



Department of Homeland Security Office of Inspector General

Independent Review of the U.S. Customs and Border Protection's Reporting of FY 2008 Drug Control Performance Summary Report





Homeland
Security

February 4, 2009

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report presents the results of the review of the Performance Summary Report of the U.S. Customs and Border Protection for the fiscal year ended September 30, 2008, for the Office of National Drug Control Policy. We contracted with the independent public accounting firm KPMG LLP to perform the review. U.S. Customs and Border Protection's management prepared the Performance Summary Report and management assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007. KPMG LLP is responsible for the attached independent accountants' report dated January 23, 2009, and the conclusions expressed in the report. However, because U.S. Customs and Border Protection's management reported that they can not assert that the "methodology to establish performance targets is reasonable and applied," KPMG LLP was unable to complete its review of management's assertions on the Performance Summary Report. We do not express an opinion on the Performance Summary Report and management's assertions.

It is our hope that the information in this report will continue to result in effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2008. We were also engaged to review the accompanying management's assertions for the year ended September 30, 2008. CBP's management is responsible to prepare the Performance Summary Report and assertions to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 (ONDCP Circular).

The ONDCP Circular requires management to make certain assertions related to the accuracy and completeness of the Performance Summary Report. Management reported that they can not assert that the "methodology to establish performance targets is reasonable and applied", as required by the ONDCP Circular.

In accordance with applicable professional standards, without a positive assertion provided by management we are unable to complete our review of management's assertions on the Performance Summary Report. Accordingly, our review procedures are limited to the subject matter of the Performance Summary Report only, and we are unable to provide a report on management's assertions pursuant to the requirements of the ONDCP Circular.

Our review of the subject matter of the Performance Summary Report was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the subject matter of the Performance Summary Report for the year ended September 30, 2008 is not presented, in all material respects, in conformity with ONDCP's Circular.

This report is intended solely for the information and use of the management of DHS and CBP, the Inspector General, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 23, 2009

**Performance Summary Report
U.S. Customs and Border Protection
FY 2008**

Measure 1: Inspection Narcotics Seizures – Cocaine, in pounds

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
CBP Air and Marine	130,262	196,850	101,993	188,561	129,043
Office of Border Patrol	14,819	12,338	12,885	14,242	9,268
Office of Field Operations	44,600	53,700	53,755	78,568	40,459
CBP TOTAL	189,681	262,888	168,633	281,371	178,770

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP’s overall mission to secure the nation’s borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP’s border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of cocaine seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo and railcars entering the United States.
- (2) **Prior Years Performance Targets and Results** - In FY 2008, CBP seized a total of 178,770 pounds of cocaine, which is a 36% decrease from FY 2007. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2008 and will not provide drug interdiction targets for FY 2009.
- (3) **Current Year Performance Targets** - One of CBP’s Strategic Goals, “Secure our Nation’s borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel” has as its performance objective “Using a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States.” While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. In fact, CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP’s deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.
- (4) **Quality of Performance Data** - BorderStat is the new CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP’s operational components. BorderStat provides CBP-wide operational awareness capability similar to the ComStat system used by many police departments.

This operational metrics system has been developed to work with CBP’s operational offices: the Office of Field Operations, the Office of Border Patrol, and the Office of CBP Air and Marine. The operational awareness metrics identified for the BorderStat represents the core indicators that will be presented to Senior CBP leadership as frequently as required to maintain operational awareness. BorderStat seizure data pulls from the following sources (the Automated Targeting System (ATS), SEACATS, Operations Management Reporting (OMR) and ENFORCE data systems). The data provided is reliable, complete and unbiased and has a margin of error of +/- 1% to 3% fluctuation based upon the timing differences in the BorderStat data pull and to the source data mart refresh rates. BorderStat, by design allows constant monitoring and analyses of various operational metrics so that trends, both positive and negative, can be quickly brought to the attention of senior CBP leadership. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

Measure 2: Inspection Narcotics Seizures – Marijuana, in pounds

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
CBP Air and Marine	134,069	79,369	110,781	308,792	245,699
Office of Border Patrol	1,347,146	1,211,823	1,369,602	1,859,299	1,647,166
Office of Field Operations	652,800	48,300	489,434	618,046	579,066
CBP TOTAL	2,134,015	1,339,492	1,969,817	2,786,137	2,471,931

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP’s overall mission to secure the nation’s borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP’s border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of marijuana seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo and railcars entering the United States.
- (2) **Prior Years Performance Targets and Results** - In FY 2008, CBP seized a total of 2,471,931 pounds of marijuana, which is an 11% decrease from FY 2007. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2008 and will not provide drug interdiction targets for FY 2009.
- (3) **Current Year Performance Targets** - One of CBP’s Strategic Goals, “Secure our Nation’s borders to protect America from the entry of dangerous people and goods

and prevent unlawful trade and travel” has as its performance objective “Using a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States.” While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. In fact, CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP’s deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.

(4) **Quality of Performance Data** - BorderStat is the new CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP’s operational components. BorderStat provides CBP-wide operational awareness capability similar to the ComStat system used by many police departments. This operational metrics system has been developed to work with CBP’s operational offices: the Office of Field Operations, the Office of Border Patrol, and the Office of CBP Air and Marine. The operational awareness metrics identified for the BorderStat represents the core indicators that will be presented to Senior CBP leadership as frequently as required to maintain operational awareness. BorderStat seizure data pulls from the following sources (the Automated Targeting System (ATS), SEACATS, Operations Management Reporting (OMR) and ENFORCE data systems). The data provided is reliable, complete and unbiased and has a margin of error of +/- 1% to 3% fluctuation based upon the timing differences in the BorderStat data pull and to the source data mart refresh rates. BorderStat, by design allows constant monitoring and analyses of various operational metrics so that trends, both positive and negative, can be quickly brought to the attention of senior CBP leadership. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

Measure 3: Inspection Narcotics Seizures – Heroin in pounds

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
CBP Air and Marine	N/A	52	143	10	256
Office of Border Patrol	145	187	172	117	46
Office of Field Operations	2,800	2,500	2,452	2,040	1,876
CBP TOTAL	2,945	2,739	2,767	2,167	2,178

(1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP’s overall mission to secure the nation’s borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP’s border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of

drugs into the United States. This performance metric focuses on the amounts of heroin seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo and railcars entering the United States.


- (2) **Prior Years Performance Targets and Results** - In FY 2008, CBP seized a total of 2,178 pounds of heroin, which means there is no significant change from FY 2007. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2008 and will not provide drug interdiction targets for FY 2009.
- (3) **Current Year Performance Targets** - One of CBP's Strategic Goals, "Secure our Nation's borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel" has as its performance objective "Using a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States." While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. In fact, CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP's deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.
- (4) **Quality of Performance Data** - BorderStat is the new CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP's operational components. BorderStat provides CBP-wide operational awareness capability similar to the ComStat system used by many police departments. This operational metrics system has been developed to work with CBP's operational offices: the Office of Field Operations, the Office of Border Patrol, and the Office of CBP Air and Marine. The operational awareness metrics identified for the BorderStat represents the core indicators that will be presented to Senior CBP leadership as frequently as required to maintain operational awareness. BorderStat seizure data pulls from the following sources (the Automated Targeting System (ATS), SEACATS, Operations Management Reporting (OMR) and ENFORCE data systems). The data provided is reliable, complete and unbiased and has a margin of error of +/- 1% to 3% fluctuation based upon the timing differences in the BorderStat data pull and to the source data mart refresh rates. BorderStat, by design allows constant monitoring and analyses of various operational metrics so that trends, both positive and negative, can be quickly brought to the attention of senior CBP leadership. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.



U.S. Customs and
Border Protection

January 16, 2009

MEMORANDUM FOR: RICHARD L. SKINNER
INSPECTOR GENERAL
DEPARTMENT OF HOMELAND SECURITY

FROM: Acting Director 
Office of Policy and Planning

SUBJECT: Management's Assertions for U.S. Customs and
Border Protection's Drug Seizure Data

In compliance with the Drug Control Accounting Circular (the Circular) (May 2007), U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to ONDCP. The report contains the results of CBP performance in support of the National Drug Control Strategy.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied – CBP has a system to capture performance information accurately and the system was properly applied to generate the performance data. The source of the data is the new CBP BorderStat data system. BorderStat pulls data from disparate sources and is the CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP's operational components. BorderStat is a live information technology system and, as a result, historical data will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizure data that was previously reported.
- (2) Explanations for not meeting performance targets are reasonable based on the following wording in the guidance, "An Assertion shall be made regarding reasonableness of any explanation... for revising or eliminating performance targets."
- (3) Adequate performance measures exist for all significant drug control activities – CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports. Each performance measure considers the intended purpose of the National Drug Control Program Activity.

CBP cannot make the following assertion at this time:

(1) Methodology to establish performance targets is reasonable and applied.

CBP reiterates its longstanding opposition to setting drug seizure performance targets because we believe that these targets are misleading. We believe that our drug interdiction partners share this view. The performance measures focus on the amounts of cocaine, marijuana, and heroin seized at and between the ports of entry by or with the participation of CBP Officers, Border Patrol Agents, and CBP Air Interdiction Agents. Performance targets as envisioned by the Circular, however, are likely to conflict with the CBP counter drug mission to eliminate the trafficking of drugs. CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP's deterrence efforts on the border. While drug seizures constitute a component of the mission, seizing drugs is not the ultimate goal. In fact, as the strategy is implemented and mission effectiveness increased, the amount of seizures will actually decrease.

Additionally, CBP believes that measuring success by agency seizures creates a competitive environment leading to less collaborative partnerships, team work, and sharing of information. Where partnerships do exist, the results can be mutually beneficial. For instance, CBP cocaine seizures increased, in part, because the Drug Enforcement Administration (DEA) shared intelligence from their sensitive sources. In turn, CBP fed DEA the intelligence gained from those seizures that enabled DEA to better target the major drug cartels.

Finally, CBP believes that seizure data can be an important tool to measure results when these metrics are combined with discussion and assessment to assist with improving operations. Performance targets alone may offer an incorrect assessment of agency success, particularly if they do not focus on the correct strategic factors. Setting a target may also give importance to achieving a numerical goal and imply that agency resources should be expended towards this end, even if it is not aligned with agency strategies and goals.

If you have any questions, please have a member of your staff call Mr. Alan Carr at 202-344-2887.

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