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United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General

# Memorandum Report

## Impact of Department of Homeland Security Expansion Overseas on Chief of Mission Authorities

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## KEY JUDGMENTS

- The rapid expansion of international activities by constituent agencies of the Department of Homeland Security (DHS) took place before the DHS central office had consolidated its own authorities and staffing. Individual DHS subunits have sought to place their direct-hire staff at diplomatic missions overseas without direct coordination by a central DHS international office. This expansion of DHS assets at U.S. embassies has created oversight and coordination difficulties for U.S. ambassadors.
- The Departments of State and Homeland Security have signed a series of memoranda of understanding and at least one memorandum of agreement in an effort to streamline procedures for the assignment of DHS staff to Foreign Service posts overseas. In light of the on-going coordination issues arising in the field, however, a standing coordination mechanism needs to be established.
- There is a need for the Departments of State and DHS to issue further clarifications to chiefs of missions as to the respective roles of the DHS visa security officers, the consular fraud officers, and regional security officers (RSO) engaged in antifraud work in consular sections abroad.



## CONTEXT

DHS is still in a transitional stage, having absorbed and reconstituted parts of dozens of federal agencies over the past three years. Some of its legacy agencies (for example the Immigration and Naturalization Service) already had staff working at embassies overseas, and those agencies had their own International Cooperative Administrative Support Services (ICASS) accounts. As DHS assumed responsibility for new activities (aviation security, cargo security, visa security), it has sought to place new positions at U.S. diplomatic missions for the express purpose of implementing specific programs. This has resulted in a proliferation of DHS subunit representation under chief of mission (COM) authority, although some of these DHS officers may not necessarily work out of an office in the chancery. For example, Container Security Initiative officers and Coast Guard Safe Port Initiative officers generally work out of offices/facilities colocated with host government port authority facilities rather than embassy offices while others may work out of constituent Foreign Service posts overseas. The Office of Inspector General (OIG) recognizes that in some cases U.S. Coast Guard officers are seconded to Department of Defense entities and are not viewed as DHS assets. This expansion took place before the DHS central office had consolidated its own authorities and staffing. At the time of this report, no move had been made by DHS to place all of these programs under a central international office at DHS headquarters. Nevertheless, it came to OIG's attention during the final drafting of this report that the DHS policy office has been established to provide strategic direction and holistic guidance to the myriad, disjointed, and potentially duplicative DHS initiatives, some of which will fall by the wayside.

DHS has absorbed the functions and personnel of many federal agencies whose work had been predominantly in the U.S. domestic arena. Over the course of the last few years DHS has struggled to reformulate its operating methodology while trying simultaneously to accomplish its critical national security missions. The vast changes being experienced by DHS personnel involve not only an adjustment to new DHS standard operating procedures and unfamiliar chains of command but also have exposed large numbers of DHS officers to their first overseas assignments. Quality of life issues so familiar to Foreign Service officers have assumed much larger proportions for DHS officers who more often than not lack the foreign language and cross cultural skills needed for coping with life in an overseas environment.



## FINDINGS

During the 2005 inspections of Embassies Singapore, Kuala Lumpur (Malaysia), Islamabad (Pakistan), Jakarta (Indonesia), Bogota (Colombia), and Lima (Peru), and the 2006 inspections of Panama City (Panama), San Salvador (El Salvador) and San Jose (Costa Rica), OIG made observations relating to the overseas operations of DHS that may have global implications as DHS expands its presence overseas. During the inspection surveys, OIG became aware that rapid DHS expansion overseas had resulted in that agency seeking new positions at most of these missions. Although the missions benefited from the good work that the Office of Rightsizing did to forge memoranda of understanding with DHS on the National Security Decision Directive (NSDD) 38 process, the lack of central funding coordination within DHS, even for legacy agencies, magnified funding and budgeting problems at the missions during the set-up phase of new DHS operations. For example, there was no knowledgeable senior Homeland Security representative (SHSR) at these missions who could coordinate all matters relating to new or legacy DHS operations or who could respond to the questions the chiefs of mission had about expansion of DHS operations. Although DHS had appointed a single senior DHS attaché (this title was later corrected to SHSR) at some missions, the lack of a one-stop-shop office at DHS to respond to queries, and the lack of clear funding lines within DHS to pay for the increased administrative work assigned to this newly designated SHSR, greatly limited his/her ability to absorb this new responsibility on top of his/her already heavy regional workload and thus had a negative impact on embassy operations.

Once these new or newly expanded DHS offices were up and running, OIG found that even at those missions with a nominal designated SHSR there were still communication/coordination problems. For example, while the SHSR in Singapore, who is the Immigration and Customs Enforcement (ICE) attaché, represents the agency as a whole in theory, we found that he has not been given any real authority to coordinate or manage programs operated by other parts of DHS such as the Coast Guard or Transportation Security Administration (TSA). His only tool to extract compliance with the COM directives from his fellow DHS officers is the force of his personality. A check of cable distribution at the missions with a designated SHSR revealed that the SHSR is not on the distribution list

for cables relating to travel/visits of personnel from other parts of DHS to his/her country of assignment, and they are therefore not aware of visits by such DHS personnel.

In virtually all posts examined by OIG as part of this study, all visitor support for DHS regional officers or DHS visitors from Washington who worked in parts of DHS not represented at the mission on a full-time basis was provided either by the regional security officer (when the visit had a law enforcement focus) or the economic section - both are Department entities - even when there was an SHSR assigned to the mission. This workload has strained Department resources at these posts and has, in several cases, been the justification for requests for new U.S. direct-hire Department positions. For example, the FY 2008 Mission Performance Plan for San Jose, Costa Rica, includes a request for a new American position in the RSO section to handle the burgeoning law enforcement assistance workload. As there are no DHS positions based in San Jose, all visits by regional DHS law enforcement officers are supported by the RSO. In Colombia the desire by law enforcement agencies, including DHS, to increase their presence in an office located outside of the capital has generated a request by Embassy Bogotá to increase the RSO operation by one direct-hire American position. The cost to the Department for the support of each direct-hire American position overseas is estimated to be in excess of \$300,000 a year and yet these RSO positions cannot be charged back via the ICASS system to DHS and other law enforcement agencies as the RSO operation is considered a direct-program cost of the Department.

Funding is appropriated to DHS for specific programs and subunits, and the SHSR cannot utilize funding appropriated for one activity to fund the ICASS or direct-cost reimbursements due by any other part of DHS. Department financial management officers have been asked to establish separate ICASS accounts for each DHS subunit, and a great deal of time and energy is required to sort out payment of DHS obligations at the missions.

Finally, plans to start-up visa security units at the missions in Kuala Lumpur, Jakarta, and Islamabad were hampered by a lack of clarity as to the respective roles of the existing consular fraud units, RSO fraud investigation work, and the proposed new visa security units. Chiefs of mission are understandably hesitant to approve the assignment to post of visa security unit staff until this issue is clarified to their satisfaction. The fact that DHS staff already assigned to Embassies Kuala Lumpur and Islamabad could not respond to the COM's questions about the visa security units further delayed the onset of these programs. As of the time of this report, visa security units were operating in two countries - Saudi Arabia and Pakistan.



## SIZE OF DEPARTMENT OF HOMELAND SECURITY OPERATIONS OVERSEAS

The sheer size of DHS overseas operations makes DHS a significant factor in the efficiency, or lack of efficiency, of those overseas missions that serve as large regional platforms. For example, the majority of DHS activities in East Asia are centered at Embassy Singapore due to its importance as a regional platform for interests in Southeast Asia. The area of responsibility (AOR) of some DHS offices extends beyond Southeast Asia to East Asia, South Asia, and the Pacific Island states. The attractiveness of Embassy Singapore as a regional platform and the limitations of the NSDD 38 process have resulted in significant management complexities that have increased costs, both program and ICASS, for the Department.

As seen in the chart below, DHS represents the largest contingent of other agencies at Embassy Singapore. DHS offices include ICE, TSA, Customs and Border Protection's Container Security Initiative, and the U.S. Coast Guard's Safe Port Initiative:

### U.S. Embassy Singapore

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY2004
State - D&CP	34	3	15	52	2,005,635
State - ICASS	9	13	62	84	5,190,400
State - Public Diplomacy	2		8	10	614,883
State - Diplomatic Security	1		2	3	376,271
State - Marine Security	7		1	8	55,450
State - Representation					50,700
State - OBO	1			1	1,846,079
U.S. Commercial Service	2		12	14	910,140
Defense Attaché Office	9		3	12	816,303
Office of Defense Cooperation	11		3	14	577,715
Foreign Agricultural Service			2	2	181,806
Federal Aviation Administration	11	2	6	19	255,000
Drug Enforcement Administration	5		1	6	135,338
Federal Bureau of Investigation	4			4	
Department of Homeland Security	23		2	25	1,344,750
Transportation Security Administration	6		6	12	526,604
Totals	125	18	123	266	14,887,074

## EXISTING COORDINATION MECHANISMS

The Memorandum of Understanding Between the Secretaries of State and Homeland Security Concerning Implementation of Section 428 of the Homeland Security Act of 2002, signed by former Secretaries Powell and Ridge, describes the process the two departments agreed to use to implement the changes brought about by the Homeland Security Act of 2002 with respect to the issuance of visas to foreign nationals. This memorandum of understanding states that the two Secretaries "will work cooperatively to create and maintain an effective, efficient visa process that secures America's borders from external threats and ensures that our borders remain open to legitimate travel to the United States." It further states that

"the Secretary of Homeland Security will establish visa policy, review implementation of that policy, and provide additional direction as provided by this memorandum, while respecting the prerogatives of the Secretary of State to lead and manage the consular corps and its functions, to manage the visa process, and to execute the foreign policy of the United States." This document provides clarification as to the respective roles of the Department and DHS in the visa process, and in particular discusses the assignment of DHS personnel to diplomatic posts to perform section 428(e) functions. These DHS officers have come to be known as visa security officers. Nevertheless, there is still a lack of clarity at overseas posts as to the lines of demarcation between the responsibilities of the consular fraud officer, the assistant RSO for investigations who works on consular fraud issues, and these new DHS visa security officers.

In 2004 the Department and DHS signed a series of memoranda of understanding that laid the groundwork for the rules of the road on DHS NSDD 38 requests. The first memorandum covered DHS/Customs and Border Protection (see 04State 207994) and the second covered DHS/Immigration and Customs Enforcement/Visa Security Units (see 04State 237997). There is also an earlier memorandum of agreement that covers DHS/Bureau of Citizenship and Immigration Services, Office of Refugee, Asylum, and International Operations (see 04State076081). The initiation of several Department memoranda of understanding with several DHS subcomponents contributed to an ineffective basis for COMs' strategic planning, as they have to rely solely on decentralized submissions of NSDD 38s. DHS has attempted to rectify this anomaly by centralizing submissions through one office for DHS Deputy Secretary approval.

The Secretary of Homeland Security notified the Secretary of State on October 28, 2004, that he intended to designate senior attachés to represent and coordinate the several DHS offices at individual embassies abroad. He properly identified the "confusion that may still exist abroad regarding the organization and structure of DHS." Former Secretary Ridge named the ICE attaché as the designated senior DHS attaché at Embassy Singapore on January 6, 2005. The stated objective of the appointment was to "offer a centralized and simplified staffing capability to ease the complexity of working with many DHS offices on a variety of fronts." (As mentioned earlier, DHS corrected the attaché designation to senior Homeland Security representative in view of the fact that the title attaché is bestowed solely by the Department of State.)

## ISSUES IN THE FIELD

Although the concept of an SHSR position is still a work in progress, OIG identified the following issues that have reduced the ability of the existing SHSRs to respond effectively and in a timely manner to a COM's concerns:

- ICE, TSA, Secret Service, and the U.S. Coast Guard have large regional responsibilities that complicate the ability of the SHSR to be on top of the day-to-day operational responsibilities of all DHS elements.
- There is no unified DHS reporting system related to DHS work done at embassies, but rather each DHS subunit has its own stovepipe back to Washington leaving the single SHSR out of the loop on issues of concern to other DHS subunits.
- Although the SHSR and DHS attachés report through the DHS international affairs office, queries for guidance on funding are complicated through the lack of a unified DHS budget that reflects a fragmented department operation at the mission level. This results in the need for the SHSRs and attachés to negotiate directly with each DHS subunit.
- Each DHS office has its own budget, presenting a challenge for the SHSR to identify funding to pay common ICASS and operating costs.
- As former Secretary of Homeland Security Ridge indicated in a letter to the Ambassador in Singapore, the DHS attaché (the title was later changed to SHSR) will not be given any additional staff positions to deal with his/her new workload. This has put a strain on an already over-burdened ICE attaché in Singapore.
- Staff for all the DHS subunits has grown considerably.
- The SHSR has the title but no working authority over the disparate DHS offices. His/her ability to influence the other DHS representatives to be responsive to the COM's direction is very limited and highly dependent on goodwill and persuasive personality. Putting aside the SHSR's persuasive abilities, both U.S. Coast Guard and U.S. Secret Service representatives may resort to the Homeland Security Act of 2002 that provides them direct reporting access to the Secretary of Homeland Security.

## COORDINATION PROBLEMS FOR THE CHIEF OF MISSION

Whether a SHSR had been appointed for his or her country or not, each COM at the posts examined by OIG shared common problems in coordinating DHS activities within his or her countries of jurisdiction:

- Rightsizing is a problem. Even when an embassy has done a credible job in identifying goals and objectives in its Mission Performance Plan, it suffers from some basic problems managing other agency NSDD 38 staff increase requests in general, and DHS requests in particular. The timing of other agency requests is unpredictable making it problematic for a COM to judge the merits of one request over another. DHS does not share with COMs its long-term plan for staffing its operations overseas but rather submits NSDD 38 requests for each of its programs separately. COMs cannot make a sound judgment on the benefits and costs/risks of such individual staffing increases without a rightsizing review.
- Some host governments have established strict parameters regarding the size of staff, number of personnel, and number of official vehicles that can be registered to operate in their country (Singapore being an example). Careful coordination between the embassy and other agencies wishing to station personnel in our missions overseas will be required to ensure that U.S. government presence overseas is kept under these ceilings. In some cases the COM will need to choose between NSDD 38 requests from different U.S. agencies based on an evaluation of the national security priority attached to each function. The lack of a single DHS focal point for these discussions inhibits the COM's ability to reach a well-researched conclusion.
- DHS officers are routinely assigned official vehicles, although the regional officers are away from the home embassy during most of their assignment. The number of DHS official vehicles has created over-crowding in chancery parking lots. The COM has a responsibility to ensure that all other agency personnel abide by the approved "other authorized uses" of official U.S. government vehicles policy. The lack of a single accountable DHS representative who can provide such assurances to the COM creates an area of vulnerability.

- DHS officers assigned to one of the posts examined by OIG have requested permission to import and carry firearms in the course of their official duties. In order for a COM to approve such a request he/she must be able to confirm that the request has been approved at agency headquarters, that the officers are fully accredited according to the terms of that agency's firearms policy, and that a mechanism is in place at the overseas mission to ensure that each officer continues to remain in compliance with both the agency's firearms policy and the COM's local post policy on firearms. The fact that there is no single DHS representative at post who is empowered to confirm these facts to the COM creates an area of vulnerability should the COM decide to approve the request to import firearms by these DHS officers.
- The confusion surrounding DHS lines of funding has created difficulties for financial management officers at missions and has led to delays in the payment of ICASS and direct-charge costs incurred by DHS.
- Because DHS officers have regional responsibilities and the few designated SHSRs have a large AOR covering multiple countries, these DHS offices are staffed only intermittently. Often when the COM has an urgent question, it cannot be answered until the DHS officer returns to post from official travel in his/her AOR. For example, DHS/ICE has increased the tempo of deportations of Salvadorans to El Salvador using both commercial flights and chartered aircraft. The government of El Salvador has asked that they receive advance notice of large-scale deportation flights so that appropriate reception measures can be in place. In February 2006 an ICE-chartered deportation flight landed over 100 deportees at San Salvador airport at a time when the ICE attaché was away from post on regional travel. When officials from the Ministry of Foreign Affairs called on the Ambassador to ask why no prior notification had been made, the ICE attaché was unavailable and the other DHS representative at post - a CIS officer - had no responsibility for oversight of the ICE operations and could not respond to the Ambassador's inquiry. Only after several days had passed, and the Ambassador and DCM had been left in an awkward position with their counterparts at the ministry, did it come to light that the ICE office had indeed made the appropriate notification to the government of El Salvador.

- The lack of a central DHS reporting chain makes the responsibility of the COM and deputy chief of mission to coordinate policy and program implementation much more complex. For example, the COM in El Salvador has struggled to identify an appropriate policy-level ICE representative to take charge of discussions with the government of El Salvador on the policy issues relating to the expedited returns of Salvadoran nationals being held in the United States on immigration and/or criminal charges.
- A problem at the missions with pending DHS requests for the establishment of visa security programs (Kuala Lumpur and Jakarta) is the inability or unwillingness of DHS to delineate the differences between the responsibilities of the missions' consular fraud units, the RSO fraud/crime investigation responsibilities, and the responsibilities of the proposed visa security unit officers. COMs are understandably concerned that these new visa security units will create a new layer of bureaucracy and possibly impede the secure processing of U.S. visas while at the same time exposing more American officers to the risk of terrorism overseas at critical threat missions.
- DHS interest in establishing Container Security Initiative operations at danger pay posts (Karachi, Pakistan and Cartagena, Colombia) has not been balanced by a close examination of the danger in placing more direct-hire Americans (especially those with limited overseas experience) on the ground in countries deemed to be inherently unsafe. The COM is ultimately responsible for the security of all U.S. government personnel working in the country of his/her assignment. The lack of a single DHS representative to provide a justification that incorporates an examination of the security concerns related to the proposed country of assignment creates an area of vulnerability for the COM.

**Recommendation 1:** The Office of Rightsizing should establish a mechanism to initiate ongoing discussions with the Department of Homeland Security on ways to ameliorate the unintended negative effects of Department of Homeland Security overseas expansion. (Action: M/R)

**Recommendation 2:** The Bureau of Diplomatic Security, in coordination with the Bureau of Consular Affairs, should clarify with the Department of Homeland Security the respective roles of the regional security office and visa security unit personnel regarding visa-related investigations, and should issue guidance to overseas missions. (Action: DS, in coordination with CA)



## ABBREVIATIONS

AOR	Area of responsibility
COM	Chief of mission
DHS	Department of Homeland Security
ICASS	International Cooperative Administrative Support Services
ICE	Immigration and Customs Enforcement
NSDD	National Security Decision Directive
OIG	Office of Inspector General
RSO	Regional security office(r)
SHSR	Senior Homeland Security representative
TSA	Transportation Security Administration

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