



Committee on
HOMELAND SECURITY
Chairman Peter T. King

Opening Statement

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**Statement of Chairman Michael T. McCaul (R-TX)
Subcommittee on Oversight, Investigations, and Management**

**"Building One DHS: Why Can't Management Information be
Integrated"**

**March 1, 2012
Remarks as Prepared**

This hearing is the second in a series of oversight hearings to examine the extent to which the Department of Homeland Security has made progress building a more cohesive, efficient, and integrated "One DHS" – a Department that can effectively thwart terrorist attacks by protecting air travelers, securing our borders, and enforcing our immigration laws.

According to House Rules, each standing Committee of the Congress must hold an oversight hearing on an issue the Government Accountability Office has deemed high-risk for waste, fraud, and mismanagement.

After nearly a decade, DHS's failure to integrate its management practices remains on the GAO's High Risk list.

Stove-piped management information systems continue to plague DHS with mismanagement, redundancies and duplication, and inefficient use of resources that has increased costs within the Department and bungled the implementation of security operations.

According to GAO, as of December 2011 DHS has fully addressed only 2 out of 31 key actions and outcomes required to be removed from the high-risk list for "Implementing and Transforming DHS."

Although Secretary Napolitano has said she wants to build a more cohesive, effective and efficient "One DHS," without integration and consolidation of management functions, a "One DHS" will not happen; and equally important, taxpayer dollars will be wasted and security objectives will not be met.

Unfortunately there have been too many examples where DHS has failed at developing and acquiring new technologies to address the various threats to the Homeland including border surveillance, screening equipment, and nuclear detection equipment.

SBIInet is one example where the Secretary ended the original program after costing taxpayers nearly one billion dollars to monitor only 53 miles of the Southwest border.

SBIInet failed due to the lack of effective program management, poorly defined program requirements, inaccurate cost estimations, limited access to expert guidance, and unavailable and unreliable performance data to make informative decisions.

The Advanced Spectroscopic Portal Program, or ASP, designed to improve radiation and nuclear detection capabilities at our seaports and land border crossings is another example where inaccurate data and poor acquisition management resulted in underestimated costs and overstated benefits. DHS spent \$230 million on the program before it was cancelled.

Recognizing the inherent risks of acquisitions, it is essential that the Department effectively leverage best practices, institutionalize clear governing roles and processes, and enable greater visibility of acquisition programs so immediate action can be taken when a program begins to experience schedule delays and/or cost overruns.

GAO defines management integration as the development of consistent and consolidated processes, systems, and people – in areas such as information technology, financial management, acquisition, and human capital – that lead directly to greater efficiency and effectiveness of management and programs.

It is essential that integration not be limited just within each individual management function, but also be integrated horizontally across all core management functions of the Department.

Without full integration, inconsistent reporting requirements and varying definitions for cost estimations across the Department can create inaccurate reports on a program's true cost.

The lack of integrated and consolidated core management functions, something that's required to effectively run any large organization, has resulted in manually intensive data entry on excel spreadsheets and "data calls" to prepare financial statements.

I have a tough time understanding how Americans can seamlessly sign into their checking accounts online to check their balances yet DHS is unable to produce reliable, timely, and useful financial information on where it's spending billions of taxpayer dollars.

Being unable to fully monitor expenditures of billions of dollars is unacceptable. The American people deserve better.

At a time of reduced Federal budgets, the American people expect greater transparency on how Washington manages limited resources.

Industry has demonstrated, through mergers and acquisitions, management information integration can be accomplished effectively.

Without it, it is impossible for any manager, either government or private corporation, to conduct oversight, improve efficiencies, and prevent duplicative programs.

According to GAO, DHS continues to face challenges implementing its Human Capital Strategic Plan. DHS lacks an integrated Human Resource Information Technology, or HR IT management system to track workforce information critical to human resource planning.

For example, the Federal Protective Service has yet to implement a human capital plan to track and report hiring, training, and retention programs.

DHS' failure to address these basic management integration challenges are second-handedly hindering our ability to provide the required training, equipment, and information to men and women working to protect the U.S. Homeland.

GAO states some progress has been made in the area of management integration by instituting a decision support tool to monitor acquisitions and a Center of Excellence to share best practices throughout the Department.

However GAO also says considerable work lies ahead addressing the issue of management integration.

I look forward to receiving testimony today on what the Department is doing to ensure that management integration issues will not continue to get in the way of the Department's need to carry out its mission of protecting the American people, and saving taxpayer dollars.

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