



Homeland  
Security

MEMORANDUM FOR: The Honorable Edmund S. Hawley  
Assistant Secretary  
Transportation Security Administration

R. David Paulison  
Under Secretary  
Federal Emergency Management Agency

FROM: Richard L. Skinner  
Inspector General

SUBJECT: Audit of Transportation Security Administration  
Continuity of Operations Program

Attached for your action is our report *Audit of Transportation Security Administration Continuity of Operations Program*. We have incorporated comments received from the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA) as Appendix B to this report. The complete report has been designated "Sensitive Security Information" because it contains information that should not be disclosed to the public.

This report contains four recommendations, three to TSA and one to FEMA. TSA concurred with their three recommendations and has made significant progress in addressing our concerns. We consider the recommendations resolved but will remain open until implementation is complete. While FEMA concurred with Recommendation #4, the agency did not tell us specifically what actions it intends to take in order to resolve the recommendation. Therefore, we consider the recommendation unresolved and open. Please advise our office within 90 days of the date of this memorandum of progress made in implementing your respective recommendations and the date by which each recommendation will be fully implemented.

Consistent with our responsibility under the Inspector General Act, we are providing copies of our reports to appropriate congressional committees with oversight and appropriation responsibilities over DHS.

Should you have any questions, please contact me, or your staff may contact David M. Zavada, Assistant Inspector General for Audits, at (202) 254-4100.

# DEPARTMENT OF HOMELAND SECURITY

## Office of Inspector General

### Transportation Security Administration Continuity of Operations Program

(Redacted)



The Department of Homeland Security, Office of Inspector General, has redacted this report for public release. A review under the Freedom of Information Act will be conducted upon request.

## Office of Audits

**OIG-06-60**

**August 2006**

*Office of Inspector General*

**U.S. Department of Homeland Security**  
Washington, DC 20528



**Homeland  
Security**

August 28, 2006

### 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 DHS oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report assesses the strengths and weaknesses of the Transportation Security Administration (TSA) Continuity of Operations (COOP) Program and its ability to continue mission-essential functions during emergency situations. 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

AOF	Alternate Operating Facility
COOP	Continuity of Operations
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FPC	Federal Preparedness Circular
GAO	Government Accountability Office
HQ	Headquarters
IT	Information Technology
OCIO	Office of Chief Information Officer
OIG	Office of Inspector General
OLE	Office of Law Enforcement
ONSC	Office of National Security Coordination
PDD	Presidential Decision Directive
TSA	Transportation Security Administration
TSOC	Transportation Security Operations Center
TT&E	Test, Training, and Exercise

# OIG

*Department of Homeland Security  
Office of Inspector General*

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## **Executive Summary**

The Transportation Security Administration's (TSA's) ability to continue its mission-essential functions during a variety of emergencies is at risk due to the lack of a comprehensive and effective Continuity of Operations (COOP) plan and program. The TSA Headquarters (HQ) COOP Plan and Program only partially address the 11 required elements that define a viable COOP.

The TSA COOP plan provides only a minimal COOP capability because TSA management has not adequately analyzed or approved the plan to ensure that only essential functions and associated emergency staff are included; established a viable alternate work site; adequately [REDACTED] planning; and taken steps to ensure that staff would have uninterrupted access to [REDACTED]. Without a complete and viable COOP plan, TSA's ability to support, coordinate, and direct intermodal transportation security during an emergency could be impaired or fail. In addition, DHS, through its lead component on COOP matters -- the Federal Emergency Management Agency (FEMA) -- has provided only limited oversight of TSA COOP activities and has not assessed the extent to which TSA, as well as other DHS components, are maintaining a COOP plan and program that is current and contains all required information.

Accordingly, we are making recommendations to TSA and FEMA to take appropriate steps to ensure that TSA implements a comprehensive and effective COOP plan and program. TSA and FEMA concurred with our recommendations. TSA noted progress made in the COOP program since the end of our fieldwork. FEMA stated that the agency does not currently have the authority to serve as a regulatory agent responsible for ensuring that agencies have a viable COOP program in full compliance with Federal Preparedness Circular FPC 65.

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## Background

Continuity of Operations (COOP)<sup>1</sup> planning is the means by which federal departments, agencies, and their subcomponents ensure that their mission-essential functions continue under all circumstances. As a baseline of preparedness for the full range of potential emergencies, all federal agencies are required to establish a viable COOP capability, which ensures the performance of their mission-essential functions during any emergency situation that may disrupt normal operations.

While concerns about potential catastrophic attacks and other serious emergencies is the catalyst for much of COOP planning, COOP activation can also occur in response to routine building renovation or maintenance, mechanical failure of building systems, fire, inclement weather, or other acts of nature.<sup>2</sup> Federal COOP guidance considers the possibility that threats or attacks could render federal government operations unavailable for even the slightest period to be unacceptable, as essential functions must continue.

COOP planning was initially developed during the Cold War to preserve the United States government in the event of a nuclear attack. The changing threat environment and potential for emergencies with minimal or no warning, such as acts of terror, accidents, technological emergency situations, and natural disasters, have increased the need for COOP capabilities and plans to enable agencies to continue their mission-essential functions across a broad range of potential emergencies. COOP planning is a good business practice and part of the fundamental mission of agencies as responsible and reliable public institutions.

### Federal Guidance on COOP

According to FPC 65,<sup>3</sup> an agency's COOP capability must:

- Be capable of implementation both with and without warning;
- Be operational no later than 12 hours after activation;
- Be capable of maintaining sustained operations for up to 30 days;

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<sup>1</sup> Federal Preparedness Circular (FPC) 65, *Federal Executive Branch Continuity of Operations*, defines the required elements for viable federal COOP plans.

<sup>2</sup> "Continuity of Operations in the Executive Branch: Background and Issues for Congress," RL31857, Congressional Research Service, November 8, 2004.

<sup>3</sup> Originally issued on July 26, 1999, FPC 65 was revised and reissued on June 15, 2004

- Include tests, training, and exercises for personnel, equipment, systems, processes, and procedures used to support the agency during a COOP event;
- Take maximum advantage of existing agency field infrastructures; and
- Include the development, maintenance, and annual review of agency COOP capabilities using a multi-year strategy and program management plan.

As shown in Table 2, FPC 65 provides definitions and guidance for 11 elements that agency COOP plans and programs must contain to maintain a viable COOP capability.

<b>TABLE 2: COOP Elements As Defined By FPC 65</b>	
<b>COOP Element</b>	<b>Description</b>
<b>Mission-Essential Functions</b>	Functions that enable the federal government to provide vital services, exercise civil authority, maintain the safety and well being of the general populace, and sustain the industrial and economic base in an emergency situation.
<b>Alternate Operating Facilities (AOF)</b>	Facilities used to carry out mission-essential functions in a COOP situation if the agency's primary facility is unavailable.
<b>Orders of Succession</b>	Provisions for the assumption of senior agency offices during an emergency in the event that any of those officials are unavailable to execute their legal duties.
<b>Delegations of Authority</b>	Predetermined statements that specify who is authorized to act on behalf of agency leadership for specific purposes.
<b>Devolution</b>	Capability to transfer statutory authority and responsibility for mission-essential functions from an agency's primary operating staff and facilities to other employees and facilities, and to sustain operational capability for an extended period.
<b>Vital Records</b>	Electronic and hardcopy records needed to support mission-essential functions during a COOP situation.
<b>Interoperable Communications</b>	Alternate communications that provide the capability to perform essential functions until normal operations can be resumed.
<b>Tests, Training, and Exercises</b>	Measures to ensure that an agency's COOP program can implement the COOP plan and support mission-essential functions during an emergency situation.
<b>Reconstitution</b>	Process by which an agency transitions from COOP implementation to resumption of normal operations.
<b>Human Capital</b>	Plans and actions to respond to threats that employees are most likely to face during COOP activation, such as dismissal procedures, agency guidelines for communicating to employees, and staffing flexibilities, such as telework.
<b>Plans and Procedures</b>	Plans and procedures to be developed and documented so that agency personnel will know what to do in an emergency situation. Plans and procedures are required for the three phases of COOP implementation: activation and relocation; AOF operations; and reconstitution.



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According to Executive Order 12656 (EO 12656),<sup>4</sup> FEMA shall coordinate and support the initiation, development, and implementation of national security emergency preparedness programs and plans among Federal departments and agencies; and provide the President a periodic assessment of Federal, State, and local capabilities to respond to national security emergencies. EO 13286 transferred these responsibilities to the Secretary of Homeland Security.<sup>5</sup> In March 2004, DHS Delegation Number 9001 assigned the authorities to the Under Secretary for Emergency Preparedness and Response. Presidential Decision Directive (PDD) 67 establishes FEMA as the lead agency for federal Executive Branch COOP. The June 2004 revision of FPC 65 requires FEMA to “oversee and assess the status of COOP capabilities” government-wide. A detailed discussion of the authorities and guidance for federal COOP planning can be found in Appendix C.

### Transportation Security Administration

TSA was created in response to the terrorist attacks of September 11, 2001, as part of the Aviation and Transportation Security Act signed into law by President George W. Bush on November 19, 2001. TSA was established to protect the nation’s transportation system – encompassing aircraft, ships, rail and motor vehicles, airports, seaports, trans-shipment facilities, roads, railways, bridges, and pipelines – from terrorist attacks and criminal activity. TSA, originally a part of the Department of Transportation, became part of DHS in March 2003.

Within TSA, the Office of Emergency Preparedness, and, specifically, the Director of Emergency Preparedness and Continuity of Operations,<sup>6</sup> is responsible for the development and maintenance of the TSA COOP Plan and Program. The TSA COOP Program Manager and his staff are primarily responsible for the daily operation and execution of the TSA COOP program, with the assistance of a network of Office Emergency Coordinators located in TSA program offices. According to the TSA HQ COOP Plan, these coordinators are responsible for identifying office-level mission-essential functions that support the agency’s overall essential functions and developing individual office COOP plans. Without a complete and viable COOP plan, TSA’s ability to support, coordinate and direct intermodal transportation security during an emergency could be impaired or fail. TSA functions that are at risk include:

[REDACTED]

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<sup>4</sup> Executive Order 12656, “Assignment of Emergency Preparedness Responsibilities,” November 11, 1988, Section 1701, as amended.

<sup>5</sup> Executive Order 13286, “Amendment of Executive Orders, and Other Actions, in Connection With the Transfer of Certain Functions to the Secretary of Homeland Security,” February 28, 2003, Section 42.

<sup>6</sup> Referred to as the TSA COOP Program Manager.

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[REDACTED]

### Prior Audits on Government COOP Programs

Previous government-wide audits have noted substantial weaknesses in department and agency COOP plans, programs, and capabilities. In particular, the Government Accountability Office (GAO) released two reports that detailed weaknesses in compliance with FPC 65 requirements for COOP plans government-wide. In a 2004 report,<sup>7</sup> GAO said that the lack of compliance with FPC 65 requirements could be attributed, in part, to FEMA's limited oversight of government-wide COOP planning. GAO's 2005 follow-up report<sup>8</sup> noted continued lack of adequate FEMA oversight of COOP activities.

## **Results of Audit**

### **Overall Summary**

Since the agency was created in 2001, TSA designated a COOP Program Manager and staff, and developed a plan and program that has established a limited COOP capability. The agency has identified mission-essential functions, participated in government-wide and internal COOP exercises, and conducted periodic informational meetings to identify the agency's level of COOP preparedness. Despite limited resources and the lack of dedicated funding, TSA officials indicated they have maintained a level of COOP capability that would sustain the performance of agency mission-essential functions. [REDACTED]

[REDACTED]

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<sup>7</sup> "Continuity of Operations: Improved Planning Needed to Ensure Delivery of Essential Services," GAO-04-160, February 2004.

<sup>8</sup> "Continuity of Operations: Agency Plans Have Improved, but Better Oversight Could Assist Agencies in Preparing for Emergencies," GAO-05-577, April 2005.

TSA's ability to continue its mission-essential functions [REDACTED] is at risk due to the lack of a comprehensive and effective COOP plan and program. As shown in Table 1, the TSA Headquarters (HQ) COOP Plan and Program do not fully comply with FPC 65. The TSA HQ COOP Plan and Program only partially address the 11 required elements that define a viable COOP.

Table 1: Overall Compliance with FPC 65 for TSA HQ COOP Plan and Program	
COOP Element	Addressed
Mission-essential Functions	[REDACTED]
Alternate Operating Facilities	[REDACTED]
Delegations of Authority	[REDACTED]
Orders of Succession	[REDACTED]
Devolution Planning	[REDACTED]
Vital Records	[REDACTED]
Interoperable Communications	[REDACTED]
Test, Training, and Exercises	[REDACTED]
Reconstitution	[REDACTED]
Human Capital	[REDACTED]
Plans and Procedures	[REDACTED]
Y = Element addressed N = Element not addressed P = Element partially addressed	

TSA has developed a cumbersome COOP plan that would require more than 200 agency personnel to conduct 138 mission-essential functions at two or more different locations during the most extreme emergency situations. However, the plan provides only a minimal COOP capability because: TSA management has not adequately analyzed and approved the plan to ensure that only essential functions and associated emergency staff are included in the plan; established a viable alternate work site; or [REDACTED]. In addition, TSA program offices have not made COOP planning a priority and TSA management, until FY 2006, has provided only a fraction of requested COOP funding.

Without a complete and viable COOP plan, TSA's ability to support, coordinate, and direct intermodal transportation security during an emergency could be impaired or fail. TSA mission-essential functions that are at risk include: [REDACTED]

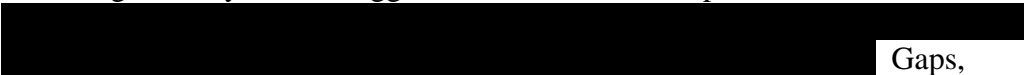
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## TSA COOP Plan and Program Elements

### Mission-Essential Functions

FPC 65 requires agencies to identify, prioritize, and validate their organization's mission-essential functions as a basis for COOP planning, and identify staffing, resource requirements, and other supporting activities necessary to perform such functions. Resources required to perform mission-essential functions include, but are not limited to, trained personnel, equipment, and consumable office supplies. The proper identification and prioritization of these functions are critical for the creation of a viable continuity plan. If an agency identifies too many functions as essential, scarce resources may be allocated to sustain nonessential functions, impeding work on tasks that are truly essential.

TSA management has not adequately reviewed, analyzed, prioritized and identified interdependencies or associated resources for the 138 mission-essential functions that form the basis of its COOP plan. TSA officials indicated that a review of mission-essential functions occurred in 2004, and found them to be inconsistent and in need of revision. In addition, TSA officials stated that a review of mission-essential functions was initiated in 2005, but never completed. TSA officials agreed that despite these limited reviews, there were some mission-essential functions in the plan that do not need to be continued under all circumstances. In addition, the plan does not prioritize mission-essential functions based on the criticality or time sensitivity of the functions according to likely COOP triggers and scenarios. The plan also does not

 Gaps, inaccuracies and questionable or vague mission-essential functions in the TSA HQ COOP Plan are the result of a lack of careful analysis by TSA.

Fifteen of the 41 program offices represented in the TSA HQ COOP Plan do not have mission-essential functions listed in the TSA HQ COOP Plan, yet are assigned space at the AOF.<sup>9</sup> Additionally, interviews with representatives from 19 of the offices confirmed that TSA has not adequately analyzed and prioritized its mission-essential functions:

- 7 of the 19 program offices acknowledged that not all of their mission-essential functions identified in the TSA HQ COOP Plan are, in fact, essential and must be continued under all circumstances;
- 12 of the 19 program offices did not prioritize mission-essential functions; and

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<sup>9</sup> The AOF is the facility or facilities to be used in the event that an agency's primary facility is rendered unusable.

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- 18 of 19 program offices provided the OIG mission-essential functions inconsistent with those listed in the TSA HQ COOP Plan.

The absence of careful management review raises questions about the validity of the 138 mission-essential functions included in the TSA HQ COOP Plan. While many of the mission-essential functions identified in the TSA HQ COOP Plan were of clear importance, the TSA agreed with our observation that many of the functions may not be mission-essential during COOP emergencies. The following are a few examples of the many mission-essential functions identified in the TSA HQ COOP Plan that are vague or questionable in terms of whether they need to continue under all circumstances during a COOP emergency:

- Facilitating paperwork for leadership,
- Answering and investigating routine complaints,
- Tracking training activities, and
- Collecting customer, partner, and stakeholder feedback.

As a consequence of not properly identifying, prioritizing, and validating mission-essential functions, there may be mission-essential functions that are overlooked and not included in the TSA HQ COOP Plan. Conversely, the TSA HQ COOP Plan may contain nonessential functions, causing the plan to be cumbersome, costly, difficult to manage, and more likely to fail during an emergency situation.

Furthermore, TSA or its program offices have not identified and documented the resources necessary to continue mission-essential functions under all circumstances, [REDACTED]

[REDACTED] The TSA HQ COOP Plan does not identify resource requirements for the 138 mission-essential functions listed in the plan. Additionally, 15 of the 19 program offices we

[REDACTED]

### **Alternate Operating Facilities**

FPC 65 and FEMA guidance require agencies' COOP plans to identify and prepare Alternate Operating Facilities (AOFs) with the capability to perform their mission-essential functions within 12 hours of COOP activation and to sustain these functions up to 30 days. As such, AOFs must be located far

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enough from vulnerable areas and provide support, infrastructure systems, and security for the relocated employees.

Since joining DHS in 2003, TSA has secured a number of interim AOFs to continue operations; however, the agency has never had permanent AOF capabilities to support the TSA HQ COOP Plan. From March 2003 through November 2004, TSA collocated the AOF with another TSA installation, which was inadequately sized to accommodate the COOP plan. The facility was designated for other purposes and TSA leased and occupied another facility, despite unsuitable physical security, as a temporary measure until a suitable and permanent facility was identified, approved and modified to TSA needs. TSA terminated the lease and collocated the current AOF with another TSA installation in December 2005, and told the audit team in January 2006 that the facility would be modified and ready for COOP activities by May 2006. As of March 2006, the AOF was not configured for purposes of TSA COOP activities because plans to rearrange the space to accommodate both COOP and current TSA occupant needs were still being developed. TSA advised that the AOF was [REDACTED] behind schedule.

The number of staff and leadership requesting a presence at the AOF, and lack of resources to procure a larger facility prohibited TSA from obtaining one location that could accommodate the entire staff. Consequently, TSA staff and leadership would report to different AOFs during some emergency situations. Our review concentrated on the emergency staff AOF since senior TSA leadership has been designated to report to a location operated by another government agency.

The current AOF does not meet FPC 65 requirements and does not provide sufficient space and equipment to sustain TSA COOP activities under all circumstances. Specifically, we learned:

- At the time of our site visit in January 2006, the AOF size and configuration could only accommodate 16% (30 of the 184) of the emergency personnel identified in the HQ COOP Plan.

[REDACTED]

TSA is configuring the new AOF, and planning for associated resources and equipment, despite the fact that the agency has yet to validate its mission-essential functions. At the time of our audit, TSA was planning for an AOF to accommodate 41 program offices and 184 emergency staff to conduct 138

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separate mission-essential functions. Without a careful analysis of its mission-essential functions, TSA cannot effectively or accurately plan for the size, cost and associated resources for its AOF.

### **Delegations of Authority and Orders of Succession**

Under FPC 65, agencies are to pre-delegate authorities for making policy determinations and other decisions to ensure rapid response to any emergency situation requiring COOP plan activation. Agencies must establish, implement, and maintain orders of succession to key positions to ensure an orderly, pre-defined transition of leadership in the event leadership is debilitated or incapable of performing their legally authorized duties, roles, and responsibilities. Agencies must ensure that officials who may be expected to assume authorities in a COOP situation or be designated successors are trained and briefed annually on their potential responsibilities.

The TSA HQ COOP Plan and the program office COOP plans do not have delegations of authority and orders of succession compliant with FPC 65 requirements. The TSA HQ COOP Plan contained delegations of authority and orders of successions that were out of date for more than one year and still did not reflect changes in senior TSA leadership and the TSA organizational structure that occurred throughout 2005. For example, both the orders of succession and delegations of authority refer to the Assistant Administrators for Maritime and Land Security and Aviation Operations; however, these positions no longer exist in the current TSA organization.

Delegations of authority and orders of succession were missing or inaccurate [REDACTED] [REDACTED]. In addition, TSA officials acknowledged that the agency has not consistently trained or briefed officials that could be delegated authorities under emergency situations or be designated successors, and had not conducted briefings since October 2004, despite the fact that TSA leadership changed throughout 2005. Without clear and current delegations of authority and orders of succession, TSA's ability to manage and direct its mission-essential functions and operations during an emergency situation is at risk.

### **Devolution Planning**

TSA has not identified a devolution site or developed a devolution plan to ensure continuation of the agency's mission-essential functions if TSA HQ or its AOFs were rendered unavailable. Devolution planning refers to preparation necessary to transfer mission-essential functions of a department or agency to another organizational element, such as a field office, should an organization's AOF or emergency relocation personnel be rendered unavailable or

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incapacitated. FPC 65 requires that agencies conduct devolution planning to identify how the agency will continue its mission-essential functions during increased threat situations or in the aftermath of a catastrophic emergency situation. Although TSA has an existing field structure in place at 5 Mission Support Centers and over 400 airports located across the United States, TSA has not performed required devolution planning. Without a devolution site or plan, there is no assurance that TSA would be able to continue operations if an emergency situation rendered TSA's HQ or the AOFs unavailable or incapacitated.

### **Vital Records Program**

FPC 65 requires agencies to identify, protect, and make readily available vital records and databases to support mission-essential functions during COOP emergencies. The protection and availability of electronic and hardcopy documents, references, records, and information systems are needed to support mission-essential functions under a variety of emergency situations. To the extent possible, agencies should pre-position and regularly update duplicate records or backup electronic files. There are two types of vital records:

- **Emergency Operating Records:** Emergency plans and directives; orders of succession; delegations of authority; staffing assignments; and related records of a policy or procedural nature that provide agency staff with guidance and information resources necessary for conducting operations during an emergency situation, and for resuming formal operations at its conclusion.
- **Legal and Financial Records:** Records that are critical to carrying out an organization's essential legal and financial functions and activities, and protect the legal and financial rights of individuals directly affected by its activities.

By issuing Management Directive 200.9, *Vital Records Program*, TSA established policy and procedures for the identification, preparation, and inventory of vital records to ensure that needed records are available during COOP emergencies. However, the directive was not issued until August 29, 2005. Under this directive, TSA program offices are charged with identifying, safeguarding, and updating office vital records; and ensuring that these records are easily retrievable to support the continuity of their mission-essential functions during COOP emergencies.

The TSA HQ COOP Plan does not address an agency-wide vital records program to support COOP operations, although officials indicated that specific instructions for the storage of electronic and paper emergency operating records



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were issued separately. Despite this, TSA officials were unaware of the extent to which TSA program offices have complied with TSA policy for its vital records program. Interviews with Office Emergency Coordinators from 19 TSA organizational elements indicated that [REDACTED] a formal vital records program in accordance with FPC 65 and TSA Management Directive 200.9. These Emergency Coordinators do not maintain complete documentation for their emergency operating vital records and procedures for implementing, safeguarding and updating the records.

### **Interoperable Communications**

Under FPC 65, agencies are required to establish interoperable communications that provide the capability to perform mission-essential functions until normal operations can be resumed. Specifically, agencies are required to ensure the availability of redundant and interoperable communication systems that support the ability to communicate with employees, agency leadership, and other elements and locations during an emergency situation. Also, agencies must ensure the backup of critical applications are available to provide access to data, systems, and services necessary to support mission-essential functions.

The Office of Management and Budget Circular A-130, *Management of Federal Information Resources* and the National Institute of Standards and Technology Special Publication 800-34, *Contingency Planning Guide for Information Technology Systems*, discuss the need for disaster recovery plans in the event an emergency situation leads to information technology (IT) system failure. The TSA COOP Program Manager explained that COOP IT readiness is his responsibility with support from the TSA Office of Chief Information Officer (OCIO).

TSA has only partially established interoperable and redundant communications and systems available to support communication with employees, agency leadership, and other elements and locations during an emergency. TSA officials advised that TSA provides multiple modes of communication at its AOFs including:

- Dedicated TSA data connectivity to all critical applications housed at the TSA hosting center;<sup>10</sup>
- Dedicated land-line voice communication based at different locations on the Public Switched Telephone Network (PSTN);<sup>11</sup> and

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<sup>10</sup> This facility is located outside the Washington, D.C. area.

<sup>11</sup> The PSTN (public switched telephone network) is the world's collection of interconnected voice-oriented public telephone networks, both commercial and government-owned. The PSTN also furnishes much of the Internet's long-distance infrastructure.

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- Commercial systems such as the Internet, cellular telephones, and dedicated voice lines to communicate with its non-emergency workforce.

Although emergency planning assumes that the PSTN will be available during an emergency, TSA officials agreed that [REDACTED]

[REDACTED]

[REDACTED]

If a disaster rendered the data centers inoperable, TSA would use its IT contractor facility in suburban Virginia to provide a limited backup capability to recover systems. The OCIO may not be

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>12</sup> The OCIO provided a list of 18 mission critical systems that are housed at either an off-site data center or an on-site data center. Some examples of the mission critical systems are the *Alert Notification System*, *Law Enforcement Messaging Switch*, and *TSANet*.

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TSA officials agreed that COOP planning has not been a TSA priority, as evidenced by the [REDACTED]

[REDACTED] They said that funding for these items has been repeatedly requested but not approved, because funding has generally been directed towards other, more current problems such as connectivity issues, [REDACTED] capabilities. Without redundant and interoperable communications systems, backup of critical applications, and disaster recovery plans, there may be a loss of access to many critical applications, and TSA may not be able to continue its mission-essential functions.

### **Test, Training, and Exercise Program**

FPC 65 requires that agencies assess, demonstrate, and improve the ability to execute COOP plans and programs through a testing, training, and exercise (TT&E) program. Agencies must plan, conduct, and document periodic tests, training, and exercises to demonstrate COOP plan viability, identify deficiencies, and ensure personnel are able to implement COOP plans to carry out mission-essential functions. The circular also instructs agencies to develop a multi-year plan that addresses TT&E requirements and resources to support these activities.

While TSA participated in several internal and government-wide COOP exercises, the TSA has not fully developed a test, training and exercise program to validate, or identify for subsequent correction, specific aspects of COOP capabilities, procedures, systems and facilities used in response to emergency situations.

- TSA officials indicated that tests of COOP procedures and systems have occurred during nationwide COOP exercises and associated with events such as the 2005 Presidential Inauguration and the 2006 State of the Union Address. However, officials also acknowledged that the system has not been tested at least quarterly, as required by FPC 65. The TSA COOP Program Manager explained that TSA planned to use an automated alert and notification system,<sup>13</sup> but the contact information in the system is extremely outdated, thereby reducing the utility of the tests.
- TSA has not implemented action plans to correct deficiencies identified during previous COOP exercises and updated the TSA HQ COOP Plan. While program office personnel reported numerous problems experienced during a June 2005 COOP exercise, [REDACTED]

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<sup>13</sup> The alert and notification system automatically calls and e-mails TSA senior management and emergency coordinators during an emergency. A recorded message would provide details on the COOP situation including whether to deploy to the AOF.

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[REDACTED]

TSA has not developed or implemented plans to correct those deficiencies. TSA officials advised that, despite the lack of a written corrective action plan, many COOP deficiencies noted during COOP exercises in 2004 and 2005 have been addressed by the agency.

- TSA has not ensured that agency personnel are trained to implement COOP plans and carry out mission-essential functions in a COOP situation. Sixteen of the 19 Office Emergency Coordinators we interviewed said that they did not receive formal COOP training for their position, despite the fact that FEMA provides numerous no-cost COOP training opportunities both in a classroom setting and on-line. Additionally, TSA does not have adequate assurance that COOP awareness training, orientation or briefings are provided to its entire workforce, as required by FPC 65. The TSA officials said that COOP training was left up to each program office because the TSA COOP staff does not have the resources to train personnel. TSA officials indicated that the agency has established a TSA-intranet website on emergency preparedness available to all employees, as well as a COOP information pamphlet provided to all OECs for distribution to the workforce. However, TSA officials also indicated they do not know whether COOP training or orientations are actually being provided, or to what extent employees have accessed the intranet site or received the COOP pamphlet.
- TSA has not prepared a multi-year TT&E plan that addresses COOP TT&E requirements, resources to support TT&E activities, and a TT&E planning calendar.

An effective TT&E program is important to improve the ability of agencies to effectively manage and execute their COOP program. Without an effective TT&E program in place, TSA has no assurance that its COOP program is capable of supporting the continued execution of the agency's mission-essential functions during a COOP situation.

### **Reconstitution**

FPC 65 requires agencies to provide an executable reconstitution plan to transition from COOP status to an efficient normal operations status once the threat or disruption has passed. Agencies must coordinate and pre-plan options for reconstitution from all levels of disruption and outline procedures for a smooth transition from a relocation site to the new or restored HQ facility. As reconstitution is implemented, agencies must inform and instruct all personnel

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for resumption of normal operations and supervise the orderly return to the primary location. Agencies are required to verify that all systems, communications, and other required capabilities are available and operational and the agency is fully capable of accomplishing all mission-essential functions at the new facility. The agency must conduct an after-action review to identify areas for correction and develop a remedial action plan.

The TSA HQ COOP Plan does not provide options for reconstitution from all levels of disruptions and the movement from the COOP AOF or devolution site to the original facility or new operating site. Instead, the plan identifies limited actions that the Facilities Recovery Team would take that would result in recommendations for recovery and reconstitution strategy. The plan mentions that a separate Reconstitution Team will be established when TSA facilities have sustained severe damage or TSA staff has suffered substantial casualties. The TSA COOP Program Manager explained that during a national security emergency, TSA would rely on direction from the White House for all other reconstitution planning. We understand that a catastrophe of significant magnitude would require special guidance and attention; however, TSA has not provided emergency personnel with sufficient information to ensure a smooth transition from a COOP situation to resume normal operations. Based on the limited information in the TSA HQ COOP Plan, reconstitution may pose significant challenges during a COOP event and delay the return to normal operations.

### **Human Capital**

The TSA HQ COOP Plan does not include the required procedures and guidance on human resource issues related to continued operations. FPC 65 requires each agency to design, update, and carry out comprehensive plans to respond to the threats that its employees are most likely to face during an emergency situation. Agencies should be familiar with the many human capital resources and flexibilities that exist to assist managers and employees in an emergency situation. Agencies need to address human capital topics in their COOP plans such as:

- Dismissal and closing procedures;
- Plans and methods for communicating with employees;
- Pay and staffing flexibilities;
- Employee recall procedures; and
- Employee roles and responsibilities.

FPC 65 also requires that agencies ensure COOP capabilities take maximum advantage of existing agency field infrastructures and give consideration to other options, such as telecommuting locations, work-at-home, virtual offices, and

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joint or shared facilities. DHS Management Directive 3070.2, *Telework Directive*,<sup>14</sup> states that telework can be used as an integral part of DHS COOP plans to ensure that DHS operates smoothly in times of emergency situations, disasters, or inclement weather. According to the Office of Personnel Management, telework is “an invaluable management tool which not only allows employees greater flexibility to balance their personal and professional duties, but also allows both management and employees to cope with the uncertainties of potential disruptions in the workplace, including terrorist threats.” GAO and the Congress have also indicated that the ability to telework has been, and will continue to be, very important in times of emergency situations.

The TSA HQ COOP Plan does not include the human factors that need to be considered during a crisis, such as expected roles and responsibilities, staffing, pay, and notification protocols. Instead, the plan indicates that detailed administrative and personnel services support procedures for deployed TSA staff during an emergency situation will be provided at an unspecified “later date.”

Similarly, TSA has not addressed telework as an emergency strategy in its COOP plan and program. TSA advised that the agency did not have a telework policy in place prior to February 2006. In addition, TSA indicated that the agency conducted a pilot project for using telework as a COOP strategy, but found that [REDACTED]

Without human capital information in its COOP plan and program, TSA staff may not receive the information necessary to know what to do under many emergency situations. Additionally, without implementing a telework program to support its COOP program, TSA is missing an opportunity to extend the survivability of its mission-essential operations if TSA HQ and AOF locations are rendered inoperable or inaccessible during a catastrophic event.

### **Plans and Procedures**

As previously discussed, FPC 65 requires that agencies develop a comprehensive COOP plan to ensure the continued performance of an organization’s mission-essential functions under all circumstances and include elements that define a viable COOP. In addition, agencies are required to develop plans and procedures for three phases of COOP implementation: activation and relocation; AOF operations; and reconstitution. The TSA HQ COOP Plan includes:

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<sup>14</sup> Dated August 17, 2005

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- Plans for activation, such as check-in procedures for emergency personnel;
  - Plans for fly-away kits<sup>15</sup> for emergency personnel; and
  - Alert and notification procedures.

However, the TSA HQ COOP Plan, as described in the previous sections, is not comprehensive and does not adequately address all 11 elements of a viable COOP. The COOP plan has not been reviewed annually or approved by senior TSA officials, as required by FPC 65.

## **TSA COOP Priority and Oversight**

According to FPC 65, each federal executive branch agency is responsible for appointing a senior federal government executive to serve as program manager and agency point of contact for agency COOP activities, and to ensure that there is adequate planning, programming, and budgeting for a viable and executable COOP program that adheres to FPC 65. The TSA HQ COOP Plan designates the TSA COOP Program Manager responsible for the coordination, development, execution, and maintenance of the COOP plan and program.

Additionally, FPC 65 requires that each agency's COOP plan must include the development, maintenance, and annual review of the COOP capabilities using a multi-year strategy and program management plan. The multi-year strategy and program management plan should outline the process an agency will follow to designate and review mission-essential functions and resources; define short and long-term COOP goals and objectives; forecast COOP budgetary requirements; and identify COOP program issues, concerns, potential obstacles, and the strategy for addressing these obstacles.

COOP planning has not been a priority for TSA nor have adequate resources been available for COOP planning. Both have contributed to the numerous deficiencies discussed in this report. TSA officials stated that the main reason for COOP deficiencies was the lack of funding and personnel resources provided to the program. As we were concluding our audit fieldwork in February 2006, approximately \$4.2 million was reprogrammed to the TSA COOP program, primarily to cover costs associated with modifying and outfitting the agency's AOFs used to support COOP activation. However, from

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<sup>15</sup> Fly-away kits are kits prepared by, and for, an individual who expects to deploy to an alternate location during an emergency. They contain work-related and personal items needed to minimally satisfy personal and professional needs during deployment.

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FY 2003 through FY 2005, TSA had provided only \$830,000 total in reallocated funds,<sup>16</sup> although TSA COOP management requested \$6 million to \$8.75 million annually for the COOP program. Funds were requested for additional staff, telecommunications and IT equipment, emergency office supplies, and AOF renovation. In addition, OCIO officials said that approximately \$40 million was requested to address deficiencies in information technology disaster recovery planning and has not been approved by TSA.

As stated in a TSA draft acquisition plan prepared in 2005, "... the (TSA COOP) program remains unfunded, and, therefore, has been slow to progress beyond the initial stage. Through the reprogramming of operational funds, a minimum level of capability has been achieved, but is not sustainable. ...[and consequently] TSA would be out of compliance with White House and DHS directives concerning COOP requirements. TSA would be vulnerable to disruption of its missions-essential functions."

Additionally, the TSA COOP Program Manager explained he also had many staffing challenges since assuming this role in July 2002. The COOP Program Manager worked on the program by himself for over a year, and during that time, he indicated that only 30 to 50 percent of his time was allocated to the TSA COOP program because he was assigned to other duties. Furthermore, the COOP Program Manager said that TSA was unable to maintain a trained COOP staff until September 2004. Since then, the COOP Program Manager has maintained a staff of four trained employees with assistance from between one and four additional staff members over time.

We concluded that TSA has not provided effective oversight of the TSA COOP Program. As previously discussed, TSA has not adequately reviewed and confirmed the program office mission-essential functions, reviewed office-level COOP plans, or prepared a multi-year strategy and program management plan to guide the COOP program. Additionally, major sections of the TSA HQ COOP Plan are incomplete or missing and/or not in compliance with FPC 65 requirements. The HQ COOP Plan has not been updated to reflect organizational and mission-essential function changes and lists incorrect contact information for [REDACTED] we interviewed. In addition, TSA has not [REDACTED] For example:

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<sup>16</sup> The following funds were reprogrammed to the COOP program from FY 2003 through FY 2005: FY 2003-\$230,000; FY 2004-\$350,000; and FY 2005-\$250,000.

<sup>17</sup> TSA classifies commercial airports in the United States into one of five security risk categories (X, I, II, III, and IV) based on various factors, such as the total number of takeoffs and landings annually, and other security considerations. In general, category X airports have the largest number of passenger boarding and category IV have the smallest.





## **Recommendations**

We recommend that the Assistant Secretary of the TSA take appropriate steps to:

1. Ensure that the TSA Office of Emergency Preparedness provides sufficient direction and oversight that will enable the agency to develop and maintain a comprehensive and effective COOP plan and program, compliant with all FPC 65 requirements;
2. Ensure that TSA program offices fulfill their assigned responsibilities under the TSA HQ COOP plan and provide the support necessary for TSA to implement a viable COOP plan and program.
3. Provide the resources necessary to implement a viable COOP program, in order to continue operations under any emergency situation.

## **Management Comments and OIG Analysis:**

### **Management Comments to Recommendation #1**

TSA concurred with our recommendation and stated that making COOP planning a priority for its leadership is central to a viable COOP capability. TSA noted that the Assistant Secretary's personal interest in the COOP program demonstrates the highest level of oversight. TSA indicated that the COOP program is now being managed by the Office of Law Enforcement (OLE), Emergency Preparedness Division, and that their leadership is reaching out across TSA management to build COOP awareness and support. With this reorganization, TSA believes that it has improved the accountability, oversight and visibility of the COOP program. TSA also provided examples of how the agency has made significant progress in addressing the deficiencies in the required elements of a viable COOP since the end of our fieldwork. TSA also

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intends to use the eleven program elements as a benchmark to measure progress and evaluate COOP capacity and performance.

**Management Comments to Recommendation #2**

TSA concurred with our recommendation. In response to our draft report, TSA stated that the agency recently completed an internal reorganization and reassignments of responsibility aligning senior management officials for each program office. TSA indicated that new Office Emergency Coordinators have been assigned and COOP program management is developing a comprehensive strategy for ensuring office compliance and readiness. This strategy will include self-audits, unannounced audits by COOP program officers, readiness checklists, and ongoing awareness initiatives. Finally, OLE management will engage with program office senior management officials to ensure that office-level and field planning efforts are complete, accurate and viable.

**Management Comments to Recommendation #3**

TSA concurred with our recommendation. The agency, in its response to the draft report, stated that \$10 million in FY 2006 funds were allocated to the COOP program to support the design and build-out of two AOFs and procure emergency equipment. TSA also indicated that funding will also be used to obtain contractor support for developing COOP documentation.

**OIG Comments and Analysis**

We consider Recommendations #1, #2, and #3 resolved but will remain open until implementation is complete. We agree that TSA has been responsive to our draft report and has taken significant steps to building a strong, viable COOP capability. TSA provided additional resources and reorganized the COOP management structure to raise the visibility and priority of the program. TSA noted that the agency recently reexamined its mission-essential functions and a task force would be formed to identify a strategy to analyze, validate and prioritize the results. TSA is also in the process of developing a five-year TT&E plan. However, TSA still needs to make progress in addressing other deficiencies in its COOP plan and program that we identified during our audit, many of which were

[REDACTED]

Although TSA has made additional resources available to the COOP program, TSA did not specifically state its plans to provide adequate resources to address deficiencies [REDACTED]

[REDACTED]

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We will consider the recommendations closed when TSA reports back to us on the completion of its planned actions to address all deficiencies identified in this report.

A copy of TSA's entire response is included as Appendix B.

## **DHS COOP Oversight**

DHS has provided only limited oversight of TSA COOP activities. Specifically, DHS has not assessed the extent to which TSA, as well as other DHS components, are maintaining a COOP plan and program that is current, contains all required information as outlined in FPC 65, and ensures the continuation of TSA mission-essential functions under a variety of emergencies. While FEMA acknowledges that it is the "lead agent" for COOP activities across the federal executive branch, and has primary responsibility within DHS for the development and execution of the Department's COOP program, the agency does not believe that it has been formally assigned the authority, nor does it have the resources to assess DHS component COOP programs, plans, and capabilities.

FEMA was established as the "lead agent" for federal executive branch COOP under Presidential Decision Directive 67 (PDD 67).<sup>18</sup> This effort is led by FEMA's Office of National Security Coordination (ONSC). Under PDD 67, FEMA is designated as the chair of an Interagency Advisory Group charged with providing coordination, oversight, and management for COOP activities.

According to Executive Order 12656 (EO 12656),<sup>19</sup> FEMA shall coordinate and support the initiation, development, and implementation of national security emergency preparedness programs and plans among Federal departments and agencies; and provide the President a periodic assessment of Federal, State, and local capabilities to respond to national security emergencies. EO 13286 transferred these responsibilities to the Secretary of Homeland Security.<sup>20</sup> In March 2004, DHS Delegation Number 9001 assigned the authorities to the Under Secretary for Emergency Preparedness and Response. The June 2004

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<sup>18</sup> PDD 67, "Enduring Constitutional Government and Continuity of Government Operations," October 21, 1998. FEMA provided the OIG team only with unclassified excerpts of the document relevant to federal agency COOP responsibilities and FEMA's role government-wide. PDD 67 is a national security classified document under the control of the National Security Council.

<sup>19</sup> Executive Order 12656, "Assignment of Emergency Preparedness Responsibilities," November 11, 1988, Section 1701, as amended.

<sup>20</sup> Executive Order 13286, "Amendment of Executive Orders, and Other Actions, in Connection With the Transfer of Certain Functions to the Secretary of Homeland Security," February 28, 2003, Section 42.

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revision of FPC 65 requires FEMA to “oversee and assess the status of COOP capabilities” government-wide.

ONSC also serves as DHS’ lead agent for COOP activities with the Department. Under authority established by DHS Management Directive 9300.1,<sup>21</sup> a DHS COOP Working Group was formed “to provide oversight and direction to the DHS COOP program.” FEMA co-chairs this working group with the Office of the Chief of Staff. We noted that this Directive does not reflect the recent reorganization of DHS. When the Directive was issued in 2004, FEMA reported to the Under Secretary for Emergency Preparedness and Response, which was given overall responsibility for the development and execution of the DHS-wide COOP program. According to FEMA officials, this responsibility was delegated to FEMA’s ONSC. As a result of a recent reorganization, FEMA now reports directly to the DHS Deputy Secretary. Nevertheless, FEMA indicated that DHS COOP responsibilities currently remain with ONSC and that they would be proposing changes to the now out-of-date Directive.

GAO also attributes a significant COOP oversight responsibility to FEMA. In consecutive reports issued in 2004 and 2005, GAO reported that the lack of compliance with FPC 65 requirements by federal executive branch departments and agencies could be attributed, in part, to FEMA’s limited oversight of COOP planning government-wide.<sup>22</sup> GAO noted that FEMA had not conducted oversight that is “sufficiently regular and extensive to ensure that agencies correct deficiencies” in COOP plans and programs. GAO noted that improved FEMA oversight of COOP activities could be instrumental in ensuring that agencies prepare adequate COOP plans.

ONSC, however, does not believe that guidance provides them with the authority and responsibility to ensure that agencies, both within DHS and government-wide, are maintaining viable COOP plans, programs and capabilities. ONSC officials contend that their role is limited to providing coordination, guidance, advice, and support, but that they do not have the regulatory authority to conduct in-depth assessments of individual agency COOPs, nor the authority to direct agencies to establish and maintain a viable COOP capability.

Within DHS, FEMA officials pointed out that oversight responsibilities for COOP activities are vested in the DHS COOP Working Group, which they co-chair. However, they agreed that the Working Group has not, nor does it intend

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<sup>21</sup> DHS Management Directive 9300.1, “Continuity of Operations Programs and Continuity of Government Functions,” July 12, 2004.

<sup>22</sup> “Continuity of Operations: Improved Planning Needed to Ensure Delivery of Essential Services,” GAO-04-160, February 2004. “Continuity of Operations: Agency Plans Have Improved, But Better Oversight Could Assist Agencies in Preparing for Emergencies,” GAO-05-577, April 2005.

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to, conduct in-depth assessments of DHS component COOP plans and programs. FEMA officials further stated that ONSC may be the most appropriate office to provide additional oversight and to conduct assessments of COOP plans and programs. However, FEMA contends that currently they do not have the authority or resources to fulfill such a role.

While FEMA officials agreed with us that DHS COOP oversight was inadequate and required improvements, the agency believes that limited oversight is provided through annual FEMA-coordinated government-wide COOP exercises, such as Forward Challenge 2004 and Pinnacle 2005. FEMA stated that they assumed that agencies, including TSA, have viable COOP capabilities due to their successful participation in these government-wide COOP exercises. Additionally, FEMA is working on a COOP reporting and oversight tool, the Readiness Reporting System,<sup>23</sup> which will require departments and agencies government-wide to answer a series of questions to determine and report their readiness posture. However, FEMA acknowledged that it has not yet addressed GAO concerns on how the agency plans to validate agencies' self-reported information on COOP capabilities.

## **Recommendations**

We recommend the Under Secretary for Federal Emergency Management ensure that DHS Management Directive 9300.1 is revised to reflect the current DHS organization. The Directive should clearly assign and delineate COOP oversight responsibilities and authority to ensure that all DHS components have a viable COOP program in full compliance with FPC 65 that is capable of ensuring continuation of all essential functions under all COOP situations.

## **Management Comments and OIG Analysis:**

### **Management Comments to Recommendation**

FEMA generally agreed with the overall finding that DHS has provided only limited oversight of TSA COOP activities, and concurred with our recommendation to revise MD 9300.1 to clearly assign and delineate COOP oversight responsibilities and authority to ensure that all DHS components have a viable COOP program in full compliance with FPC 65. The agency stated that they believe that revisions to MD 9300.1 need to include some form of accountability which FEMA can enforce, and where agencies can ensure their national security commitments. While FEMA generally agreed that they

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<sup>23</sup> The Readiness Reporting System was initially scheduled to be operational by October 2005; however, FEMA officials advised that the system would now be ready by October 2006.

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provide only limited oversight of TSA (and other agency) COOP activities, the agency stated that they do not have the authority to serve as a regulatory agent responsible for ensuring that departments and agencies are prepared for COOP. FEMA contends they have provided significant oversight to many agencies including the TSA, by collecting agency COOP readiness status reports. Through their co-chairing of the DHS COOP Working Group, the agency promotes the development, coordination, and integration of COOP planning and programs throughout DHS. FEMA also stated that the agency has provided extensive and comprehensive COOP training to various departments and agencies during the past two years on revisions to FPC 65.

### **OIG Comments and Analysis**

Our draft report noted that FEMA does not believe that it has been formally assigned the authority, nor does it have the resources, to assess DHS component COOP programs, plans, and capabilities. We agree that FEMA is an active member of the DHS Working Group, has provided numerous COOP training opportunities, and has coordinated government-wide COOP exercises. However, we still contend that DHS has not provided the depth of oversight necessary to determine the extent to which TSA, as well as other DHS components, are maintaining a COOP plan and program that is current and contains all required information as outlined in FPC 65. FEMA generally agreed with our recommendation that MD 9300.1 needs to be revised to clearly provide the authority necessary to fulfill a more robust COOP oversight role in the Department.

While FEMA concurred with Recommendation #4, the agency did not tell us specifically what actions it intends to take to resolve the recommendation. Therefore, we consider the recommendation unresolved and open. We will consider the recommendation closed and resolved when DHS Management Directive 9300.1 is revised to reflect the current DHS organization and clearly assigns and delineates COOP oversight responsibilities and authority to ensure that all DHS components have a viable COOP program in full compliance with FPC 65 that is capable of ensuring continuation of all essential functions under all COOP situations.

A copy of FEMA's entire response is included as Appendix B.

## Appendix A

### Purpose, Scope and Methodology

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The objective of this audit was to determine whether TSA has a viable COOP capability, which ensures the performance of its mission-essential functions during any emergency situation that may disrupt normal operations.

Specifically, the audit determined whether:

- TSA has a viable COOP capability and a COOP plan that meets government-wide requirements and guidance that define a viable COOP capability.
- TSA and DHS provide effective guidance and oversight over TSA's COOP Plan and Program.

To determine whether the TSA has a viable HQ COOP plan that meets government-wide requirements, we obtained and reviewed applicable federal laws, directives, and regulations; the TSA HQ COOP Plan (dated August 2005); TSA COOP budget documentation; exercise reports; and associated supporting documentation provided by the TSA COOP Program Manager, 19 Office Emergency Coordinators; and 4 airport COOP coordinators. We compared the TSA HQ COOP Plan against the requirements of FPC 65 and other TSA, DHS, and government-wide COOP guidance. Additionally, we physically inspected two TSA AOFs in the Washington metropolitan area established for COOP activation.

To obtain a thorough understanding of the TSA COOP program and oversight provided by TSA and DHS, we interviewed the TSA COOP Program Manager and his staff, 19 TSA Office Emergency Coordinators, COOP coordinators from 4 [REDACTED] airports, and FEMA officials responsible for overseeing DHS COOP programs.

Our audit was conducted at TSA HQ between November 2005 and March 2006, in accordance with generally accepted government auditing standards and in compliance with the laws and regulations to the extent necessary to satisfy the audit objectives.

## Appendix B Management Comments to Draft Report

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Sensitive Security Information

Office of the Assistant Secretary

U.S. Department of Homeland Security  
661 South 12th Street  
Arlington, VA 22202-4220

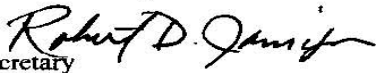


Transportation  
Security  
Administration

JUL 19 2006

### INFORMATION

MEMORANDUM FOR: Richard L. Skinner  
Inspector General  
Department of Homeland Security

FROM: Robert D. Jamison   
Deputy Assistant Secretary

SUBJECT: Transportation Security Administration's (TSA) Response  
Department of Homeland Security (DHS) Office of Inspector  
General (OIG)  
Draft Report, OIG-06-XX  
"Transportation Security Administration: Continuity of Operations  
Program," June 2006

#### Purpose

This memorandum constitutes TSA's response to Draft Report, OIG-06-XX, June 2006, "Transportation Security Administration Continuity of Operations Program." The findings and recommendations in this report will help TSA develop a more effective and efficient Continuity of Operations (COOP) program. TSA is committed to ensuring the viability of its COOP program and the TSA Assistant Secretary is personally engaged and has made COOP planning a top agency priority.

#### Background

In November 2005, the OIG began its audit of TSA's COOP capabilities. The objective was to determine whether TSA has a viable COOP program that could achieve a timely and orderly recovery from an emergency situation with minimal disruption to its essential functions. Specifically, OIG was interested in whether TSA's plan adequately addressed the eleven elements required of a viable COOP by Federal Preparedness Circular (FPC) 65. The OIG found that TSA's ability to continue its mission-essential functions during a range of emergencies is at risk due to the lack of a comprehensive and effective COOP plan and program.

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## Appendix B Management Comments to Draft Report

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Sensitive Security Information

### Discussion

The report concludes that COOP planning is not a priority for TSA management and that TSA's COOP capability only partially addresses the eleven elements of a viable COOP program. The report indicates that these, along with other program vulnerabilities, would keep TSA from performing its mission-essential functions during a major emergency requiring full scale activation of the COOP plan. However, TSA has made several significant changes to the program in recent months that are not reflected in the report. For example, the Assistant Secretary has made COOP a high priority and COOP management has begun developing a detailed and comprehensive Program Management Plan (PMP) and Multi-Year Strategy (MYS). These efforts are to be fully based on FPC 65 guidance. The Plan and Strategy will include goals, objectives, and target dates designed to ensure TSA adequately addresses the eleven elements and all remaining challenges identified by OIG.

COOP is a Leadership Priority: TSA's Assistant Secretary is working closely with the Office of Law Enforcement (OLE), Emergency Preparedness Division, who is directing program development, to ensure COOP remains a high agency priority and to identify opportunities for improvement. TSA Management is building COOP awareness and support through regularly held briefings, focus groups, and task forces. TSA recognizes making COOP a priority for leadership is central to a viable COOP program and continues to seek innovative approaches.

### Addressing the Eleven Elements:



Attachment

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## Appendix B Management Comments to Draft Report

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Sensitive Security Information

**Transportation Security Administration (TSA) Response  
Department of Homeland Security (DHS) Office of Inspector General (OIG)  
Draft Report, OIG-06-XX**

**“Transportation Security Administration: Continuity of Operations Program,” June 2006**

**Recommendation 1: Ensure that the TSA Office of Emergency Preparedness provides sufficient direction and oversight that will enable the agency to develop and maintain a comprehensive and effective COOP plan and program, compliant with all FPC 65 requirements.**

**TSA concurs.** The TSA Assistant Secretary’s personal interest in the program demonstrates the highest level of oversight. The COOP program is now located in the Office of Law Enforcement, Emergency Preparedness Division. With this reorganization, OLE has heightened interaction and visibility of the COOP program to make it the leading priority behind incident management. This reporting structure provides improved accountability and ensures direct leadership oversight for the COOP program. Also, the managing officer’s title has been elevated from Manager to Director. Other direction and oversight controls are still in development. TSA recognizes more opportunities to improve direction and oversight will surface as audit programs and performance measures are developed. TSA also intends to use the eleven program elements as a benchmark to measure progress and evaluate COOP capacity and performance.

**Recommendation 2: Ensure that TSA program offices fulfill their assigned responsibilities under the TSA HQ COOP plan and provide the support necessary for TSA to implement a viable COOP plan and program.**

**TSA Concur.** As OIG began this audit, TSA was completing its internal reorganization and reassignments of responsibility aligning senior management officials for each program office. With the completion of these reassignments, the TSA COOP program has identified new Emergency Coordinators for each office. The TSA COOP program has clearly identified the emergency planning requirements for each Office and tasked the coordinators to supply updated information on a continuous basis. The Assistant Administrators, under the direction of the Assistant Secretary, are now required to ensure program offices complete their initial tasks and follow through with ongoing responsibilities. COOP Program Management is developing a comprehensive strategy for ensuring office compliance and readiness. This strategy will include self-audits, unannounced audits by COOP program officers, readiness checklists, and ongoing awareness initiatives. Finally, OLE/FAMS executives will engage with program office senior management officials to ensure that office-level and field planning efforts are complete, accurate and viable.

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## Appendix B Management Comments to Draft Report

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Sensitive Security Information

**Recommendation 3: Provide the resources necessary to implement a viable COOP program to continue operations under any emergency situation.**

**TSA Concurs.** Since the DHS-OIG began its audit, TSA allocated nearly \$10 million in FY 2006 funds to the COOP program to support the design and build-out of two Alternate Operating Facilities (AOF) and procure emergency equipment. Plans are being developed for the renovations of primary and secondary AOFs with approvals anticipated in the summer of 2006. Construction will follow with the primary AOF completion anticipated [REDACTED]. Furniture, computers, and communications/data systems are already in place at the primary AOF or are in the process of being obtained. The funding will also be used to obtain contractor support for the development of documentation needed to address the elements of a comprehensive and effective COOP program. These actions represent a significant resource enhancement for the program and signify TSA's commitment to the success of its COOP program.

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## Appendix B Management Comments to Draft Report

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U.S. Department of Homeland Security  
500 C Street, SW  
Washington, DC 20472



# FEMA

July 19, 2006

MEMORANDUM FOR: Richard L. Skinner  
Inspector General

FROM: R. David Paulison   
Under Secretary for FEMA/DHS

SUBJECT: Audit of Transportation Security Administration  
Continuity of Operations Program

Thank you for the opportunity to review and comment on the draft Department of Homeland Security (DHS) Inspector General report entitled *Audit of Transportation Security Administration Continuity of Operations Program*.

We agree with the recommendations cited under "TSA COOP Priority and Oversight" on Page 22 of draft audit report. However, we believe some of the comments made in reference to Executive Order 12656, "Assignment of Emergency Preparedness Responsibilities," on Pages 5 & 23 respectively, needs to be quoted in its entirety to understand the broader responsibility of national security emergency programs. In addition, we would like to clarify some of the findings cited in the "DHS COOP Oversight" section of the report.

OIG Comments on Pages 5 & 23: "According to Executive Order 12656 (EO 12656), FEMA is assigned to, among other things, coordinate and support the initiation, development, and implementation of COOP programs and plans among federal departments and agencies; and provide the President a periodic assessment of federal, State, and local COOP capabilities.

FEMA Response: We believe these comments were a misinterpretation of EO 12656 by citing the word COOP programs and COOP capabilities vice national security emergency. Recommend comments state the exact language as the EO 12656 specified: "According to Executive Order 12656 (EO 12656), FEMA shall coordinate and support the initiation, development, and implementation of national security emergency preparedness programs and plans among Federal departments and agencies; and provide the President a periodic assessment of Federal, State, and local capabilities to respond to national security emergencies."

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## Appendix B Management Comments to Draft Report

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OIG Comments on Page 23: DHS has provided only limited oversight of TSA COOP activities.

FEMA Response: In general, we agree. However, FEMA does not have the authority to serve as a regulatory agent responsible for ensuring that Federal departments and agencies are prepared for COOP. Current continuity program policy and guidance clearly state that COOP preparedness is an individual department and agency's responsibility. FEMA's role is to provide coordination, guidance and advice, support, and periodic assessments of the department and agency capabilities to the President in coordination with the departments and agencies. FEMA has done this (coordination, guidance and advice, support, and periodic assessments) as indicated in the detailed program information that follows:

FEMA has provided significant oversight to agencies across the Federal Executive Branch including the Transportation Security Administration. Since September 2003, FEMA has collected D/A COOP readiness status reports. TSA has participated in all status reporting since September 2003 and has indicated it is able to conduct COOP activities.

FEMA's Office of National Security and DHS's Chief of Staff co-chair the DHS COOP Working Group (DHS CWG), a senior-level forum intended to promote development, coordination, and integration of COOP planning and programs throughout DHS. The DHS CWG provides the primary forum for sharing COOP planning guidance, lessons learned and COOP capability improvements within the DHS community. The TSA DHS CWG participants include:

- Francis School, Manager, Emergency Preparedness
- John Hess, Deputy Branch Chief, Emergency Preparedness/COOP
- Gary Golas, EP Program Manager
- Julie Jacobson, Program Specialist

FEMA has developed and provided extensive and comprehensive COOP training to Departments and Agencies (D/As) during the past two years since the update to Federal Preparedness Circular 65 on June 15, 2004. The following Table presents the various COOP courses and the number of personnel trained from all Federal D/As:

Course	Personnel Trained
COOP Awareness Course	7,221
Introduction to COOP	4,770
COOP Managers Train the Trainer Course	1,863
	Instructors
Building Design for National Security (Risk Assessment) Train the Trainer Course	265 Students 27 Instructors
Exercise Design Course	14,129

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The cornerstone of the training provided by FEMA is the COOP Managers Train-the-Trainer Course. The course provides detailed COOP training for program managers at all levels of government; equips participants with skills needed to identify the 11 essential elements of a viable COOP capability; and carry out the processes, resources, and tasks necessary to implement and manage a successful COOP program. A COOP Managers course was taught at TSA HQs in May 2005. The following TSA HQ staff participated in the course in Arlington, VA:

<u>Name</u>	<u>Title</u>
John Turley	Associate Director, Emergency Management
Gary Golas	Emergency Preparedness Program Manager
Dan Boelsche	Supervisory Transportation Security Specialist
Charlie Cox	EPS/COOP
Paul Griffin	Program Analyst
George Morse	TSA HQ EM Staff
Lynn Sciascia	Management and Program Analyst
Jose Ortiz	SSO Special Sec. Office
Christina Hubbell	Administrative Support

OIG Comments on Page 25: The agency believes that limited oversight is provided through annual FEMA-coordinated government-wide COOP exercises, such as Forward Challenge 2004 and Pinnacle 2005.

FEMA Response: Forward Challenge 04 was a FEMA COOP exercise conducted in May of 2004. The TSA deployed to their alternate COOP locations, or other designated sites, to test the continuation of essential government services during a national security emergency. The TSA After Action Report (AAR) identified several functional areas where improvement was needed, including plans/procedures, communications, logistics/operations, security/transportation, facilities, and IT disaster recovery.

The TSA COOP was exercised June 22-23, 2005 in conjunction with the Pinnacle 05 exercise and provided an opportunity for DHS HQ and organizational element Emergency Relocation Groups (ERG) members to deploy to their alternate sites to establish an operational capability. In its AAR, TSA stated that its COOP operational element worked well with the Pinnacle exercise.

Forward Challenge 06 was a FEMA COOP exercise completed in June 2006. The TSA deployed to their alternate COOP location to perform their essential functions. This was an externally evaluated exercise. The TSA will receive an After Action Report by August 31, 2006.

OIG Recommendations on Page 25: We recommend the Under Secretary for Federal Emergency Management ensure that DHS Management Directive 9300.1 is revised to reflect the current DHS organization.

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FEMA Response: We concur with the revision of MD 9300.1. We believe the revision needs to include some form of accountability that DHS/FEMA can enforce on D/As to ensure their national security commitments.

Thank you again for the opportunity to comment on the draft *Audit of Transportation Security Administration Continuity of Operations Program*. We look forward to working with you on future homeland security COOP issues.

## Appendix C

### Key Sources of Guidance for Federal COOP Planning

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1. **Executive Order 12148, Federal Emergency Management, July 20, 1979, as amended:** Created the Federal Emergency Management Agency (FEMA) and vested in it authorities and responsibilities related to civil defense and emergency preparedness government-wide.
2. **Executive Order 12656, Assignment of Emergency Preparedness Responsibilities, November 18, 1988, as amended:** Developed to ensure that the United States would have sufficient capabilities at all levels of government to meet essential defense and civilian needs during any national security emergency. Under this Order, national security preparedness responsibilities were assigned to the individual federal departments and agencies. E.O. 12656 requires that the Director of FEMA and the heads of departments and agencies must ensure that their preparedness plans and activities are consistent with current presidential guidelines and policies.
3. **Executive Order 13286, Amendment of Executive Orders, and Other Actions, in Connection With the Transfer of Certain Functions to the Secretary of Homeland Security, February 28, 2003:** The order transfers authorities to the Secretary of Homeland Security in a variety of policy areas, including those preparedness responsibilities assigned to the Director of FEMA in E.O. 12656.
4. **Presidential Decision Directive 67, Enduring Constitutional Government and Continuity of Government Operations, October 21, 1998:** Addresses the survival of United States government processes and continuity of essential federal civilian functions in the event of a nuclear attack or other disaster. This directive requires all federal departments and agencies to develop formal COOP plans to ensure continuity of their essential operations.
5. **FPC 65, Federal Executive Branch Continuity of Operations, June 15, 2004:** The primary document that provides the requirements that define a viable COOP plan and program. FPC 65 was revised and reissued on June 15, 2004, superseding three previous continuity preparedness circulars: FPC 65, *Federal Executive Continuity of Operations* (1999); FPC 66, *Test, Training, and Exercise (TT&E) Program for COOP* (2001); and FPC 67, *Acquisition of Alternative Facilities for COOP* (2001).



**Appendix D**  
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## **Appendix E**

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