

# DEPARTMENT OF HOMELAND SECURITY

## Office of Inspector General

### U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology



*Office of Inspector General*

**U.S. Department of Homeland Security**  
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# **Homeland Security**

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## Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, effectiveness, and efficiency within the department.

This report is the result of our follow-up review of the challenges that U.S. Citizenship and Immigration Services (USCIS) faces in modernizing information technology (IT) to carry out its immigration benefits processing responsibilities more effectively. The findings discussed in this report are based on interviews with USCIS officials and employees, direct observations, and a review of applicable documents.

It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink that reads "Richard L. Skinner".

Richard L. Skinner  
Inspector General

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## Abbreviations

|       |   |
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| CIO   | Chief Information Officer                     |
| DHS   | Department of Homeland Security               |
| GAO   | Government Accountability Office              |
| IT    | Information Technology                        |
| ITIL  | Information Technology Infrastructure Library |
| OCIO  | Office of the Chief Information Officer       |
| OIG   | Office of Inspector General                   |
| TPO   | Transformation Program Office                 |
| USCIS | U.S. Citizenship and Immigration Services     |

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## Executive Summary

Effective use of IT, coupled with updated processes, is vital to increase efficiency and address demands in immigration benefits processing. In our September 2005 report, *USCIS Faces Challenges in Modernizing Information Technology* (DHS-OIG-05-41), we identified inefficiencies in USCIS' operational environment and an unfocused approach to improving processes and systems in order to provide citizenship and immigration services more effectively. In the report, we recommended a number of actions that USCIS can take to leverage IT to achieve its modernization objectives. Such actions also will be critical to support potential increases in benefits processing workloads that could result from proposed immigration reform legislation.

As part of our responsibility for assessing the efficiency and effectiveness of departmental operations, we conducted a review of USCIS' efforts to improve its processes and systems. The objectives of our review were to assess progress in implementing IT modernization initiatives, as well as addressing our prior recommendations. The scope and methodology of this audit are discussed in Appendix A.

Although USCIS has taken steps to address the recommendations in our prior report, several challenges continue. Specifically:

1. Although USCIS has exhibited new commitment to business transformation, the bureau faces challenges in finalizing its approach and advancing to transformation implementation.
2. USCIS has accomplished the first phase of its IT staffing integration effort, however, remaining phases remain on hold until the bureau addresses organizational deficiencies that hinder day-to-day IT operations.
3. USCIS has made progress in applying IT to support mission business operations, but improved strategic planning by the Office of the Chief Information Officer (OCIO) could help in managing IT resources.
4. Process engineering is contingent on implementing a "to-be" transaction-based environment and a supporting acquisition approach.
5. While significant progress in IT infrastructure upgrades has been made, plans to complete remaining sites are on hold pending funding approval.
6. USCIS has outlined strategies to increase stakeholder involvement in transformation planning to promote buy-in and minimize risks that redesigned processes and systems may not meet user needs.

Each of our prior report recommendations will remain open until additional progress is demonstrated and updated information is provided for our review.

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## Background

Our September 2005 report discussed inefficiencies in USCIS' IT environment that hindered its ability to carry out its immigration benefits processing mission successfully. Specifically, USCIS' processes were largely manual, paper-based, and duplicative, resulting in an ineffective use of human and financial resources to ship, store, and track immigration files. Adjudicators used multiple and non-integrated IT systems to perform their jobs, which has reduced productivity and data integrity. IT software and hardware systems also were not well configured to meet users needs.

Further, although federal guidelines require effective planning and management of IT to increase efficiency of business operations, USCIS has not had a focused approach for updating its legacy systems and manual workflow practices. Rather, IT planning and implementation were conducted in a reactive and decentralized manner across the organization. Additionally, USCIS relied on personnel rather than technology to meet its backlog reduction goals.

Based on these findings, we recommended that the Acting Deputy Director, U.S. Citizenship and Immigration Services:

1. Develop a modernization strategy that includes short- and long-term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration services missions.
2. Complete implementation of plans to centralize IT by placing all USCIS IT employees, budgets, and systems under the Chief Information Officer's (CIO) authority and control.
3. Ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCIS strategy.
4. Review, analyze, and reengineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems, and provide systems access to the users who need it.
5. Finalize and implement plans to upgrade and standardize IT hardware and software systems to support reengineered processes and systems integration and access improvement initiatives.
6. Ensure representation and participation of users at the various levels from across USCIS in all process reengineering and IT transformation activities.

In December 2005 and May 2006, USCIS provided compliance updates, including milestones and actions plans, for addressing our report recommendations. Over the past year, the bureau has undergone several leadership changes and made demonstrable progress toward achieving its

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modernization goals. For example, the backlog reduction initiative that was a focus for the bureau during our previous review concluded with USCIS completing more than 70 percent of all previously backlogged cases by the end of FY 2006. Now, the bureau faces large-scale immigration reform as Congress debates pending legislation reform that could significantly affect USCIS' processes and workloads. Specifically, the House of Representatives passed an immigration bill that focuses on strengthening the enforcement of existing immigration law and enhancing border security.<sup>1</sup> The Senate passed a separate bill with provisions to create a guest worker program and a program to legalize undocumented aliens.<sup>2</sup>

If enacted, this legislation could dramatically increase the number of applicants for immigration benefits, also requiring improved biometrics management, and new systems to track guest workers and their employment eligibility. IT modernization will be vital for USCIS to meet these new requirements and overcome its long standing challenges in achieving operational efficiency.

## Results of Audit

### Transformation Strategy Development Continues

The *Government Performance and Results Act of 1993* holds federal agencies responsible for strategic planning to ensure efficient operations and effective use of resources to achieve mission goals.<sup>3</sup> However, at the time of our September 2005 report, USCIS had not implemented a consolidated strategy to move from its outdated, paper-based processes to a more efficient electronic environment. Therefore, we recommended that:

**USCIS develop a modernization strategy that includes short- and long-term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration service missions.**

Since our previous report, USCIS has demonstrated progress through the evolution of a bureau-wide, business-driven transformation program. Finalizing and moving ahead with implementation of this transformation program remains a challenge for the bureau nonetheless.

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<sup>1</sup> *Border Protection, Antiterrorism, and Illegal Immigration Reform Act of 2006*, H.R. 4437, 109th Cong., 2nd Session (2006) U.S. House of Representatives.

<sup>2</sup> *Comprehensive Immigration Control Act of 2006*, S. 2611, 109th Cong., 2nd Session (2006) U.S. Senate.

<sup>3</sup> *Government Performance and Results Act of 1993*, Public Law 103-62, August 3, 1993.

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## Business Transformation Has Brought New Direction and Commitment

Over the past year, USCIS has made transformation a leadership-driven priority. The bureau demonstrated progress by defining a solid mission, vision, and supporting principles to guide process improvements and IT modernization efforts. Senior leadership sign-off of these high level plans underscores USCIS' commitment to achieving business transformation objectives.

USCIS' establishment of its Transformation Program Office (TPO) in November 2005 is a positive step toward modernization. The TPO provides oversight of modernization activities as well as a centralized management structure for coordinating transformation teams. In February 2006, the TPO established a Governance Plan, which defines the office's roles and responsibilities, as well as the structure of the office and its sub-teams. A corresponding Transformation Program Management Plan defines at a high level the scope, tasks, milestones, and objectives of the transformation effort. In May 2006, the Acting DHS Chief Financial Officer authorized \$25 million to complete the program planning phase. Subsequently, in June 2006, USCIS submitted an "exhibit 300" business case to the Office of Management and Budget, outlining the purpose, benefits, and justification for continued transformation funding. The TPO drafted a concept of operations to help validate its approach to instituting new business processes and systems. These achievements, as well as additional key milestones, are summarized in the chart below. (See Figure 1.)

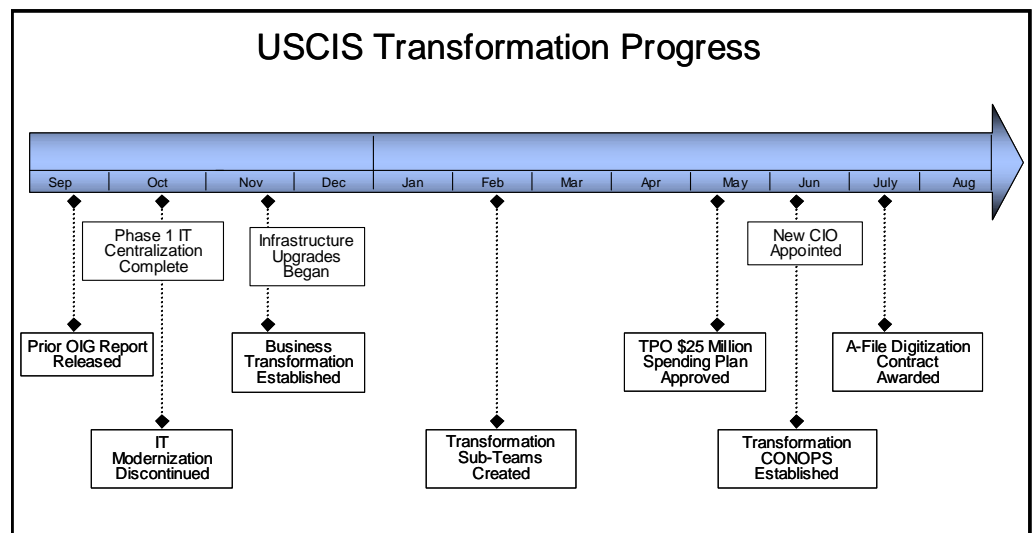


Figure 1: USCIS Transformation Progress Since September 2005 OIG Report

Senior-level endorsements and communications to internal stakeholders are expected to generate broad acceptance of transformation throughout the



bureau. For example, the DHS Secretary’s “Second Stage Review,” providing an assessment of the department’s organization structure, policies, and operations in June 2006, discussed USCIS’ outdated IT environment and the need for modernization. Further, numerous USCIS senior executives compared the current business transformation with previous IT efforts, indicating that program success is now more likely, given increased leadership and support. For example, by designating transformation as a top priority, the USCIS director has sought to heighten visibility and stakeholder support for the program. Additionally, the director’s 100-day message and USCIS’ monthly newsletter have helped highlight transformation plans and activities.

## Cycle of Continuous Planning

Despite the progress made in transformation planning, USCIS faces challenges in finalizing its approach and advancing to the implementation phase. Because of repeated changes in focus and direction, USCIS has tended to duplicate previous modernization initiatives and has not demonstrated the ability to execute its planned strategies. (See Figure 2). For example, the current transformation approach replicates elements of the former USCIS CIO’s effort to modernize bureau technology. At the time of our September 2005 report, the OCIO had developed portions of a transformation strategy under the title, “IT Modernization.” This CIO effort focused on replacing legacy systems with a new case management system. In April 2005, the DHS Joint Requirements Council approved the mission needs statement for the CIO’s IT Modernization effort. However, in October 2005, USCIS discontinued IT Modernization midstream, replacing it with the broader Business Transformation Program. Although the ongoing transformation effort focuses on upgrading technology to support business objectives, much of the planning conducted under the former CIO’s IT Modernization initiative remains underutilized. For example, as part of IT Modernization, USCIS conducted a market study to identify procurement options and possible vendors and produced a request for proposals. However, the current business transformation program has begun a new market research effort to identify leading practices and procurement options.

**USCIS Modernization Initiatives Since Joining DHS**

| Name                             | Timeframe    | Status    |
|----------------------------------|--------------|-----------|
| Business Transformation          | 2005-Current | On-Going  |
| IT Modernization                 | 2004-2005    | Cancelled |
| Office of Services Modernization | 2003-2005    | Cancelled |

Figure 2: USCIS Modernization Initiatives Since Joining DHS

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Similarly, USCIS has repeatedly developed plans to pilot elements of the transformation program, but has not fully implemented any of these plans. For example, USCIS originally planned to pilot a new process for managing H-1B visas in April 2006, with deployment potentially scheduled for October 2006.<sup>4</sup> However, the director agreed to discontinue this pilot after the TPO determined that the program was unlikely to succeed due to incomplete cost estimates as well as procurement and timing risks. Likewise, in March 2006, USCIS planned a pilot to test end-to-end electronic processing of a limited sample of immigration benefits. USCIS planned to begin this pilot at 25 field offices in its western region in May 2007, and then incrementally roll it out to other locations nation-wide. Although USCIS presented this pilot to the DHS Investment Review Board for approval, the TPO agreed to re-evaluate the scope of the effort after conceding that it was ambitious and possibly needed to be scaled down. As of September 2006, no other business transformation pilots had been executed. By repeatedly revising and delaying implementation of the pilots, USCIS may be losing momentum and user confidence in its transformation approach.

Delays in completing the overarching plans and strategies to guide business transformation have been a concern as well. Several key documents are behind schedule; others, such as a risk management plan and a security plan, have not been developed. More importantly, due to funding uncertainties, USCIS postponed development of the overall transformation strategy from July 2006 to September 2006. Consequently, the bureau has not defined its short- and long-term transformation goals and associated milestones. Until this strategy is outlined, USCIS may have limited ability to prioritize activities, execute plans, or clearly align ongoing projects with overall transformation objectives. Additionally, according to the 2007 Appropriation Act, transformation funding may not be obligated until the Senate and the House Committees receive and approve a USCIS transformation strategic plan that has been approved by the Secretary of Homeland Security and reviewed by the Government Accountability Office.<sup>5</sup>

USCIS' unique funding structure poses major obstacles to transformation planning. Because of the limitations imposed by its fee-based revenue, the bureau continues to look for creative ways to augment appropriations for enterprise-wide transformation. Although USCIS has begun to discuss alternative funding strategies, the bureau has not defined an acceptable acquisition approach to move forward. In July 2006, a contractor completed a review of possible acquisition strategies and provided a wide range of cost estimates, from \$387 million to \$1.4 billion. However, the contractor

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<sup>4</sup> H-1B is a nonimmigrant classification for aliens who will be temporarily employed in specialty occupations, such as accounting, engineering, or law.

<sup>5</sup> *FY 2007 Homeland Security Appropriations Act*, H.R. 5441, 109th Cong., 2nd Session (2006), Title IV.

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concluded that USCIS must finalize its transformation requirements first in order to obtain more accurate costs and risks.

This recommendation will remain open until USCIS finalizes its transformation strategy, including short- and long-term goals, associated milestones, relevant plans, and a funding and acquisition approach.

## Challenges In Centralizing IT Resources

According to DHS Management Directive 0007, the CIO of each DHS component is responsible for managing its IT budgets and resources.<sup>6</sup> As we reported in September 2005, although USCIS had taken some steps to place major IT projects under the control of its CIO, the bureau continued to operate with a decentralized IT management structure. Therefore, we recommended that:

**USCIS complete implementation of plans to centralize IT by placing all IT employees, budgets, and systems under the CIO's authority and control.**

Since our 2005 report, USCIS has made additional progress in realigning its IT employees to report to the CIO. However, centralization of the remaining IT employees, as well as IT assets and budgets, is on hold while organizational improvements are made.

## IT Realignment and Organizational Improvements

USCIS has made considerable progress in accomplishing the first phase of its IT staff integration effort. In October 2005, USCIS transferred 90 technical positions and administrative staff from its four service centers, the National Records Center, and the National Benefits Center to report to the bureau CIO. This initial realignment has yielded a number of benefits to IT personnel. For example, a number of IT staff in field locations said that they now have greater awareness of OCIO operations and activities. Increased use of teleconferences, emails, and working groups has helped unify IT staff across headquarters and field locations. To illustrate, the OCIO now holds weekly conference calls with its IT field area directors to improve communications and coordination.

Additional realignments of IT assets are planned for FY 2007, pending completion of related organizational improvements currently underway.

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<sup>6</sup> *Information Technology Integration and Management*, Department of Homeland Security Management Directive System, MD Number 0007, October 14, 2004.

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Specifically, USCIS recently hired a new CIO to restructure the IT organization and implement a number of initiatives to address internal control deficiencies identified in its FY 2006 self-assessment. According to the study, OCIO met fewer than 10 percent of the internal control standards established by the Government Accountability Office to measure operational performance. The most significant weakness was a lack of permanent OCIO staff to manage and deliver IT services in support of the USCIS mission. Additional deficiencies involved strategic planning, IT security, program and contractor oversight, communications, training, and performance management.

To address these deficiencies, the new CIO has made organizational restructuring—particularly in the areas of IT security, enterprise architecture planning, and IT service management—a top priority. In July 2006, the CIO released a request for quotations to acquire IT consulting assistance for this restructuring effort, as well as to adopt leading practices in IT service delivery. Instituting the “IT Infrastructure Library” (ITIL), a federal framework for IT service management, is one such leading practice. USCIS plans to identify the new OCIO structure and fully define supporting IT business processes and internal controls in October 2006.

To address the IT staff shortages, the OCIO developed a recruiting plan to fill key positions, starting with IT security. Since July 2006, the OCIO also worked to reduce the number of contractor positions performing inherently government functions. These staffing improvements are to increase the OCIO’s ability to accomplish its mission with a permanent workforce and adequate contractor oversight. In the long run, such reductions also are expected to result in a more balanced mix of government and contractor employees, as well as cost savings.

Other OCIO improvements underway include heightened focus on improving employee and project management practices. For example, in July 2006, the office developed a new CIO newsletter, “More About the OCIO,” which will be issued on a regular basis. The newsletter will provide up-to-date information about key projects, workforce changes, and other issues of concern to the CIO. Training also is underway for IT project managers, as a means of standardizing their management practices and improving their skills.

## **Continuing IT Management Difficulties**

Although the OCIO organizational improvements constitute positive steps forward, a number of challenges hinder day-to-day operations. For example, USCIS placed the remaining consolidations of IT staff from organizations such as district offices and asylum offices on hold while the organizational

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improvements are underway. According to the OCIO's FY 2006 self-assessment and a number of employees that we interviewed, IT field staff not yet realigned to report to the CIO continue to perform various services and functions in a decentralized manner.

For example, in the absence of OCIO guidance on system life cycle management, field IT staff continue to develop non-standard systems that may not integrate with the enterprise-wide infrastructure. This proliferation of non-standard systems has created a number of concerns for the OCIO. For example, after recently beginning efforts to upgrade its field offices to Windows XP, USCIS found that a number of locally developed applications were not compatible with the new MS Office operating system. According to a USCIS Corrective Action Plan and Milestones developed in response to our previous report, the OCIO is building a systems inventory to help identify and eliminate applications developed in field offices outside of its control.

Further, IT employees who have already moved to the OCIO lack adequate support in some areas. According to several field IT staff, the OCIO has not provided adequate guidance or sufficiently addressed their basic administrative needs since realignment. They said that the OCIO also has not defined clearly the processes and reporting structure for personnel, training, and budget management. For example, several employees recalled having to fax their leave requests to several different contacts at headquarters numerous times to obtain the required approvals. In addition, one field official had difficulty getting funding for basic expenses such as local travel, overtime, and postage.

Historical concerns regarding OCIO budget management and spending practices have resulted in increased USCIS oversight of the office's IT spending. USCIS employs a range of internal controls to review and approve spending. Although the OCIO budget is mainly used for operations and maintenance of existing systems, additional IT expenses are subject to these overarching internal control processes, which involve review and approval by business and IT representatives from across the bureau.

However, many OCIO personnel expressed concerns about a lack of IT representation in the investment management decision-making. USCIS officials stated that business representatives also are too heavily involved in system and infrastructure change decisions that require considerable technical knowledge and expertise. For example, one IT official described the oversight process as "broken," citing an instance in which OCIO presented a clear case to a senior review board for potential cost savings through network enhancements. However, one business member repeatedly voted against the IT proposal, effectively killing the program when consensus approval could

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not be achieved. The IT official concluded that not having the right mix of business and technical representation may lead to ineffective IT decisions.

This recommendation will remain open until USCIS addresses its organizational deficiencies and makes demonstrable progress in centralizing its IT resources.

## **Ongoing Efforts to Link OCIO Objectives to the USCIS Strategy**

According to the Office of Management and Budget, an agency's IT plan should support its strategic plan and should describe how information resources will be used to help accomplish the agency's mission.<sup>7</sup> Although centralized IT is key to executing this planning guidance, we reported in September 2005 that USCIS' IT programs and services were neither centrally nor strategically managed. Instead, IT initiatives were planned and implemented in an ad hoc manner to respond to immediate needs. Accordingly, we recommended that:

**USCIS ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCIS strategy.**

In recent months, USCIS has taken steps to strategically align its business transformation program objectives with the overarching DHS strategy. OCIO efforts also are underway to strengthen investment management controls and enhance coordination between business and IT organizations. However, OCIO has not clearly linked its IT objectives and initiatives with USCIS goals to ensure that technical solutions and services meet bureau needs effectively.

## **Progress in Applying IT to Support Mission Business**

The TPO linked the business transformation program both with the DHS and the USCIS strategic plans. For example, the TPO has taken steps to ensure that its Transformation Program Management Plan supports key mission themes, including prevention, service, and organizational excellence, outlined in the DHS strategic plan. Additionally, four priorities outlined in the USCIS strategic plan are included in the Transformation Program Governance Plan. The four priorities are providing accurate and useful information to customers, granting immigration and citizenship benefits, promoting awareness and

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<sup>7</sup> *Management of Federal Information Resources*, Revision of Management and Budget Circular A-130, Transmittal 2, July 15, 1994.

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understanding of citizenship, and ensuring the integrity of the immigration system.

Further, USCIS strengthened its investment management review processes to better ensure that programs and initiatives align with the bureau's strategy. Specifically, in October 2005, USCIS instituted a bureau-wide governance structure, consisting of at least four review boards responsible for reviewing and approving investments to meet agency business needs. Investments are identified for review based on a range of criteria, including cost, technical impact, and mission priority or criticality. Currently, these boards constitute the foremost means of overseeing management and spending related to both IT and non-IT initiatives. As previously discussed, although USCIS intends the various boards to have crosscutting leadership, most representatives are from business rather than technical bureau components, resulting in inadequate IT expertise to make key systems decisions.

Over the past year, USCIS has sought ways to better coordinate and align business and IT initiatives. According to its FY 2006 internal controls self-assessment, the OCIO does not effectively communicate with system owners to determine how IT can be applied to support business needs. A number of IT leaders said that this gap is the result of poor communication between IT managers and line of business representatives. USCIS has instituted a number of mechanisms to increase coordination and foster more productive working relationships. For example, the USCIS Chief of Staff recently began hosting weekly meetings to bring together IT and business representatives to discuss project milestones, progress, and cost issues. According to one senior USCIS official, the meetings have helped IT and business leaders understand each other's roles better and they now are making progress toward achieving common goals.

Further, OCIO improved its technical services and support for business operations. In June 2006, OCIO created a new staff position with responsibility for building IT strategic planning and financial management capabilities, such as earned value management and cost estimating. The incumbent has been helpful in instituting new OCIO processes, policies, and standards, such as the previously mentioned ITIL framework for IT service management. A number of senior officials expect that these improvements will support development of the OCIO budget in alignment with the bureau's strategic objectives. Additionally, OCIO has organized much needed training to improve program and project management, as well as financial planning. Once implemented, these efforts are expected to enhance technical services and management capabilities and help OCIO better monitor and control IT programs and operations.

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## Improved IT Management and Tools Are Needed

Despite the steps taken to align IT and the business, IT strategic planning within the OCIO could be improved. Specifically, a prior CIO developed the existing five-year IT strategic plan in July 2004. Some believed that the existing plan is not fully effective, characterizing it as more of a general, high level business plan than an executable IT strategy. Officials also said that the transformation program does not include measurable performance goals. As such, a number of USCIS personnel concluded that OCIO needs to start over and develop a new IT strategic plan that reflects current priorities. Such a strategy, along with performance goals and measures, would provide more actionable guidance for meeting Office of Management and Budget planning requirements and supporting DHS and USCIS mission goals.

Further, the CIO does not have central authority to budget, track, or link all IT expenditures to USCIS mission objectives. Rather, the CIO relies upon informal and inconsistent mechanisms to prioritize and help manage IT programs and initiatives. One of the few methods available to align proposed investments with the bureau strategy is through the Office of Management and Budget's "exhibit 300" process. However, this practice is insufficient because it depends on each program manager's individual, subjective assessment of how a proposed initiative will support mission goals. This practice also does not assist in centrally prioritizing or categorizing programs in line with mission critical needs. One senior IT manager characterized this OCIO environment as a reactive one in which IT solutions are implemented in an ad hoc manner to meet pressing business needs. Once initiatives are underway, there also are no standards for project planning or budgeting. Because OCIO project management skills and automated project tracking and reporting tools are lacking, IT project plans do not include detailed cost data consistently, hindering OCIO ability to perform cost or trend analysis for projects over time.

The lack of a mature enterprise architecture to help standardize and align technology with business functions contributes to this decentralized IT environment. USCIS recognizes that an enterprise architecture is critical to support business transformation, as well as IT management. USCIS has established a team to develop such a framework, following Federal Enterprise Architecture guidelines. According to TPO officials, this approach will facilitate early definition of business outcomes, metrics, and processes, followed by development of technical solutions. However, there are significant obstacles to architecture development. Specifically, due to a shortage of OCIO personnel, the development effort is not fully staffed and each of the five architecture reference models is in varying stages of development.



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This recommendation will remain open until USCIS updates its IT strategic plan, centralizes management of its IT expenditures, and applies its enterprise architecture to ensure linkages between its transformation strategy and IT initiatives.

## Process and Systems Improvements Underway

According to the *Paperwork Reduction Act of 1995* and the *Clinger-Cohen Act*, agencies are required to acquire, manage, and use IT to improve mission performance.<sup>8</sup> However, as we reported in September 2005, USCIS faces significant challenges due to inefficient paper-based processes, non-integrated information systems, and inadequate systems access for users. To address these challenges, we recommended that:

**USCIS review, analyze, and reengineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems, and provide systems access to the users who need it.**

In line with our recommendation, USCIS has taken initial steps towards a top-down review of its current immigration benefits processing activities to support the ongoing transformation effort. However, implementing re-engineered business processes is contingent upon first defining a “to be” transaction-based environment and a supporting acquisition approach. Until this is accomplished, the bureau will remain burdened with limited information management capabilities and lengthy forms-driven adjudication processes.

## Developing a Framework for Process and Systems Improvements

Over the past year, USCIS has taken steps to build a framework for business process improvement. For example, as previously stated, in June 2006, USCIS completed a concept of operations for moving from the current forms-based adjudication environment to a transaction-based approach. TPO leadership subsequently circulated the completed draft to selected leaders, field transformation contacts, and external agencies to solicit feedback and comments. According to a USCIS official, distribution of the draft document also served to improve communication between IT and the business regarding new processes and technology in the transformed business environment.

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<sup>8</sup> *Paperwork Reduction Act of 1995*, Public Law 104-13, May 22, 1995; and the *Clinger-Cohen Act* (formerly the *Information Technology Management Reform Act of 1996*), Public Law 104-106, Division E, February 10, 1996.

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Over the past six months, USCIS has mobilized a transformation team to begin process improvement efforts. For example, an integrated design team has begun drafting high level process designs for streamlining adjudication activities, as well as developing business rules and electronic designs for all types of transaction-based forms. Additional work has included identifying ways to ensure that data elements will be accurately and efficiently captured during the conversion from paper-based to electronic forms. Although preliminary, these efforts illustrate USCIS' commitment to enabling electronic forms intake in an automated environment.

Further, USCIS is planning a number of short-term initiatives to support transformation objectives, including electronic records management and systems integration. For example, a Biometric Storage System planned for development in FY 2007 is intended to store and manage personal identification data, such as fingerprints. The system will use enumeration—a process whereby each applicant is assigned a unique numeric identifier—to capture each customer's identity. USCIS will use encryption to ensure secure electronic transmittal of the biometric data. Additionally, USCIS awarded a contract in July 2006 for the creation, standardization, and implementation of digitized technology for electronic management of millions of A-files. The first million A-files are scheduled for digitization within 12 months of project initiation. The results of this effort will be pivotal to transformation, ensuring real-time accessibility of files across USCIS locations and, ultimately, more timely customer service.

Similarly, USCIS' "Enterprise Services Bus" is a project to improve data sharing by tying existing legacy systems together using middleware—a type of software that connects two or more applications so that they can exchange data. This initiative will allow adjudicators to easily view and use information from disparate systems to process related benefits applications in a timely manner. Further, OCIO is building a data dictionary to standardize definition and representation of data elements, such as A-file numbers, across USCIS systems. Development of a logical data model will improve data integration and exchange, both within the bureau and with external stakeholders.

## **Unclear Progress in Process Reengineering and Systems Integration**

Despite these various process and systems initiatives, USCIS progress in improving its benefits adjudication processes is unclear. Over the past several years, USCIS repeatedly began business process reengineering initiatives that never fully delivered results as promised. This situation continues today, resulting in employee confusion about progress made, as well as apprehension concerning bureau plans for future improvements. Some employees are uncertain as to whether business process redesign has begun; others believe

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that the effort has been completed already. In reality, a TPO team drafted “to-be” business process redesigns in December 2005, but has not done much beyond this preliminary planning. Formal process reengineering is not scheduled to resume until the next phase of transformation, after the supporting funding and acquisition strategy have been determined.

Similarly, there have been inconsistent reports regarding progress in gathering business and technical requirements to support transformation. Although several USCIS personnel believe that requirements gathering has not yet started, we became aware of at least one USCIS effort to gather stakeholder and user requirements during transformation planning. Specifically, in December 2005, USCIS held a “Joint Application Development” session involving business representatives at headquarters to identify requirements for building systems to initially support an April 2006 H-1B visa processing pilot. USCIS planned to extend these systems after the test to other benefits processing activities. Although a follow-on session was scheduled for later that month, it never took place and no other requirements gathering sessions have been conducted for this effort. It is unclear how the outcomes from the initial session have been used to support transformation planning. As a result of such confusion, several IT personnel have expressed doubt that USCIS headquarters can conduct enterprise-level requirements gathering successfully to produce meaningful results.

Further, because of the delays in business process redesign, as well as in identifying a viable acquisition approach, development of technical solutions to support business transformation has not started yet. According to a number of USCIS personnel, technical solutions are critically needed to replace the complex, non-integrated, and outdated legacy systems environment. A robust case management system is a principal tool needed to ensure USCIS systems integration and transaction-based adjudication. Although USCIS initially planned to implement some case management system capabilities by October 2006, this pilot has been postponed until completion of the business process redesign needed to guide system development. According to USCIS officials, the bureau used over half of the \$25 million planned for developing basic case management capabilities to develop IT solutions, with the remaining funds applied to business requirements development, project management support, and transformation program planning.

Moving ahead with business process reengineering and systems integration is critical to manage existing immigration benefits processing workloads effectively. Given possible enactment of recently proposed immigration reform legislation that could rapidly increase benefits processing workloads, demonstrable progress in this area is particularly imperative. In anticipation of the reform legislation, USCIS is preparing to institute a congressionally

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proposed Temporary Worker Program, which would allow millions of undocumented immigrants to become eligible for legal employment in the United States. Preparations for managing this influx have included convening working groups to assess technical capabilities and processing readiness, as well as developing contingency plans for swift implementation of the program should it become law. Like our review, these preliminary USCIS assessments and plans have determined that the bureau currently lacks the processing capacity, systems integration, and project management resources needed to manage a potential increase in workloads.

This recommendation will remain open until USCIS demonstrates progress in process reengineering and transitions to an electronic adjudication environment, with successful implementation of an end-to-end business processing pilot test.

## **Infrastructure Upgrades Not Yet Completed as of September 2006**

The *Paperwork Reduction Act of 1995* requires that agencies apply IT to increase the efficiency and effectiveness of their business operations.<sup>9</sup> In September 2005, we reported that USCIS' IT infrastructure was outdated and unstable, hindering the ability of USCIS employees to carry out their work effectively. With the last major IT upgrade completed over 10 years ago, we concluded that the bureau needed an updated infrastructure to increase operational efficiency and productivity. As such, we recommended that:

**USCIS finalize and implement plans to upgrade and standardize IT hardware and software systems to support reengineered processes and systems integration and access improvement initiatives.**

USCIS has made significant improvements by completing infrastructure upgrades at key field locations. However, IT upgrades at the remaining sites are uncertain due to budget constraints. Accomplishing such IT modernization activities will be necessary to prepare for potential increase in workload and technical requirements that could result from proposed immigration reform legislation.

### **Upgrades Completed at Key Sites**

USCIS has made substantial progress in completing hardware and software upgrades at a number of high priority sites. (See Figure 3.) Specifically, as previously stated, as of September 2006, USCIS had successfully upgraded the IT infrastructure at all four service centers, the National Benefits Center,

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<sup>9</sup> *Paperwork Reduction Act of 1995*, Public Law 104-13, May 22, 1995.

the Administrative Appeals Office, and selected eastern region field offices. The cost to upgrade the service centers and portions of the Eastern Regional Office alone was about \$39 million. The upgrades delivered to each site included desktop computers, monitors, printers, and scanners, as well as newer software and network components. This new equipment affects a considerable portion of the bureau's workload, since the four service centers process approximately 65 percent of the total applications that USCIS receives.

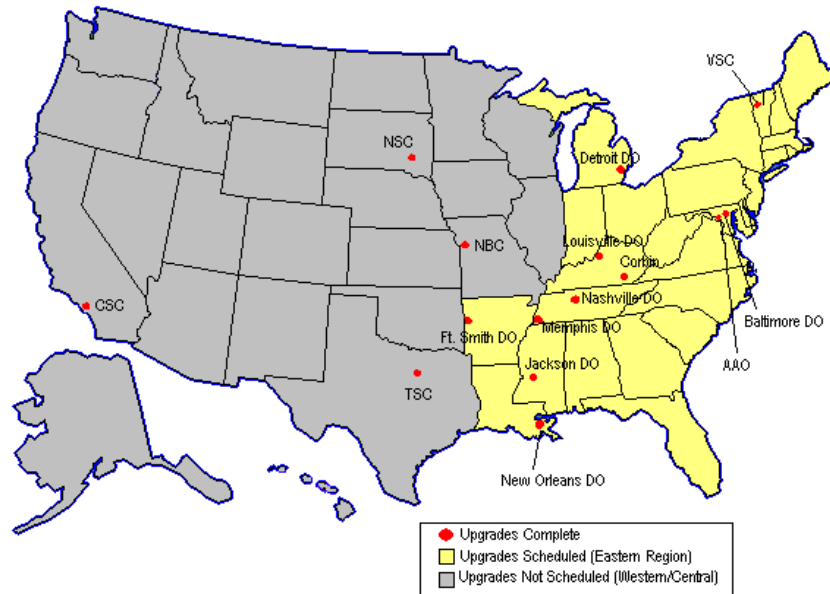


Figure 3: USCIS Infrastructure Upgrades Completed as of September 2006

A key benefit of these upgrades has been a standard desktop configuration to ensure consistent IT capabilities bureau-wide. The updated infrastructure also provides a more stable IT environment, which will increase productivity and provide a foundation for business transformation. For example, upgrading workstations from Windows 95 to Windows XP provides users greater capability, faster system performance, and a solid platform in line with the current industry standard. The upgrades also will support deployment of the advanced technology tools needed to manage digitized case files and support electronic processing. Additionally, OCIO hopes to use the upgrade process as an opportunity to institute asset tracking to better manage workstation inventories.

These initial IT upgrades have met with widespread user approval. Managers, employees, and contractors both at headquarters and in the field consider the upgrades great progress and a good indication that transformation is achievable. Repeatedly, field office personnel told us that the upgrades were well managed and executed. They also appreciated OCIO performing the new

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equipment installations outside of normal business hours to minimize interruptions to their daily work.

## **Funding Approval Needed for the Remaining Upgrades**

USCIS still awaits budgetary approval to move ahead with deployment of new equipment to hundreds of other field locations. USCIS estimates that the additional cost to upgrade the remaining domestic field sites will be approximately \$72 million. However, as of September 2006, the next installment of funding for the remaining locations had not been confirmed yet and corresponding deployment schedules were uncertain. Until all the upgrades are completed, USCIS offices will continue to experience limited productivity, service disruptions, and increased maintenance costs to support the outdated infrastructure.

This recommendation will remain open until USCIS demonstrates that it has funding and a schedule in place to complete infrastructure upgrades at the remaining sites.

## **Limited User Participation in Transformation Planning**

Office of Management and Budget Circular A-11 directs agencies to reduce project risk by involving stakeholders in the design of IT assets.<sup>10</sup> However, according to our September 2005 report, several major system development efforts did not include adequate user input, causing employees to create workarounds or in-house applications to meet their needs. To increase stakeholder commitment to modernization initiatives, we recommended that:

**USCIS ensure representation and participation of users at the various levels from across the bureau in all process reengineering and IT transformation activities.**

Over the past year, USCIS outlined several strategies for increasing stakeholder involvement in its transformation planning efforts. USCIS expects that such strategies will help promote buy-in and minimize the risk that redesigned processes, systems, and IT services may not meet user needs.

## **Approach to Improving User Participation and Outreach**

Since our September 2005 report, USCIS outlined plans for generating broad stakeholder support for transformation activities. USCIS leadership has made

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<sup>10</sup> Circular A-11, Part 7, *Planning, Budgeting, Acquisition, and Management of Capital Assets*, Executive Office of the President, Office of Management and Budget, June 2006.

business transformation a top priority. As such, according to a TPO official, USCIS leadership now is committed to investing time and money to ensure that the organization is well-prepared and educated to operate with the new processes, systems, and tools that will be deployed bureau-wide. The TPO has organized several transformation sub-teams, comprised of subject matter experts from across the organization, to help promote awareness, validate business and technical requirements, redesign processes, and communicate information on transformation progress. An April 2006 Transformation Change Management and Communications Plan outlines the TPO’s strategy for leveraging these sub-teams to improve outreach to users bureau-wide. Figure 4 outlines a number of outreach activities that the Transformation Change Management sub-team has planned to promote bureau-wide awareness and buy-in to the transformation program.

| <b>TRANSFORMATION CHANGE MANAGEMENT<br/>PLANNED OUTREACH ACTIVITIES</b>   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Establish a collaboration site on the DHS network</li> <li>• Map external stakeholders</li> <li>• Benchmark similar efforts</li> <li>• Involve union representation</li> </ul> | <ul style="list-style-type: none"> <li>• Leverage traditional communication vehicles (i.e., intranet, internet, and newsletters)</li> <li>• Conduct site visits to targeted offices</li> <li>• Establish points of contact across USCIS organizations</li> </ul> |

Figure 4: Planned Outreach Activities

For the most part, these outreach activities remain in the planning phase and have not been executed yet. However, USCIS' strategy for conducting site visits, a key element of the outreach approach, has already been finalized. Although USCIS originally planned to begin the site visits in June 2006, travel was delayed until August 2006 due to funding constraints and the need to finalize details related to the visits. The change management team plans to continue the site visits to more than 25 offices across all USCIS regions in fall 2006. The TPO expects to use these visits to provide a transformation overview, conduct focus groups, and interview field leadership regarding their business needs.

Similarly, the TPO has sought new ways to involve users, working in their remote field office locations instead of at headquarters, in transformation activities. For example, the TPO identified points of contact in USCIS field locations to periodically disseminate information on transformation efforts to colleagues in their regions. The TPO also plans to implement a “charter office” concept whereby the TPO, with the help of local users, will conduct

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transformation activities such as requirements gathering and process redesign at selected field locations. These will be the primary methods for targeting experts outside of headquarters, who understand business requirements and expected outcomes, to assist in redesigning processes and developing IT solutions to support transformation.

## **Limited Stakeholder Involvement and Communication**

USCIS expects that its plans for increasing user involvement in transformation activities will reverse problems with limited awareness and commitment to transformation objectives. Up until now, transformation efforts have largely been confined to selected team members at headquarters. Instead of soliciting broad-based input, USCIS structured opportunities for user feedback and participation around a few specific transformation activities. For example, during planning for the H-1B visa pilot, the TPO conducted requirements gathering with a small number of users, primarily at the Vermont Service Center. After discontinuing this pilot, the TPO did not advise participants of this decision or of future pilot plans. Further, the Integrated Design Team had limited user input in documenting transformation process designs. Users at one field office stated that they have witnessed a number of local business process reengineering efforts, but none at a national level. Without adequate input or participation from a range of users, USCIS may develop transformation solutions that may not meet user needs.

As a result of its lack of participation, OCIO awareness and commitment to business transformation has waned. The OCIO has not been consistently involved over the past year as the initial IT modernization program shifted to a more business-driven effort. The prior CIO who began the previous IT modernization was not involved in business transformation. OCIO has had only one full-time representative involved in transformation activities: A detailee from a field location, assigned to the Technology Solution Team. This team had limited involvement in transformation from the outset, as the requirements it needed to support its systems design activities had not been gathered. The team ultimately lost resources and discontinued its work due to funding cuts. Additional OCIO involvement in transformation generally has been limited to IT project managers working on related efforts, such as infrastructure upgrades and data integration. Since joining USCIS in June 2006, the new CIO has taken steps to assist with transformation activities, such as enterprise architecture planning and technical systems design; however, the role that this official ultimately will play in transformation has not been determined.

This recommendation will remain open until USCIS makes additional progress in ensuring representation and participation of users at various levels



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from across USCIS in business process reengineering and IT transformation activities.

## **Conclusion**

USCIS recognizes the unique challenges it faces to reengineer business processes and modernize technology to better accomplish mission objectives. Over the past year, the bureau has undertaken a structured approach to addressing these challenges through its business transformation program. With this program, the bureau has established cross-functional teams with dedicated management participation and generated several strategic level plans, which provide a business-centric vision and guidance for implementing technical solutions. The accomplishments to date are steps in the right direction for both business and IT modernization. However, USCIS remains entrenched in a cycle of continual planning, with limited progress toward achieving its long-term transformation goals.

Overcoming hindrances to moving from planning to implementation is critical to addressing longstanding USCIS process and systems issues and realizing a more effective benefits processing environment. Specifically, obtaining the funding needed to support implementation of the business transformation program is a continual concern. Establishing a clearly defined transformation strategy, including the funding plans, goals, and performance measures needed to manage its execution, is fundamental. Linking IT objectives to this transformation strategy and ensuring sufficient internal and external stakeholder involvement in IT and process improvement initiatives also will be key. Until USCIS addresses these issues, the bureau will not be in a position to either effectively manage existing workloads or handle the potentially dramatic increase in immigration benefits processing workloads that could result from proposed immigration reform legislation.

## **Management Comments and OIG Evaluation**

We obtained written comments on a draft of this report from the Deputy Director, U.S. Citizenship and Immigration Services. We have included a copy of the comments in their entirety at Appendix B.

In the comments, the Deputy Director generally agreed with our follow-up assessment of progress made and provided updates on the status of USCIS efforts to implement each of the six recommendations included in our prior 2005 report. The Deputy Director acknowledged the work that remains to be done and said that transforming USCIS business processes, coupled with updating IT, remains a high priority for the bureau. The Deputy Director

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outlined recent USCIS actions to further its Transformation Program, including development of a long-term Strategic Plan and Acquisition Plan, contract support for process development, and continued site visits to the field. The Deputy Director expressed appreciation for our assessment and offered to provide future updates on transformation progress in each recommendation area.

Specifically, the Deputy Director detailed recent USCIS actions to address our first recommendation, related to ongoing challenges in finalizing and executing the transformation strategy. The Deputy Director outlined the bureau's near-term efforts to ensure more effective planning and management of the Transformation Program, including the completion of a Concept of Operations to accompany the draft Strategic Plan. Further progress is expected when a draft Acquisition Plan becomes available to help identify an approach to transformation funding. We are encouraged by the recent actions completed and believe that the steps outlined mark progress toward reaching a finalized and executable transformation strategy.

Further, the Deputy Director highlighted goals and ongoing plans for addressing our second recommendation related to OCIO centralization. USCIS restated progress made during the past year as a number of IT employees were transferred to the OCIO. The Deputy Director recognized nonetheless that some IT employees and activities still exist outside of OCIO purview. USCIS remains focused on transitioning the OCIO to an enterprise-centric view of IT matched with enterprise standards, planning, governance and controls along with an effectively staffed, structured, and trained OCIO. We appreciate the information provided and believe that these are good steps toward achieving a more centralized IT operation. We look forward to receiving periodic updates as the Deputy Director has promised on progress in this area.

The Deputy Director disagreed with our follow-up determination of limited OCIO involvement in business transformation activities, contrary to our third prior report recommendation. To counter our finding that the OCIO's awareness and commitment has waned, USCIS provided additional evidence of a growing alignment between the Transformation Program and the CIO. Specifically, the Deputy Director stated that the IT office has remained involved over the past year, even while making the transition to a new CIO. Additionally, the Deputy Director described how the new CIO has played a vital role in the USCIS Transformation Program, including serving on the Leadership Team, advising on IT-related issues and planning, and establishing a Federal Enterprise Architecture Branch to complement TPO efforts. The Deputy Director outlined future plans, to strengthen such collaboration by collocating the OCIO and transformation program offices.

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We acknowledge the steps that USCIS has taken to assure alignment between OCIO and the transformation program since the new CIO was hired in June 2006. Indeed, our report discusses such recent improvements as related to enterprise architecture planning and systems design. However, during the course of our review, we found little evidence that the CIO's role in business transformation had been clearly defined. Further, as we state in our report, the prior CIO who began the previous IT modernization was not involved in business transformation. OCIO had only one full-time representative involved in transformation activities: A detailee from a field location, assigned to the Technology Solution Team. This team had limited involvement in transformation from the outset, as the requirements it needed to support its systems design activities had not been gathered. The team ultimately lost resources and discontinued its work due to funding cuts. Additional OCIO involvement in transformation generally was limited to IT project managers working on related efforts, such as infrastructure upgrades and data integration. We recognize USCIS' efforts since then to promote collaboration between its IT and business leaders. We are encouraged by the progress outlined by the Deputy Director and expect that the growing partnership will help ensure that future technologies meet the mission needs of the organization effectively.

The Deputy Director sought to dispel our concern about a lack of progress made in process reengineering and pilot implementation, counter to our fourth recommendation. The Deputy Director stated that USCIS awarded a contract in September 2006 that emphasizes the reengineering of business processes to include the technological solutions that will enable USCIS to effectively meet performance objectives and target metrics. This effort will involve field office participation to ensure that processes are developed in the context for which they will be needed. Further, the Deputy Director said that USCIS plans to develop its first increment of end-to-end electronic processing by summer 2007, starting with inter-country adoption benefit requests. The Deputy Director went on to clarify a statement in our draft report that \$25 million allotted to help develop business capabilities was used solely for program planning activities instead. According to the Deputy Director, over half of the funds were applied to develop new business capabilities, with the remaining funds allocated for business requirements development, project management support, and transformation program planning. We look forward to learning about the results of these planning activities and the funds expended. Updating business processes to enable an end-to-end electronic workflow will be critical to manage existing and potential increases in immigration benefits processing workloads effectively.

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The Deputy Director agreed with our assessment that USCIS has made significant progress in implementing IT infrastructure upgrades, in line with our fifth recommendation to replace aging hardware and software. However, the Deputy Director said that the bureau's efforts in this area continue to be hampered by resource constraints. We believe it will be critical for USCIS to prioritize and determine an approach to funding IT upgrades at remaining sites in order to prepare for future transformation initiatives.

Finally, in response to our follow-up assessment of user participation in transformation activities per our sixth recommendation, the Deputy Director highlighted USCIS progress in outreach to its field employees through site visits. During the past two months, the Deputy Director said, the TPO has traveled to various field locations to provide briefings and conduct focus groups on transformation. The TPO believes that its progress in completing over 25 field visits has further engaged field leadership and staff in the transformation program. We agree that such outreach to field sites is key and urge USCIS to continue to solicit input from field employees who complete most of the day-to-day benefits processing and therefore may have invaluable insights to offer.

We began our follow-up audit by researching new developments and information related to USCIS immigration benefits processes and systems since our September 2005 report. Specifically, we examined proposed immigration reform legislation, which may result in potentially dramatic increases in USCIS benefits processing workloads. We reviewed recent Government Accountability Office (GAO) and OIG reports that discuss USCIS' backlog elimination program and its effort to automate immigration files. We also met with the prior USCIS CIO to learn about changes in the bureau's IT modernization efforts and supporting organization structure. In line with our compliance follow-up responsibility, we evaluated documents that USCIS provided in December 2005 and May 2006, including updated action plans and milestones, on bureau activities to address our September 2005 report recommendations. Using this information, we designed a data collection approach, consisting of focused interviews and documentation analysis, to conduct our follow-up review. We developed a series of questions and discussion topics to facilitate our interviews.

Subsequently, we conducted a range of interviews at USCIS headquarters and field offices and gathered supporting documentation to meet our audit objectives. At headquarters, we interviewed senior USCIS business leaders, including the new Chief of Staff and Chief Financial Officer, to discuss their roles and responsibilities related to USCIS business and IT modernization. We were particularly interested in transformation planning, process reengineering, requirements gathering, and pilot program implementation activities. We collected numerous documents from these officials about USCIS accomplishments, current initiatives, and future plans for transformation.

Further, we met with USCIS' new CIO to discuss this official's approach to managing IT across the organization, as well as ongoing plans for organizational restructuring. We interviewed OCIO personnel to learn about the office's efforts to centralize IT personnel and upgrade and standardize IT hardware and software bureau-wide. OCIO managers discussed accomplishments in implementing the desktop upgrades, while OCIO employees discussed the office's involvement with transformation and IT investment management processes. To support their comments, these officials provided copies of OCIO reorganization plans, as well as documentation regarding IT systems, budgets, and operations.

Additionally, we visited four USCIS field locations where we toured facilities and interviewed senior managers, IT specialists, and various other employees. We discussed the recent IT staff reorganization, local IT development practices, and user involvement and communications with headquarters concerning transformation. We gathered information input on current IT

development initiatives and learned about system requirements specific to field offices. We sought to evaluate existing practices for managing IT in the field and the extent to which headquarters provides tools needed by field users. Where possible, we obtained reports and other materials to support the information they provided during the interviews.

We conducted our review from June 2006 to August 2006 at USCIS headquarters in Washington, DC, and at USCIS field locations in Burlington, Vermont and Boston, Massachusetts. We performed our work according to generally accepted government auditing standards.

The principal OIG points of contact for this audit are Frank Deffer, Assistant Inspector General for Information Technology Audits, and Sondra McCauley, Director, Information Management. Major OIG contributors to the audit are identified in Appendix C.

U.S. Department of Homeland Security  
20 Massachusetts Avenue, NW  
Washington, D.C. 20529



U.S. Citizenship  
and Immigration  
Services

NOV 13 2006

**To:** Frank Deffer  
Assistant Inspector General  
Information Technology

**From:** Jonathan Scharfen  
Deputy Director

**Re:** OIG Draft Report: U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology

We appreciate the opportunity to review and comment on the subject report and generally agree with your summary as to the status of our progress in addressing the issues you raised in your 2005 report. We acknowledge that we still have a great deal to do. I want to assure you that transforming our business processes coupled with updating our information technology (IT) remains a high priority for USCIS. Your insight to our challenges and recommendations for improvement will continue to serve us well.

Below is an update on the status of actions that are underway to address the 2005 recommendations.

**1. Develop a modernization strategy that includes short and long-term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration services mission.**

Recent initiatives will enable USCIS to engage in more effective planning and program management. We have drafted a long-term Strategic Plan that is being reviewed by the Transformation Leadership Team. The Concept of Operations document was finalized on October 11, 2006, and by mid-November 2006, we will have a draft Acquisition Plan. USCIS will continue to provide you with these and other documents that address progress in our transformation efforts.

**2. Complete implementation of plans to centralize IT by placing all USCIS IT employees, budgets, and systems under the CIO's authority and control.**

As noted in the report, we have made some progress in the transfer of IT employees from non-Office of the Chief Information Officer (OCIO) business units in USCIS. However, some IT series employees are still in non-OCIO business units and some autonomous IT activities still exist

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staffed, trained and structured OCIO. Toward this end, we are pressing ahead to continue to make progress in this area and will provide the OIG regular updates on our progress.

**3. Ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCIS strategy.**

The report suggests that the OCIO's awareness and commitment to business transformation has waned. We disagree with that assessment. The OCIO has remained involved over the past year, even while making the transition to a new Chief Information Officer (CIO). Throughout the summer, the Transformation Program Office (TPO) has worked with OCIO government and contractor staff to ensure alignment of progress. Some members of the OCIO team not working in Washington DC naturally had less interaction with the TPO by the very nature of their physical proximity to the TPO.

The Acting CIO who is credited in the report with beginning the current IT Transformation effort was a key member of the Transformation Leadership Team from its inception. The role of that team is to ensure strategic alignment of Transformation plans and initiatives and to authorize investments, strategies, and key planning documentation such as the Governance Plan, the Concept of Operations document, and the Strategic Plan.

The new CIO has a clear and vital role in the USCIS Transformation Program. In addition to sitting on the Transformation Leadership Team, the CIO has been working with the Acting Transformation Program Manager on issues such as procurement of new capabilities, development of Federal Enterprise Architecture, and increment planning. In fact, since the initial briefing with the CIO, the TPO restructured its organization to ensure the two organizations complement one another. The move to dissolve the Technical Solution Team in favor of a Federal Enterprise Architecture Branch was the result of tactical alignment between the OCIO and the TPO. The hiring process to staff the Federal Enterprise Architecture Branch has begun; however, the first round of candidate reviews ended in non-selection. Going forward, the OCIO and TPO will also collocate office space to ensure both organizations continue to foster a collaborative and productive transformation partnership.

**4. Review, analyze, and re-engineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems and provide system access to the users who need it.**

We awarded a program support contract on September 2, 2006, that emphasizes the reengineering of business processes to include the technological solutions that will enable USCIS to effectively meet performance objectives and target metrics. This effort will consist of field office participation to ensure that processes are developed in context and in the environment in which they will need to prove successful. We have begun such development with inter-country adoption benefit requests and expect that during the summer of 2007, an end-to-end electronic process will exist from which information relating to performance and capabilities can be obtained to fuel future increments. We will keep you apprised of progress of this key initial development effort.



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We would like to clarify your statement that USCIS has used \$25 million planned for developing basic case management capabilities to complete transformation program planning instead. Of this \$25 million, \$16 million went for new business capabilities to include biometric storage, enumeration capability, a digitization repository and the electronic case management capability needed for the inter-country adoption pilot referred to above. The remaining \$9 million was allocated toward business requirements development and project management support for these new capabilities, as well as to transformation program management and planning to ensure that individual projects are aligned with strategic and tactical program goals.

**5. Finalize and implement plans to upgrade and standardize IT hardware and software systems to support re-engineered processes and systems integration and access improvement initiatives.**

As identified in the report, progress has been made in our Service Centers and a few District Offices. However, this effort has been hampered further by resource constraints.

**6. Ensure representation and participation of users at the various levels from across USCIS in all process re-engineering and IT transformation activities.**

During the past two months, the TPO has traveled to more than 25 USCIS field offices, Service Centers, Telephone Centers, Regional Offices, and Asylum Offices to provide briefings on transformation for USCIS and union leadership. Nearly all of these presentations were followed by focus groups with supervisors, executives, union leadership, and trainers. Additionally, the TPO has provided briefings at each of the three Regional Conferences and one International District Office Conference.

The TPO believes these visits are just the beginning of the effort to engage field leadership as well as rank and file USCIS staff in the Transformation Program. As those efforts expand, and as analysis of the feedback obtained in the focus groups become available, we will keep you apprised of its efforts in this area.

In closing, we too express our appreciation for the members of your team who participated in drafting the report. If you have any questions please contact Kathleen Stanley, USCIS Audit Liaison.

cc: Inspector General

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