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**Testimony before the House Committee on Homeland Security, Subcommittee on  
Management, Investigations, and Oversight  
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Chairman Carney, Ranking Member Bilirakis, thank you for the opportunity to come before you today to discuss the fiscal year 2010 budget for the Management Directorate within the Department of Homeland Security (DHS).

DHS and its many component agencies fulfill a broad mandate and conduct many different activities within a single, unified security mission. DHS performs critical tasks from protecting transportation hubs to conducting maritime rescues, from aiding disaster victims to securing the borders and enforcing immigration laws. Within this broad portfolio, the Department aims to secure the American people from all hazards – including terrorist threats and natural or accidental disasters – and to work effectively with its many Federal, State, local, tribal, and private sector partners to lead the collaborative effort to secure the Nation. DHS undertakes the mission of securing the United States against all threats through five main action areas, each of which is strengthened by this budget:

**Guarding Against Terrorism** – Protecting the American people from terrorist threats is the founding purpose of the Department and DHS’ highest priority. Our budget expands DHS efforts to battle terrorism, including detecting explosives in public spaces and transportation networks, helping protect critical infrastructure and cyber networks from attack, detecting agents of biological warfare, and building information-sharing partnerships with State and local law enforcement to mitigate threats.

**Securing Our Borders** – DHS prevents and investigates illegal movements across our borders, including the smuggling of people, drugs, cash, and weapons. In March, the Department announced a new initiative to strengthen security on the southwest border in order to disrupt the drug, cash, and weapon smuggling that fuels cartel violence in Mexico. Our budget strengthens those efforts by adding manpower and technology to the southwest border. This budget also funds smart security on the northern border and facilitates international travel and trade.

**Smart and Tough Enforcement of Immigration Laws and Improving Immigration Services** – DHS welcomes legal immigrants, protects against dangerous people entering the country, and pursues tough, effective enforcement against those who violate the Nation’s immigration laws. Our budget contains funding to strengthen our employment eligibility verification systems, target and crack down on criminal aliens, and expedite the application process for new legal immigrants.

**Preparing for, Responding to, and Recovering from Natural Disasters** – The Department must aid local and State first responders in all stages of a natural disaster – preparing for the worst, responding to a disaster that has occurred, and recovering in the long run. This budget contains funding to strengthen DHS assistance for local first responders and the communities and families affected by disasters.

**Unifying and Maturing DHS** – DHS must continue to evolve in order to operate in unity and with maximum effectiveness across the wide range of the Department’s security and other missions. This budget contains funding to initiate consolidation of mission support activities that will remain off-site from the St. Elizabeths campus, reducing the many small and widely scattered leased locations and supporting the goal to build “One DHS.”

The Management Directorate provides the business framework that enables the Department to achieve its mission. It does so by providing policy, guidance, operational oversight and support, and innovative solutions for the management needs throughout DHS. While the Management Directorate does not serve on the frontlines, our role remains critical to the Nation’s security. We enable the Department to achieve its mission by ensuring the provision of high quality, efficient, and integrated management services.

In order to meet its priorities and support the Department, the Management Directorate has delineated six lines of business that are responsible for significant enterprise-wide functions. These lines of business achieve management objectives by implementing and

integrating functional support and services to DHS Offices and Components. The Management lines of business include:

**Office of the Chief Administrative Officer (OCAO)** – Responsible for asset management, mail screening and delivery, occupational safety and health, environmental planning and management, historic preservation, energy management, records, directives, forms, printing, library services, and graphics. Priorities include:

- Improving, consolidating, and reducing operating costs for DHS facilities;
- Effective and efficient management of real and personnel property; and
- Providing operational support for all OCAO functions to DHS Headquarters.

The OCAO makes sure that Department employees are fully equipped to work and in the safest conditions possible. The Chief Administrative Officer manages over 86 million square feet of Real Property and \$11.8 billion of personal property and ensures that the buildings, vehicles, and equipment employed by DHS are ready to support the mission.

**Office of the Chief Financial Officer (OCFO)** – Responsible for departmental compliance with Federal budget planning, formulation, and execution practices, accounting, and financial reporting. The Chief Financial Officer also reports directly to the Secretary on financial management matters. Priorities include:

- Integrating financial management systems across the Department;
- Implementing financial internal controls consistent with Federal standards; and
- Facilitating departmental authorization and appropriation efforts.

The OCFO works with partners throughout the Department to determine how funding will be allocated and prioritize budgetary needs. The OCFO attempts to ensure that every dollar spent is accounted for and that it is tracked according to Federal standards.

**Office of the Chief Human Capital Officer (OCHCO)** – Responsible for Department-wide human capital policy development, planning and implementation functions. Priorities include:

- Proud to Protect — Becoming a premier employer that attracts and retains high-quality, diverse talent.
- Reflecting the Nation We Serve — Increasing diversity at all levels throughout DHS to better reflect the composition of the Nation.
- Leading Through Learning — Building Department-wide capabilities and systems that provide employee training,
- Capturing and Sharing Human Capital Resources, Best Practices and Innovation — Implementing consistent, but flexible, human capital policies, programs and practices.

A critical task faced by the Department today is to build, sustain and develop a world-class workforce that keeps the Nation safe. The Department recognizes that advancing our critical mission clearly depends on our most valuable asset – our people. If you work at DHS, the Chief Human Capital Officer affects many aspects of your daily life and is dedicated to ensure that you and your colleagues meet your full potential as employees and, collectively across the DHS human capital community, realize the DHS human capital vision – Unparalleled Mission, Unparalleled Talent, Where People Want to Work.

**Office of the Chief Information Officer (OCIO)** – Responsible for information technology operations and infrastructure, enterprise software applications, and information security. Priorities Include:

- Improving information sharing across DHS and its external partners,
- Ensuring the security of our IT systems and information through a comprehensive defense-in-depth IT security strategy, and
- Expanding citizen access to DHS through e-Gov initiatives.

The Chief Information Officer is responsible for the oversight and management of information technology used throughout the Department. The OCIO contributes directly and substantially to the operational missions of the Department, by ensuring that information is shared reliably, rapidly, and securely throughout the Department, as well as with the broader Homeland Security Community.

**Office of the Chief Procurement Officer (OCPO)** – Responsible for acquisition and procurement policy, strategic sourcing, and investment oversight. Priorities include:

- Implementing a unified DHS acquisition support program,
- Maintaining best practices for major program acquisition and management, and
- Ensuring compliance with all Federal laws and regulations governing procurements.

To deliver mission operations capabilities, the OCPO establishes contracts for critical goods and services required for the men and women of DHS to do their jobs. Each year the OCPO ensures sound DHS business deals through thorough investment review and program management practices. Their efforts facilitate the decisive execution of dollars in support of major mission areas attempting to avert threats to the Nation's border and citizens.

**Office of the Chief Security Officer (OCSO)** – Responsible for protection of the Department's personnel, property, and facilities. Priorities include:

- Developing and implementing comprehensive DHS security policies, procedures and programs;
- Conducting defensive activities to identify espionage or terrorist collection efforts; and
- Overseeing employee suitability operations, background investigations, and security training briefs.

The Homeland Security mission requires the Department to possess and work with extremely sensitive information. The OCSO works to ensure that the Department's buildings and physical security systems are worthy of the trust and confidence of the American people who rely on them.

Some of Management's **2008 fiscal year accomplishments** include:

Our Chief Procurement Office implemented a centrally funded and managed Acquisition Professional Career Program modeled after the highly successful Navy Intern Program. This program features three, single year rotations through various Components and provides the participants with all the experience and training they need to become journeyman-level acquisition professionals.

The percentage of DHS obligations awarded through competitive contract actions increased from 69 percent in FY 2007 to 75 percent in FY 2008. This surpassed the FY 2008 competition goal of 68 percent by seven percentage points, allowing us to realize a 75 percent level of competition two years ahead of a FY 2010 target.

Management's Office of Security reduced vulnerabilities to DHS facilities by bolstering personnel assigned to the Technical Security Counter-Measures Program, allowing increased capacity for critical security sweeps. We increased training for State and local government as well as private-sector personnel who handle classified and sensitive information from the Department.

The Chief Administrative Office collaborated with the General Services Administration (GSA) to expeditiously bring the Master Planning, Environmental Impact Statement and National Historic Preservation Act Section 106 Consultations to a successful conclusion for the DHS Consolidated Headquarters at St. Elizabeths West Campus.

The OCAO achieved milestones with delivery of a Consolidated Remote Delivery Site to provide mail and courier services to DHS Component locations in the Washington, DC metropolitan area thereby improving efficiency, strengthening accountability, and reducing risk to DHS employees by screening for chemical, biological, radiological, nuclear, and explosive threats.

We developed a transition-planning approach for DHS to ensure operational continuity before, during, and after the 2009 Presidential administration transition and change in DHS political leadership.

The Office of the Chief Financial Officer developed and implemented a comprehensive, web-based DHS Financial Management Policy Manual with nearly 30 new CFO policies.

Our CFO managed the Working Capital Fund (WCF) to provide cost-effective support services throughout DHS. The CFO successfully implemented a number of key initiatives that have resulted in more effective and efficient management of the WCF, including the establishment of a WCF Governance Board which has resulted in better management of the fund by engaging senior leadership of both customers and service providers in a focused policy and planning process to assess internal controls over financial reporting.

The Management Directorate established the Program Review Board (PRB), chaired by the Deputy Secretary and comprised of senior career leadership of each Component, which institutionalized an analytically-based, open and transparent Program and Budget Review process.

The Office of the Chief Information Officer's Enterprise Architecture governance process resulted in more than \$90 million in cost avoidance/savings and achieved "Green" on the OMB scorecard.

The CIO removed 77 percent of DHS third quarter FY 2008 Exhibit 300s from the OMB Management Watch List and achieved 75 percent of Level One investments within 10 percent of planned cost and schedule.

Through the CIO's efforts, the Department received a B+ on the Congressional FISMA Report Card on "Computer Security" for 2007 compliance, the highest grade for compliance since the Department was established in 2003.

The CIO completed the migration of DHS headquarters data center to Stennis Data Center to reduce data center operations cost across the Department.

### **FY 2010 Budget**

In total, the Under Secretary for Management fiscal year 2010 budget request is for 976 positions, 869 FTE, and \$741,913,000. A large portion of the USM budget is designed to assist us with integration and to continue to unify into one DHS. This request sets the way forward for:

DHS Headquarters Consolidation – \$75 million. The initial phase of this project to consolidate leadership, policy, program, and operations coordination at the St. Elizabeths campus in Washington, DC, has been funded and is underway with the remaining phases in beginning design. In FY 2010, we propose to initiate consolidation of mission support activities that will remain off-campus, reducing the many small and widely scattered leased locations. The on-campus and off-campus parts of this project both support the goals of a consolidated headquarters for DHS.

HSPD-12 Card Issuance – \$25 million. Office of the Chief Security Officer is requesting resources for HSPD-12 Card Issuance. The requested funds will be used to provide enterprise Public Key Infrastructure certificates, procure enrollment / card issuance work stations, card stock, and required support for the issuance of smartcards. Completion of smartcard issuance efforts will provide the infrastructure and baseline technology to support other DHS security programs.

Enterprise Records Management System – \$3.1 million. DHS records are officially maintained through manual, paper-based processes. This includes many records developed or transmitted electronically that must be printed and filed. Implementation of this first phase of an electronic records management system will ensure that DHS personnel have access to timely and accurate information for decision making and to efficiently document government processes while preserving the public interest in the

course of normal business and in cases of emergency. This system, once fully implemented, will streamline record retention activities, from creation to disposal and including retrieval for use and responses to FOIA requests.

Right-sizing Human Capital Programs – \$3.3 million. The Office of the Chief Human Capital Officer will use these funds to meet the demands and needs of a growing Department and additional funding to pay for Working Capital Fund Shared service costs. The new positions will allow the CHCO to meet the key goals of the FY 2009 – 2013 Human Capital Strategic Plan, which include becoming a premier employer while attracting and retaining high-quality employees; enhancing diversity at all levels of the organization to reflect the composition of the Nation; enhancing the training, education and professional development of our employees; and implementing flexible yet consistent Department-wide human capital policies, programs, and practices to strengthen and unify departmental operations and management.

DHS-Wide Acquisition Workforce Program. The Office of the Chief Procurement Officer is requesting \$7 million and 50 FTE for training, certifying, and retaining an appropriate workforce of acquisition professionals. To address the shortage of contracting professionals, DHS is expanding the Acquisition Workforce Program and adding the Student Career Experience Program positions to form the core of the procurement workforce.

DHS Selective Acquisition Transactions. The Office of the Chief Procurement Officer is requesting \$9 million and 12 FTE to establish the initial capacity to provide contract support for all DHS classified acquisitions.

Acquisition Program Management Policy. The Office of the Chief Procurement Officer is requesting \$9 million and 10 FTE to expand Department Management Teams that support DHS program offices in delivering timely and effective acquisitions that currently comprise the Division.

Personnel Security Adjudication Team – \$3 million. The Office of Chief Security Officer is requesting resources to create a DHS Personnel Security Adjudication Team that will allow DHS the ability and flexibility to adjudicate the sudden increase of completed background investigations in a proactive manner.

Special Access Program Control Office (SAPCO) Staffing – \$5 million. The Office of the Chief Security Officer is requesting resources to create a SAPCO and to expand Sensitive Compartmented Information (SCI) Oversight. SAPCO will develop and implement policy and procedures for DHS SAP governance and will serve as the single point of contact for coordinating component requirements. The SCI Oversight expansion will limit the systemic risk to the Department's most critical form of intelligence information.

Improve Financial Accountability – \$2.5 million. This program increase provides 20 Positions and \$2.495 million for increased staffing and support necessary to meet the demands of reviewing and conducting independent analysis for the majority of programs within DHS along with increased financial and budget support for the Department.

External Evaluations of Programs – \$3 million. The requested program increase is for the Office of Program Analysis and Evaluation (PA&E) to support a series of external evaluations of programs to be conducted periodically by Federally Funded Research and Development Centers (or other independent parties outside the Department). These funds will enhance the PA&E mission to provide information on key analytical issues to Department leadership and the Administration.

Data Center Development/Migration – \$58.8 million for the CIO and \$141.2 million for Components. Increased funding in FY 2010 will focus on further migration activity of Component systems, applications, and disaster recovery to the DHS Enterprise Data Centers for central DHS management. FY 2010 funding will provide essential data center capability enhancements and support services to facilitate Components migrations from legacy Component data centers into the DHS Data Centers. Collocation and consolidation will provide a number of benefits over the environments that currently exist within the

disparate Component computing facilities. Reducing the overall computing asset footprint will result in reduced system maintenance, management, and administration costs. Merging of existing operations and maintenance contracts will further reduce overhead and administrative costs as well as improve the confidentiality, integrity, and availability for mission critical systems and data.

Network Security Enhancements – \$10.4 million. This funding will mitigate high risk areas within the DHS firewall. This request will establish critical Policy Enforcement Points across the DHS Network, improve DHS Security Operation Center capabilities (i.e., remediation forensics), and establish robust classified facilities with highly skilled analysts. Network Security Enhancements will identify all internet connections for remediation by migrating legacy connections behind the DHS Trusted Internet Connections (TICs).

Internet Gateway Enhancements – \$8.4 million. Additional funding will diminish elevated threat areas for DHS at the perimeter. This request will implement a High Assurance Guard to support mission requirements for accessing social networking sites and establish the DHS Email Disaster Recovery capability where 100 percent of email traffic will be behind the two DHS TICs.

Single Sign-On (SSO) – \$4.2 million. Increased FY 2010 funding will be utilized to initiate the application integration efforts and the Single Sign-On project. This funding will leverage best-of-breed technologies to improve timely, secure operator access to mission applications for DHS employees as well as Federal, State, Local and Private Sector Partners. This implementation will be closely aligned with the Homeland Security Presidential Directive (HPSD) 12: Policy for a Common Identification Standard for Federal Employees and Contractors. Specifically, funding will establish an implementation team to oversee and execute the application integration and establishment of the core infrastructures for the SSO Gateway and Service Oriented Architecture. By implementing SSO, DHS computer users will be able to log-in to their systems with only

a single set of credentials in order to access multiple applications, minimizing the need for a user to log-in multiple times for different applications.

COMSEC Modernization – \$6.7 million. This funding will replace 100 percent of legacy COMSEC equipment across the DHS enterprise, improving DHS ability to share classified information across the Homeland. Additionally, the request upgrades critical communications nodes to the Federal Government and to the States in support of the Infrastructure Protection Program under HSPD 63. COMSEC support is also essential to the maintenance of secure communications required in NSPD 3-10.

I look forward to working with you to make certain that we have the right resources to protect the homeland and the American people and that we make the most effective and efficient use of those resources. Thank you for inviting me to appear before the Committee today. I look forward to answering your questions and to working with you on the FY 2010 Budget Request and other issues.