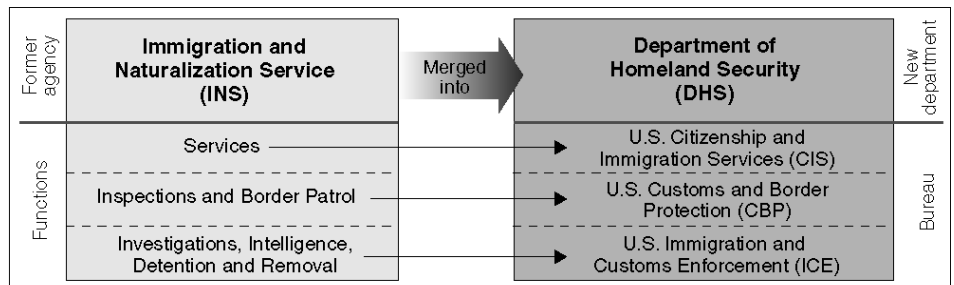
Source: GAO analysis of DHS data.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to share our views on management challenges relating to the Department of Homeland Security's (DHS) U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP), whose functions were formerly under the Immigration and Naturalization Service (INS) and the Customs Service, as this committee considers potential structural changes to enhance the enforcement of immigration laws. We have conducted numerous reviews of both specific programs and overall management in these components, and at the legacy agencies that preceded them. In my testimony today, I will discuss the following topics:

- Have ICE and CBP encountered similar management challenges to those encountered at INS?

- What factors might be considered in addressing some of the management challenges that exist at ICE and CBP?

The purpose of my comments is to provide the Subcommittee with oversight information as potential changes to the structure of ICE and CBP are considered. My comments are based on our wide-ranging, completed work, and our institutional knowledge of homeland security and various government organizational and management issues. We conducted our work in accordance with generally accepted government auditing standards.

Summary

A number of management challenges similar to those found at INS have continued in the new organizations now responsible for immigration enforcement functions. These INS management challenges included a lack of clearly defined priorities and goals; difficulty determining whom to coordinate with, when to coordinate, and how to communicate; and inadequately defined roles resulting in overlapping responsibilities, inconsistent program implementation, and ineffective use of resources. In 1999 and 2001, we testified on these management challenges before this subcommittee. Our 2001 testimony concluded that, while restructuring may help address certain management challenges, the new organization would still face significant challenges in assembling the basic systems and processes that any organization needs to accomplish its mission. These systems and processes include clearly delineated roles and responsibilities, policies and procedures that effectively balance

competing priorities, effective internal and external communications and coordination, and automation systems that provide accurate and timely information. We noted that unless these elements were established, enforcing our immigration laws, providing services to eligible aliens, and effectively participating in the government wide efforts to combat terrorism would be problematic regardless of how the immigration function was organized. In March 2003, the enforcement functions of the INS were transferred to the new DHS and placed in the newly-created ICE and CBP. In 2004, we reported that many similar management challenges we found at INS were in existence in the new bureaus.

In evaluating solutions to ICE and CBP management challenges, including potential structural changes, several factors may be considered. The first factor is whether ICE and CBP currently have a good management framework in place. Such a management framework, among other items, would include a clearly defined and articulated mission, a comprehensive strategic planning process for achieving the mission, an organizational alignment that supports the mission and strategy, performance measures to gauge their progress, and leadership and accountability mechanisms. The second factor is whether ICE and CBP have developed systems and processes to support such a management framework which assists management in resolving management challenges. For example, we have noted problems with ICE's disseminating guidance related to operational activities. The third factor involves recognizing that the management challenges in these two bureaus exist in the broader context of the creation and evolution of DHS—the largest reorganization of the federal government in over 50 years. The experience of successful transformations and change management initiatives in large public and private organizations suggests that it can take 5-7 years until such initiatives are fully implemented and cultures are transformed in a substantial manner. Further, some management challenges at ICE and CBP might be affected by department-wide management initiatives. We designated DHS's transformation as a high-risk area in 2003.

Background

Immigration enforcement includes, among other things, patrolling 8,000 miles of international boundaries to prevent illegal entry into the United States; inspecting over 500 million travelers each year to determine their admissibility; apprehending, detaining, and removing criminal and illegal aliens; disrupting and dismantling organized smuggling of humans and contraband as well as human trafficking; investigating and prosecuting those who engage in benefit and document fraud; blocking and removing employers' access to undocumented workers; and enforcing compliance with programs to monitor visitors.

Immigration functions also include providing services or benefits to facilitate entry, residence, employment, and naturalization of legal immigrants; processing millions of applications each year; making the right adjudicative decision in approving or denying the applications; and rendering decisions in a timely manner.

When INS was abolished in 2003 by the Homeland Security Act of 2002,[1] its enforcement functions were transferred to two bureaus within the DHS. First, INS's interior enforcement programs—investigations, intelligence, and detention and removal—were placed in ICE. Within ICE, investigators and intelligence analysts from former INS and the U.S. Customs Service were merged into the investigations and intelligence offices, while staff from former INS's detention and removal program were placed in the detention and removal office. Second, inspectors from former INS, Customs, and Agriculture and Plant Health Inspection Service, as well as former INS's Border Patrol agents were incorporated into CBP. Both CBP and ICE report to the Undersecretary for Border and Transportation Security, who in turn reports to the Deputy Secretary of the DHS. For service functions, INS's Immigration Services Division, responsible for processing applications for immigration benefits, was placed in Citizenship and Immigration Services (CIS), which reports directly to the Deputy Secretary of DHS. Figure 1 shows the transition of INS functions into DHS.

[1]P.L. 107-296, Sec. 471(a).

Figure 1. Transfer of Immigration Functions from INS into DHS
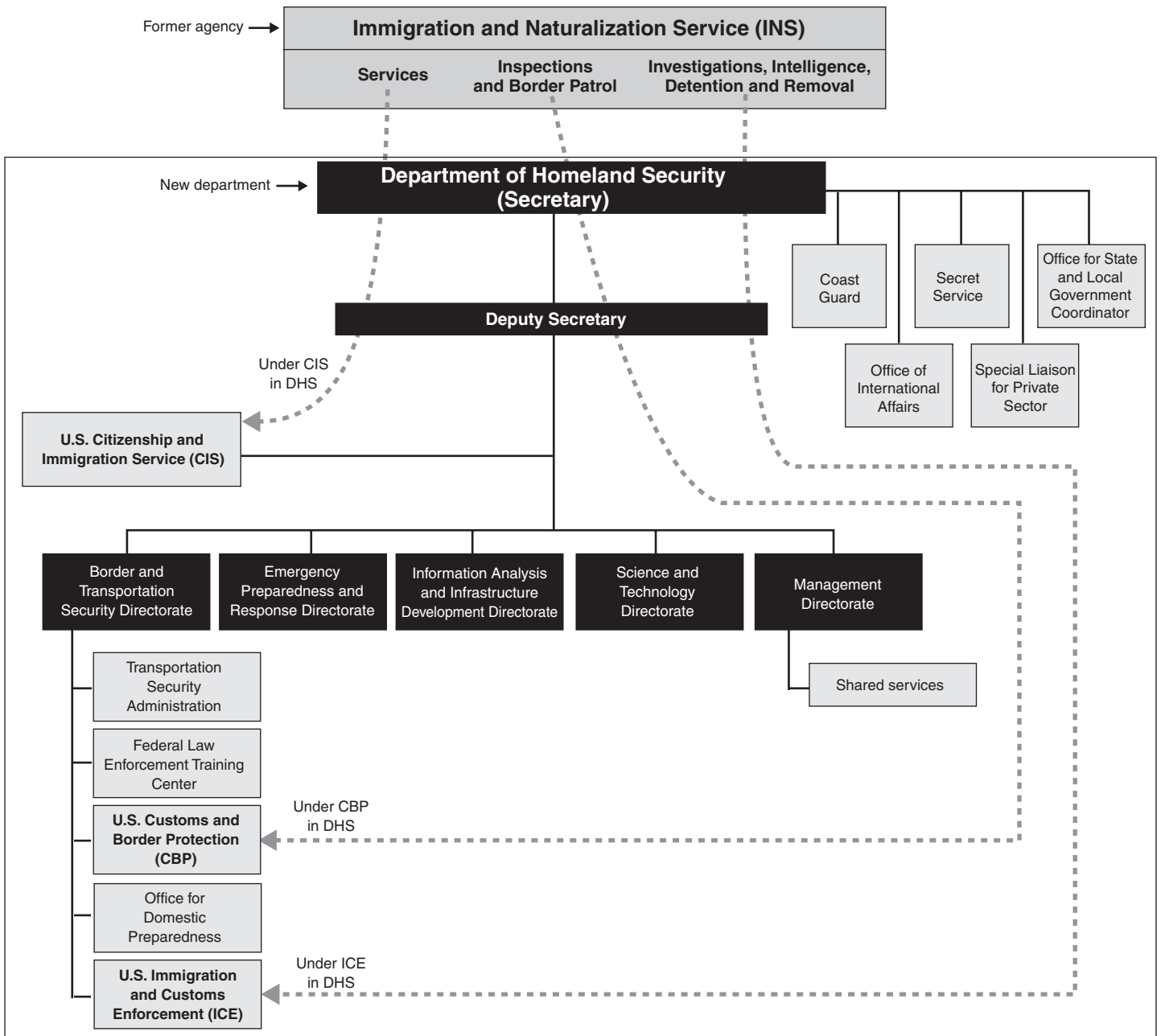
Source: GAO analysis of President's fiscal year budget, PL. 107-286.

Transition efforts for CBP posed fewer challenges than for ICE. Specifically, CBP brought together INS and Customs inspections programs

that, prior to the transition, largely worked side by side in many land ports of entry around the country and that shared similar missions. In contrast, ICE is a patchwork of agencies and programs that includes INS's investigations and intelligence programs, Customs' investigations and intelligence programs, the Federal Protective Service, and the Federal Air Marshals. In combining the investigations programs, ICE has been tasked with merging former INS investigators who specialized in immigration enforcement (e.g., criminal aliens) with former Customs investigators who specialized in customs enforcement (e.g., drug smuggling).

The integration of INS and Customs investigators into a single investigative program has involved the blending of two vastly different workforces, each with its own culture, policies, procedures, and mission priorities. Both programs were in agencies with dual missions that prior to the merger had differences in investigative priorities. For example, INS primarily looked for illegal aliens and Customs primarily looked for illegal drugs. In addition, INS investigators typically pursued administrative violations, while Customs investigators typically pursued criminal violations.

Whether further structural changes are warranted is one of the topics that this hearing is to address. Some observers have proposed merging ICE and CBP. For example, the Heritage Foundation and the Center for Strategic and International Studies (CSIS), in a report on DHS management, suggested a possible merger of ICE and CBP to address some of these management problems. A Senior Research Fellow at The Heritage Foundation stated in a March 2005 congressional testimony, "DHS needs to be organized not to accommodate the present, but to build toward the ideal organization of the future. Therefore, the department needs to articulate how it envisions conducting its missions five to ten years from now and let this vision drive the organizational design, particularly the structure of border security operations."[2] Another witness stated, "Whether the decision is ultimately made to merge ICE and CBP or not,

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[2]Statement of Dr. James Jay Carafano, Senior Research Fellow, The Heritage Foundation, Before the Subcommittee on Management, Integration, and Oversight, House Committee on Homeland Security (Washington, D.C.: Mar. 9, 2005).

the real issues will remain unless the underlying mission, vision, and planning occur in a unified manner."[3]

Similar Management Challenges Continue

Over the years, we have issued numerous reports that identified management challenges INS experienced in its efforts to achieve both effective immigration law enforcement and service delivery. For example, in 1997 we reported that INS lacked clearly defined priorities and goals and that its organizational structure was fragmented both programmatically and geographically. Additionally, after reorganization in 1994, field managers still had difficulty determining whom to coordinate with, when to coordinate, and how to communicate with one another because they were unclear about headquarters offices' responsibilities and authority. We also reported that INS had not adequately defined the roles of its two key enforcement programs—Border Patrol and investigations—which resulted in overlapping responsibilities, inconsistent program implementation, and ineffective use of resources. INS's poor communication led to weaknesses in policies and procedures. In later reports, we showed that broader management challenges affected INS's efforts to implement programs to control the border, deter alien smuggling, reduce immigration benefit fraud, reduce unauthorized alien employment, remove criminal aliens, and manage the immigration benefit application workload and reduce the backlog.[4]

In 1999 and 2001, we testified on these management challenges before this subcommittee. Our 2001 testimony was delivered at the time when

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[3]Statement of David Venturella, Former Acting Director of the Office of Detention and Removal Operations, Department of Homeland Security, Before the Subcommittee on Management, Integration, and Oversight, House Committee on Homeland Security (Washington, D.C.: Mar. 9, 2005).

[4]GAO, *Immigration Enforcement: Challenges to Implementing the INS Interior Enforcement Strategy*, GAO-02-861T (Washington, D.C.: June 19, 2002); GAO, *Immigration Benefit Fraud: Focused Approach Is Needed to Address Problems*, GAO-02-66 (Washington, D.C.: Jan. 31, 2002); GAO, *INS's Southwest Border Strategy: Resource and Impact Issues Remain after Seven Years*, GAO-01-842 (Washington, D.C.: Aug. 2, 2001); GAO, *Immigration Benefits: Several Factors Impede Timeliness of Application Processing*, GAO-01-488 (Washington, D.C.: May 4, 2001).GAO, *Alien Smuggling: Management and Operational Improvements Needed to Address Growing Problem*, GAO/GGD-00-103 (Washington, D.C.: May 1, 2000); *and Criminal Aliens: INS's Efforts to Identify and Remove Imprisoned Aliens Continue to Need Improvement*, GAO/T-GGD-99-47 (Washington, D.C.: Feb., 25, 1999*);* and GAO, *Criminal Aliens: INS' Efforts to Identify and Remove Imprisoned Aliens Need to be Improved*, GAO/T-GGD-97-154 (Washington, D.C.: July 15, 1997).

Congress, the Administration, and others had offered various options for restructuring the INS to deal with its management challenges. We testified that while restructuring may help address certain management challenges, we saw an organization (INS) that faced significant challenges in assembling the basic building blocks that any organization needs: clearly delineated roles and responsibilities, policies and procedures that effectively balance competing priorities, effective internal and external communications and coordination, and automation systems that provide accurate and timely information. We noted that unless these elements were established, enforcing our immigration laws, providing services to eligible aliens, and effectively participating in the government-wide efforts to combat terrorism would be problematic regardless of how INS was organized.

In 2004, we reported DHS experienced management challenges similar to those we had found at INS. For example, some officials noted that in some areas related to investigative techniques and other operations, unresolved issues regarding the roles and responsibilities of CBP and ICE give rise to disagreements and confusion, with the potential for serious consequences. As in 1999 and 2001, we reported in 2004 that selected operations had reportedly been hampered by the absence of communication and coordination between CBP and ICE. Further, we reported in 2004 that CBP and ICE lacked formal guidance for addressing some overlapping responsibilities.

Factors to Consider for Resolving Management Challenges

As this Subcommittee, DHS officials, and other stakeholders consider potential structural changes to ICE and CBP, we have identified three factors to consider for resolving management challenges including (1) a management framework for ICE and CBP, (2) systems and processes to support this framework, and (3) the context of the larger DHS transformation. These factors are important to help identify the most suitable and appropriate course of action to address management challenges.

Management Framework for ICE and CBP

Based on our work on the creation and development of DHS, and additional work on transformation and mergers, we have identified a number of key success factors. Those factors that I would like to focus on today include clarity of mission, strategic planning, organizational

alignment, performance measures, and leadership focus and accountability.[5]

- *Clarity of Mission:* We have previously reported on the importance of establishing a coherent mission that defines an organization's culture and serves as a vehicle for employees to unite and rally around. As such, a comprehensive agency mission statement is the first GPRA-required element of a successful strategic plan.[6] In successful transformation efforts, developing, communicating, and constantly reinforcing the mission gives employees a sense of what the organization intends to accomplish, as well as helps employees figure out how their positions fit in with the new organization and what they need to do differently to help the new organization achieve success. However, as noted above, while CBP was created from programs that generally shared similar missions, ICE blended agencies with distinct mission priorities and cultures, and thus faces a greater challenge in creating a unified bureau.

- *Strategic Planning:* Closely related to establishing a clear mission is strategic planning—a continuous, dynamic, and inclusive process that provides the foundation for the fundamental results that an organization seeks to achieve. The starting point for this process is the strategic plan that describes an organization's mission, outcome-oriented strategic goals, strategies to achieve these goals, and key factors beyond the agency's control that could impact the goals' achievement, among other things. As with the mission, strategic goals for a transforming organization must be clear to employees, customers,

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[5]These success factors were derived from work we reported in GAO, *Homeland Security: Management Challenges Facing Federal Leadership*, GAO-03-260 (Washington, D.C.: Dec. 20, 2002) and GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003). Additional key practices for successful mergers and organizational transformations not discussed in this statement include focusing on a key set of principles and priorities at the outset of the transformation, setting implementation goals and a timeline to build momentum and show progress, dedicating an implementation team to manage the transformation process, establishing a communication strategy to create shared expectations and report related progress, and involving employees to obtain their ideas and gain their ownership for the transformation.

[6]The Government Performance and Results Act of 1993 (GPRA) provides a strategic planning and management framework intended to improve federal agencies' performance and hold them accountable for achieving results. Our work on management structure and strategic planning is based largely on GPRA.

and stakeholders to ensure they see a direct personal connection to the transformation.

- *Organizational Alignment:* To ensure that form follows function, an organizational alignment that supports the mission and strategic goals is another component of the management framework. Leading organizations recognize that sound planning is not enough to ensure their success. An organization's activities, core processes, and resources must be aligned to support its mission and help it achieve its goals. Such organizations start by assessing the extent to which their programs and activities are structured to accomplish their mission and desired outcomes.

- *Performance Measures:* Effective implementation of this framework requires agencies to clearly establish results-oriented performance goals in strategic and annual performance plans for which they will be held accountable, measure progress towards those goals, determine the strategies and resources to effectively accomplish the goals, use performance information to make the programmatic decisions necessary to improve performance, and formally communicate results in performance reports.

- *Leadership Focus and Accountability:* To be successful, transformation efforts must have leaders, managers, and employees who have the individual competencies to integrate and create synergy among the multiple organizations involved in the transformation effort. Leaders need to be held accountable for ensuring results, recognizing when management attention is required and taking corrective action. High-performing organizations create this clear linkage between individual performance and organizational success and thus transform their cultures to be more results-oriented, customer-focused, and collaborative in nature. As we have reported, a Chief Operating Officer (COO)/Chief Management Officer (CMO) may effectively provide the continuing, focused attention essential to successfully completing these multi-year transformations in agencies like DHS.[7] At DHS, we have reported that the COO/CMO concept would provide the department with a single organizational focus for the key management

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[7]On September 9, 2002, GAO convened a roundtable of government leaders and management experts to discuss the COO concept and how it might apply within selected federal departments and agencies. See GAO, *Highlights of a GAO Roundtable: The Chief Operating Officer Concept: A Potential Strategy to Address Federal Governance Challenges*, GAO-03-192SP (Washington, D.C.: Oct. 4, 2002).

functions involved in the business transformation of the department, as well as for other organizational transformation initiatives.[8]

Systems and Processes Needed to Support Management Framework

The second factor to consider for resolving management challenges is whether CBP and ICE have the systems and processes needed to support the management framework. While the management framework provides an overarching structure for an organization, systems and processes provide the means to implement the daily activities of running an organization. Some of the specific systems and processes in CBP and ICE that have raised concerns include:

- Dissemination of guidance relating to operational activities,

- Communication and coordination,

- Information technology systems, and

Dissemination of Guidance Relating to Operational Activities

The lack of program guidance has adversely impacted ICE's ability to efficiently and effectively perform its mission. In May 2004, we reported that ICE had not provided its deportation officers with guidance on how to prioritize their caseload of aliens who required supervision after release from detention. Consequently, ICE was unable to determine whether and to what extent such aliens had met the conditions of their release. We recommended that ICE develop and disseminate guidance to enable deportation officers to prioritize ICE's caseload of aliens on orders of supervision so that ICE could focus its limited resources on supervising aliens who may be a threat to the community or who are not likely to comply with the conditions of their release.

Also, in October 2004, we reported that ICE headquarters and field offices had a lack of uniform policies and procedures for some ICE operations that had caused confusion and hindered the creation of a new integrated culture. ICE headquarters officials told us that they were prioritizing the establishment of uniform policies and that until a new ICE policy is established, field offices are required to use the policies of the former agencies.

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[8]GAO, *The Chief Operating Officer Concept and its Potential Use as a Strategy to Improve Management at the Department of Homeland Security*, GAO-04-876R (Washington, D.C.: June 28, 2004).

| Communication and Coordination | Shortfalls in communications about administrative support services were also a source of frustration in DHS. In October 2004, we reported that DHS was in the process of developing and implementing systems and processes called "shared services." In December 2003, DHS instituted a shared service system in which certain mission support services—such as human resources—are provided by one bureau to the other bureaus. However, there were weaknesses in how the shared services program was communicated to employees. Officials in CBP, CIS, and ICE expressed confusion about shared services when we interviewed them 3 to 4 months after the system was instituted. Many field officials said they did not know what constituted shared services, what processes they should have been using for receiving assistance from a shared service provider, or how many of their staff administrative positions would be reassigned to positions in other offices as shared service providers. |

Further, CBP, CIS, and ICE officials also expressed frustration with problems they have encountered coordinating their administrative systems managed within the agency and not a part of shared services, including travel, budget, and payroll. Some ICE field officials also expressed concern about their ability to manage their budgets and payroll problems, because of the systems used for these functions.

| Information Technology Systems | Information technology systems and information sharing in general are also an area of concern. For example, ICE did not have information that provides assurance that its custody reviews are timely and its custody determinations are consistent with the Supreme Court decision and implementing regulations regarding long term alien detention.[9] One reason ICE had difficulty providing assurance is that it lacked complete, accurate, and readily available information to provide to deportation officers when post order custody reviews are due for eligible aliens. In addition, ICE did not have the capability to record information on how many post order custody reviews had been made pursuant to regulations and what decisions resulted from those reviews. Therefore, ICE managers could not gauge overall compliance with the regulations for aliens who have been |

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[9]Until 2001, aliens who were issued final orders of removal from the United States could be held in detention facilities indefinitely if U.S. immigration authorities determined that the aliens were a threat to the community or a flight risk. However, U.S. Supreme Court decision in *Zadvydas v. Davis*, 533 U.S. 678 (2001), many aliens with final orders of removal, including aliens determined to be a threat to the community or flight risk, could generally no longer be detained beyond a period of 6 months if there was no significant likelihood of their removal in the reasonably foreseeable future.

ordered to be removed from the United States. Although ICE was in the process of updating its case management system, ICE officials said that they did not know when the system will have the capability to capture information about the timeliness and results of post order custody reviews. In 2005, we designated information sharing mechanisms for homeland security as a high-risk issue, based on root causes behind vulnerabilities, as well as actions needed on the part of the agency involved.[10]

Broader DHS Transformation and Management Integration Efforts May Affect ICE and CBP Management Challenges

In addition to considering developing a management framework and corresponding systems and processes, it is important to consider these changes in the larger context of the transformation of DHS. We designated DHS's transformation as a high-risk area in 2003, based on three factors. First, DHS faced enormous challenges in implementing an effective transformation process, developing partnerships, and building management capacity because it had to transform 22 agencies into one department. Second, DHS faced a broad array of operational and management challenges that it inherited from its component legacy agencies. Finally, DHS's failure to effectively address its management challenges and program risks could have serious consequences for our national security. Overall, DHS has made some progress, but significant management challenges remain to transform DHS into a more efficient organization while maintaining and improving its effectiveness in securing the homeland.[11]

The experience of successful transformations and change management initiatives in large public and private organizations suggests that it can take 5-7 years until such initiatives are fully implemented and cultures are transformed in a substantial manner. Further, some management challenges at ICE and CBP might be affected by department-wide management initiatives. The management challenges of the DHS transformation create additional challenges for its components, including ICE and CBP, such as:

- *Providing focus for management efforts:* Although DHS has been operating about 2 years, it has had two Secretaries, three Deputy Secretaries, and additional turnover at the Undersecretary and

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[10]GAO, *High-Risk Series: An Update,* GAO-05-207 (Washington, D.C.: Jan. 2005).

[11]GAO, *Homeland Security: Overview of Department of Homeland Security Management Challenges*, GAO-05-573T (Washington, D.C.: Apr. 20, 2005).

Assistant Secretary levels. The recent turnover in DHS's top leadership raises questions about the department's ability to provide the consistent and sustained senior leadership necessary to achieve integration over the long term.[12]

- *Monitoring transformation and integration:* DHS's integration of varied management processes, systems, and people—in areas such as information technology, financial management, procurement, and human capital—as well as administrative services is important to provide support for the total integration of the department. Total integration of the department, including its operations and programs, is critical to ultimately meeting its mission of protecting the homeland. Overall, we found that while DHS has made some progress in its management integration efforts, it has the opportunity to better leverage this progress by implementing a comprehensive and sustained approach to its overall integration efforts.[13]

- *Improving strategic planning:* DHS released its first strategic plan in 2004 that details its mission and strategic goals. DHS's strategic plan addresses five of the six GPRA-required elements—a mission statement, long-term goals, strategies to achieve the goals, external key factors, and program evaluations—but does not describe the relationship between annual and long-term goals.[14]

- *Managing human capital:* DHS has been given significant authority to design a new human capital system free from many of the government's existing civil service requirements, and has issued final regulations for this new system. Although we reported the department's efforts generally reflected important elements of effective transformations and included many principles that are consistent with proven approaches to strategic human capital management, DHS has

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[12]See GAO-05-573T

[13]GAO, *Department of Homeland Security: A Comprehensive and Sustained Approach Needed to Achieve Management Integration,* GAO-05-139 (Washington, D.C.: Mar. 16, 2005).

[14]GAO, *Results-Oriented Government: Improvements to DHS's Planning Process Would Enhance Usefulness and Accountability,* GAO-05-300 (Washington, D.C.: Mar. 31, 2005).

considerable work ahead to define the details of the implementation of the system.[15]

- *Strengthening financial management infrastructure:* DHS faces significant financial management challenges. Specifically, it must address numerous internal control weaknesses, meet the mandates of the DHS Financial Accountability Act,[16] and integrate and modernize its financial management systems, which individually have problems and collectively are not compatible with one another. In July 2004, we reported that DHS continues to work to reduce the number of financial management service providers and to acquire and deploy an integrated financial enterprise solution.[17]

- *Establishing an information technology framework:* DHS has recognized the need for a strategic management framework that addresses key information technology disciplines, and has made a significant effort to make improvements in each of these disciplines. However, much remains to be accomplished before it will have fully established a department-wide information technology management framework. To fully develop and institutionalize the management framework, DHS will need to strengthen strategic planning, develop the enterprise architecture, improve management of systems development and acquisition, and strengthen security.[18]

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[15]GAO, *Human Capital: Preliminary Observations on Final Department of Homeland Security Human Capital Regulations*, GAO-05-320T (Washington, D.C.: Feb. 10, 2005). For more information on DHS's human capital issues, see GAO, *Human Capital: Preliminary Observations on Proposed DHS Human Capital Regulations*, GAO-04-479T (Washington, D.C.: Feb. 25, 2003*); Posthearing Questions Related to Proposed Department of Homeland Security (DHS) Human Capital* Regulations, GAO-04-570R (Washington, D.C.: Mar. 22, 2004); *Additional Posthearing Questions Related to Proposed Department of Homeland Security (DHS) Human Capital Regulations*, GAO-04-617R (Washington, D.C.: Apr. 30, 2004); *Human Capital: DHS Faces Challenges in Implementing Its New Personnel System*, GAO-04-790 (Washington, D.C.: June 18, 2004); and *Human Capital: DHS Personnel System Design Effort Provides for Collaboration and Employee Participation*, GAO-03-1099 (Washington, D.C.: Sept. 30, 2003).

[16]Pub. L. No. 108-330 (Oct. 16, 2004).

[17]GAO, *Financial Management: Department of Homeland Security Faces Significant Financial Management Challenges*, GAO-04-774 (Washington: D.C.: July 19, 2004).

[18]GAO, *Department of Homeland Security: Formidable Information and Technology Management Challenge Requires Institutional Approach*, GAO-05-702 (Washington, D.C.: Aug. 27, 2004).

- *Managing acquisitions:* DHS faces the challenge of structuring its acquisition organization so that its various procurement organizations are held accountable for complying with procurement policies and regulations and ensuring that taxpayer dollars are well-spent.[19]

- *Coordinating research and development:* DHS has not yet completed a strategic plan to identify priorities, goals, objectives, and policies for the research and development of homeland security technologies, and additional challenges remain in its coordination with other federal agencies.[20]

Despite real and hard-earned progress, DHS still has significant challenges to overcome in all of its management areas. Resolving these challenges at the top levels could help address similar management challenges in DHS's component organizations including ICE and CBP.

Concluding Observations

In closing, it is important to understand the expectations and limitations of various proposals to address management challenges at ICE and CBP that we and others have identified. With respect to potential restructuring, reorganizing an agency or function to better align it with the mission and strategic planning process is desirable, whereas reorganizing mainly to address underlying weaknesses in supporting systems and processes, such as a lack of coordination and cooperation among units or a lack of guidance relating to operational activities, might not be productive. As we have seen to date, reorganizing immigration and customs functions, without fixing existing problems with underlying systems and processes, has not resolved long-standing management issues. In addition, ICE and CBP may not be able to resolve some of these challenges alone if they are affected by DHS department-wide management initiatives and developments. To assist the Congress in its oversight and in ensuring accountability in homeland security programs, we will continue to monitor and evaluate ICE and CBP programs as they meet, and hopefully overcome, their management challenges.

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[19] See GAO-05-179

[20] GAO, *Homeland Security: DHS Needs a Strategy to Use DOE's Laboratories for Research on Nuclear, Biological, and Chemical Detection and Response Technologies,* GAO-04-653 (Washington, D.C.: May 24, 2004).

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions that you or other members of the Subcommittee may have at this time.

GAO Contacts and Staff Acknowledgments

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Other key contributors to this statement were Stephen L. Caldwell, Lisa Brown, Mary Catherine Hult, Lori Kmetz, Sarah E. Veale, and Katherine Davis.