DHS OIG Mandates Revision Act of 2014
Section-by-Section

**Purpose:** The purpose of this bill is to free the Department of Homeland Security’s Inspector General from unnecessary and duplicative audits that are congressionally-mandated and to conduct necessary audits of the Department.

It is common practice that Offices of Inspectors General (OIG) have congressionally-mandated audits. The average OIG has approximately thirty percent of their workload mandated. However, in the case of the Department of Homeland Security Office of Inspector General (DHS OIG), that mandated workload is seventy percent, reducing the amount of discretionary audits the office can conduct.\(^1\) The discretionary audits come from observations in the field and whistleblower complaints to address timely and dynamic issues.

The mandates that would be repealed by bill are duplicative of other reports conducted by DHS Components or otherwise are unnecessary. In fiscal year 2013, these reports cost the DHS OIG $7.8 million to complete. In the case of the *Annual Review of Grants to States and High Risk Urban Areas*, the DHS OIG spent approximately $15 million to conduct these audits and questioned $19 million. However, of the $19 million questioned, the majority was ultimately allowed by FEMA. Rescinding these mandates does not mean the DHS OIG cannot continue to conduct periodic audits, but without a mandate, the DHS OIG can do a better job of setting priorities and providing more efficient and effective reports.


**Section 2:** Repeal of DHS OIG Reporting Requirements.

Section 2 outlines the following:

1. **Repeal of DHS-OIG requirement to conduct an annual evaluation of the Cargo Inspection Targeting System.** The Annual Cargo Inspection Report is mandated by *The Coast Guard & Maritime Transportation Act of 2004*\(^2\) and requires the IG to submit a report evaluating cargo inspection targeting system for international intermodal cargo containers. The IG audits and reviews cargo security during normal course of business, and determines which aspects to review based on risk, referrals, and information discovered during the course of other audits.

2. **Repeal of DHS-OIG requirement to conduct an annual review of Coast Guard Performance.** The Annual USCG Mission Review is mandated by *The Homeland Security Act of 2002*\(^3\) and is an annual review to assess thoroughly the performance by the USCG of all its missions, with a particular emphasis on examining the non-homeland

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\(^1\) According to the DHS OIG, the percentage of audits that are Congressionally-mandated within the OIG’s Office of Audits for FY2013 was 80 percent.

\(^2\) P.L. 108-293, Sec. 809(g)

\(^3\) P.L. 107-296, Sec. 888(f)
security missions. The DHS-OIG report does not include any additional information than what the USCG reports on their own, and the IG does not make any recommendations.

3. **Repeal of DHS-OIG reporting requirement of an Accounting of National Drug Control Policy Funds.** Under 21 U.S.C. §1704 (d) and the ONDCP Circular: Drug Accounting, the DHS-OIG is required to perform a review of assertions made by the Department (CBP, USCG and ICE) related to all funds expended by the Department for National Drug Control Program activities during the previous fiscal year. The attestation checks for whether the components complied with the reporting requirements, but it does not evaluate what they have reported.

4. **Repeal of DHS-OIG requirement to conduct an annual review of grants to states and high risk urban areas.** Several of the audits identified significant problems with the states’ and territories’ management of the grant funds. However, most of the audits resulted in similar findings and recommendations. Fraud was not identified in the audits, and most of the recommendations were for ways to improve the system and not necessarily mismanagement. The DHS-OIG did identify some questioned costs, but not to the extent originally expected as the grant programs matured. For the audit reports issued in FY 2011 through 2013, we estimate it cost the DHS-OIG more than $15 million to complete. Those audits resulted in approximately $19 million in questioned costs; however, for those costs that have been reviewed by FEMA, the majority has been allowed.

5. **Effective date is January 1, 2015.**