



Department of Homeland Security Office of Inspector General

Process Used by the Department of Homeland Security to Monitor Reporting by Recipients of American Recovery and Reinvestment Act of 2009 Funds



American Recovery and Reinvestment Act of 2009



Homeland Security

OCT 30 2009

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audits, inspection, and special reports prepared as part of our oversight responsibilities for programs, grants and projects administered by the department under the *American Recovery and Reinvestment Act of 2009* (Recovery Act).

This report discusses the processes used by the department to assess the completeness and accuracy of reports submitted to it by recipients of Recovery Act funds administered by the department and to follow up on reporting errors.

The recommendation herein has been developed to the best knowledge available to our office, and has been discussed in draft with those responsible for implementation. We trust 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

Table of Contents/Abbreviations

Executive Summary	1
Background	2
Results of Review	4
DHS Headquarters	4
DHS Components	4
Recommendation	6
Management Comments and OIG Analysis.....	6

Appendices

Appendix A: Objective, Scope, and Methodology	7
Appendix B: Management Comments to the Draft Report.....	8
Appendix C: Estimated Number of Award Recipients and Number of Recipients Reporting by Component for Quarterly Reporting Period Ending September 30, 2009	11
Appendix D: Detailed Reporting Requirements.....	12
Appendix E: Comparison of Attributes in the Board’s Data Quality Review Guide with Component Monitoring Processes	15
Appendix F: Major Contributors to This Report	16
Appendix G: Report Distribution.....	17

Abbreviations

CBP	Customs and Border Protection
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
GSA	General Services Administration
ICE	Immigration and Customs Enforcement
OIG	Office of Inspector General
OMB	Office of Management and Budget
USM	Office of Under Secretary for Management
TSA	Transportation Security Administration
USCG	United States Coast Guard

OIG

Department of Homeland Security
Office of Inspector General

Executive Summary

The *American Recovery and Reinvestment Act of 2009* (Recovery Act) provided \$787 billion to the federal government to stimulate the U.S. economy. Of that amount, the Department of Homeland Security received \$2.75 billion for various projects run by the Office of the Under Secretary for Management, U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, Transportation Security Administration, the U.S. Coast Guard, and the Federal Emergency Management Agency.

At the request of the Recovery Accountability and Transparency Board, we conducted a review to determine whether the department has established a process to perform limited data quality reviews of reports submitted by recipients of Recovery Act funds administered by the department to identify material omissions and/or significant reporting errors, and to notify the recipients of the need to make appropriate and timely changes.

The department process for verifying the completeness and accuracy of data reported by recipients is evolving. The department issued general guidance on reviewing contractor reports on September 15, 2009. Also, four of five components developed approaches for substantiating the accuracy of recipient reporting. Later, the department headquarters developed a method to identify non-registrants and began providing that information to its components. However, the department has not yet issued detailed procedures for performing limited data quality reviews of recipient reporting to identify material omissions and significant reporting errors.

To improve the process, we are recommending that the department issue formal policy and procedures to guide the agency. In an October 28, 2009 response to the draft report (Appendix B), the department generally concurred with the finding and recommendation. Based on the response, we consider the recommendation resolved but not implemented. The recommendation will remain open until we receive a copy of the department-wide policy and procedures.

Background

The *American Recovery and Reinvestment Act of 2009* (Recovery Act or ARRA) made available to federal agencies approximately \$787 billion for preserving and stimulating economic growth in the United States. Components within the the Department of Homeland Security (DHS) received \$2.75 billion for the following activities:

COMPONENT	AMOUNT (in millions)	ACTIVITY
Transportation Security Administration (TSA)	\$1,000	Procurement and installation of baggage and passenger explosive detection systems at selected airports
U.S. Customs and Border Protection (CPB)	\$680	Construction/renovation of land ports of entry, purchase of non-intrusive inspection systems, development and deployment of the Secure Border Initiative Program, and the upgrade of tactical communications
Federal Emergency Management Agency (FEMA)	\$610	Grants for Emergency Food and Shelter National Board Program, Public Transportation and Railroad Security Assistance, Port Security, and Assistance to Firefighters for the construction/renovation of non-federal fire stations
U.S. Coast Guard (USCG)	\$240	Alteration of bridges, improvements to shore facilities, and repairs to vessels
Office of the Under Secretary for Management (USM)	\$200	Continued development of the DEPARTMENT consolidated headquarters
U.S. Immigration and Customs Enforcement (ICE)	\$20	Upgrade of its tactical communications system

Process Used by the Department of Homeland Security to Monitor Reporting by Recipients of American Recovery and Reinvestment Act of 2009 Funds

To complete these activities, the department has and will be awarding contracts and grants to government, non-profit, and for-profit organizations (hereinafter referred to as recipients). See Appendix C for status of awards and number of award recipients registered in www.FederalReporting.gov for the quarter ending September 30, 2009.

Section 1512 of the Recovery Act requires any recipient of Recovery Act funds directly from a federal agency to submit a report not later than 10 days after the end of each calendar quarter. The reports include information on the status of recovery funds; lists of projects undertaken; and project information, such as jobs created. Recipients must register and submit data through www.FederalReporting.gov, the online Web portal that will collect all Recovery Act recipient reports. The Office of Management and Budget (OMB) subsequently issued guidance¹ to provide federal agencies and recipients of funding with information necessary to effectively implement the Section 1512 reporting requirements. See Appendix D for detailed information on reporting requirements.

Section 1521 of the Recovery Act created the Recovery Accountability and Transparency Board² (the Board) to “coordinate and conduct oversight of covered [Recovery Act] funds to prevent fraud, waste, and abuse.” As part of its oversight activities, the Board developed a guide³ for use by the Inspectors General in reviewing “whether Federal agencies have established a process to perform limited data quality reviews intended to identify material omissions and/or significant reporting errors, and notify the recipients of the need to make appropriate and timely changes.”

In a September 15, 2009 message to the Inspector General community, the Board advised Inspectors General to use the guide to conduct agency reviews and to submit final reports on the results of the reviews to the Board by October 30, 2009. The Board will compile the results of these reports and issue a consolidated report that will identify any systemic issues and, if appropriate, make recommendations for improvements across the federal government.

¹ OMB Memorandum M-09-21 dated June 22, 2009, *Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009*. OMB M-09-21 is not applicable to federal contracts.

² The Board consists of a Chairman and 12 Inspectors General from the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Interior, Justice, Transportation, Treasury, and the Treasury Inspector General for Tax Administration.

³ The guide is entitled *Data Quality Review Guide for the Inspector General Community*.

Results of Review

The department process for verifying the completeness and accuracy of data reported by recipients is evolving. The department issued general guidance on reviewing contractor reports on September 15, 2009. Also, four of five components developed approaches for substantiating the accuracy of recipient reporting. Later, the department headquarters developed a method to identify non-registrants and began providing that information to its components. However, the department has not yet issued detailed procedures for performing limited data quality reviews of recipient reporting to identify material omissions and significant reporting errors.

DHS Headquarters

The department intended to contract for an integrated project management approach to ensure the accuracy of the recipient-reported data. The department officials, however, said that the planned approach was not implemented because it was too costly. After the close of the September 30, 2009 reporting period, the department:

- Developed a means to compare the department data with data in Federal Reporting.gov to identify non-registrants and provided the information on non-registrants to the appropriate component for follow up.
- Started to download recipient reported data, converting it to an excel spreadsheet, and supplying the data to components for use in testing and verification, and
- Reached out to its components to identify best practices for verifying reported data.

DHS Components

Lacking specific guidance from the department headquarters on how to perform data quality reviews, FEMA, CBP, USCG, and ICE, developed their own approaches to monitor recipient reporting. TSA, however, has yet to develop a methodology. A relevant discussion on each department component receiving Recovery Act funds follows:

-
- **FEMA** completed preliminary recipient reporting and data quality review procedures to identify and mitigate material omissions and significant errors. FEMA also developed risk categories and criteria for the evaluation of recipient data. FEMA's monitoring strategy consists of a preferred and backup plan to ensure recipients comply with the OMB reporting requirements. FEMA will conduct random samples of recipient records for its ARRA grant programs.
 - **USCG** developed an ongoing weekly review process beginning on day 11 through 29 following the end of each quarter to ensure recipients report data on a timely basis. The review process will identify material omissions and significant errors. Additionally, USCG incorporated periodic meetings with USCG top executives and contracting officials to identify critical issues and the status of all Recovery Act projects. Policies and procedures were also developed to ensure recipients comply with contract terms and to identify potential risk factors that may exist.
 - **ICE** developed a preliminary four-step review plan. The four levels of review and the weekly reporting process occurs during day 11 through 21 following the end of each quarter. This review process enables ICE to perform quality checks of the data and to review recipient data for accuracy and reasonableness.
 - **CBP** developed a detailed plan to review the data quality of recipient reporting. CBP established standard operating procedures to ensure recipient reporting is in compliance with OMB directives, an audit program to identify material omissions and significant reporting errors, and a risk mitigation template which identifies potential risks and mitigation efforts.
 - **TSA** did not develop policies or standard operating procedures regarding recipient reporting.
 - **USM** transferred \$199 million of the \$200 million appropriated for the continued consolidation of the department headquarters to the U.S. General Services Administration (GSA) through a reimbursable work agreement. The department officials advised us that GSA is responsible for reporting on the status of funds and for verifying recipient reports, and that a memorandum of agreement specifying these and other terms is being developed.

See Appendix E for a comparison of attributes measured in the Board's Data Quality Review Guide with component monitoring processes. In general, FEMA, USCG, ICE, and CBP developed procedures consistent with the Board's Data Quality Review Guide.

Recommendation

We recommend that the Senior Accountable Official for the department issue department-wide policy and procedures for performing data quality reviews of recipient reporting to identify material omissions and/or significant reporting errors. The policy and procedures should be based, in part, on an evaluation of component-developed processes, component characteristics, and best practices of other federal agencies.

Management Comments and OIG Analysis

In an October 28, 2009 response to the draft report (Appendix B), the department generally concurred with the finding and recommendation. Based on the response, we consider the recommendation resolved but not implemented. The recommendation will remain open until we receive a copy of the department-wide policy and procedures.

The reply also presented information on actions by the department since completion of our field work and comments on the draft report. We made changes to the draft report as appropriate on the basis of the comments.

Appendix A

Objective, Scope, and Methodology

The objective of this review is to determine whether the department and its components established a process to perform limited data quality reviews intended to identify material omissions and significant reporting errors, and notify the recipients of the need to make appropriate and timely changes.

We reviewed the department's process for monitoring recipient reporting of recovery funds as of September 30, 2009. Our fieldwork was conducted at FEMA, TSA, USCG, ICE, CBP, and the department headquarters in September and October 2009. To accomplish our objective, we examined applicable policies, procedures, and internal directives used by the department to administer and monitor recipient reporting. We also interviewed the department headquarters and component officials responsible for managing and overseeing recipient reporting. We did not, however, verify the accuracy of data provided by the department or test the effectiveness of processes designed by the department to measure the quality of recipient reporting because it was not required by the Board.

We conducted this review 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 20528

OCT 28 2009



Homeland
Security

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

FROM: Brian de Vallance 
DHS Senior Accountable Official
American Recovery and Re-investment Act
Department of Homeland Security

SUBJECT: DRAFT REPORT: Process Used by the Department of Homeland Security to Monitor Reporting by Recipients of American Recovery and Reinvestment Act of 2009 Funds

The Executive Summary of the subject report states that, "We found that the department has an evolving process for examining recipient reporting. To improve the process, we recommended that DHS issue formal policy and procedures to guide the agency." The Department generally concurs with that statement, and notes that not only is the Departmental oversight of the Recipient Reporting process of an evolving nature, the Guidance and direction from OMB, OFFM, OFPP and the Recovery Implementation Office is also evolving. Guidance is distributed through a variety of a, including the OMB Max website, Town Hall Meetings and twice weekly Conference calls *inter alia*. DHS, like other agencies, strives to keep pace with this ever-changing landscape.

In the section entitled, "Results of Review" the following statement is made, "However, DHS has not yet issued procedures for performing limited data quality reviews of recipient reporting to identify material omissions and/or significant reporting errors, and to notify the recipients of the need to make appropriate and timely changes."

The Department feels that this statement is overly broad. For example, the Office of the Chief Procurement Officer (OCPO) has issued Department-wide procedures for data quality reviews of recipient reports submitted by DHS contractors in Acquisition Alert 09-14, *Recovery Act Contract Actions – Implementation and Review of Contractor Reports*. The original Alert was issued on September 15, 2009. The Alert was subsequently updated (Amendment 01) on October 7, 2009 to incorporate additional guidance resulting from the Office of Federal Procurement Policy (OFPP) memorandum dated September 30, 2009, *Interim Guidance on Reviewing Contractor Reports on the Use of Recovery Act Funds in Accordance with FAR Clause 52.204-11*. OCPO provided a copy of the draft Alert to the OIG at the September 11, 2009, meeting. At the meeting with the IG on October 13, 2009, the OIG representatives indicated they had seen both the final version of the original Alert and Amendment 01. The Department believes that the DHS OCPO procedures for data quality reviews of contractor recipient reports meet the following attributes listed in Appendix E of the draft report:

1. Acquisition Alert 09-14 establishes policies and procedures for reviewing quarterly recipient reports submitted by contractors consistent with OMB Memoranda M-09-10, M-09-15, and M-09-30; Federal Acquisition Regulation (FAR) 4.1501 and 52.204-11; Federal Register notices issued by the Civilian Agency Acquisition Council on August 25, 2009 (74 FR 42877) and September 25, 2009 (74 FR 48971); and the OFPP memorandum of September 30, 2009. As noted in footnote 1 on page 3 of the draft report, OMB M-09-21 does not apply to contracts. The procedures include:
 - A requirement to specifically notify/remind each contractor of its reporting responsibilities and to provide certain data elements necessary to identify the contract consistent with data

Process Used by the Department of Homeland Security to Monitor Reporting by Recipients of American Recovery and Reinvestment Act of 2009 Funds

Appendix B

Management Comments to the Draft Report

- entered in the Federal Procurement Data System (FPDS). The Alert includes a detailed sample letter for Contracting Officers to use.
- Direction to register at FederalReporting.gov.
 - A requirement to complete designated OMB webinar training modules.
 - Procedures for confirming that award information is accurate and for identifying significant errors and material omissions.
 - Authority to delegate review responsibilities to the Contracting Officer's Technical Representative (COTR), subject to the same training requirements. The Alert includes a detailed sample delegation memorandum.
 - Guidance on assigning review responsibilities under Interagency Agreements.
 - Specific timeframes for the notification to contractors and completion of training, in addition to the government-wide timeframes established for the formal review process.
2. The transmission of the Alert to Components on September 15, 2009, included a list of the DHS Recovery Act actions reported to the Federal Procurement Data System as of September 15, 2009.
 3. Consistent with FAR and OFPP requirements, the Alert designates the Contracting Officer as the responsible reviewing official, with authority delegate to the COTR. As noted above, the Alert provides detailed procedures and timeframes to promote contractor compliance and effective data quality reviews.
 4. Section 4.C(5) of the Alert provides policy and procedures for detecting material omissions and significant reporting errors. These are also incorporated into the sample delegation to the COTR.
 5. Consistent with FAR 4.1501(c) and (d) and OFPP's September 30, 2009 memorandum, sections 4.C(6) and (7) and 4.D(4) of the Alert reinforce the Contracting Officer's responsibility to apply appropriate contractual remedies for noncompliance with reporting requirements. As noted in OFPP's memorandum, the specific remedies will be determined case-by-case based on the severity of the noncompliance.
 6. The review procedures and compliance with FAR 4.1501 will assess compliance with award agreement terms and conditions, both for compliance with submission requirements and for achieving contract goals (checking the contractor's report on project progress for reasonableness and consistency with other sources of project progress information).
 7. The Alert does not specifically address risk assessment. However, the quarterly reports would be one source of information together with other contractor progress reports and information obtained during performance monitoring for program management to identify cost schedule, or performance risks.
 8. With a few exceptions, DHS Recovery Act contracts are and will be fixed price. For these, payment is based on actual work performed and accepted -- services performed and/or supplies received. For the few cost type contracts that DHS will award, the quarterly recipient reports should not be the only source of information of project progress. The contractor will be submitting invoices once a month or more frequently as provided under the contract. The COTR should be receiving more frequent reports of progress through formal reports and/or periodic monitoring (phone calls, emails, etc.). Relying on the quarterly reports would not provide timely information for invoice review and approval. The contractor's quarterly reports will be checked for accuracy against other more timely information that DHS has on contractor performance.

Appendix B

Management Comments to the Draft Report

Later in that section, at the beginning of the discussion on DHS Components it is states that, "TSA, however, has yet to develop a methodology." The Department believes that policies developed subsequent to the initial review at TSA offers a different picture. TSA was the first component interviewed by the DHS OIG, two days following the receipt of DHS Acquisition Alert 09-14 on September 15, 2009. It is correct that at that point in time, TSA had not yet drafted a policy to implement the requirements. However, prior to the deadline for the submission of contractor reports on October 10, 2009, TSA provided to the acquisition personnel involved with Recovery Act implementation, a draft policy to provide guidance to ensure that all Recovery Act reporting requirements are properly satisfied. On October 14, 2009, TSA finalized this policy following issuance of DHS Acquisition Alert 09-14 Amendment 1, which was issued October 7, 2009. This TSA policy was provided to the DHS OIG on October 19, 2009. Additionally, TSA contracting and program personnel received training from the DHS Office of the Chief Procurement Officer (OCPO) on October 9, 2009. Therefore, the Department believes that the existence and substantive content of this policy should be reflected in the OIG's final report. Additionally, the information contained in Appendix E of the report should be updated to reflect the policy's comparison with the attributes contained in that Appendix.

Other comments:

In the summary of USCG and ICE procedures refer to weekly progress reviews of recipient report data. It is not clear whether this applies to a weekly review during the formal submission and review process each quarter (Day 1 through 29 each January, April, July and October). Since reports are submitted only on a quarterly basis and cannot be revised until the next reporting cycle, there would seem to be no need for a review every week. During the review cycle, OCPO has questioned whether weekly reviews are sufficient. In practice there have been daily conferences between the Components and the Departmental Coordination office to track progress and solve problems. In the summary of actions taken by FEMA, the report states that, "FEMA will conduct random samples of recipient records for its ARRA grant programs." Since the IG's visit with FEMA, that Component has developed an integrated tool that they have used to accomplish a 100% electronic review that highlights any reporting parameters needing individual interpretation or intervention.

In Appendix D: The footnote 1 on page 3 properly notes that OMB-09-21 does not apply to contracts. However, at both "Days 1-10" and Days 11-21," Appendix D refers to reviews by "contracting officials." Appendix D should more clearly explain the applicable guidance and should add references to reviews by grants officials and those responsible for reviewing reports under Other Transactions. Alternatively, the Appendix could delete references to "contracting officials" and use only a generic reference to "the DHS Component."

Under "Day 30," the report states that "[t]he DHS Component is required to post the detailed prime recipient reports on www.Recovery.gov." This is not accurate. FederalReporting.gov will automatically transfer the reports, for all recipients and all agencies, to Recovery.gov. There is no action required by any Federal agency.

In Appendix E: The first attribute references M-09-21. It should also reference policy that applies to contracts. Under the last attribute, the FEMA process notes that FEMA will "use contract terms to address non-compliance." OCPO believes the correct reference should be to "grant terms" as FEMA has no contract actions issued under the Recovery Act, only Grants.

The Department appreciates the opportunity to provide these views and looks forward to continue working with the IG Recovery Act team to address risks, identify areas of concern and address them cooperatively and collaboratively.

Appendix C

**DHS Reported Status of Awards and Number of Award Recipients Registered in
www.FederalReporting.gov**

Recipient Data	FEMA	TSA	USCG	ICE	CBP	HQ	Total
Number of Awards as of September 30, 2009	335	52	12	10	1	1	411
Number of Recipients Registered as October 2009	318	51	10	10	1	1	391
Number of Recipients not Registered	17	1	2	0	0	0	20
Percentage of Recipients Registered	94.9	98.1	83.3	100	100	100	95.1

**Process Used by the Department of Homeland Security to Monitor Reporting by Recipients of
American Recovery and Reinvestment Act of 2009 Funds**

Appendix D

Detailed Reporting Requirements

Under the Recovery Act and OMB M-09-21 entities that receive recovery funds are defined as “recipients”. Section 1512 of the Recovery Act states that a recipient “means any entity that receives recovery funds directly from the Federal Government (including recovery funds received through grant, loan, or contract) other than an individual; and includes a State that receives recovery funds.”

OMB M-09-21 says that there are two primary reporting groups: prime recipients and sub-recipients. “The prime recipients are non-Federal entities that receive Recovery Act funding as Federal awards in the form of grants, loans, or cooperative agreements directly from the Federal government” and “a sub-recipient is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program.” Federal agencies are not considered prime- or sub-recipients.

The data required for reporting consists of the following:

- The total amount of recovery funds received, expended or obligated to projects or activities;
- A detailed list of all projects or activities for which recovery funds were expended or obligated, including:
 - the name of the project or activity;
 - a description of the project or activity;
 - an evaluation of the completion status of the project or activity;
 - an estimate of the number of jobs created and retained by project or activity;
 - the purpose, total cost, and rationale of the agency for funding infrastructure investments with recovery funds; and
 - a contact person.
- Detailed information on any subcontracts or sub-grants awarded by the recipient to include the data elements required to comply

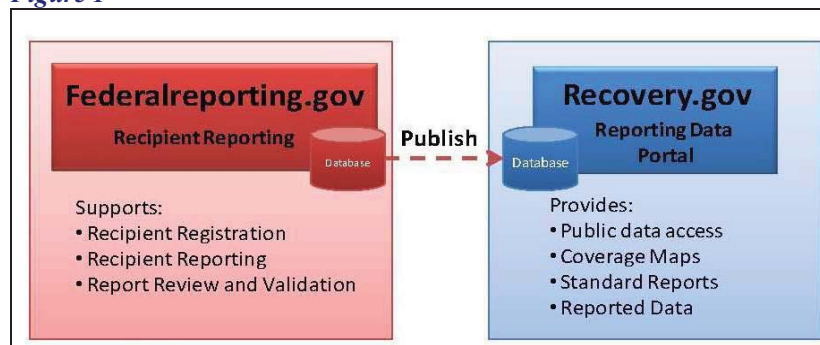
Appendix D Detailed Reporting Requirements

with the *Federal Funding Accountability and Transparency Act 2006*⁴, allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by OMB.

Prime recipients will submit data via www.FederalReporting.gov on a quarterly basis (no later than the 10th day following the end of the quarter). The first reporting period will be October 10, 2009. Reporting cannot be combined with existing federal reporting requirements. Waivers will not be granted for any recipients required to report. Non-compliance will be considered a violation, and violators will be subject to the stipulations outlined in the award terms and conditions.

In addition, the OMB guidance requires that the information reported by recipients be made public via www.Recovery.gov no later than the 30th day following the quarter end. The relationship between FederalReporting.gov and Recovery.gov is depicted in Figure 1.

Figure 1



⁴ The Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-202) requires OMB to ensure the existence and operation of a single searchable website, accessible by the public at no cost to access, that includes for each Federal award - (A) the name of the entity receiving the award; (B) the amount of the award; (C) information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source, and an award title descriptive of the purpose of each funding action; (D) the location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country; (E) a unique identifier of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity; and (F) any other relevant information specified by the OMB.

Appendix D

Detailed Reporting Requirements

The key reporting activities performed are outlined below.

All reporting recipients and reviewing federal agencies must be registered as authorized parties prior to submitting or reviewing recipient reports on www.FederalReporting.gov.

Days 1 – 10: The reporting entities are storing the data to be submitted and making the necessary changes prior to submission to www.FederalReporting.gov. All reporting entities must submit data by the 10th day and those who do not will be considered as non-compliant.

Days 11 – 21: The prime recipients will review the data submitted by the sub-recipients and notify them of any significant reporting errors or material omissions. Also during this time, the department components will review the reports submitted to identify any significant errors or material omissions.

Days 22 – 29: The department component will perform a formal data quality review of the reports submitted by the prime recipients. The contracting officials may perform automated checks and sampling methods to review data reported to identify any significant reporting errors or material omissions. The department component will classify submitted data as:

- Not Reviewed by agency
- Reviewed by agency, no material omissions or significant reporting errors
- Reviewed by agency, material omissions or significant reporting errors identified⁵

Day 30: The department component shall make the detailed prime recipient reports available on www.Recovery.gov so that the public is made aware of how the recovery dollars are being allocated and spent. Issues identified after the data has been posted will be corrected in the following quarterly report.

⁵ This classification will require the DHS to submit these findings to recoveryupdates@gsa.gov so the Board can publicize this information on www.Recovery.gov.

Appendix E
Comparison of Attributes in the Board’s Data Quality Review Guide with
Component Monitoring Processes

Attribute	DHS COMPONENT PROCESSES				
	FEMA	CBP	USCG	ICE	TSA
Do policies and procedures exist for reviewing Quarterly Recipient Reporting pursuant to OMB M-09-21?	Yes	Yes	Yes	Yes	Process not yet developed.
Does Plan for review include a process for identifying the recipient reporting universe?	Yes	Yes	Yes	Yes	Process not yet developed.
Does plan for review describe how the component will ensure that it conducts required reviews of reported data.?	Yes - Provides for reviews of key reporting data and random sampling of universe.	Yes - Provides for contracting officials to perform necessary reviews	Yes - Includes a checklist providing for weekly examinations and random sampling of reporting universe	Yes - Provides for a four-level review process.	Process not yet developed.
Do policies and procedures exist to detect material omissions and significant reporting errors?	Yes- Provides for automated or manual matching of data, as applicable, and weekly meetings to discuss material omissions, significant errors and validation of data submitted.	Yes - Includes audit program to identify material omissions and significant reporting errors.	Yes- Includes regular reviews including reconciling invoices to reports and weekly discussions with contracting officials to discuss omissions/errors.	Yes - Reviews will be conducted, errors/omissions will be acted on by contracting officials, and actions will be monitored by the Office of the Chief Information Officer and Chief of Staff	Process not yet developed.
Does process exist to remediate systemic or chronic reporting problems?	Yes- Provides for contacting recipients for corrections and enforcing contract terms to address non-compliance.	Yes - Provides for use of an audit program to remediate reporting problems.	Yes - Provides for contacting recipients for corrections and enforcing contract terms to address non-compliance.	Yes – Incorporates regular contracting oversight to address contractor performance and reporting problems.	Process not yet developed.
Recipient-reported information can be used to assess compliance award agreement terms and conditions?	Yes - Will assess compliance by using data reported by recipients for an information framework and by importing award data into an Enterprise Data Warehouse.	Yes - Will reconcile projected to reported data; and will cross-check prime and sub-recipient data to prevent duplicates.	Yes - Will provide an information framework to assess compliance using reported data.	Yes - Will compare data submitted by contractors with expected project baselines and milestones, and follow- up as necessary.	Process not yet developed
Recipient-reported information can be used to assess risk?	Yes- Will categorize and review submitted data to identify awards/ and reporting compliance risks.	Yes- Developed a risk and mitigation template to identify potential risks and mitigation efforts, and to assess results.	Yes- Will categorize recipients using a risk approach and identify higher-risk recipients.	Yes- Will use substantiated data reported to further assess current risks and identify new risks.	Process not yet developed
Recipient-reported information can be used to determine when remaining funds are released?	Yes- Will work directly with recipients for corrections and use grant terms to address non-compliance.	Not Applicable - This does not apply to fixed-priced contracts used by this component	Not Applicable - This does not apply to fixed-priced contracts used by this component	Yes- Will measure useful information against project deliverables and expenditure plans to assess remedial actions.	Process not yet developed

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Appendix F
Major Contributors to This Report

Roger LaRouche, Director
William Gillies, Audit Manager
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Kendra Morgan, Auditor
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Appendix G Report Distribution

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245 Murray Drive, SW, Building 410,
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