

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**A Review of U.S. Customs and Border
Protection's Procurement of Untrained
Canines**





Homeland
Security

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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 addresses concerns raised by Chairman Bennie G. Thompson and Representative Kendrick B. Meek regarding the United States Customs and Border Protection's procurement of untrained canines. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more 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

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Abbreviations

APHIS	Animal and Plant Health Inspection Service
ATCET	Anti-Terrorism Contraband Enforcement Team
CBP	U.S. Customs and Border Protection
DHS	U.S. Department of Homeland Security
DOD	U.S. Department of Defense
FAR	Federal Acquisition Regulation
FY	Fiscal Year
IDIQ	Indefinite Delivery Indefinite Quantity
JFK	John F. Kennedy International Airport
OBP	Office of Border Patrol
OFO	Office of Field Operations
OIG	Office of Inspector General
OTD	Office of Training and Development
POE	Port of Entry
SBI	Secure Border Initiative
USDA	U.S. Department of Agriculture

OIG

*Department of Homeland Security
Office of Inspector General*

Executive Summary

Chairman Bennie G. Thompson and Representative Kendrick B. Meek, U.S. House of Representatives Committee on Homeland Security, requested that we review a contract awarded by U.S. Customs and Border Protection to procure and deliver untrained canines to its canine training facilities. They expressed concerns that the contract costs may be outside of a reasonable price range for untrained dogs. We were also requested to review vendor licensing requirements, the percentage of canines unsuitable for service, and the role of dog deployment in the overall border protection strategy.

From April 2006 through June 2007, U.S. Customs and Border Protection procured 322 untrained canines at a cost of \$1.46 million, or an average price of \$4,535 per canine. The costs incurred for the untrained canines were reasonable and were comparable to the costs incurred for untrained canines procured by organizations such as the United States Secret Service and the Department of Defense. Regarding the cost effectiveness of the program, while only 3.85% of the Office of Border Patrol's 13,905 agents were canine handlers, they were credited with 60% of narcotic apprehensions and 40% of all other apprehensions in FY 2007.

The solicitation and award of this contract were conducted according to applicable federal regulations. Also, U.S. Department of Agriculture officials said that the vendors were not required to possess a federally issued license to engage in the sale of animals. Through August 14, 2007, 26 or 8% of the procured canines did not complete the training. CBP donated six of these canines to private homes, which was inconsistent with federal regulations.

We recommend that U.S. Customs and Border Protection adjust the delivery timeframes for vendors, properly transfer or sell unfit canines, and implement a unified system that accurately accounts for the performance of canine teams. U.S. Customs and Border Protection generally concurred with all recommendations.

Background

As the largest and most diverse law enforcement canine program in the country, U.S. Customs and Border Protection's (CBP) Canine Enforcement Program has the mission to combat terrorism, and interdict narcotics and other contraband while helping to facilitate and process legitimate trade and travel. As such, CBP officers use specially-trained detector dogs to interdict illegal narcotic substances, smuggled humans, explosives, and agricultural products, and unreported currency at our Nation's ports of entry (POE).

CBP maintains two separate canine programs to meet the needs of the agency's diverse responsibilities. The Office of Field Operations (OFO) canine program comprises 595 canine teams, each consisting of a canine and a handler, which are primarily stationed at our Nation's land, sea, and air POEs. The Office of Border Patrol (OBP) canine program has 540 canine teams that maintain responsibility for border areas between the ports of entry.

The Canine Center – Front Royal, formerly known as the Canine Enforcement Training Center in Virginia, trains canines for the OFO canine program. The Canine Center – El Paso, formerly known as the National Canine Facility in Texas, trains canines for OBP. The two training centers are managed by the Office of Training and Development. Although the Canine Center – Front Royal and the Canine Center – El Paso facilities have the capacity to train a maximum of 250 and 150 canine teams, respectively, in a 12-month period, the actual number of canine teams that require training in a fiscal year (FY) at each of the training centers is determined by its respective offices.

The Front Royal facility trained 100 canine teams in fiscal year (FY) 2006, and expected to train 150 canine teams in FY 2007. This center trains canines to detect narcotics, explosives, concealed humans, and currency. The training for explosives is 15 weeks, while all other training is 13 weeks. The El Paso facility trained 127 canine teams in FY 2006, and expected to train 144 canine teams in FY 2007. This facility trains canines to detect both narcotics and concealed humans.

In December 2005, CBP developed an acquisition plan to facilitate the centers' procurement of untrained canines. An indefinite delivery indefinite quantity (IDIQ) multiple award contract was determined to be the most appropriate procurement vehicle to acquire canines on an as-needed basis, and to solicit and award as many qualified vendors as possible. The contract included one base year and four option years, for a total performance period of five years, if all option years are exercised.

Since its inception, both facilities followed their own procedures to sell or donate unfit canines. Included in this group are canines that retired, underperformed, or did not pass required training tests.

Results of Review

CBP Paid a Competitive Average Price per Canine

Information maintained by the Office of Procurement showed that from April 2006 to June 2007, CBP procured 322 untrained canines from seven vendors at a cost of \$1.46 million. CBP pays the successful bidder up to \$200 to ship each canine. Shipping costs for the 322 untrained canines totaled \$33,788. Therefore, the average price per canine including shipping costs is \$4,535, and the average price per canine excluding shipping costs is \$4,430.

We contacted the United States Secret Service and Transportation Security Administration to determine the average purchase price of canines used in their agencies' programs. The United States Secret Service paid an average of \$4,533 for 16 untrained canines as part of its current contract for FY 2006 to FY 2008. The Secret Service contract includes a provision that considers the fluctuating value of the U.S. dollar against the euro and authorizes up to \$450 above the cost per canine.

Through an Interservice Support Agreement, the Transportation Security Administration receives untrained canines from the U.S. Department of Defense (DOD). DOD sends agency personnel to procure untrained canines directly from Europe. Due to the large quantity, the department uses a blanket purchase agreement to buy approximately 600 canines from European vendors annually at a reduced rate. DOD currently pays an average of \$3,500, including shipping costs, for each untrained canine it purchases.

Prior to the solicitation and award of this contract, CBP reviewed procurement prices in previous contracts, and determined that the cost per canine ranged between \$3,300 and \$3,800. The cost per canine was determined based on the Front Royal facility's procurement of canines from three vendors via purchase orders, and the El Paso facility's procurement of canines through an IDIQ multiple award contract, which expired at the end of FY 2005. Also, our review of CBP's evaluation of bids received in response to its solicitation to procure untrained canines demonstrated that CBP followed applicable guidelines in assessing proposed costs.

Due to the continued weakness of the U.S. dollar against the euro since April 2006, canine vendors now require an increasing amount of U.S. dollars to buy

untrained canines from Europe, the primary source for canines that meet CBP's standards. At an average cost of \$4,435 per canine, we conclude that CBP has procured quality canines at a reasonable cost.

CBP's Solicitation and Award Processes Complied With Applicable Federal Acquisition Regulations

Due to the unknown number of canines required throughout the period of performance, CBP's Office of Procurement issued an Indefinite Delivery Indefinite Quantity (IDIQ) multiple award contract for vendors to provide untrained canines. On February 9, 2006, the solicitation was issued as a competitive commercial acquisition under the principles of Federal Acquisition Regulation (FAR) Part 12. As part of the solicitation and award process, CBP also followed applicable provisions of FAR Part 5, 6, 9, 11, and 15. In April 2006, CBP announced and awarded the contract to seven vendors. The contract included one base year, April 6, 2006, to April 5, 2007, and four option years, which could extend the contract to April 5, 2011.

The Solicitation Process

As required by FAR Subpart 11.1, Selecting and Developing Requirements Documents, the Contracting Officer's Technical Representatives provided the technical requirements in the Statement of Work that identified the canine needs for Front Royal and El Paso, the description of the canines, the selection criteria, and required documentation.

To obtain information on potential vendors in the canine marketplace, the Office of Procurement contacted certification groups such as the North American Police Dog Association, the National Narcotic Detector Dog Association, and the National Police Canine Association. The Office of Procurement requested additional guidance from the El Paso facility since it had purchased canines under a similar contracting arrangement prior to its merger with the U.S. Department of Homeland Security (DHS). El Paso facility officials said that the CBP canine contract was well known throughout the canine industry since it was publicized and announced at national conferences and other events during the preceding year.

In the solicitation's Pricing Schedule attachment, the vendors were required to bid a fixed amount to include the price of one canine plus shipping costs to Front Royal, El Paso, and any other DHS location for components that may wish to use this contract to procure untrained canines in the future.

CBP posted the announcement of the solicitation order on the FedBizOpps.gov website, in accordance with the FAR 6.102, Use of Competitive Procedures, to ensure full and open competition. As specified in FAR 5.203(a)(1), the solicitation for the acquisition of commercial items can be published for less than 15 days. CBP's solicitation for untrained canines was open from February 9 to February 24, 2006, for a total of 16 days.

The Award Process

Nine vendors responded to CBP's solicitation for untrained canines. Prospective vendors were evaluated on the basis of past performance and price bids, according to the evaluation criteria outlined in FAR 15.305.

To evaluate past performance, a Source Selection Evaluation Team, headed by a canine training center director:

- Reviewed orders filled by prospective vendors for a minimum of five untrained canines in the past three years;
- Contacted the prospective vendors' references; and
- Assessed their responses to the Reference Questionnaire they were required to complete regarding their past experiences in delivering untrained canines.

All nine vendors were canine trainers. CBP officials and vendors said that based on past experience, canines from trainers are more likely to satisfy the statement of work requirements than breeders. Also, they are more likely to pass pre-selection tests because the canines have completed prior training.

Based on past performance, the Source Selection Evaluation Team assigned an adjectival rating to all vendors who responded to the solicitation. Vendors could be rated outstanding, good, neutral, acceptable, marginal, or unacceptable. Four of the winning bidders were rated outstanding, two were rated good, and the other received a neutral rating.

CBP evaluated the vendors' prices for fairness and reasonableness based on the price analysis technique specified in FAR 15.404 –1(b), which requires that the price determined for the award be fair and reasonable. CBP compared the proposed prices from the base year to the fourth option year, and determined the price per canine among the vendors to be similar throughout all of the proposed contract years. Vendors who proposed to deliver canines to two locations were compared separately from those who proposed to deliver canines to three locations. Bids from vendors ranged from \$3,500 to \$6,000 in the base year, and from \$4,000 to \$8,000 in the fourth option year of

the contract. The total estimated price reflects differences in delivery charges for the vendors' proposed pricing over the entire five-year contract and the price per canine.

Based on past performance and price proposals, seven of the nine vendors met the general standards of responsible prospective contractors as outlined in FAR 9.104, and were subsequently awarded the contract. One vendor received a neutral rating, but was still considered for the award because as a small and new business, strong technical standing outweighed its limited past performance, which is a trade-off permissible under FAR 15.101-1. Two vendors were excluded from consideration due to a marginal rating for past performance, and submitting a bid that only included base year prices when the solicitation required vendors to bid prices for all five years.

A determination of the vendors' ability to board and care for the canines was not included as part of the review process. According to FAR 12.208, "Contracts for commercial items shall rely on contractors' existing quality assurance systems as a substitute for Government inspection and testing..."

Although nine vendors had to bid price per canine to fulfill the solicitation requirements, the price CBP actually pays its seven vendors is the winning bid amount for each subsequent delivery order.

Delivery Timeframe Should Coincide With Receipt of Purchase Order

According to CBP officials, when a specific delivery order for canines is awarded to a vendor selected under this contract, the vendor is allowed 30 to 45 days from the award date to deliver canines to the training centers. Vendors expressed concern about the short timeframe between official confirmation from the Office of Procurement that they have been awarded a specific order for canines, and the required delivery date to the training center.

After vendors have submitted bids for a specific canine order, the Office of Procurement notifies the successful vendor(s) that they have been tentatively awarded an order to deliver canines by a specific date. The Office of Procurement's interpretation of the tentative award notification to successful vendors means that the vendor has been awarded the specific delivery order. However, vendors do not interpret the tentative notification as the official award notification, and do not initiate actions to procure canines until receipt of a purchase order from CBP, officially confirming the order. As a result, the available time for vendors to purchase the canines from Europe and deliver them to the training centers is reduced by the length of time between CBP's tentative award notification and their receipt of a purchase order. This results

in vendors not always having sufficient time to meet the 30- to 45-day delivery timeframe.

Recommendation

We recommend that the Commissioner of U.S. Customs and Border Protection:

Recommendation 1: Start the 30- to 45-day delivery requirement on the date that coincides with the vendors' acknowledgement of receipt of the purchase order.

Vendors Were Not Subject to USDA Licensing Requirements

Based on our review of regulatory guidelines and discussions with officials from the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS), we conclude that the licensing requirements for the *Animal Welfare Act* do not apply to vendors supplying canines to CBP.

The *Animal Welfare Act* provides guidance regarding the need to possess a valid USDA license to sell or breed canines.¹ Under the Act, APHIS issues three types of licenses to animal dealers falling under either: Class A, which includes commercial breeders; Class B, which includes brokers and auction operators; or Class C, which includes animal breeders. Other business categories are entirely excluded from this requirement, including retail pet stores, retail chain stores, hobby breeders, animal shelters, and boarding kennels.

According to APHIS officials, vendors selling canines to CBP are not required to possess a USDA license because they are engaged in retail sales, with "retail" being defined as a sale to an end user. This exemption extends to the direct sale of security canines to a final user since this constitutes a retail sale. APHIS officials also said that the seller who originally sold the canines to the vendors for resale to CBP would be subject to licensing by USDA. However, since all of the vendors purchase canines for CBP's training programs from European suppliers, the licensing requirement does not apply.

Vendors are subject to applicable state and local laws, which vary dramatically by state. For example, one vendor selected by CBP under this contract is located in Rhode Island, and licensed by both the state and county to sell and kennel canines. To remain in good standing with his licenses, his

¹ 7 U.S.C. § 2133

facility is inspected annually at a minimum, as well as at random. In 2004, seven canines died while kenneled at this vendor's facility. The canines had been left in a room overnight when the air conditioning unit malfunctioned, which resulted in the dogs dying of heatstroke. The state veterinarian's office immediately suspended the vendor's license pending the outcome of a full investigation, after which the license was reinstated, and the vendor has had no other incidents since that time.

Eight Percent of Canines Did Not Pass Required Training Tests

The training centers select only those canines that successfully pass their required tests. Even if a dog is selected initially, there is a 20-day period before a final selection is made. During the 20-day period, the canines are observed to confirm that they are disease-free, medically fit, and acceptable for the program. If the training centers determine that a dog is unfit for training, the vendor must replace it at its own cost.

A demonstration of the pre-selection test at the El Paso Facility



A training center official said that a very small percentage of canines fail the training program. One vendor explained that a major incentive to provide quality canines is reputation within the industry. According to the vendor, this is a small community where word spreads quickly if a vendor is not providing

quality canines to meet customer demands. Another control on vendors' practices is that they use their own money to purchase these canines without a guarantee that the dogs will be repurchased by CBP or any other customer.

According to information provided by the Office of Training and Development, as of August 14, 2007, 26 or 8% of the procured canines did not successfully complete the required training course. Lack of success was due to failure to detect an odor for which the canine was trained to recognize, or insufficient genetic drive, which is an inherent trait required for detection training candidates.

CBP Needs to Donate or Sell Unfit Canines According to Applicable Federal Regulations

According to 40 U.S.C. § 555 and 41 C.F.R. § 102-36.365, when a canine is no longer needed for law enforcement duties, the agency may donate the canine to an individual who has experience handling canines in the performance of those official duties. However, these laws do not permit the sale or donation of canines to private homes.

Of the 23 canines at the Front Royal facility that were not certified, 15 were donated to other federal, state, and local law enforcement agencies, two were sold, and six were provided to private homes. All three of the canines that failed certification at the El Paso facility were given to federal handlers for adoption.

CBP officials said that they believe that the General Services Administration exempted the agency from this federal regulation because canines are live animals. However, they were unable to provide documentation to support an exemption. In the absence of a valid exemption, CBP must provide the canines to the General Services Administration for appropriate removal from the Canine Enforcement Program.

Recommendation

We recommend that the Commissioner of U.S. Customs and Border Protection:

Recommendation 2: Donate or sell unfit canines according to applicable federal regulations.

Training and Boarding Costs for Canine Teams Are Consistent

According to information provided by the Office of Training and Development, the Front Royal and El Paso facilities have the capacity to train a maximum of 250 and 150 canine teams, respectively, in a 12-month period. We determined that the training centers' costs associated with training and boarding canine teams do not fluctuate based on the method used to procure the canines. Also, dog handlers receive the necessary training along with their canines regardless of the procurement method. The total costs to board and train canine teams for specific classes at the training centers are shown in Tables 1 and 2.

Table 1: Training and Boarding Costs of Canine Teams at Front Royal

Fiscal Year	Training Class	Number of CBP Handlers	Total Costs
2006	Narcotics	66	\$938,850
	Explosives	19	\$350,550
2007	Narcotics	133	\$2,195,165

Table 2: Training and Boarding Costs of Canine Teams at El Paso

Fiscal Year	Training Class	Number of CBP Handlers	Total Costs
2006	Handler Class	87	\$607,995
	Returning Handler Class	22	\$131,670
	Search & Rescue Handler Class	6	\$78,120
	Tracking & Training Class	12	\$76,800
2007	Handler Class	101	\$705,485
	Returning Handler Class	20	\$119,700
	Search & Rescue Handler Class	6	\$78,120
	Tracking & Training Class	3	\$18,000
	Human Remains Class	2	\$21,860

The Canine Program Serves as an Essential Tool in Securing U.S. Borders

To observe the work of canine teams, we conducted site visits to POEs in El Paso and Laredo, Texas, and John F. Kennedy International (JFK) and Newark Liberty International Airports. We also visited Border Patrol checkpoints in Las Cruces, New Mexico, and Laredo, Texas. At all locations, we learned that OFO officers and OBP agents valued the canines for their ability to efficiently clear people and vehicles with minimum wait times at POEs and checkpoints, as well as locate migrants and smugglers crossing through the desert.

Canine Teams at Ports of Entry

OFO maintains canine teams trained to detect a variety of odors to fit its broad mission of interdicting illegal narcotic substances, smuggled humans and agricultural products, and unreported currency at our Nation's POEs. At the Front Royal facility, canines are trained for the following forms of detection:

- Narcotics – to detect and interdict narcotics;
- Concealed Human/Narcotics – to detect concealed narcotics, and people attempting to enter the United States illegally;
- Currency – to detect the odor of undeclared U.S. currency before it is smuggled out of the country to circumvent monetary reporting requirements; and
- Explosives – to detect explosive odors concealed in cargo, vehicles, aircraft, luggage, and on passengers.

CBP also maintains agriculture detector dogs to detect prohibited fruits, vegetables, or meats that may carry pests, or animal and plant diseases harmful to U.S. agricultural resources. Those canine teams are trained separately at a USDA academy in Orlando, Florida, and were not included as part of this contract.

Most of the OFO canines working at the land POEs are trained to detect narcotics and concealed humans, and are capable of screening a vehicle in seconds. Depending on their availability at a POE, explosive detection canines also screen vehicles. Knowing that a vehicle has been searched by a detector dog for drugs, people, or possible bomb-making materials, the officers working in the primary inspection booths can focus their attention on the occupants' behavior or their possible connection to other criminal activities. Primary inspection officers have the discretion to refer vehicles to the secondary inspection area for a full inspection using a canine team that can complete the inspection in about five minutes. An equivalent inspection

without the use of a canine would require an officer at least 20 minutes. With port directors under pressure to minimize wait times, the canines serve a unique role in maintaining traffic flow through the lanes without compromising security.

Many of the canine teams stationed at airport POEs operate with more public interaction. Occasionally, explosive detection canine teams will check individual passengers in the baggage claim areas, which are regularly inspected by agricultural canine teams. OFO officials at JFK and Newark Airports explained that the canine teams operate in conjunction with their Anti-Terrorism Contraband Enforcement Teams (ATCET), which use intelligence and threat information to conduct local targeting operations. Since there are not enough canine teams to search every arriving international flight, OFO must determine which flights to search through the ATCETs. OFO determined that this method is more effective in yielding larger finds of contraband and breaking up smuggling rings than searching each passenger individually as they disembark the plane. The narcotics or explosives detection dogs may also inspect the cargo and luggage of selected flights, if the search will not prolong the movement of these items. OFO randomizes targeted flights and the types of searches conducted to prevent evasion by potential smugglers.

OFO also maintains currency detection canines to check outbound vehicles, passengers, and cargo for large currency loads before they are taken out of the country. However, for the sites we visited, the presence of currency detection teams was minimal. JFK and Newark airports have been without currency canines for the past year because CBP's focus was to fill its backlog of other canine vacancies.

At the seaports, canine teams are an essential part of OFO's efforts to clear shipments and containers that must be inspected because of the country of origin, the product being shipped, the shipping company, or other factors that inform targeting decisions. The canines are flexible and can be easily moved from shipment to shipment, climbing on top of and around items in ways that would physically challenge officers.

Canine Teams Along U.S. Borders

OBP's challenge lies in the thousands of miles of border that must be covered by its agents. There are a limited number of technological tools to help agents during their patrols, with sensors and cameras being the most prominent. However, as canines rely on their sense of smell instead of sight, they

represent an important tool in tracking people who have illegally crossed the border.

In addition, the canines enhance OBP's interior enforcement efforts at strategically placed checkpoints located miles from the borders by quickly inspecting approaching vehicles along the roadway and providing a deterrent effect. For example, agents at one checkpoint told us they regularly find abandoned narcotic loads left along the highway leading to the checkpoint after the smugglers' spotters informed them that a canine was on duty.

While only 3.85% of the Office of Border Patrol's approximately 13,905 agents are canine handlers, they were credited with 60% of narcotic apprehensions and 40% of all other apprehensions in FY 2007. Unlike OFO, which has jurisdictional authority to search anyone at a POE, OBP officials told us that its agents must have probable cause to search passenger vehicles. Therefore, the canine teams are not only helpful for finding narcotics and smuggled humans, but serve as a useful tool in providing probable cause for agents to search suspicious vehicles or people.

The Canine Program and the Secure Border Initiative

According to CBP officials, the planning and deployment of canine teams is conducted every fiscal year by OFO and OBP.² Regarding the Secure Border Initiative (SBI) and *SBI_{net}*, canine teams are part of a layered enforcement strategy. The Canine Enforcement Program augments existing technology by deploying detector dog teams that enhance border security by efficiently screening conveyances at ports of entry.

To date, CBP's Canine Enforcement Program has not been integrated into the Security Border Initiative (SBI) and *SBI_{net}*. When it is integrated, OBP officials said they will adjust the deployment of their canine resources, which is expected to increase. Both OFO and OBP officials said that the Canine Enforcement Program is so essential to their mission that the canines will not be replaced by technology, but will complement it.

² *SBI_{net}* is a program to develop and deploy the optimum mix of personnel, technology, and tactical infrastructure to gain control of the border. *SBI_{net}* chose to focus the first comprehensive border security solution along 28 miles contiguous to the Sasabe, Arizona, port of entry.

Improvements in Canine Performance Tracking Systems Are Needed

Within the Canine Enforcement Program, OFO and OBP canine teams are tracked separately within each office's computer systems. We requested information from OFO and OBP regarding the number of total canine-initiated interdictions. While OBP provided updated performance information on its canine teams, we determined that OFO is limited in its reporting capabilities due to its reliance on an outdated system. Without such information, OFO cannot make objective judgments about the value of its canine teams in relation to overall interdictions each fiscal year or determine the optimal number for each type of team.

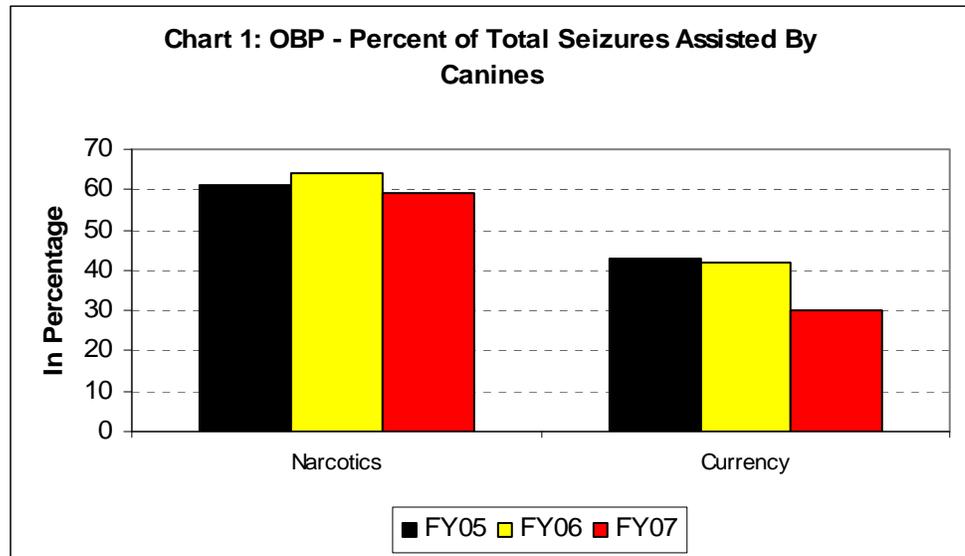
OFO's "Detector Dog System" tracks canine interdictions and is used to produce an annual cost-effectiveness ratio for its teams. However, the ratio's computations are based on 1994-1995 costs, which was the last time the 20-year-old system was updated. An OFO official said that updating the system with current cost information would require several hundred thousand dollars because it was created using a computer code that is no longer in use, and funding has not been made available for this effort.

Because of the costs required for this update, an OFO official said that they are considering replacing the current Detector Dog System with a system that will incorporate the needs of CBP including the canine program statistics used by OFO, OBP, and the OTD training centers. This will provide CBP with a unified system of generating, maintaining, and reporting canine seizure statistics.

Without updated cost information, the Detector Dog System is generating inaccurate cost-effectiveness ratios, and data that do not accurately reflect the performances of OFO canine teams. The ratios provided from this system, suggest that OFO's canines have returned at least \$100 for every \$1 of deployment costs for handler salaries, ongoing training, and kenneling costs during four of the past five fiscal years. Because this information is not based on current costs, these figures are of limited value in OFO's decision-making process regarding the canine program.

The only other system currently available to OFO is its main interdiction tracking system, which relies on officer entries at POEs. However, an OFO official said that this is not as reliable as the Detector Dog System for tracking canine performances because officers at POEs do not always enter canine-initiated interdictions into this system. OBP's system, by contrast, requires agents to indicate which interdictions were canine-initiated, enabling OBP to count canine interdictions as a percentage of total interdictions, which are

stratified by type. Such a measurement allows OBP to view the canine teams' performances in relation to its overall interdictions, as shown in Chart 1.



Recommendation

We recommend that the Commissioner of U.S. Customs and Border Protection:

Recommendation 3: Implement plans for a unified system within CBP to accurately track the performance of its canine teams.

Additional Issue Concerning CBP Canine Teams

Infrastructural Improvements at Land POEs and Permanent Checkpoints Could Enhance Canine Performance and Safety

During our site visits along the Southern border in El Paso, Laredo, and Las Cruces, we observed infrastructural deficiencies that affect the performance and safety of the canine teams. Officials from the Office of Finance-Asset Management stated that the process to improve the physical infrastructure at ports of entry and permanent border checkpoints is complex, lengthy, and budget-constrained. They also said that modernization is a challenge across the board, where funding must be aligned against operational priorities. While we are not making any recommendations based on our observations at three locations, we believe these issues warrant management's attention.

At POEs in El Paso and Laredo, officials told us that while the canines are very effective in detecting their trained odors, they also tire easily in the heat. The preprimary inspection areas in both areas are largely uncovered, while a canopy covers the primary inspection booths. Canine officers constantly monitor their dogs for signs of heat exhaustion and must take care that the dogs' paws do not get burned by extended periods on the asphalt. These conditions limit the amount of time that each team can work, resulting in frequent breaks during the eight-hour shift.

OBP officials at the Las Cruces station said their canines experience similar issues at Border Patrol checkpoints, such as the one along Interstate-10 highway. In addition to problems with excessive heat, the checkpoint has only a single lane that does not allow for the continuous movement of traffic when a driver is stopped for extended questioning. Therefore, agents stop 100% of trucks and buses for questioning, and only stop passenger vehicles randomly to avoid traffic congestion. Also, since traffic is constantly moving, canines are unable to screen vehicles before they reach the inspection area. There are no medians or other infrastructure to separate vehicles from the agents and canines, which was a factor in the recent death of one canine hit by a truck.

OBP officials in Las Cruces said the Interstate-10 facility is now undergoing a \$5 million expansion, which is scheduled for completion in March 2008. The improvements will separate commercial traffic from passenger vehicles about a mile before the actual checkpoint, which should reduce traffic volume by 45%. The checkpoint will also have telecommunications systems in the inspection booths and a canopy over the inspection area to provide dogs, the handlers, and other agents shelter from the heat. The separate commercial area will have two lanes and a separate area to accommodate equipment capable of detecting hidden compartments in vehicles undergoing full inspections.

We visited another OBP checkpoint located approximately 30 miles north of Laredo along Interstate-35. Opened in April 2006 at a cost of \$15.5 million, the checkpoint features six lanes separated by medians. Depending on traffic volume, OBP can staff each open lane with an agent to process more vehicles simultaneously and minimize traffic congestion. With the vehicles lined up similar to a land POE, the canine teams have sufficient time and space to safely screen each vehicle. The facility is also covered in order to protect the canines, their handlers, and other agents from the intense heat. According to OBP agents, this facility is considered to be a model for OBP; however, the medians between each lane are too narrow for the canine teams to walk on.

Handlers have their canines step off the median to get closer to the vehicles, increasing the level of risk for the canine teams.

Management Comments and OIG Analysis

We evaluated technical and written comments prepared by CBP regarding our draft report, and where appropriate, made changes to ensure the accuracy of information. CBP management agreed with the report findings and recommendations, and provided an alternative corrective action for Recommendation 1. A copy of CBP's written comments, in its entirety, is included as Appendix B.

Recommendation 1: Start the 30- to 45-day delivery requirement on the date that coincides with the vendors' acknowledgement of receipt of the purchase order.

CBP Response: CBP agreed, in part, with our recommendation, and provided an alternative corrective action. CBP said that the Government has no control over when a vendor acknowledges receipt of a purchase order, and that acknowledgement of new orders can take time. CBP has begun to e-mail purchase orders directly to selected vendors on the date of award. The delivery period starts from the date of order identified in Block 1 of Office of Finance Form 347, and end on the delivery date identified in Block 15. The delivery period is for at least 30 days.

OIG Analysis: We consider CBP's alternative corrective action responsive to the recommendation. The recommendation is resolved and open pending verification that CBP has implemented this notification process as part of their standard operating procedures.

Recommendation 2: Donate or sell unfit canines according to applicable federal regulations.

CBP Response: CBP concurred with our recommendation, and noted that Federal Management Regulations do not address the unique requirements of live animals, such as their care and feeding, and do not distinguish them from other forms of government personal property. CBP has been working with the General Services Administration to bring the agency's practices into full compliance with Federal Management Regulations.

OIG Analysis

We consider CBP's comment responsive to the recommendation, which is resolved and open. This recommendation will remain resolved and open pending our receipt of (1) the results of on-going efforts with General Services Administration to bring the agency's practices into full compliance with Federal Management Regulations, and (2) verification that CBP has developed and implemented a process to donate or sell unfit canines according to applicable federal regulations.

Recommendation 3: Implement plans for a unified system within CBP to accurately track the performance of its canine teams.

CBP Response: CBP agreed with our recommendation. The Office of Field Operations, Office of Border Patrol, Office of Training and Development, and Office of Information Technology within CBP have held initial meetings to detail the requirements of a unified system within CBP. Unfunded requests have been filed to support this endeavor. Once the unfunded requests are approved, the project will advance to the development stage where individual offices can determine which information can be unified to facilitate the reporting and tracking of specific performance related measures. CBP expects this system to be implemented by April 1, 2009.

OIG Analysis: We consider CBP's comments responsive to the recommendation, which is resolved and open. This recommendation will remain resolved and open pending our receipt of documentation verifying actions taken by CBP to accurately track performance related measures.

Appendix A

Purpose, Scope, and Methodology

At the joint requests of Representatives Bennie Thompson and Kendrick Meek, U.S. House of Representatives Committee on Homeland Security, we reviewed a U.S. Customs and Border Protection (CBP) contract awarded to seven vendors to procure and deliver untrained canines to its canine training centers. The congressmen expressed concern that the contract costs may be outside of a reasonable price range even for fully trained dogs.

The purpose of our review was to determine: (1) the reasonableness of CBP's contracts with seven vendors regarding the procurement of untrained canines; (2) whether specific aspects of CBP's award process complied with applicable federal regulations and other guidelines; (3) the licensing requirements of vendors; (4) any additional expenses associated with training and boarding of canines and their handlers under this contract; (5) the adequacy of CBP's plan for handling procured canines that are unsuitable for service; and (6) the role of canine deployment in CBP's overall protection strategy.

We reviewed the Federal Acquisition Regulations, and CBP's internal procurement policies and guidelines. We examined documents related to the solicitation and award process, methods used to determine the costs for procuring, training, and boarding the canine teams. We interviewed U.S. Department of Agriculture officials regarding licensing requirements for vendors engaged in the sale of animals, and contacted the United States Secret Service, Transportation Security Administration, and U.S. Department of Defense to determine their average price paid for untrained canines, as well as the General Services Administration regarding the disposition of canines from the training programs or through retirement.

During our fieldwork, we interviewed CBP officials from the Office of Procurement, Office of Border Patrol, Office of Field Operations, Office of Training and Development, and the Office of Finance-Asset Management. We visited the Canine Center – Front Royal in Virginia and the Canine Center – El Paso in Texas to observe a demonstration of pre-selection tests for canines, and tour the training and kennel facilities. We also observed canine deployment operations in El Paso and Laredo, Texas; Las Cruces, New Mexico; John F. Kennedy International Airport in New York; Newark Liberty International Airport in New Jersey, and, the New York-New Jersey Seaport in Elizabeth, New Jersey. We visited two of the seven vendors selected for this procurement, and held teleconferences with the remaining five vendors. We also held a teleconference with the Rhode Island state veterinarian to obtain information regarding the July 2004 deaths of seven dogs while in the care of the International Canine Exchange, one of the seven vendors selected under this contract.

Appendix A

Purpose, Scope, and Methodology

We conducted our fieldwork from May 2007 through August 2007. This review was scheduled as part of our annual work plan. Our review was conducted under the authority of the *Inspector General Act of 1978*, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

Appendix B Management Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20229



U.S. Customs and
Border Protection

March 25, 2008

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

FROM: Director *William H. Honaton*
Office of Policy and Planning

SUBJECT: Response to the Office of Inspector General's Draft Report
Entitled, "A Review of U.S. Customs and Border Protection's
Procurement of Untrained Canines"

Thank you for providing us with a copy of your draft report entitled "A Review of U.S. Customs and Border Protection's Procurement of Untrained Canines" and the opportunity to respond to this report. The Office of Inspector General (OIG) reviewed the pricing of the canines purchased by U.S. Customs and Border Protection (CBP) as well as vendor licensing requirements, the percentage of canines unsuitable for service, and the role of dog deployment in the overall border protection strategy.

OIG met with vendors CBP has contracted with to purchase canines during this review. Some vendors expressed concern about the timeframe between contract award date and delivery date for purchased canines. CBP's Canine Contract is going into its second option year (April 6, 2008) and the relationship with most of the selected vendors is amicable. However, CBP notes that concern about award notification has only occurred once during the last two years of performance.

A general-technical-sensitivity review of the OIG draft report was conducted by CBP. CBP identified sensitive procurement information that would require a "For Official Use Only" designation or warrant protection under the Freedom of Information Act.

If you have any questions regarding this response, please contact me or have a member of your staff contact Ms. Janiene Jones, Audit Liaison, Office of Policy and Planning, at (202) 344-2169.

Attachment

Appendix B Management Comments to the Draft Report

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Responses to OIG Draft Report Recommendations for Procurement of Untrained Canines Review

Recommendation 1: Start the 30- to 45-day delivery requirement on the date that coincides with the vendors' acknowledgement of receipt of the purchase order.

Response: Concur in part with an alternative corrective action.

To ensure a 30-45 day delivery timeframe for each purchase order is achieved, CBP will email purchase orders directly to its vendors (selected) on the date of award. The delivery period will start from the date identified in Block 1 of Office of Finance (OF) Form 347 (Date of Order) and end on the delivery date identified in Block 15. That delivery period will be for at least 30 days in length.

The Government has no control over when a vendor acknowledges receipt of a purchase order. Based on the Government's history in working with vendors, we have found that their acknowledgement of issued orders is not always immediate. This has been noted by some of our small vendors who are constantly traveling to purchase canines or traveling to CBP canine facilities to deliver canines. As a result, their acknowledgement of new orders can take time, sometimes days.

Due Date: Complete

Recommendation 2: Donate or sell unfit canines according to applicable federal regulations.

Response: Concur

CBP's past policy of donating canines to private homes as a last resort was inconsistent with provisions of the Federal Management Regulations (FMR) issued by the General Services Administration (GSA), including § 10236.365. However, that inconsistency was the result of CBP's effort to resolve perceived gaps and ambiguities in the FMR. The FMR does not address, and never has addressed, the unique requirements of live animals, such as their care and feeding, and does not distinguish them from other forms of government personal property, which is broadly defined as any property other than real estate, battleships, cruisers, aircraft carriers, destroyers, and submarines. FMR § 102-36.40. CBP has recently been working with, and will continue to work with, GSA to bring the agency's practices into full compliance with the FMR.

Due Date: Complete

Appendix B Management Comments to the Draft Report

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Recommendation 3: Implement plans for a unified system within CBP to accurately track the performance of its canine teams.

Response: Concur

The Office of Field Operations (OFO), Office of Border Patrol (OBP), Office of Training and Development (OTD) and Office of Information Technology (OIT) within CBP have held initial meetings to detail the requirements of a unified system within CBP. Unfunded requests have been filed to support this endeavor.

Once the unfunded requests are approved, the project will advance to the development stage. During the development stage the individual offices will be able to determine which information can be unified to facilitate the reporting and tracking of specific performance related measures.

Due Date: April 1, 2009

Appendix B Management Comments to the Draft Report

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Technical Comments

Page 1 (Executive Summary) and Page 13 – The OIG report did not use the correct total number of border patrol agents (BPA) on-board during the review period. As of June 2007, there were 13,905 BPAs and 540 canine teams (representing approximately 3.85 percent of the BPA workforce). When the OIG asked for validation of the workforce numbers, OBP asked for the time period of the review to give a more accurate personnel count. OBP was told to give the latest personnel count. OBP obliged with 15,219 BPAs and 596 canine teams as of February 2, 2008. To maintain the accuracy of the percentages used throughout the OIG report, we believe that the OIG must use the number of agents onboard (13,905) and the number of canine teams (540) at the time of the review.

Appendix C
Congressional Letter

PETER T. KING, NEW YORK
CHAIRMAN



BENNE G. THOMPSON, MISSISSIPPI
RANKING MEMBER

One Hundred Ninth Congress
U.S. House of Representatives
Committee on Homeland Security
Washington, DC 20515

May 5, 2006

The Honorable Richard Skinner
Inspector General
Department of Homeland Security
Washington, D.C.

Dear Inspector General Skinner:

~~On February 9, 2006, the Office of Procurement within the Bureau of Customs and~~
Border Protection (CBP) issued a solicitation seeking vendors to provide untrained canines to train for use by the Department of Homeland Security. The solicitation specified that the award would be for an "indefinite quantity/indefinite delivery" contract for the procurement and delivery of untrained canines for the CBP's Canine Enforcement Training Center. In April 2006, CBP announced the award of the contract to seven vendors. The contracts, with one base year and four option years, would allow for the purchase of as many as 2,725 dogs at a cost to the government of up to \$71.6 million, an average cost per dog of approximately \$26,000. The solicitation and subsequent awards clearly state that the dogs purchased under this contract would be trained by the CBP at their facilities.

A casual search of several Internet websites indicates that untrained dogs of the same breed and age as those being sought under this contract are readily available for approximately \$1000 per untrained dog. This contract to procure untrained dogs appears to be outside a reasonable price range. Additionally, several news reports discussing the use of canines in security and detection operations have placed the cost of a fully trained dog within a range of approximately \$6000-\$10,000. Thus, this contract to procure untrained dogs appears to have a per dog cost which far surpasses the reasonable price range even for fully trained dogs. It is for that reason that we request your office initiate an investigation of this procurement's price range for untrained dogs contained within this solicitation.

In addition to the question of cost, we have discovered other issues surrounding this contract that deserve your attention. We ask that you also examine the following concerns in your investigation:

Appendix C Congressional Letter

- 1) Under the Animal Welfare Act¹ (AWA), a company or individual that engages in the sale of animals, including dogs, is required to be licensed by the U.S. Department of Agriculture (USDA). A search of the USDA's online database of licensed animal dealers revealed that none of the vendors awarded contracts under this solicitation had such a license as of March 2006². Therefore, please investigate whether each of the vendors awarded contracts under this solicitation possessed a federal license to engage in the sale of dogs at the time of responding to the solicitation or have obtained such a license since the award.
- 2) Under the AWA, a business must have a USDA license to breed animals for sale. A search of the USDA's online database of licensed animal breeders revealed that none of the vendors awarded contracts under this solicitation had such a license as of March 2006. Therefore, please investigate whether each of these vendors possessed a valid breeder's license at the time of responding to the solicitation or have obtained such a license since the award.
- 3) For each vendor that does not currently possess or did not possess a valid applicable license at the time of bid submission, please determine:
 - ~~a. Whether there were any representations regarding possession of such a license in their respective solicitations, and~~
 - b. Whether CBP acquisitions personnel determined the necessity of a valid license and sought information concerning the status of the vendor.
- 4) Of the seven vendors awarded contracts under this solicitation, an examination of their respective websites indicates that only one is engaged in dog breeding³. According to the representations made on the examined websites, all other vendors were engaged solely in dog training. While there may be some relationship between expertise in training dogs and an affinity for purchasing dogs, the connection is not readily apparent. Therefore, please review the criteria used by CBP acquisition personnel to arrive at a determination that dog trainers who are not breeders would be more appropriate vendors for the procurement of untrained dogs.
- 5) Given that the vendors awarded contracts under this solicitation are not animal breeders, it appears highly likely that they will need to procure dogs from other sources. This fact gives rise to the likelihood that this contract is for "middleman services" and the likely use of subcontractors in executing the requirements under this contract. Therefore, please determine:

¹The Animal Welfare Act, 7 USC 2131, was enacted in 1966. It is designed to protect warm-blooded animals used in research, bred for commercial sale, exhibited to the public, or commercially transported. The law requires ~~minimum standards of animal care to be established and enforced.~~

²The website was searched on April 26, 2006 and had last been updated on March 8, 2006.

³It should be noted that one vendor did not have a website and therefore it was difficult to determine a primary focus or expertise.

Appendix C Congressional Letter

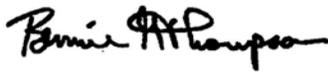
- a. Whether a subcontracting plan has been submitted by any of the primary vendors, and
 - b. If a subcontracting plan has been submitted, please determine whether the subcontractors possess the necessary federal licenses.
-
- 6) We were also troubled to learn that in 2003, the owner of one company that was awarded a contract under this solicitation was the subject of a state investigation into the deaths of seven dogs while in his care.⁴ The dogs succumbed to heat exhaustion while housed in his kennels. Although it appears that criminal charges did not result from this incident, we are concerned about the care and treatment of animals purchased by this trainer. Please determine whether CBP acquisition personnel conducted any investigations to determine the ability of this trainer to care for the dogs which may come into his care as a result of the procurements under this contract.
 - 7) We are also concerned that these contract awardees may not have the requisite knowledge, skills, abilities, staff, and premises to board and care for dogs that may be procured under this contract. Please determine whether the CBP acquisition personnel conducted any examinations to determine the ability of these awardees to board and care for dogs procured under this contract.
-
- 8) According to the procurement documents, it appears that the solicitation was posted on February 9th with a closing date of February 23rd. Although this solicitation was deemed a "full and open competition" by the CBP, please determine whether there was an exigency which would have accounted for this extremely short time frame.
 - 9) Given that the contract is for the purchase of untrained dogs, please determine:
 - a. The additional projected cost to CBP to train and board the dogs procured under this contract;
 - b. The additional projected personnel costs associated with the CBP dog handlers who will be necessary to bring these procured dogs into service
 - c. The number of dogs that the CBP's dog training facility has the capacity to train within one calendar year;
 - d. The percentage of procured dogs that are likely to be deemed unfit for service, based on the experiences of other federal training centers;
 - e. The CBP's plan for disposing of procured dogs that are deemed unsuitable for service; and
 - f. The role of dog deployment in CBP's overall border protection strategy.

Thank you for your prompt attention to this matter. If you have any questions, please contact Jessica Herrera-Flanigan, Democratic Staff Director, at (202)226-2616.

⁴ See <http://eastbayri.com/story/285344377927279.php>

Appendix C
Congressional Letter

Sincerely,



Bennie G. Thompson
Ranking Member
Committee on Homeland Security



Kendrick B. Meek
Ranking Member
Subcommittee on Management, Integration,
and Oversight

Appendix D
Major Contributors to this Report

Deborah Outten-Mills, Chief Inspector, Department of Homeland Security,
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Appendix E Report Distribution

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