



GAO

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

September 28, 2012

The Honorable Joseph Lieberman
Chairman
The Honorable Susan Collins
Ranking Member
Committee on Homeland Security and
Governmental Affairs
United States Senate

The Honorable Candice S. Miller
Chairman
The Honorable Henry Cuellar
Ranking Member
Subcommittee on Border and
Maritime Security
Committee on Homeland Security
House of Representatives

Subject: *Department of Homeland Security: Efforts to Assess Realignment of Its Field Office Structure*

This letter formally transmits a summary of oral briefings we gave on September 19 and 21, 2012 (see enc. 1), and subsequent agency comments. We provided this briefing in response to a request from you to examine issues surrounding the Department of Homeland Security's (DHS) regional/field office realignment efforts. Our work focused on DHS realignment efforts beginning in 2004, when DHS submitted a report to Congress stating that it would implement a "Regional Concept" to improve coordination with external partners and integrate internal DHS functions within departmental regions. Specifically, we addressed

- (1) the extent to which DHS has assessed the realignment of its key operational components' regional/field office structures since submitting its initial plan to Congress in 2004,¹ and
- (2) the challenges, if any, DHS and its key operational components have identified in the department's efforts to realign into a single DHS regional/field office structure, and what, if any, alternative actions have been identified.

¹DHS officials identified the following as the key DHS operational components: Transportation Security Administration, U.S. Customs and Border Protection, U.S. Citizenship and Immigration Services, U.S. Immigration and Customs Enforcement, U.S. Secret Service, Federal Emergency Management Agency, and the U.S. Coast Guard.

Scope and Methodology

To address the first objective, we analyzed available reports and other documentation related to DHS's efforts to realign the regional/field office structure of its key operational components since 2004. These efforts included DHS's 2004 Operational Integration Staff (I-Staff) effort, which focused on planning a DHS regional structure, and a recommendation from the 2010 DHS Bottom-Up Review (BUR) Report to realign component regional configurations into a single DHS regional structure.² We selected this period for review because in 2004 DHS submitted a report to Congress stating that the department would implement a "Regional Concept" and study other consolidation and colocation opportunities. We also interviewed and corresponded with cognizant DHS headquarters and operational component officials about past regionalization assessments, the current status of any regionalization efforts, and any related potential future studies—including the extent to which, if at all, any regionalization initiatives/recommendations were implemented, and the basis for those decisions. Given the passage of time since the I-Staff effort, we also interviewed a former department official who managed this effort.

To address the second objective, we interviewed and corresponded with cognizant DHS headquarters and component officials to obtain their perspectives on the challenges or drawbacks of regionalization in relation to the potential benefits. In these interviews and correspondences, we also discussed alternatives to regionalization (such as colocation, consolidation, or integration) that could better integrate component operations in the region/field and achieve cost savings and efficiencies. We will initiate a follow-on effort to examine the operational impacts of select smaller-scale alternatives (e.g., colocation, consolidation, and integration) in more detail.

We conducted this performance audit from February 2012 through September 2012, 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.

Summary

DHS reported taking some steps to assess the realignment of its regional/field office structure. Since submitting an initial plan to Congress in 2004 that outlined regionalization, consolidation, and colocation opportunities, DHS officials said the agency considered the potential implementation of a unified regional field office structure through two major initiatives—the 2004 I-Staff review and the department's 2010 BUR. However, the I-Staff Regional Concept of Operations was not finalized or adopted, and in April 2012 a senior DHS official involved in the BUR effort stated that DHS no longer intends to implement the BUR recommendation related to regionalization because it is no longer the department's preferred approach. DHS had limited or no documentation related to either of these reviews, including the resulting key decisions from the efforts. As a result, we are unable to

²The BUR report identified 43 initiatives/recommendations, such as strengthening aviation security and enhancing the department's risk management capability, to strengthen DHS's mission performance, improve departmental management, and increase accountability. I-Staff personnel were responsible for assisting the Department Leadership Team in the coordination and integration of cross-organizational operational missions, activities, and programs at the DHS headquarters level.

determine the extent to which DHS has fully considered the realignment of its regional/field office structure, including costs and benefits, since 2004. *Standards for Internal Control in the Federal Government* calls for clear documentation of significant events, which include assumptions and methods surrounding key decisions, and the standards also state that this documentation should be readily available for examination.³ DHS officials acknowledged the lack of documentation and plan to better document any future realignment efforts.

DHS and component officials stated that operational and current budgetary constraints were key challenges to establishing a single DHS regional/field office structure, but they are exploring smaller-scale alternatives. DHS and component officials identified several challenges related to large-scale regionalization, including concerns that the initiative would be disruptive to DHS and component workforce, missions, and operations. DHS officials also said that such realignment efforts would likely divert staff from their normal mission-focused duties. Another challenge cited was the cost associated with relocating facilities and terminating leases. While officials acknowledged that long-term cost savings and efficiencies could exceed the costs of initial investments in some cases, they stated that the short-term implementation costs remain a significant barrier to the implementation of a regional structure. Given the identified challenges of implementing a single, unified field office structure, DHS officials said the department's current thinking on harmonizing component regional configurations is best reflected in the *Department of Homeland Security Strategic Plan: Fiscal Years 2012–2016*.⁴ Specifically, the department plans to “explore virtual approaches to regional and functional coordination.” However, without having adequate, specific documentation related to its regionalization assessments, decision makers at DHS are in a weaker position to assess the strengths and weaknesses of related policy options or alternatives.

Agency Comments

We provided a draft of this report to DHS for review and comment. We received written comments from DHS, which are reproduced in enclosure II.

In commenting on this report, the department agreed with our findings and acknowledged that its efforts to assess regionalization, colocation, consolidation, and operational integration options could have been better documented. In addition, DHS stated that its leadership is committed to better documenting any future examinations of regional/field office realignment, as appropriate.

Although DHS stated in its agency comments letter that it appreciated GAO's acknowledgement that short-term implementation costs remain a significant barrier to establishing a regional structure, it is important to note that we did not independently assess any such costs. High implementation costs were identified to us by DHS and component officials as one of several challenges to creating a regional structure. As noted throughout the briefing, however, the department lacked documentation that would have allowed us to evaluate its current position that the costs of developing a regional structure outweigh the

³GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

⁴DHS, *Department of Homeland Security Strategic Plan: Fiscal Years 2012-2016* (Washington, D.C.: February 2012).

benefits. Additionally, we received technical comments from DHS, which were incorporated where appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Homeland Security, and other interested parties. This report is also available at no charge on our website at <http://www.gao.gov>. Should you or your staffs have any questions concerning this report, please contact me at (202) 512-9610 or caldwells@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were Dawn Hoff, Assistant Director; Charles Bausell; Tracey King; David Lutter; Frederick Lyles, Jr.; Jessica Orr; and Cynthia Saunders.

A handwritten signature in black ink, appearing to read "Stephen L. Caldwell". The signature is fluid and cursive, with a checkmark-like flourish at the end.

Stephen L. Caldwell
Director
Homeland Security and Justice

Enclosures (2)



Department of Homeland Security: Efforts to Assess Realignment of Its Field Office Structure

Prepared for the
Senate Committee on Homeland Security and
Governmental Affairs and the House Subcommittee on
Border and Maritime Security, House Committee on
Homeland Security

For more information, contact Stephen Caldwell, at (202) 512-9610 or caldwells@gao.gov.

Page 1

Contents

- Introduction
- Objectives
- Scope and Methodology
- Results in Brief
- Background
- Findings
- Appendix I

Introduction

- DHS was created from 22 separate legacy agencies, and is currently the third largest federal department. DHS inherited the legacy regional/field office structures of many of its components. According to DHS officials, the department's seven key operational components—each with a unique set of geographic regions and system of field offices that allow components to carry out their missions and deliver services across the country—are the
 - (1) Transportation Security Administration (TSA),
 - (2) U.S. Customs and Border Protection (CBP),
 - (3) U.S. Citizenship and Immigration Services (USCIS),
 - (4) U.S. Immigration and Customs Enforcement (ICE),
 - (5) U.S. Secret Service (USSS),
 - (6) Federal Emergency Management Agency (FEMA), and the
 - (7) U.S. Coast Guard (USCG).¹
- See appendix 1 for DHS's organizational structure as of August 2012.

¹TSA protects the nation's transportation systems to ensure freedom of movement for people and commerce. CBP protects the nation's borders to prevent terrorists and terrorist weapons from entering the United States, while facilitating the flow of legitimate trade and travel. USCIS processes millions of applications and petitions for immigrant and nonimmigrant-related benefits for persons seeking to study, work, visit, or live in the United States. ICE, the largest investigative arm of DHS, identifies and mitigates vulnerabilities in the nation's border, economic, transportation, and infrastructure security. USSS protects the President and other high-level officials and investigates counterfeiting and other financial crimes and computer-based attacks on the nation's financial, banking, and telecommunications infrastructure. FEMA prepares the nation for hazards, manages federal response and recovery efforts following any national incident, and administers the National Flood Insurance Program. USCG protects the public, the environment, and U.S. economic interests in the nation's ports and waterways, along the coast, on international waters, and in any maritime region as required to support national security.

Introduction (cont.)

- The Homeland Security Act of 2002 required DHS to submit a plan to Congress for consolidating or colocating certain components' regional or field offices, among other things.²
- In response to this requirement, in 2004 DHS submitted a seven page document to Congress that presented the department's actions and its proposed high-level approach to developing a consolidation and colocation plan. This report also stated the department would implement a "Regional Concept" to establish DHS regional directors in specific geographic areas to better integrate components, reduce unnecessary duplication, and improve coordination with external partners.

²Pub. L. No. 107-296, § 706, 116 Stat. 2135, 2220 (2002).

Introduction (cont.)

- When discussing the department's realignment efforts, DHS officials defined and used the following terms:
 1. Regionalization refers to full-scale realignment of DHS's regional/field office structure, which includes the establishment of a single, commonly defined set of regions for all components.
 2. Colocation refers to the sharing of space, buildings, property, or other physical assets by components.
 3. Consolidation refers to the merging of organizational functions.
 4. Integration refers to the coordination of functions across components without consolidation or merger.
- Given the magnitude and breadth of DHS's operations and assets, potential changes to DHS's regional/field office structure and also its physical footprint can have profound budgetary impacts—both costs and savings—as well as impacts on how the department carries out its homeland security missions.

Objectives

- This briefing addresses the following questions:
 - To what extent has DHS assessed the realignment of the regional/field office structure of its key operational components since submitting its initial consolidation and colocation plan to Congress in 2004?³
 - What challenges, if any, have DHS and its key operational components identified in DHS's efforts to realign into a single DHS regional/field office structure, and what, if any, alternative actions have been identified?

³DHS officials identified the following as the key DHS operational components: TSA, CBP, USCIS, ICE, USSS, FEMA, and USCG.

Scope and Methodology

- To address the first objective, we analyzed available reports and other documentation on DHS's efforts to realign its regional/field office structure since 2004. This included DHS's 2004 Operational Integration Staff (I-Staff) effort, which focused on establishing a single DHS regional structure, and the 2010 DHS Bottom-Up Review (BUR) Report recommendation to realign component regional configurations into a single DHS regional structure.⁴ We selected this time frame because in 2004, in response to a legislative requirement, DHS submitted a report to Congress on office consolidation and colocation. We interviewed and corresponded with cognizant DHS headquarters and component officials about past regionalization assessments, the current status of any related efforts, and potential future studies—including the extent to which, if at all, any regionalization initiatives were implemented, and the basis for those decisions. Given the passage of time since the I-Staff effort, we also interviewed a former department official who managed that effort.

⁴The BUR report identified priority initiatives, such as strengthening aviation security and enhancing the department's risk management capability, to strengthen DHS's mission performance, improve departmental management, and increase accountability. I-Staff personnel were responsible for assisting the Department Leadership Team in the coordination and integration of cross-organizational operational missions, activities, and programs at the DHS headquarters level.

Scope and Methodology (cont.)

- To address the second objective, we interviewed and corresponded with cognizant DHS headquarters and component officials to obtain their perspectives on regionalization challenges in relation to potential benefits. We also obtained DHS headquarters and component officials' views regarding alternatives to regionalization (such as colocation, consolidation, or integration) that could better integrate component operations in the region/field and achieve cost savings and efficiencies.
 - We will initiate a follow-on effort to examine the operational impacts of select smaller-scale alternatives to regionalization (e.g., colocation, consolidation, and integration) in more detail.
 - We conducted this performance audit from February 2012 through September 2012, 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.
-

Results in Brief

DHS Regionalization Efforts

- DHS reported taking some steps to assess the realignment of its regional/field office structure. Since submitting an initial plan to Congress in 2004, DHS officials said the department considered the potential implementation of a unified regional field office structure through two major initiatives—the 2004 I-Staff effort and the department’s 2010 BUR. However, the I-Staff Regional Concept of Operations was not finalized or adopted, and a senior DHS official involved with the creation of the BUR stated in April 2012 that DHS no longer intends to implement the BUR recommendation related to regionalization because it is not the department’s preferred approach.
- DHS had limited documentation related to these reviews, including the resulting key decisions from the efforts. As a result, we are unable to determine the extent to which DHS has fully considered the realignment of its regional/field office structure, including costs and benefits, since 2004. *Standards for Internal Control in the Federal Government* calls for clear documentation of significant events, which include assumptions and methods surrounding key decisions, and the standards also state that this documentation should be readily available for examination.⁵ DHS officials acknowledged the lack of documentation and plan to better document any future regionalization efforts.

⁵GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

Results in Brief (cont.)

DHS Identified Challenges to Regionalization

- DHS headquarters and component officials identified operational and current budgetary constraints as key challenges to implementing a single DHS regional/field office structure, but said they are exploring smaller-scale alternatives. According to these officials, regionalization challenges include the following:
 - DHS components each have a different regional or field office structure based on unique mission needs.
 - Disruptions to DHS and component workforce, missions, and operations. Such a move would likely divert staff from their normal mission-focused duties.
 - Costs associated with relocating facilities and terminating leases.
 - Statutory provisions affecting DHS's authority to reorganize.

Results in Brief (cont.)

DHS Identified Challenges to Regionalization

- Given the challenges identified with implementing a single, unified field office structure, a senior DHS official said the department’s current thinking on harmonizing component regional configurations is best reflected in the *Department of Homeland Security Strategic Plan: Fiscal Years 2012–2016*.⁶
 - Specifically, the department plans to “explore virtual approaches to regional and functional coordination,” which according to the strategic plan includes using models established in the interagency counternarcotics infrastructure.
- However, as previously noted, without having adequate documentation related to its regionalization assessments, decision makers at DHS have incomplete information to evaluate related policy options or alternatives.

⁶DHS, *Department of Homeland Security Strategic Plan: Fiscal Years 2012-2016* (Washington, D.C.: February 2012).

Results in Brief (cont.)

DHS Identified Alternatives to Regionalization

- DHS and some components have studied alternatives to regionalization to improve the effectiveness and efficiency of their regional/field office operations through smaller-scale efforts such as colocation, consolidation, and integration. However, without adequate documentation on its regionalization assessments, DHS decision makers have limited information about the relative costs and benefits of regionalization versus these alternatives.
- If DHS decides to revisit regionalization options in the future, it could improve the analytical foundation of its decisions through better documentation, including the basis for those decisions. Better documentation of regionalization options would also help DHS decision makers evaluate regionalization challenges and weigh the relative costs and benefits of alternatives, including smaller-scale alternatives, such as colocation, consolidation, and integration. In commenting on a draft of this briefing, DHS has agreed to better document any future examinations of regional/field office realignment, as appropriate.

Background

- The Homeland Security Act of 2002 established DHS—combining 22 federal agencies specializing in various disciplines (such as law enforcement, border security, biological research, computer security, and disaster mitigation)—eventually resulting in seven major operational components with real property.⁷ When the legacy agencies were combined under DHS, they each brought with them their own field office structures and locations.
- The seven key DHS operational components—TSA, CBP, USCIS, ICE, USSS, FEMA, and USCG—each have their own unique regional structures and systems of field offices. For example:
 - Under FEMA’s structure, North Carolina is grouped with Southeastern states under a FEMA regional office in Atlanta, GA, while under USCG’s structure, North Carolina is grouped with Mid-Atlantic states under a USCG district office in Portsmouth, VA.
 - Multiple components may maintain field offices in the same geographic location. Seattle, for example, is the site of a major district/regional/field office for USCG, FEMA, and CBP, respectively.

⁷Pub. L. No. 107-296, 116 Stat. 2135 (2002).

Background (cont.)

- The inefficiencies associated with each operational component having a different area of responsibility prompted some in DHS to promote the idea of a single, unified DHS regional/field office structure, sometimes referred to as regionalization.
 - This concept would include a common set of boundaries for components' regional operations, and the establishment of a DHS regional office within each of those regions headed by a regional director.
 - Proponents believe that this system of DHS regional offices could better integrate the operations of multiple components, making DHS as a whole more responsive and better prepared to counter man-made or natural threats. Proponents also see opportunities for cost savings through the sharing of assets, including office space.
- Within the separate regional/field office structures that currently exist, DHS manages a portfolio of real property assets utilized by its multiple components. DHS reported that in fiscal year 2011, DHS managed a global real property portfolio of approximately 38,000 assets, spanning all 50 states and 7 U.S. territories. These assets included approximately 16,000 buildings, 19,000 structures (e.g., docks, airfields, and communication systems), and 3,000 land assets.

Background (cont.)

- In addition to broad efforts to realign the regional/field office structure, DHS and its components have focused more narrowly on individual assets and specific operations, including opportunities for colocation, consolidation, and integration.
- In 2010, as part of a governmentwide effort to dispose of unneeded federal real estate and cut operating costs,⁸ DHS implemented its *FY 2011 Cost Savings and Innovation Plan*. Among other things, the plan includes proposals to consolidate certain assets.

⁸Presidential Memorandum: Disposing of Unneeded Federal Real Estate—Increasing Sales Proceeds, Cutting Costs, and Improving Energy Efficiency, June 10, 2010.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure

- Since first reporting to Congress on this issue in 2004, DHS officials said that the department considered the potential implementation of a unified regional/field office structure through two major initiatives—the department’s I-Staff review in 2004, and the BUR process in 2010.⁹ Table 1 on the next slide provides a summary of these efforts and illustrates how at two different times—in 2004 and 2010—the department concluded that regionalization was a worthwhile endeavor, but then was not able to follow through with implementation for a variety of reasons.
- Congress did not appropriate funds to implement the I-Staff’s Regional Concept in fiscal year 2006, and committee reports accompanying the appropriations act note a lack of specific planning by DHS.¹⁰

⁹Another significant DHS-wide structural review was the 2006 Second Stage Review, but this review did not explicitly examine field office regionalization.

¹⁰S. Rep. No. 109-083, at 11 (2005); H.R. Rep. No. 109-079, at 7 (2005).

Objective 1



Table 1: Major DHS Assessments of Regionalization since 2004

Assessment efforts	Description	Conclusion or recommendation	Implementation status
Draft DHS Regional Concept of Operations, 2004	The I-Staff was tasked with the development and implementation of a Regional Concept of Operations for a unified DHS regional/field office structure.	The draft 2004 Regional Concept of Operations called for the establishment of common regions, each with a regional headquarters led by a regional director. DHS requested about \$50 million in its fiscal year 2006 budget request to implement the Regional Concept.	Not implemented—Congress did not appropriate funds to implement the Regional Concept in fiscal year 2006, and committee reports accompanying the appropriations act noted a lack of specific planning by DHS. In addition, DHS was not able to provide GAO with documentation to further justify this budget request or explain why the Regional Concept was not finalized or implemented.
Bottom-Up Review Report, 2010 ^a	The BUR included an assessment of the organizational alignment of the department with homeland security missions set forth in the Quadrennial Homeland Security Review Report (QHSR), including the department's organizational structure. ^b	The BUR contained a recommendation for DHS to realign its component regional configurations into a single DHS regional structure.	Not implemented—DHS officials said there was no documentation to support why the BUR realignment recommendation was included in the BUR, or documentation to support why it is no longer being pursued.

Source: GAO analysis of documents provided by DHS.

^aDHS, *Bottom-Up Review Report*, Washington, D.C., July 2010.

^bThe BUR Report contains 43 recommendations. The Implementing Recommendations of the 9/11 Commission Act of 2007 required DHS to provide a comprehensive examination of the U.S. homeland security strategy every 4 years. 6 U.S.C. § 347. In response, DHS issued its first QHSR report in February 2010 and a BUR report in July 2010, to identify initiatives to implement the QHSR.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure (cont.)

I-Staff Effort

- In 2004, the I-Staff was established to assist DHS leadership to coordinate and integrate department missions and operational activities, including the development and implementation of a single, unified DHS regional/field office structure. According to senior DHS officials, the goal of this structure was to increase national homeland security functions through greater coordination and integration—not just among DHS headquarters and components—but also among other federal, state, local, tribal, international, and private stakeholders.
- To this end, in 2004 the I-Staff developed a draft Regional Concept of Operations, which included regionalization pilot exercises, and a phased implementation timeline for eight regional locations. The draft Regional Concept of Operations also included a detailed description of regional concept legal authorities, mission, and staff structure. The draft Regional Concept of Operations delineated roles and responsibilities for DHS headquarters and regional offices in seven key areas:
 - (1) Communication and coordination; (2) planning and analysis; (3) situational awareness; (4) integration; (5) preparedness, training, and exercises; (6) routine operations; and (7) contingency operations.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure (cont.)

I-Staff Effort

- The draft plan outlined the roles of DHS regional directors and identified their particular authorities and relationships with DHS headquarters and component officials. The Regional Concept of Operations contained an implementation timeline to establish the DHS regions over a period of approximately 2 years. In 2005, then-secretary Thomas Ridge publically praised the Regional Concept of Operations as the next logical step to support an integrated, unified national effort to secure the United States.
- However, the I-Staff Regional Concept of Operations was not finalized or adopted. DHS requested about \$50 million in its fiscal year 2006 budget submission to support the establishment of a unified regional structure, stating that the department anticipated that regionalization would improve program delivery and effectiveness, as well as achieve efficiencies through such things as the integration and consolidation of information technology, facilities, and operations centers. Congress did not appropriate funds for this purpose, however, and committee reports accompanying the appropriations act state that the committees did not yet have enough information about DHS's plan. DHS did not provide us with any additional documentation that may have further justified this request for an appropriation.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure (cont.)

BUR Recommendation

- The BUR was initiated in November 2009 as an immediate follow-on and complement to the DHS QHSR.¹¹ Secretary Janet Napolitano noted that “the BUR provides the results of an unprecedented Department-wide assessment of DHS” to align its programs and organizational structure with the mission sets and goals contained in the QHSR. To help achieve this, the BUR contains 43 specific initiatives to be implemented over several years.

- One BUR recommendation is for the department to “realign component regional configurations into a single DHS regional structure.” Specifically, the recommendation states:

“To streamline operations nationally, increase efficiencies, and enhance cross-training and rotational assignments, DHS will align the seven separate regional structures currently in use . . . to a single nation-wide regional structure.”

- Despite the publication of this recommendation in the July 2010 BUR report, in April 2012 a senior DHS official involved with the creation of the BUR stated that DHS has no plan to implement this recommendation because the department and its components no longer view regionalization as their preferred approach.

¹¹In February 2010, DHS issued its first QHSR, outlining a strategic framework for homeland security to guide the activities of homeland security partners, including federal, state, local, and tribal government agencies; the private sector; and nongovernmental organizations.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure (cont.)

DHS Had Limited Documentation—I-Staff and BUR Efforts

- Both the I-Staff effort and the BUR recommendation that directly focused on potential DHS actions to create a unified regional/field office structure have limited or incomplete analytical assessments to assist decision makers, or limited documentation to help explain or justify the decisions that DHS leadership ultimately made. Although DHS and other knowledgeable officials reported that significant effort and resources were invested in these reviews, DHS was not able to provide substantial documentation or analyses of their results, including evaluations of costs and benefits.
 - According to DHS officials, the analysis underlying the I-Staff draft Regional Concept of Operations was fairly robust. However, the I-Staff's draft Regional Concept of Operations document provided to us was incomplete—it contained placeholders for future analyses and component input, and actions that were never conducted, according to a senior DHS official.
 - For the BUR, DHS could not provide any documentation or analyses to demonstrate: (1) how the BUR regional/field office initiative was initially developed and why it was included in the BUR report, and (2) how the decision was made subsequently to not implement the initiative.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure (cont.)

DHS Had Limited Documentation—I-Staff and BUR Efforts

- According to a senior DHS official, most of the deliberations about the BUR realignment recommendation were conducted orally and not documented. As a result, we are unable to determine the extent to which DHS has fully assessed the realignment of its regional/field office since 2004.
- In addition, the department has been unable to provide us with documentation underlying the key decisions resulting from both the I-Staff and BUR efforts, especially regarding the change in policy from supporting DHS regional/field offices in 2004 and 2010 to no longer supporting this concept.
- *Standards for Internal Control in the Federal Government* calls for clear documentation of significant events, which includes assumptions and methods surrounding key decisions, and the standards also state that this documentation should be readily available for examination. All documentation and records should be properly managed and maintained.¹²

¹²GAO/AIMD-00-21.3.1.

DHS Steps to Assess the Realignment of Its Regional/Field Office Structure (cont.)

DHS Had Limited Documentation—I-Staff and BUR Efforts

- DHS leadership ultimately decided that the costs and other challenges to develop and implement a unified regional field office structure outweighed the potential benefits. Since then a senior DHS official authorized to speak about departmental policy stated that the department has no plans to study regionalization options in the future.
- In discussing the lack of documentation with DHS officials, they acknowledged that the documentation of earlier analyses, and the retention of such documentation, should have been better. They also stated that if the department undertakes another effort to study the costs and benefits of a unified regional structure, it will document any analyses and decisions in accordance with internal control standards and maintain such information in accordance with applicable DHS document retention policies—such as the Executive Level Records Schedule and the National Archives and Records Administration General Records Schedule. The department repeated this intention in its official response to our report.

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives

DHS Identified Challenges

- Officials from DHS headquarters and key operational components commented on challenges to implementing a single DHS regional/field office structure. Identified challenges included
 - variation in the geographic basis for operational component missions,
 - potential disruption and negative impacts on components' operations,
 - potential large up-front costs of creating a single DHS regional office structure, and
 - statutory provisions affecting DHS's authority to reorganize.
- Given these types of challenges, officials stated that DHS and its components are exploring alternatives to regionalization, such as colocation, consolidation, and integration.

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Challenges

- **DHS components each have a different regional or field office structure based on unique mission needs.** For example, FEMA’s 10 “regions” do not correspond to the USCG’s 9 “districts,” which do not correspond to CBP’s 20 Border Patrol “sectors.” Officials said that there were mission-based reasons for each of the components having different regional structures:
 - According to DHS officials, it would be a challenge to establish criteria and determine a single set of regional office locations and geographic boundaries across all components. For example, a regional footprint that may make sense for CBP along the border may not be well suited to FEMA’s mission.

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Challenges

- **Potentially Disruptive to DHS and Component Workforce, Missions, and Operations**
 - DHS officials stated that a large-scale realignment effort would likely divert staff from their normal mission-focused duties.
 - DHS officials also said that chain of command issues were a challenge to creating DHS regional offices that house multiple components. According to senior DHS officials, from the components' viewpoint, they have certain authorities and mission obligations for which they are held accountable. Senior DHS officials stated that component heads largely objected, therefore, to a structure that would turn over any component authority to regional DHS officials.

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Challenges

- **Potentially Disruptive to DHS and Component Workforce, Missions, and Operations (cont.)**
 - Some component officials also commented that field office realignment could negatively affect their relationships with stakeholders. For example, FEMA officials said that state and local governments, along with private sector entities, “knew who to call” at FEMA, and that coordination between FEMA regions and stakeholders was generally good. FEMA officials said that adding another federal layer (e.g., a DHS regional office official) could complicate FEMA’s relationships with locals.
 - Moving to a unified field office structure would also likely require operational sacrifices by some of the components. For example, different components have different public-facing “personas.” From a public relations perspective, it may not make sense to colocate USCIS’s customer service-oriented functions with ICE’s investigative functions, according to DHS officials.

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Challenges

- **Budgetary, Management, and Data Constraints Associated with Relocating Facilities**
 - DHS officials cited challenges due to the constrained budget environment, and the logistical issues involved with DHS components receiving appropriations through several separate funding streams.
 - DHS and component officials also cited costs associated with relocating facilities and terminating leases. While officials acknowledged that large long-term cost avoidance may be achieved through streamlining and reducing real estate, they said implementation and maintenance costs of a regional structure could be significant.
 - DHS officials stated and our prior work has found that DHS real property data are unreliable and inconsistent across components.¹³ Although efforts are under way to improve data, it remains difficult for planners to identify opportunities for office realignment.

¹³We have identified real property management across the federal government as a high-risk area. Many of the challenges highlighted in this work are applicable to DHS's portfolio management. See for example, GAO, *High-Risk Series: An Update*, GAO-11-278 (Washington, D.C.: Feb. 2011). Also see GAO, *Federal Real Property: DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, GAO-07-658 (Washington, D.C.: June 22, 2007).

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Challenges

- **DHS’s authority to reorganize has statutory limits.** According to a senior DHS official, the agency faces legal constraints to departmental reorganizations. The Homeland Security Act provided the Secretary of Homeland Security certain authorities to “establish” and “alter” organizational units within the department.¹⁴ However, a senior DHS official stated that the authority of the department to create a unified regional/field office structure remains limited. For example, by law USSS and USCG must be maintained as “distinct entities” within DHS.¹⁵ However, similar limitations existed at the time of the I-Staff and BUR studies which did not prevent these efforts from recommending a unified regional structure.
- In part because of all of these challenges, DHS officials reported prioritizing other initiatives over a unified field office structure. These include smaller-scale colocation, consolidation, and integration efforts that are largely led by the components.
- However, as noted previously in this briefing, without the benefit of substantive documentation related to regionalization efforts, DHS decision makers may lack assurances that their decisions are based on sound analyses. For example, documenting the costs and benefits of regionalization and alternatives could assist officials in evaluating a range of field office realignment options.

¹⁴6 U.S.C. § 452.

¹⁵18 U.S.C. § 3056(g); 6 U.S.C. § 468.

DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Alternatives to Regionalization

- Given the challenges of implementing a single, unified field office structure, a senior DHS official said the department’s current thinking on harmonizing component regional configurations is best reflected in the *DHS Strategic Plan: Fiscal Years 2012–2016*.¹⁶
 - Specifically, the department plans to “explore virtual approaches to regional and functional coordination,” which according to the strategic plan includes using models established in the interagency counternarcotics infrastructure. For example, USCG is establishing capabilities for some Interagency Operations Centers virtually—that is, sharing information and coordinating with port partners through an Internet web portal.¹⁷ In addition, DHS and some components have studied or taken actions to improve the effectiveness and efficiency of their regional/field office operations through actions such as colocation, consolidation, and integration.
 - Table 2 provides an overview of initiatives that DHS identified as alternatives to regionalization. These reports or assessments were intended to identify opportunities to improve aspects of DHS’s regional/field office structure since 2004; however, not all recommendations were fully implemented as of August 2012.

¹⁶DHS, *Department of Homeland Security Strategic Plan: Fiscal Years 2012–2016* (Washington, D.C.: February 2012).

¹⁷Interagency Operations Centers are designed to, among other things, share maritime information with USCG’s port partners (other agencies and organizations it coordinates with). See GAO, *Maritime Security: Coast Guard Needs to Improve Use and Management of Interagency Operations Centers*, GAO-12-202 (Washington, D.C.: Feb. 13, 2012).

Objective 2



Table 2: DHS Reports and Assessments of Colocation, Consolidation, and Integration Options since 2004

Reports/assessments	Description	Conclusion or recommendation
Department of Homeland Security, <i>Homeland Security Act of 2002 (P.L. 107-296)</i> ; <i>Section 706 Report to Congress on Office Consolidation and Co-location</i> ^a	Initial 2004 report responded to a statutory requirement by presenting DHS's actions to date and approach to develop a consolidation and colocation plan.	Initial report did not identify any specific regional or field offices to consolidate or colocate; rather it outlined the key steps to create such a plan.
Follow-on <i>Section 706 Congressional Report: DHS Inquiry Response to the Subcommittee on Energy Policy, Natural Resources, and Regulatory Affairs</i> ^{b, c}	Follow-on report addressed operational coordination/integration.	Follow-on report stated that a "Regional Concept" referenced in the initial <i>Section 706 Report</i> would address operational and coordination/integration concerns. According to a senior DHS official, recommendations have not been fully implemented.
General Services Administration (GSA), <i>Draft DHS Regional Office Site Analysis</i> , Washington, D.C., 2004 ^d	Draft report provided information to DHS to assist it in establishing its regional structure— included analyses on site and space selection.	GSA identified 158 buildings in 42 cities for potential regional office sites. According to a senior DHS official, recommendations have not been fully implemented.
Immigration and Customs Enforcement (ICE), <i>ICE Co-location Study Volumes 1 & 2</i> ^e	Congress directed ICE to submit a report on the cost and schedule for collocating ICE personnel within cities where ICE assets were located.	The plan identified 56 consolidation projects in 55 cities to be completed from fiscal year 2008 through 2018. According to a senior DHS official, recommendations have not been fully implemented.
Department of Homeland Security, <i>Real Property Co-location Study: DHS-Wide Co-Location Feasibility Initiative</i> ^f	2008 report focused on potential colocation scenarios in the Miami, Florida area.	Recommended (1) Co-locate CBP, USCG and TSA at a new location near the Miami International Airport; and (2) Co-locate CBP and USCG Port of Miami operations. According to a senior DHS official, recommendations have not been fully implemented.

Source: GAO analysis of documents provided by DHS.

^aDHS, *Homeland Security Act of 2002 (P.L. 107-296)*; *Section 706 Report to Congress on Office Consolidation and Co-location*, Washington, D.C., February 4, 2004.

^bDHS, *Section 706 Congressional Report: DHS Inquiry Response to the Subcommittee on Energy Policy, Natural Resources, and Regulatory Affairs*, Washington, D.C., 2004.

^cBoth Section 706 Reports reference DHS regionalization. We did not include these reports in table 1 because they respond to Congressional inquiries primarily related to consolidation and colocation.

^dGSA, *Draft DHS Regional Office Site Analysis*, Washington, D.C., 2004.

^eICE, *ICE Co-location Study: Volume 1 (Rationale and Execution) & Volume 2 (Acquisition Strategy)*, Washington D.C., Sept. 12, 2008.

^fDHS, *Real Property Co-location Study: DHS-wide Co-location Feasibility Initiative*, Washington, D.C., Mar. 18, 2008.

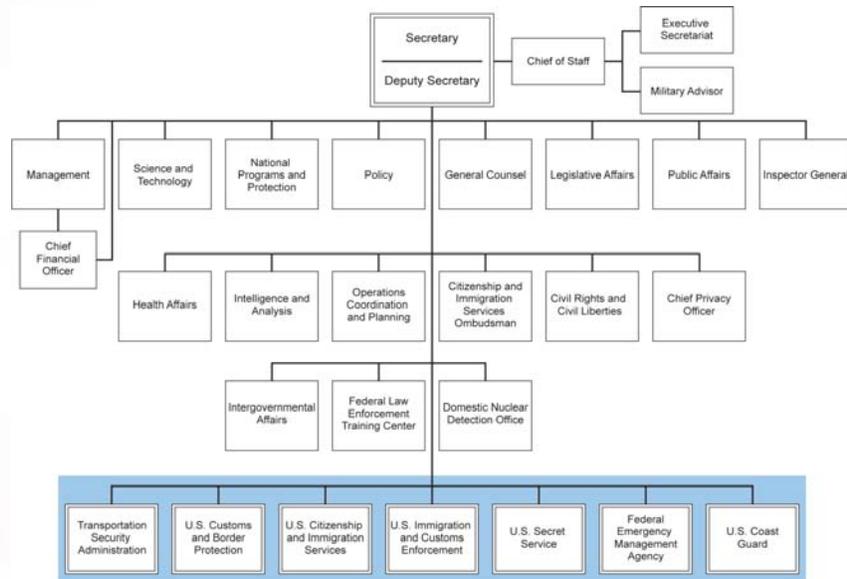
DHS Identified Challenges to a Single DHS Regional/Field Office Structure, and Alternatives (cont.)

DHS Identified Alternatives to Regionalization

- According to senior DHS officials, consolidation, colocation, or integration efforts have been initiated by one or more components based on local conditions and smaller-scale regionalization has occurred “organically” where it makes sense. For example, multiple DHS components and other stakeholders utilize colocation and intelligence integration to coordinate counternarcotics operations through JIATF South.¹⁸
- DHS’s Chief Administrative Officer is accountable for managing DHS’s real estate portfolio. In addition, officials with the Program Analysis and Evaluation (PA&E) Division described past colocation studies conducted as part of the budget process. Specifically, in 2009 PA&E identified 22 colocation opportunities for FEMA, ICE, USCG, and CBP offices. A parallel effort identified opportunities for USCG and CBP air asset co-location. No recommendations from these studies were implemented. However, DHS has requested funding for the ICE-wide colocation strategy in its fiscal year 2013 budget submission. A PA&E official said that it is now largely up to individual components to pursue their own opportunities for colocation, but resource constraints have limited such initiatives, given the expenses of lease consolidation.

¹⁸JIATF South, located in Key West, Florida, serves as the catalyst for integrated and synchronized interagency counterdrug operations and is responsible for the detection and monitoring of suspect air and maritime drug activity in the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific.

Figure 1: DHS Agencies and Key Operational Components as of August 2012



Source: DHS.

Note: DHS officials identified the following as the key DHS operational components—Transportation Security Administration, U.S. Customs and Border Protection, U.S. Citizenship and Immigration Services, U.S. Immigration and Customs Enforcement, U.S. Secret Service, Federal Emergency Management Agency, and the U.S. Coast Guard.

Enclosure II: Agency Comments

U.S. Department of Homeland Security
Washington, D.C. 20528



**Homeland
Security**

September 24, 2012

Stephen L. Caldwell
Director, Homeland Security and Justice
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Draft Report GAO-12-185R, "Department of Homeland Security: Efforts to Assess Realignment of its Field Office Structure"

Dear Mr. Caldwell:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO's) work in conducting its review and issuing this report.

The Department is pleased to note GAO's recognition of the significant actions DHS leadership has taken to assess regional/field office realignment options, since 2004, while continuing to focus on its primary missions. Not only has the Department made significant progress in securing the Nation from terrorism, securing and managing our borders, enforcing and administering immigration laws, and safeguarding and securing cyberspace, it also has achieved measurable success developing a Nation that is resilient to natural disasters and threats of any kind, as highlighted in GAO and DHS Office of Inspector General (OIG) reports published during the past year¹. DHS has also continued to provide essential support to national and economic security, while continuing to mature and strengthen as an institution.

Specifically, DHS appreciates GAO's acknowledgement that:

"Given the magnitude and breadth of DHS's operations and assets, potential changes to DHS's regional/field office structure and also its physical footprint can have profound budgetary impacts—both costs and savings—as well as impacts on how the Department carries out its homeland security missions," and

"... the short-term implementation costs remain a significant barrier to the implementation of a regional structure."

¹ See GAO, *Department of Homeland Security: Progress Made and Work Remaining in Implementing Homeland Security Missions Ten Years after 9/11*, GAO-11-881 (Washington, D.C.: September 11, 2011) and DHS OIG, *Major Management Challenges Facing the Department of Homeland Security*, OIG-12-08 (Washington, D.C.: November 11, 2011).

DHS also appreciates GAO's recognition of its efforts to explore co-location and consolidation options across the Department. DHS reiterates that its current objective with respect to regionalization and operational integration, as stated in the *DHS Strategic Plan for Fiscal Years (FY) 2012-2016*², is as follows:

Objective: Rationalize and harmonize component regional configurations

Explore virtual approaches to regional and functional coordination for a range of homeland security challenges, including using concepts, structures, and models established as part of the U.S. Government interagency counternarcotics infrastructure such as Joint Interagency Task Forces, High Intensity Drug Trafficking Areas (HIDTA), Organized Crime Drug Enforcement Task Forces (OCDETF), the Air and Marine Operations Center, and the El Paso Intelligence Center.

DHS leadership agrees with GAO's conclusion that Departmental efforts to assess regionalization, co-location, consolidation, and operational integration options could have been better documented. DHS leadership is committed to better documenting any future examinations of regional/field office realignment, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were provided previously under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

Sincerely,



Jim H. Crumpacker
Director
Departmental GAO-OIG Liaison Office

² See *U.S. Department of Homeland Security (DHS) Strategic Plan for Fiscal Years (FY) 2012-2016*, page 28 (Washington, D.C.: February 13, 2012) (<http://www.dhs.gov/xlibrary/assets/dhs-strategic-plan-fy-2012-2016.pdf>).

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

