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

September 13, 2004

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The Honorable Tom Ridge  
Department of Homeland Security  
Washington, D. C.

Dear Secretary Ridge:

I am writing as part of my ongoing investigation into the design and capabilities of the US-VISIT system. My prior letters to you have discussed:

- The Department's decision to build US-VISIT as a stand-alone system that is not fully interoperable with key border security databases operated by the Department of Justice and the Department of State.<sup>1</sup>
- The Department's decision to prematurely shut down a border security oversight board after it cautioned against developing US-VISIT as a stand-alone system and called for an independent review of US-VISIT after six months of operation.<sup>2</sup>

This letter inquires about why the Department ignored strong recommendations from the DHS Inspector General in the Summer of 2003 to take the steps necessary to design and build US-VISIT so it could communicate effectively with other border security systems and databases within DHS.

As you know, Congress passed the Information Technology Management Reform Act of 1996 (known as the Clinger-Cohen Act) requiring that agencies use a disciplined process to plan, manage and control the acquisition of new IT systems.<sup>3</sup> Before a department makes a significant

<sup>1</sup> <http://www.house.gov/hsc/democrats/pdf/press/ridge081204.pdf> August 17, 2004 letter from Rep. Jim Turner to DHS Secretary Tom Ridge

<sup>2</sup> [http://www.house.gov/hsc/democrats/pdf/hsc\\_docs/LetterDMIA\\_08\\_17\\_04.pdf](http://www.house.gov/hsc/democrats/pdf/hsc_docs/LetterDMIA_08_17_04.pdf) August 20, 2004 letter from Rep. Jim Turner to DHS Secretary Tom Ridge

<sup>3</sup> See: Public Law 104-106, Division E. According to the Government Accountability Office (GAO) the Clinger-Cohen Act of 1996 requires that before requesting multiyear funding for new IT acquisitions that agencies "implement key IT management practices including an integrated IT architecture and a process for managing information systems projects as investments" and "...prepare business cases that reasonably demonstrate how proposed investments support agency missions and operations, and provide positive business value in terms of expected costs, benefits, and

IT investment, the statute mandates that senior executives rigorously analyze the agency's mission and restructure or reengineer its business processes and operational strategies so the new technology helps the agency do its job.<sup>4</sup>

To see if DHS's management of big IT projects was consistent with the statute, the DHS inspector general conducted an audit of the key border passenger processing systems at DHS, including US-VISIT, between April and September of 2003. The audit revealed that DHS was cutting corners on the planning and reengineering of US-VISIT so that biometrics could be incorporated into the entry exit system at major airports and seaports ten months earlier than the statutory deadline.<sup>5</sup>

To meet this self-imposed deadline, DHS officials set aside preliminary work needed to ensure that US-VISIT could easily share information with other DHS agencies within an interoperable border security network.

In particular, records show that:

- Despite a post-9/11 legislative requirement to build “an interoperable electronic data system to provide current and immediate access to information in databases of Federal law enforcement agencies and the intelligence community....” DHS decided to delay until at least 2005 the planning and design work needed to ensure seamless information-sharing between US-VISIT and other border technology systems.<sup>6</sup>
- In deploying the first increment of US-VISIT this year, officials in the US-VISIT Program Office made little effort to coordinate the multi-billion procurement with other large technology acquisitions such as the Automated Customs Environment (ACE) project at the Bureau of Customs and Border Protection or the Computer Assisted Passenger Prescreening System (CAPPS-II) at the Transportation Security Administration (TSA).<sup>7</sup>
- DHS neglected to reengineer ACE and the other major border security IT procurements underway in the Department to make sure they were fully interoperable with US-VISIT even after DHS Inspector General Clark Kent Ervin warned senior DHS officials that: “Such efforts are important because comparatively small reengineering now could result

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risks.” See: (GAO-04-560T) report entitled “Internal Revenue Service Assessment of Fiscal Year 2005 Budget Request and 2004 Filing Season Performance” dated March 30, 2004.

<sup>4</sup> See: Audit of Passenger Processing Reengineering, (OIG-04-25), March, 2004; hereafter: “Reengineering Report.” Defines reengineering as “the examination and change of strategy, processes, technology and organization...” Says Clinger-Cohen Act mandates “...(1) focusing information resource planning to support their strategic missions; (2) implementing a capital planning and investment control process that links to budget formulation and execution; and, (3) rethinking and restructuring the way they do their work before investing in information systems” to ensure “...IT investments integrate strategic planning, budgeting, acquisition and the management of IT in support of agency missions and business needs.

<sup>5</sup> [http://www.dhs.gov/interweb/assetlibrary/OIG\\_PassengerProcessingReengineeringAudit\\_Mar04.pdf](http://www.dhs.gov/interweb/assetlibrary/OIG_PassengerProcessingReengineeringAudit_Mar04.pdf) Reengineering Report

<sup>6</sup> (1) See: P.L 107-173 Enhanced Immigration and Border Security Act of 2002, (hereafter Border Security Act) Title II, Section 202. On DHS decision to post-pone work on US-VISIT reengineering and interoperability see: (1) US-VISIT Request for Proposals, Nov. 28, 2003; (2) US VISIT Expenditure Plan for FY 2004, Nov. 2003; (3) Memorandum from US-VISIT Program Director James A. Williams to Inspector General Clark Kent Ervin, dated March 10, 2004 in Reengineering Report, Appendix 6; (4) and GAO report “Homeland Security: Risks Facing Key Border and Transportation Security Program Need to Be Addressed. (GAO-03-1083)

<sup>7</sup> Reengineering Report, pages 4 and 6

in major savings later, and ensure a greater probability of achieving maximum overall mission success.”<sup>8</sup>

In short, it appears from a report of the audit by the DHS Inspector General and other records obtained by the Minority Staff of the Select Committee, that your department put off much or all of the planning and reengineering required under the Clinger-Cohen Act to ensure DHS inspectors can query a “fully” interoperable network of border security databases.

<sup>9</sup>Moreover, your agency ignored a clear warning in a memorandum dated August 28, 2003 from Inspector General Ervin to Border and Transportation Undersecretary Asa Hutchinson. As the Inspector General explained:

Essentially, various groups throughout BTS are developing new ways to conduct business in alignment with its new mission and organizational structure. These include initiatives such as, “One Face at the Border,” US VISIT, CBP Enforcement Modernization, Computer Assisted Passenger Prescreening System (CAPPS II), and Bureau of Citizenship and Immigration Services (BCIS) biometrics research. While efforts are being made to realign certain operations and systems, DHS has not conducted a business process reengineering effort to determine the overall federal requirements for clearing people entering and leaving the United States. The Information Technology Management Reform Act of 1996 (Clinger-Cohen Act, Division E of PL 104-106) requires agency heads to analyze their agency’s missions and, based on the analysis, revise the agency’s mission and administrative processes, as appropriate, before making significant investments in information technology to be used in support of those missions. **Such a reengineering effort is essential to the development of cost-effective processes that meet the needs of all the stakeholders. Further, DHS does not have an overall acquisition strategy for the modernization of the legacy Immigration, Customs, Agriculture, and TSA systems related to passenger processing.**<sup>10</sup> (emphasis added)

At the time of the Inspector General’s warning, three months remained until Nov. 28, 2003 (the scheduled date for release of the US-VISIT Request for Proposals) and four months until the Dec. 31, 2003 deadline DHS had set for beginning to use US-VISIT at major airports and seaports. In his memo, Ervin argued that DHS could use the remaining months to work out the connections, business processes and organizational changes needed to ensure US-VISIT’s interoperability. “There is still time to obtain the benefits of a reengineering effort and acquisition strategy without delaying US VISIT,” Ervin wrote, and thereafter outlined the necessary planning steps that DHS still needed to take. His recommendations included:

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<sup>8</sup> Reengineering Report, Appendix 2, Interim Memorandum to BTS from Inspector General Clark Kent Ervin to Border and Transportation Security (BTS) Undersecretary Asa Hutchinson, Aug. 28, 2003 with copies to Gordon England, DHS Deputy Security, Steven I. Cooper, DHS Chief Information Officer, Robert C. Bonner, Commissioner of DHS Bureau of Customs and Border Protection, Adm. James M. Loy, DHS Administrator of DHS Transportation Security Administration (TSA); James A. Williams, Program Director, US-VISIT; Randy Beardsworth, Director BTS Operations; Stewart Verdery, Assistant Secretary, BTS

<sup>9</sup> Border Security Act, Sec. 202

<sup>10</sup> DHS OIG Report (OIG-04-05), Appendix 2

- Establish a high level vision of how travelers will be cleared and controlled by the federal government
- Task system owners to document the requirements and needs of the various internal and external stakeholders
- Coordinate and communicate with owners of non-Homeland Security systems that will interface with Homeland Security passenger systems
- Define system requirements that capture data once and seamlessly share information
- To the extent possible, reengineer the business processes to align with a “one face at the border” approach

During this period, auditors from the Government Accountability Office (GAO) evaluating the US-VISIT project reached a similar conclusion and, during a briefing in July, 2003, conveyed a nearly identical alert to the US-VISIT program staff.<sup>11</sup> Given the unsettled operational context of US-VISIT, the GAO auditors said, DHS would need to do far more than buy new technology to make US-VISIT a success:

To effectively define, establish, and implement a program (particularly one that involves restructuring and reengineering the use of people, processes, technology, and facilities from physically and culturally divergent organizations), it is essential that the program be aligned with a common blueprint, or frame of reference, governing key aspects of program operations—e.g., what functions are to be performed by whom, when and where they are to be performed, what information is to be used to perform them, and what rules and standards will govern the application of technology to support them.<sup>12</sup>

Evidentially, your Department chose to ignore these timely warnings, having concluded that it could safely defer reengineering and cross-agency planning, await completion of a DHS Enterprise Architecture and rely on a new prime contractor to do most of the planning and analysis needed to ensure that US-VISIT and the other systems are fully interoperable.<sup>13</sup> In launching US-VISIT, the DHS Inspector General said in a March, 2004 report, that DHS neglected the twin pillars of reengineering and procurement management:

- On IT reengineering, the IG said: “...DHS has not conducted a business process reengineering of all federal operations needed to clear people entering and leaving the

<sup>11</sup> GAO-03-1083 “Homeland Security: Risks Facing Key Border and Transportation Security Program Need to Be Addressed.” Substance of GAO findings were presented to DHS officials meeting in July 2003 are included in GAO report dated September, 2003.

<sup>12</sup>The importance GAO and the DHS IG audit staff put on cross-agency planning were similar to earlier statements by the Bush Administration in a January, 2003 Report to Congress entitled “Use of Technology Standards and Interoperable Databases With Machine-Readable, Tamper-Resistant Travel Documents.” Before making large new investments in border technology, the Report to Congress said, the border security agencies needed to develop a blueprint of how the new unified system would work. “This Concept of Operations needs to be substantive enough to guide decisions on ...the scoping, requirements definition, trade-off analyses, and refined estimating activities for implementing the cross-agency initiative,” the report said.

<sup>13</sup> DHS issued Version 1.0 of its Enterprise Architecture in September 2003; release of version 2 in scheduled for September 2004. In August, 2004 a GAO report cited numerous shortcomings in the DHS effort saying: “DHS does not yet have the necessary architectural blueprint to effectively guide and constrain its ongoing business transformation efforts and the hundreds of millions of dollars that it is investing in supporting information technology assets. Without this, DHS runs the risk that its efforts and investments will not be well integrated, will be duplicative, will be unnecessarily costly to maintain and interface, and will not optimize overall mission performance.” See: “Homeland Security: Efforts Under Way to Develop Enterprise Architecture, but Much Work Remains” (GAO-04-777)

United States. Federal passenger processing systems are inter-related; therefore, the modernization of any legacy function could impact other systems and processes.”<sup>14</sup>

- On IT procurements, the IG said: “Currently, DHS does not have an overall acquisition strategy for the modernization of the legacy Customs, INS, TSA, and APHIS systems related to passenger processing....there has not yet been sufficient planning as to how, when, or if the various modernization efforts should be continued.”<sup>15</sup>

Attached to the IG report on reengineering is a response from US-VISIT Program Director James A. Williams. He said DHS would turn to the task of reengineering by Dec. 31, 2004 and by June, 30, 2005, DHS would have an “overall departmental acquisition strategy for passenger information technology based on the business process reengineering.”<sup>16</sup>

So far, Congress has released approximately \$700 million for US-VISIT. Given the department’s FY 2005 request for an additional \$340 million in funding, Congress now confronts the likelihood that US-VISIT will consume nearly \$1 billion in new funding before DHS begins making serious progress on developing a “fully interoperable” border security data-sharing system required statute.<sup>17</sup>

I would appreciate a response explaining why the Department did not heed the advice of its own Inspector General. In order to assist our review of this matter, I would ask that you promptly provide the following documents to the Select Committee:

- 1) Any and all DHS documents that discuss or refer to the concerns raised by the August, 28, 2003 memo from the DHS Inspector General regarding the need to re-engineer US-VISIT and other border security systems. This request includes all memorandums, studies, emails, correspondence and reports created or received by personnel assigned to the US-VISIT Program Office, the DHS Office of the Secretary or the DHS Directorate of Border and Transportation Security.
- 2) Any and all documents created or received by personnel in the US-VISIT Program Office, by contractors assigned to the US-VISIT program, by the DHS Office of the Secretary or by the DHS Directorate of Border and Transportation Security that describes or refers to planned or on-going efforts to reengineer business processes, operations or technology at any DHS agencies to facilitate interoperability and information-sharing between US-VISIT and other major border security systems.
- 3) Any and all documents created by DHS personnel or DHS contractors working on the ACE, CAPPS-II or Deepwater project that describe or refer to efforts to reengineer those systems to ensure their interoperability with US-VISIT.

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<sup>14</sup> Page 5 DHS OIG Reengineering Report (OIG-04-05)

<sup>15</sup> Page 8, DHS OIG Reengineering report, (OIG-04-05)

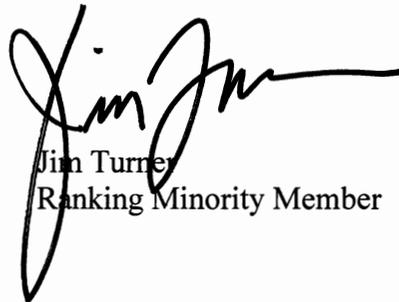
<sup>16</sup> Appendix 2, DHS OIG Reengineering Report (OIG-04-05)

<sup>17</sup> Total enacted US-VISIT appropriations: \$362 million FY 2003; 131 Full Time Equivalent positions and \$336 million in FY 2004, plus \$340 million requested in FY 2005, plus an addition \$10 million to support work on integrating 16 different information technology systems, according to the DHS FY 2005 Congressional Budget Justification

- 4) All documents prepared by Mitre Corp. in 2003 at the direction of the US-VISIT Program Office, including any documents that provided a long term vision of border management and updated costs estimates for US-VISIT; and all "Statements of Work" or assignments provided to Mitre in connection to US-VISIT.
- 5) All documents prepared by Bearing Point, LLP or any other DHS contractor in 2002 or 2003 that presented the "business case" for a developing an entry-exit system or US-VISIT; and all "Statements of Work" or assignments provided to Bearing Point in connection with US-VISIT.
- 6) All Exhibit 300's prepared in connection with budget requests for US-VISIT or for any components of US-VISIT that were submitted to the Office of Management and Budget in 2002, 2003 or 2004.
- 7) Final bid proposals submitted to DHS by Lockheed-Martin Corp., Computer Sciences Corp., and Accenture, LLP in response to a Nov. 28, 2003 Request for Proposal seeking a prime contractor for US-VISIT, including all supporting attachments to the bid proposals including all descriptions of each bidder's "end-vision" for US-VISIT.
- 8) All documents that reflect the DHS "end vision" or plans for future increments for US-VISIT drawn from the submissions of Accenture, Lockheed-Martin and Computer Sciences Corp. that DHS has adopted and intends to implement, whether in whole or in part.

Thank you for your cooperation in this matter. The point of contact in my office is John Sopko, Minority General Counsel and Chief of Investigations, who can be reached at 202-226-2616.

Sincerely,



Jim Turner  
Ranking Minority Member

cc: The Hon. Christopher Cox