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Description of document:	Department of Homeland Security (DHS) "talking points" papers and discussions of the contexts of the talking points, 2005-2010 *
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Source of document:	U.S. Department of Homeland Security Privacy Office Director, Disclosure & FOIA 245 Murray Drive SW, Building 410 STOP-655 Washington, D.C. 20528-0655 Fax: 703-235-0443 E-mail: foia@hq.dhs.gov
Note:	Release is in two parts: "talking points" papers (322 pages) and related email (359 pages)
Note:	* Some records are undated

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U.S. Department of Homeland Security
Washington, DC 20528

Homeland Security

June 21, 2011

Re: **DHS/OS/PRIV 11-0141**

This is the final response to your Freedom of Information Act (FOIA) request to the Department of Homeland Security (DHS), dated November 28, 2010. You are seeking records, to include email and document files, of Larry Orluskie for any documents that contain the phrase "talking points" from January 1, 2008 to present. Your request was received in this office on December 13, 2010.

In a phone conversation with member of our staff on December 29, 2010, you agreed to narrow the scope of your request to include "talking points" papers and any discussions of the contexts of the talking points.

A search of for documents responsive to your request produced a total of 681 pages. Of those pages, I have determined that 401 pages of the records are releasable in their entirety, and 280 pages are partially releasable pursuant to Title 5 U.S.C. § 552 (b)(6) and (b)(7)(E), FOIA Exemptions 6 and b7(E).

FOIA Exemption 6 exempts from disclosure personnel or medical files and similar files the release of which would cause a clearly unwarranted invasion of personal privacy. This requires a balancing of the public's right to disclosure against the individual's right to privacy. The privacy interests of the individuals in the records you have requested outweigh any minimal public interest in disclosure of the information. Any private interest you may have in that information does not factor into the aforementioned balancing test.

Exemption 7(E) protects records compiled for law enforcement purposes, the release of which would disclose techniques and/or procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law. I determined that disclosure of checkpoint locations could reasonably be expected to risk circumvention of the law. Additionally, the techniques and procedures at issue are not well known to the public

You have a right to appeal the above withholding determination. Should you wish to do so, you must send your appeal and a copy of this letter, within 60 days of the date of this letter, to:

Associate General Counsel (General Law), U.S. Department of Homeland Security, Washington, D.C. 20528, following the procedures outlined in the DHS regulations at 6 C.F.R. § 5.9. Your envelope and letter should be marked "FOIA Appeal." Copies of the FOIA and DHS regulations are available at www.dhs.gov/foia.

The Office of Government Information Services (OGIS) also mediates disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. If you are requesting access to your own records (which is considered a Privacy Act request), you should know that OGIS does not have the authority to handle requests made under the Privacy Act of 1974. If you wish to contact OGIS, you may email them at ogis@nara.gov or call 1-877-684-6448.

Provisions of the FOIA allow us to recover part of the cost of complying with your request. In this instance, because the cost is below the $14 minimum, there is no charge. 6 CFR § 5.11(d)(4).

If you need to contact our office again about this matter, please refer to **DHS/OS/PRIV 11-0141**. This office can be reached at 703-235-0790.

Sincerely,

Eric Neuschaefer
FOIA Program Specialist

Enclosures: As stated, 681 pages

Department of Homeland Security (DHS)
"talking points" papers (322 pages)

Border Security Fencing, Infrastructure, and Technology

GAO, in its 2007 review of the BSFIT expenditure plan, said the Department's metric for Boeing contract performance – "control of 6,000 miles of border" was too vague, lacking specific overall schedule and funding constraints. DHS will have to address this issue as the current SBInet contract expires, and DHS must decide whether to extend or re-compete the current contract, or proceed in some other fashion.

Question:

11) What are the Department's views about re-competing the integrator contract, or in fact using any integrator at all? **(CBP)**

ANSWER: The Department intends to consider and evaluate all options for the future of the SBI*net* contract. The existing contract has additional options for extension. One advantage of the existing contract is its flexibility. It is an Indefinite Delivery / Indefinite Quantity (IDIQ) contract, which means that we can put as much or as little work on it as might be appropriate. Extending the contract, then, merely extends our flexibility to use it—but does not commit us to buying new effort. Extension also allows us to maintain continuity of effort for things like maintenance and support. However, as SBI*net* matures, we may not require the services of an integrator for future deployments (if there are any). Under those circumstances, re-competition could take two forms: a new competition for an integrating contractor (either as a strong prime contractor or as a lead system integrator) or multiple competitions for the individual pieces of the system. Re-competition may offer cost savings if it reduces the add-on costs for the integrating contractor, but incurs a certain risk that new contractors may have difficulty replicating the former contractor's results. In addition, a new contractor might result in multiple configurations of systems—which tend to increase the cost and complexity of operations and maintenance. As indicated in the Secretary's recent announcement, the Department is re-assessing the overall program. That assessment could lead to conclusions regarding the overall feasibility of the program..

12) If a new contract is negotiated, what changes should be made, based on experience with the current contract? **(CBP)**

ANSWER: While we have found ways to work within the existing contract, it could be improved in several areas. First, it has a series of tasks that are not as tightly connected as they should be. For SBI*net*, that means there is no single task that delivers the complete SBI*net* system. An improvement would be to link all of the required tasks into one task to deliver an end product. Another improvement relates to the program requirements—they were not well-defined at the start and they are still not as well-defined as they should be. A third improvement relates to program milestones and incentives. An more refined structure would have had explicitly defined milestones linked to contractor performance incentives for achieving those milestones on cost, schedule, and performance.

Question:

13) Should it have more specific performance parameters, to include spending ceilings and timelines?
(CBP)

ANSWER: As noted in the answer above, there are areas that could be improved in the current contract that relates to the lack of specific milestones linked to cost, schedule, and performance targets. A new or revised contract should address that area. In addition, since most of the developmental work is now completed, there is much less uncertainty about the system design—which means that a future contract should not require as much cost-reimbursable effort as the past contract had. As a developmental system matures, it makes more sense to move away from cost-reimbursable contract types to fixed price contract types.

Congressional requests for records

Nothing has change here, at least from the Chief FOIA Officer's perspective.

Anyone is entitled to public records of the government. Records with Privacy Act-protected information, privacy sensitive information, or information not otherwise available to the public (business confidential information, law enforcement information, classified intelligence) is not made available to the public.

Non-public information is made available to the Congress, either house, or a committee or subcommittee of competent jurisdiction. Staffers, members of Congress, and even ranking members do not constitute committees, a house, or the Congress. There must be some indicia that Congress is asking for the non-public record before it is produced. Typically, a letter from a committee, signed by the chair of the committee, or a request by a member during a committee hearing, will constitute sufficient indication. When non-public records are produced, they are often marked, and a letter apprising the committee of the non-public nature of the records always accompanies the records.

Limiting access to non-public records protects the persons and business whose information is being provided to Congress. It also protects the Executive branch employees and officials responding to the request, as well as the staffer or member of Congress making the request. There are often civil or administrative penalties associated with the unauthorized release of non-public information, to include the originator and recipient of the records.

Homeland Security Progress on 9/11 Commission Recommendations

Radio spectrum for first responders

Pre-9/11

Limited or no capability of first responders from different jurisdictions to communicate with each other

"The inability to communicate was a critical element at the World Trade Center, Pentagon, and Somerset County, Pennsylvania, crash sites, where multiple agencies and multiple jurisdictions responded. The occurrence of this problem at three very different sites is strong evidence that compatible and adequate communications among public safety organizations at the local, state, and federal levels remains an important problem" (pg. 397).

"Within minutes of impact, Port Authority police officers from the PATH, bridges, tunnels and airport commands began responding to the WTC. The PAPD lacked written standard operating procedures for personnel responding from outside commands to the WTC during a major incident. In addition, officers from some PAPD commands lacked interoperable radio frequencies. As a result, there was no comprehensive coordination of PAPD's overall response" (pg. 293).

Post-9/11

Since fiscal year 2003, DHS has provided approximately $3B for communications interoperability initiatives; this year the department is also co-administering, along with the Department of Commerce, an additional $968M provided to states and territories through the Public Safety Interoperable Communications grant program

SAFECOM program was established in 2003 to aide development and adoption of multi-jurisdictional interoperable communications plans

Tactical-level interoperability achieved in 10 high-threat urban areas in 2004 through the RapidCom program

DHS released the National Interoperability Baseline Survey in December 2006; survey results from 22,400 randomly selected law enforcement, fire response, and emergency medical services (EMS) agencies confirms that roughly two-thirds of emergency response agencies across the nation use interoperable communications to varying degrees

DHS released scorecard assessments in January 2007 of the interoperable communications capabilities and gaps of 75 urban and metropolitan areas nationwide

DHS and the Department of Commerce are administering the $1B Public Safety Interoperable Communications grant program; awards for state and local first responder agencies announced July 2007

Incident Command System

Pre-9/11

Adoption of Incident Command System (ICS) in domestic incident management was not required but was used by some police and fire departments, as well as federal, state and local authorities

"Emergency response agencies nationwide should adopt the Incident Command System (ICS). When multiple agencies or multiple jurisdictions are involved, they should adopt a unified command. Both are proven frameworks for emergency response. We strongly support the decision that federal homeland security funding will be contingent, as of October 1, 2004, upon the adoption and regular use of ICS and unified command procedures. In the future, the Department of Homeland Security should consider making funding contingent on aggressive and realistic training in accordance with ICS and unified command procedures" (pg. 397).

Post-9/11

DHS requires state and local grant recipients to adopt National Incident Management System (NIMS) and ICS at all jurisdictional levels as a condition of receiving grant funding

NIMS/ICS and NRP used for training first responders and for coordination during emergencies

Developed NIMS/ICS compliant information system architectures to support the Unified Incident Command activities

Developed NIMS/ICS compliant simulation based training system for first responders to handle multi-jurisdictional events

Risk-based homeland security funds

Pre-9/11

National security and counterterrorism funds were not appropriated based upon risk

"Homeland security assistance should be based strictly on an assessment of risks and vulnerabilities. Congress should not use this money as a pork barrel" (pg. 396).

Post-9/11

100% of Urban Area Security Initiative (UASI) funds are awarded based on risk and effectiveness

With the fiscal year 2007 funding, the department will have invested nearly $20 billion in local planning, organization, equipment, training, and exercises

DHS allocated the maximum amount statutorily possible based on risk and effectiveness under the Homeland Security Grant Program

Created a risk tier system to ensure that high-risk urban areas get the majority of the funding

Critical infrastructure assessment

Pre-9/11

No integrated national policy to identify threats and address vulnerabilities in critical infrastructure

"The Department of Homeland Security and its oversight committees should regularly assess the types of threats the country faces to determine (a) the adequacy of the government's plans-and the progress against those plans-to protect America's critical infrastructure and (b) the readiness of the government to respond to the threats that the United States might face" (pg. 428).

Post-9/11

DHS created the National Infrastructure Protection Plan (NIPP), a historic and unprecedented public/private partnership to identify and protect the Nation's critical infrastructure and key resources

Completed 17 sector-specific plans as part of the NIPP

DHS unified disparate critical infrastructure grant programs into the Buffer Zone Protection Program, Port Security Grant Program, and Transit Security Grant Program

Since fiscal year 2002, the Infrastructure Protection Program (IPP) grants have provided approximately $2B for all IPP-related programs

Chemical Security: released an aggressive and comprehensive set of proposed regulations that will improve security at high-risk chemical facilities

Released rule reducing risk for hazardous rail shipments

Identified list of 2,100 nationwide critical infrastructure assets most at risk and developing programs to protect them

Private sector preparedness

Pre-9/11

No national standard for private sector emergency preparedness

"We endorse the American National Standards Institute's recommended standard for private preparedness… We believe that compliance with the standard should define the standard of care owed by a company to its employees and the public for legal purposes. Private-sector preparedness is not a luxury; it is a cost of doing business in the post-9/11 world. It is ignored at a tremendous potential cost in lives, money, and national security" (pg. 398).

Post-9/11

Private Sector Office created; increase in private sector participation in federal training, exercises, and preparedness

Created *Ready Business* campaign and *Ready Business* Mentoring Initiative

DHS endorsed and recognized ANSI/NFPA 1600 (the National Preparedness Standard) as an all-hazards preparedness standard for use by all businesses and organizations

National Strategy for Transportation Security (NSTS)

Pre-9/11

Nonexistent

"The U.S. government should identify and evaluate the transportation assets that need to be protected, set risk-based priorities for defending them, select the most practical and cost-effective ways of doing so, and then develop a plan, budget, and funding to implement the effort. In measuring effectiveness, perfection is unattainable. But terrorists should perceive that potential targets are defended. They may be deterred by a significant chance of failure" (pg. 391).

Post-9/11

The initial NSTS was delivered to Congress in September 2005. A required update to the NSTS was submitted to Congress in August 2006. Supporting the National Infrastructure Protection Plan (NIPP), TSA and its partners completed the Transportation Sector-Specific Plan (TSSP) establishing the sector's strategic approach. TSA will replace the NSTS with the NIPP-TSSP to reduce Federal Government and stakeholder confusion by minimizing the total number of closely related but overlapping transportation security strategy documents and simplify the structure of the strategic plans, resulting in increased understanding of the purpose and their use among Federal partners; State, local, and tribal governments; and the private sector.

Airline passenger pre-screening

Pre-9/11

Passenger information collected from airlines on voluntary basis only for international flights. No single list of suspected terrorists existed or was shared among U.S. agencies

"The small terrorist travel intelligence collection and analysis program currently in place has produced disproportionately useful results. It should be expanded. Since officials at the borders encounter travelers and their documents first and investigate travel facilitators, they must work closely with intelligence officials" (pg. 385).

"Information systems able to authenticate travel documents and detect potential terrorist indicators should be used at consulates, at primary border inspection lines, in immigration services offices, and in intelligence and enforcement units" (pg. 385).

Post-9/11

100% of passengers are now screened

Advance Passenger Information System (APIS) implemented and supported by Passenger Name Record (PNR) which looks for "identifiable…indicators of risk"

Pre-departure APIS requirement will take effect in 2008 to enable pre-boarding No-Fly and Selectee checks for international flights and to take the watch list out of foreign air carrier hands.

Terrorist Screening Center (TSC) consolidated watch lists and provides 24/7 support

TSC manages the No Fly and Selectee lists as part of the consolidated watch list; TSA provides to air carriers and coordinates potential security threats through the 24/7

"We advocate a system for screening, not categorical profiling. A screening system looks for particular, identifiable suspects or indicators of risk. It does not involve guesswork about who might be dangerous. It requires frontline border officials who have the tools and resources to establish that people are who they say they are, intercept identifiable suspects, and disrupt terrorist operations" (pg. 387).

"And the National Targeting Center, assisted by the new Terrorist Screening Center, provides information support to inspectors at ports of entry so that they can make more informed decisions about potential terrorists and harmful cargo attempting to enter the United States" (pg. 164).

Transportation Security Operations Center

Secure Flight proposed rule published with testing to begin in 2007 to eventually take over domestic pre-screening from air carriers

Enhanced Automated Targeting System to analyze APIS and PNR data and provide "information support to inspectors at ports of entry"

Airline passenger explosive screening

Pre-9/11

Not all passengers were screened for explosives

"The TSA and the Congress must give priority attention to improving

the ability of screening checkpoints to detect explosives on passengers" (pg. 393)

Post-9/11

Over 1,200 Explosive Trace Detectors deployed at passenger checkpoints

Nearly 4,000 metal detectors and x-ray machines installed at 440 airports across the country

Approximately 38,000 TSOs have received advanced explosive detection training

Checked bag screening

Pre-9/11

Not all checked bags were screened for explosives

"Concerns also remain regarding the screening and transport of checked bags and cargo. More attention and resources should be directed to reducing or mitigating the threat posed by explosives in vessels' cargo holds. The TSA should expedite the installation of advanced (in-line) baggage-screening equipment" (pg. 393)

Post-9/11

100% of checked baggage is now screened

425 Canine explosives detection teams in more than 80 airports

Over 1,400 Explosive Detection System (EDS) machines deployed

Cargo screening

Pre-9/11

Not all cargo was screened for explosives or radiological/nuclear materials

"…Opportunities to do harm are as great, or greater, in maritime or surface transportation. Initiatives to secure shipping containers have just begun."

"TSA also needs to intensify its efforts to identify, track, and appropriately screen potentially dangerous cargo in both the aviation and maritime sectors" (pg. 393).

Post-9/11

Established the Container Security Initiative at 52 foreign ports, covering more than 83% of U.S.-bound maritime containers

Secure Freight: operational testing underway at 7 foreign ports to scan for nuclear material overseas

Deployed 1000 Radiation Portal Monitors (RPMs) and are screening 92% of the total containerized cargo arriving by land and sea.

Deployed over 12,000 handheld radiation detection devices.

Awarded contracts for Advanced Spectroscopic Portals (ASP) radiation portal monitors for enhanced scanning capabilities at ports of entry

Created the Domestic Nuclear Detection Office

Air cargo: issued regulation to ensure cargo is secure by screening 100% of checked air cargo, vetting trusted air shipping companies, conducting background checks on employees, and extending airport secure areas

Terrorist travel strategy

Pre-9/11

Nonexistent

"The United states should engage other nations in developing a comprehensive coalition strategy against Islamist terrorism. There are several multilateral institutions in which such issues should be addressed. But the most important policies should be discussed and coordinated in a flexible contact group of leading coalition governments. This is a good place, for example, to develop joint-strategies for targeting terrorist travel, or for hammering

Post-9/11

DHS promulgated the Pre-Departure APIS Final Rule and the Secure Flight Notice of Proposed Rulemaking on August 9, 2007.

DHS successfully renegotiated a Passenger Name Record agreement with the European Union.

National Strategy to Combat Terrorist Travel released by NCTC in May 2006

out a common strategy for the places where terrorists may be finding a sanctuary" (pg. 379).	Regular coordination of travel security standards through multilateral and bilateral contacts

Comprehensive screening system

Pre-9/11	Post-9/11
No single list of suspected terrorists existed or was shared across all U.S. agencies	Terrorist Screening Center consolidated terrorist watch lists and provides 24/7 support for federal, state and local authorities
"The President should direct the Department of Homeland Security to lead the effort to design a comprehensive screening system, addressing common problems and setting common standards with systemwide goals in mind" (pg.387).	TSC ensures the integrity of the list and has led interagency efforts to scrub the terrorist watch list Created the Screening Coordination Office which is aligning DHS screening programs to set common standards – for example, in providing a single technical requirements document to air carriers for data transmissions to DHS
"Since 9/11, significant improvements have been made to create an integrated watchlist …. However new insights into terrorist travel have not yet been integrated into the front lines of border security" (pg. 385)	
"Because air carriers implement the [‘no-fly’ and ‘selectee’] program, concerns about sharing intelligence information with private firms and foreign countries keep the U.S. government from listing all terrorist and terrorist suspects who should be included" (pg. 392).	On path to shift implementation of air pre-screening to TSA through Secure Flight – DHS is taking over international pre-screening through pre-departure APIS DHS TRIP is available as the central redress system for travelers who believe they have been misidentified as part of the screening process

Biometric entry-exit screening system

Pre-9/11	Post-9/11
Nonexistent	US-VISIT biometric identity and verification process is fully operational for non-U.S. citizens at all U.S. visa-issuing posts and ports of entry
"A modern border and immigration system should combine a biometric entry-exit system with accessible files on visitors and immigrants, along with intelligence on indicators of terrorist travel" (pg. 389).	10 print: converted half of the overseas visa locations, all to be completed by the end of 2007; will begin the transition at ports of entry this fall with 10 locations to be completed by the end of 2008

Interoperability: implemented the interim data sharing model in September 2006, first stage of interoperability between DHS and FBI fingerprint systems

Earned a 'B' from the 9/11 Commission's Public Discourse Project

e-Passport reader technology successfully tested and deployed to 33 U.S. airports

International collaboration on borders and document security

Pre-9/11

Limited international security collaboration existed before 9/11

"The further away from our borders that screening occurs, the more security benefits we gain" (pg. 389).

"We should do more to exchange terrorist information with trusted allies, and raise U.S. and global border security standards for travel and border crossing over the medium and long term through extensive international cooperation" (pg. 390).

Post-9/11

In 2004, DHS adopted biometrics as a tool to prevent the use of fraudulent documents

DHS established e-Passport standards for Visa Waiver Program (VWP)

Rice-Chertoff Joint Vision announced in January 2006

Implemented the Western Hemisphere Travel Initiative for air travelers, requiring secure verifiable documents to be used to enter the country from the Western Hemisphere; will implement for land/sea travelers in 2008

Established the Security and Prosperity Partnership with leaders of Canada and Mexico to strengthen security and facilitate legitimate travel and trade

Standardize secure identifications

Pre-9/11

Passports and other identification documents were vulnerable to tampering

"For terrorists, travel documents are as important as weapons" (pg. 384).

"All but one of the hijackers acquired some form of U.S. identification document, some by

Post-9/11

DHS is enforcing the requirement for VWP Countries to issue biometric e-Passports to their citizens by October 2006.

Implemented Western Hemisphere Travel Initiative – secure document requirement for air travel

fraud. Acquisition of these forms of identification would have assisted them in boarding commercial flights, renting cars, and other necessary activities" (pg. 390).

"The federal government should set standards for the issuance of birth certificates and sources of identification, such as driver's licenses" (pg. 390).

DHS and State Department will implement WHTI at land and sea ports of entry in 2008

Secure Transportation Worker Identification Credential: final rule published in December 2006 with card issuance beginning Fall 2007; conducted more than 700,000 name-based threat assessments on port workers

Finalizing Real-ID rulemaking to strengthen integrity of driver's licenses

Alert and Warning System
Talking Points
June 28, 2006

The President's policy to establish an integrated public alert and warning system across the Federal government aims to achieve the following goals:

- The President and numerous Federal entities require the ability to provide prompt, informative, and accurate information to the American Public before (when possible) and during emergency events.

- Alerts and warnings should reach as many Americans as possible, through as many forms of communication as possible (i.e. television, radio, cell phones, PDAs, pagers).

- Emergency managers and government officials must have the capability to tailor the content and scope of alerts and warnings based on:
    - Risks (weather, fire, chemical, biological, radiological, nuclear, explosive, etc.);
    - Geographic area (e.g. appropriate life-saving actions may differ from one region to the next during the same event); and
    - Preferences of the public (e.g. people will differ on the types and methods of alerts to receive).

- Departments and agencies with alert and warning capabilities should manage such systems in conformance with common alerting protocols and standards to ensure that messages originating from any system may be shared and disseminated through other means to quickly reach as many Americans as necessary.

- Alert and warning systems should be upgraded to incorporate new and emerging technologies and information systems (Internet service providers, telecommunications services, satellites, digital technologies, etc.).

- Partnerships with State and local governments, the private sector, and first responders are necessary to effectively make use of new and existing communications systems, improve resiliency, and ensure a properly maintained and available alert and warning capability.

- Education and outreach efforts are necessary to ensure that Americans have access to, and properly utilize, alert and warning messaging.

- The proposed Executive Order will complement and benefit from the expected rulemaking in July, 2006, by the Federal Communications Commission, to expand the reach and scope of the Emergency Alert System.

Frequently Asked Questions

Question: Why is the Executive Order Necessary?
Answer: Executive policy is necessary to direct and guide the achievement of an integrated system of coordinated alert and warning capabilities across the Federal government. Currently, there is no overarching policy requiring the coordination of Federal alert and warning capabilities, the leverage of all appropriate technologies and communication pathways, or the tailoring of the scope and content of alerts based on risks.

- The Department of Homeland Security (DHS) has the authority to administer the Emergency Alert System (EAS) and other alert and warning capabilities within DHS; however, the EAS is only one component of the spectrum of Federal alert and warning capabilities.

- Currently, messages developed on one system cannot be easily transferred through other alert and warning systems to quickly reach a maximum number of Americans. The Executive Order provides DHS with the authority to coordinate disparate Federal capabilities and establish standards and protocols that are necessary for their integration.

Question: How will the Executive Order improve public notifications and instructions for impending hazards?

Answer: An integrated public alert and warning system will enable life-saving messages from one system to be shared and disseminated across other systems to reach a maximum number of Americans at risk. Further, the incorporation of 21st Century technologies will improve the accessibility, speed, scope, and receipt of alerts or warnings. In addition to merely notifying the public of impending or emerging hazards, a more robust system will have the capability of providing meaningful information and instructions that are tailored to the risks and locations of recipients.

Question: How would an integrated public alert and warning system assist the Gulf Coast and other hurricane prone areas to respond to hurricanes?
Answer: The integrated public alert and warning system would enhance the open architecture Emergency Alert System that provides the 'backbone' for Federal, State, and local systems to:

- enable State and local officials to more easily activate alert and warning messages.
- target the scope of messaging to provide specific alerts to specific populations (e.g. providing evacuation orders to some areas, but shelter-in-place orders to others).

- expand the receipt of alerts through as many communication devices as possible.
- ensure alert and warning communications are resilient to hurricane damage and capable of prompt restoration.

Question: What are the roles of the Federal departments and agencies with alert and warning capabilities?
Answer: The Department of Homeland Security, which has traditionally administered the Emergency Alert System (EAS) and is responsible for coordinating the Federal response under the National Response Plan, will serve to develop the integrated public alert and warning system. DHS will work in coordination with other departments and agencies to develop guidance, standards, and protocols for its operation, including how other alert and warning capabilities shall be operated in a consistent and coordinated manner. The Federal Communications Commission will develop rules and regulations for private sector licensees that are necessary to access telecommunication systems and provide a priority status to official messaging.

Question: Will the Executive Order impact the autonomy of Federal, State, or local government alert and warning messaging?
Answer: The new policy will not interfere with the authorities of Federal, State, or local government entities to determine the content, activation, or scope of alerts and warnings. Instead, the policy will ensure that Federal messages are generated in a manner that will enable their coordination with other alert and warning capabilities. The policy will also ensure that Federal, State, and local government messages can be incorporated within the new integrated public alert and warning System and vice versa.

Question: What are alerts and warnings?
Answer: An "alert" or "warning" is text, voice, video or other information provided by an authorized official to provide situational awareness about a potential or ongoing emergency situation that may require actions to protect life, health, and property.

An alert does not necessarily require immediate actions to protect life, health, and property and is issued before or after the timeframe of immediate danger. Meanwhile, a "warning" provides direction to the public regarding an emergency situation that does require immediate actions to protect life, health, and property.

Question: What is the Emergency Alert System (EAS)?
Answer: The EAS is a system of broadcast, transmission, telecommunications, and information systems or networks identified by the Federal Communications Commission (FCC), including the National Oceanic and Atmospheric Administration (NOAA) All Hazards Weather Radio and the Primary Entry Point System of key broadcast stations

throughout the United States and Federal Government activation points, which possesses the ability to provide emergency information to over 98% of the American population.

The EAS shall be a component of the integrated public alert and warning system and it includes the capability for reliable and secure President Communications with the American public from anywhere, and at any time, under the most severe circumstances.

Question: What are the types of expanded means of communication that would be obtained through the integrated public alert and warning system?
Answer: Public-private partnerships and research and development activities will continue to be sought to expand upon the types of communication pathways with the public to include: radio and television networks and stations; national and local cable systems; wire phone services; wireless services, including, but not limited to, cellular phones, pagers, personal digital assistants, and handheld computers; satellite systems; internet service providers; and additional capabilities.

Question: What are some of the types of Federal alert and warning capabilities that will be sought to be integrated under the Executive Order?
Answer: Many Federal departments and agencies maintain the capability to generate and disseminate emergency information related to their authorities and subject matter expertise. For example, the following is a sample of existing Federal alert and warning responsibilities for hazard monitoring, alerting, and warning:

Department of Homeland Security (DHS)	Hazardous materials, hurricanes, earthquakes, and terrorist attacks through the EAS.
Department of Justice	AMBER Alert network for identifying abducted children
Environmental Protection Agency (EPA)	Environmental and hazardous material conditions
Department of Transportation	Transportation threats and emergencies
National Oceanic and Atmospheric Administration (NOAA)	Hurricane, tornado, severe storm, snow, tsunamis, and other environmental emergencies
U.S. Geological Survey (USGS)	Earthquakes, landslides, volcanoes, floods, and wildlife diseases
Nuclear Regulatory Commission (NRC)	Nuclear power plants and storage facility safety, and radiological and nuclear accidents
U.S. Department of Agriculture	Food production and distribution
Department of Interior	Dam safety and wildland fires
Centers for Disease Control	Bioterrorism or disease agents, chemical or nuclear emergencies

In addition to the above, many departments and agencies provide observation services necessary to generate alert and warning messages such as the National Aeronautical and Space Administration (NASA), the Department of Defense, and National Geospatial-Intelligence Agency.

Question: How will the new Executive Order impact the expected rulemaking by the Federal Communications Commission (FCC) in July, 2006?
Answer: The Executive Order anticipates FCC rulemaking that would expand the scope and reach of the Emergency Alert System (EAS). The national public alert and warning system – of which the EAS is a critical component – would incorporate the standards and protocols called for by the FCC rule and leverage the expanded scope of the EAS to improve the nation's overall alert and warning capability. Further, the E.O. strengthens the FCC's goals to have the capability to alert and warn more Americans by empowering DHS to coordinate disparate distribution systems and leverage new forms of communication.

Question: What alert and warning improvements are now in place in time for the 2006 hurricane season?
Answer: The Department of Homeland Security is working to upgrade the alert and warning capabilities at the Gulf Coast and other hurricane prone regions through:

- Installing new technologies and satellite capabilities at Emergency Alert System (EAS) Primary Entry Point broadcast stations.
- Deploying pilot systems that enable geographic-targeted messages;
- Providing a web-based interface for State and local officials to access and activate messages through the EAS;
- Deploying prototype Digital EAS terminals to distribute text, voice, and video alerts using the Common Alerting Protocol and the digital TV broadcasts; and
- Deploying a mobile AM/FM Primary Entry Point radio station.

In addition, DHS and the National Oceanic and Atmospheric Administration (NOAA) will continue the distribution of All Hazards Weather Radios to public schools during the upcoming school season.

DEPARTMENT TRANSITION PLANNING

The *Wall Street Journal* is expected to run a story as early as tomorrow about the department's transition planning for the administration change in 2009. Acting Deputy Secretary Paul Schneider was interviewed for the piece, as were the career deputies at TSA, ICE and CBP.

Talking Points:

- We are actively planning to leave the department stronger in January 2009. We have established detailed continuity plans for component agencies and program offices, tasked outside groups to document best practices and processes, and initiated inter-agency collaboration to enable a seamless transition for our federal, state, local, tribal and private sector partners.

- We are training and cross-training our senior career employees to ensure that each component and office within DHS has capable civil service leadership ready to move up and take the reigns during an administration transition and assist new appointees in adjusting to their positions. We have encouraged these SES employees to learn and train in another component agency, to foster a culture of preparedness across the department.

- Nearly all component agencies and program offices already have career Civil Servants in the #1 or #2 positions, and a cross-departmental transition team will hone and memorialize our key priorities and challenges over the next year for the next administration. 99 percent of the department's workforce is made up of career civil servants who will unflaggingly carry out the mission of this department at our nation's borders, ports and airports regardless of political changes.

- We are mindful of attacks around elections in the U.K. and Spain, and that terrorists have sought to exploit any perceived weakness that may occur during a period of government transition.

DHS.gov Redesign

October 20, 2006

- Redesign of site includes new technology platform (Interwoven's Teamsite CMS), new information architecture based on research with stakeholders inside of and outside of DHS, implementation of branding standards (FEMA and FLETC, USCIS "soon")

- Provides greater flexibility and scalability.

- Sharing technology and best practices with TSA and FEMA (all on the Teamsite platform).

- Upcoming enhancements implementation of RSS feeds and American Consumer Satisfaction Index survey. Also, better incident communications.

- Next steps will be informed by user feedback

- We did page redirects for our most popular content based on log data. It is not really worth the effort for all pages. We will however review the error data and adjust redirects as necessary.

Talking Points

Leadership Journal

September 13, 2007

- DHS launched a new Leadership Journal (Blog) at www.dhs.gov as a new medium to open a dialogue with the American people about Homeland Security. The Journal is intended to be a forum to talk about our work protecting the American people, building an effective emergency preparedness and response capability, enforcing immigration laws, and promoting economic prosperity.

- The DHS Leadership Journal will share insightful information about DHS from a unique perspective from the Secretary and senior DHS leadership. Several times a week the Secretary and senior department leadership will offer commentary on the work they are doing at DHS.

- The DHS Leadership Journal is a new and exciting way for leadership to reach out and engage with the American people and provide information about DHS on a more personal level than the typical press release.

- We welcome comments from the journal readers. However comments must adhere to our comment policy which is located on the journal. Comments using bad language or violate the comment policy will not be posted.

5/17/2005
MULTIMEDIA LIASION
Today during the House markup of the Department of Homeland Security's FY06 appropriations bill, Congresswoman Marilyn Musgrave introduced an amendment that passed by voice vote eliminating the salary of the Department of Homeland Security's multimedia liaison.

Talking Points:

- The Department of Homeland Security hired a Multimedia Liaison last October to centralize requests from the entertainment industry and to provide assistance to filmmakers seeking information from the Department of Homeland Security. This is a similar function that numerous other federal agencies posses and is necessary in helping those in multimedia make their projects accurate as possible to provide the public with better understanding of the Department's goals, mission, and activities.

- Historically, filmmakers may have requested assistance from various components, such as TSA, CBP, or ICE, and approached each organization separately about his/her project. The new Director of the Multimedia Liaison Office will serve as the Department's central point of contact in order to better address requests for assistance. The new director will coordinate all entertainment-oriented production requests and will work with the component agencies to maximize efficiencies in service and in resources.

- The Director of the Multimedia Liaison office will work to provide the industry access to film and reference archives, subject experts and resources, and will help DHS ensure that its missions, people and services to our Nation and citizens are accurately represented.

- There is an accelerated public interest in homeland security issues and because the Department of Homeland Security is new, filmmakers and citizens alike are trying to gain a better understanding of the scope of its mission and daily activities. By providing insight into the Department and helping filmmakers make their projects as realistic as possible, DHS can provide the public with better understanding of the Department's goals, mission, and activities.

3/7/2005
HOMELAND SECURITY MULTIMEDIA LIAISON
Mimi Hall from *USA Today* is working on a front page story about Homeland Security's relationship with Hollywood that will run tomorrow. Mimi interviewed both the FBI and CIA entertainment liaisons and requested information about the DHS entertainment liaison, Bobbie Ferguson, who recently joined the Department from NASA. The story

will be straightforward and emphasize that numerous agencies have this function since there is high demand in Hollywood for homeland security.

Talking Points:

- The Department of Homeland Security is currently in the process of establishing a "Multimedia Liaison Office" in Los Angeles in order to provide assistance to filmmakers seeking information from the Department of Homeland Security.

- Currently, filmmakers may request assistance from various components, such as TSA, CBP, or ICE and has to approach each organization separately about his/her project. The new Director of the Multimedia Liaison Office will serve as the Department's central point of contact in order to better address requests for assistance. The new director will coordinate all entertainment-oriented production requests and will work with the component agencies to maximize efficiencies in service and resources.

- There is an accelerated public interest in homeland security issues and because the Department of Homeland Security is new, filmmakers and citizens alike are trying to gain a better understanding of the scope of its mission and daily activities. By providing insight into the Department and helping filmmakers make their projects as realistic as possible, DHS can provide the public with better understanding of the Department's goals, mission and activities.

3/5/2005
HOMELAND SECURITY ENTERTAINMENT LIAISON
Mimi Hall from *USA Today* is working on a story about Homeland Security's relationship with Hollywood that could run Monday. Mimi interviewed both the FBI and CIA entertainment liaisons and requested information about the DHS entertainment liaison, Bobbie Ferguson, who recently joined the Department from NASA. The story will be straightforward and emphasize that numerous agencies have this function since there is high demand in Hollywood for homeland security.

Talking Points:

- The Department of Homeland Security is currently in the process of establishing a "Multimedia Liaison Office" in Los Angeles in order to provide assistance to filmmakers seeking information from the Department of Homeland Security.

- Currently, filmmakers may request assistance from various components, such as TSA, CBP, or ICE and has to approach each organization separately about his/her project. The new Director of the Multimedia Liaison Office will serve as the Department's central point of contact in order to better address requests for assistance. The new director will coordinate all entertainment-oriented production

requests and will work with the component agencies to maximize efficiencies in service and resources.

- There is an accelerated public interest in homeland security issues and because the Department of Homeland Security is new, filmmakers and citizens alike are trying to gain a better understanding of the scope of its mission and daily activities. By providing insight into the Department and helping filmmakers make their projects as realistic as possible, DHS can provide the public with better understanding of the Department's goals, mission and activities.

DHS National Capital Region Housing Master Plan
April 16, 2007

Background
The lessons learned from Hurricane Katrina and Secretary Chertoff's Second Stage Review reinforced the critical requirement that DHS operate with increased integration to prepare for, and respond to, natural disasters or terrorist attacks. Yet the department's legacy facilities are dispersed at more than 60 buildings throughout the National Capital Region (NCR). The location proposed by the General Services Administration (GSA) is the St. Elizabeths (St. Es) West Campus. This is a 176-acre facility located on Martin Luther King Avenue in Anacostia, D.C., in close proximity to where the Potomac and Anacostia Rivers meet. This historic parcel overlooks the Capitol, Bolling Air Force Base, and the Anacostia Naval Annex and is owned by GSA, who is currently preparing a Master Plan and Environmental Impact Statement (EIS) for the redevelopment of the property.

Talking Points

- A secure, state-of-the-art campus will enhance our ability to act as a nimble and well-integrated team. The department also needs to significantly reduce the total number of locations housing DHS components to as few as possible to lower overall costs.

- The Housing Master Plan will consider unique or specialized requirements, anti-terrorism and force protection considerations, opportunities for improved organizational efficiency through functional integration and sharing of like services, suitability of the facilities to the functions being housed, access to public transportation, and individual component working relationships.

- A master plan for a three phase development at St. Es is being completed by GSA. In Phase one, the USCG Headquarters will relocate to St. Es in fiscal year 2011. DHS and component headquarters functions will follow in Phases two and three, currently planned for fiscal years 2013 through 2015. DHS is working closely with GSA to explore ways to accelerate the schedule.

1. Why is the department of Homeland Security (DHS) moving?
The lessons learned from Hurricane Katrina and Secretary Chertoff's Second Stage Review reinforced the critical requirement that DHS operate with increased integration to prepare for, and respond to, natural disasters or terrorist attacks. Yet the department's legacy facilities are dispersed at more than 60 buildings throughout the National Capital Region (NCR. A secure, state-of-the-art campus will enhance our ability to act as a nimble and well-integrated team.

The department also needs to significantly reduce the total number of locations housing DHS components to as few as possible to lower overall costs. The Housing Master Plan will consider unique or specialized requirements, anti-terrorism and force protection considerations, opportunities for improved organizational efficiency through functional integration and sharing of like services, suitability of the facilities to the functions being housed, access to public transportation, and individual component working relationships.

2. Where is the Headquarters moving?
The location proposed by the General Services Administration (GSA) is the St. Elizabeths (St. Es) West Campus. This is a 176-acre facility located on Martin Luther King Avenue in Anacostia, D.C., in close proximity to where the Potomac and Anacostia Rivers meet. This historic parcel overlooks the Capitol, Bolling Air Force Base, and the Anacostia Naval Annex and is owned by GSA, who is currently preparing a Master Plan and Environmental Impact Statement (EIS) for the redevelopment of the property.

3. Who determined St. Elizabeths West Campus is the best place to consolidate the Headquarters?
The U.S. General Services Administration, real estate developer for the federal government, determined that St. Elizabeths is the only site available that can accommodate our need within the time frame required. We provided our minimum space and time requirements to GSA who analyzed all available properties within the federal government's control. The department has a current need for just over 7 million gross square feet of office space of which at least 4.5 million gross square feet must be collocated on a secure campus for a unified DHS Headquarters.

4. How many DHS personnel will be housed at St. Elizabeths Campus?
St. Es will house approximately 14,000 employees in the NCR. At this time, there are no final decisions on which personnel will be moving to St. Es and which personnel will be located at other facilities in the NCR. The DHS Chief Administrative Officer (CAO) will coordinate with the leadership of each component to determine the correct mix of functions to be located at St. Es.

5. What Components will be moving?
The Secretary identified the offices/components and general levels of presence required to effectively perform the executive leadership, management, and mission execution functions of the department. Over the next several months we will be working closely with each of the components to finalize the specific functions and occupancies to be located at St. Es. Since the campus does not have the capacity for a complete consolidation of all headquarters functions, there will be mission support functions located off-campus. Final decisions have not yet been

made. One exception is the decision for the United States Coast Guard (USCG) Headquarters to move to St. Es, currently planned for fiscal year 2011.

6. The current DHS Headquarters is an historic site with many physical limitations impacting the efficiency and effectiveness of operations. Since St. Elizabeths is a National Historic Landmark, will those constraints impact our mission?
The Nebraska Avenue Complex (NAC) was selected as the initial headquarters when the department was stood up in 2003. As DHS organizations and mission requirements have matured and expanded over the past three years, it became obvious that the physical limitations of the property make the NAC wholly unsuitable as the permanent headquarters for the department. At the NAC location we had to fit functions into the constraints of the existing buildings and layouts. With St. Es, we will be renovating historic structures that fit the functions and occupancies to be housed —before we move in. Subject to the Master Plan and EIS approval, GSA will also construct over 3.5 million GSF of new office space to house DHS personnel.

7. Will the functions that don't relocate to St. Es move anywhere?
The department also needs to significantly reduce the total number of locations that house DHS components to as few as possible to lower overall costs and enhance integration. The Housing Master Plan will consider unique or specialized requirements, anti-terrorism and force protection considerations, opportunities for improved organizational efficiency through functional integration and sharing of like services, suitability of the facilities to the functions being housed, access to public transportation, and individual component working relationships. As we finalize the St Es occupancies we will also evaluate potential consolidation options for the remaining mission support functions. We will work closely with GSA and all the components throughout this effort. The goal of the Housing Master Plan is to reduce our total number of locations down to a manageable number of six to eight.

8. Will field personnel be moving to St. Es?
This plan encompasses only the department and component headquarters personnel and facilities in the NCR. However, DHS will continue to monitor and review our facilities' needs throughout the world with the intent of collocating functions where practicable to better support our mission**.**

9. When can employees expect to move?
A master plan for a three phase development at St. Es is being completed by GSA. In Phase one, the USCG Headquarters will relocate to St. Es in fiscal year 2011. DHS and component headquarters functions will follow in Phases two and three, currently planned for fiscal years 2013 through 2015. DHS is working closely with GSA to explore ways to accelerate the schedule.

10. Is the St. Elizabeths West Campus accessible to the Metro?
St. Es West Campus is accessible to two Metro stops on the Green Line: the Anacostia Station and the Congress Heights Station. The campus is approximately a half mile walk from the Metro stations, and we anticipate that shuttle transportation will be provided between St. Es and the Metro stops.

11. Will parking be available?
Parking will be available consistent with urban planning standards and National Capital Planning Commission (NCPC) guidance. We are working with GSA and NCPC to maximize the amount of parking available.

12. Where is St. Elizabeths located?
St. Es is located in Anacostia on Martin Luther King Jr. Avenue and is very close to both Route 295 and the Suitland Parkway. The Master Plan being developed for the site will address transportation management and include provisions for improved access between the major commuting arteries and the campus.

13. Will employees have a voice in transportation issues?
DHS employees have been asked to participate in a survey regarding their current modes of transportation and future transportation needs. This information is needed to complete the transportation studies for the Master Plan and the Environmental Impact Statement.

14. What can you tell me about the Anacostia area?
Anacostia is located in Southeast Washington D.C., Ward 8, and is in the early stages of a redevelopment initiative that includes residential property. The Washington Post reported that since 2000, over 8,000 new housing units have been built in the area. Martin Luther King Jr. Avenue is a gateway to the Capital and therefore, was identified for the City's Great Streets program that will target retail, commercial, and architectural redevelopment. The Berry Farms neighborhood in Ward 8 is targeted for redevelopment. The Washington Nationals new baseball stadium is being constructed just across the South Capitol Street Bridge from Anacostia and there are discussions of a new soccer stadium at Poplar Point on the banks of the Anacostia River. While crime has been a problem in this region of the city, the Washington Post also reported on November 7, 2005 that overall crime in the area covered by the 7th Police District is down 57% since 1993. Redevelopment of St. Es will complement these ongoing improvements and will foster continued revitalization and economic growth in the area.

15. Why is St. Elizabeths spelled without an apostrophe?
During the Civil War, wounded soldiers treated at St. Elizabeths were reluctant to admit they were in an insane asylum, and said they were at St. Elizabeths, the colonial name of the land where the hospital is located. Congress officially changed the Hospital's name to St. Elizabeths in 1916 using the colonial spelling.

16. Whom shall I contact if I have additional questions?
If you have any questions on the DHS National Capital Region Housing Master Plan, please refer them up through your supervisory chain to the Component Chief Administrative Officer (CAO), who will coordinate your inquiry with the DHS CAO Program Management Team, Mr. Richard McGruder (b) (6) or Captain Chris Mills (b) (6) A page dedicated to providing you with information on the move to St. Elizabeths will be established on the DHSOnline intranet. Also, GSA has a website established for the St. Elizabeths West Campus Master Plan: http://www.stelizabethswestcampus.com

NATIONAL CAPITOL REGION HOUSING PLAN

August 31, 2006

BACKGROUND:
The Second Stage Review determined that the Department of Homeland Security needed to continue to build effectiveness, agility, and capacity in our organizational structure as we protect America today and prepare for the challenges of tomorrow. The NCR facilities strategy will improve the department's operational effectiveness by enhancing critical communication, coordination and cooperation across the components

Talking Points

- The St. Elizabeths West Campus DHS Housing Concept is to consolidate key departmental components requiring a secure setting.

- DHS requires a minimum of 4.5 million square feet of office space plus parking (including the Coast Guard HQ) in the St. Elizabeths redevelopment to meet program needs.

- The St. Elizabeths proposed occupancy plan includes representation from the organizations listed below. The extent of representation (liaison to significant presence) is dependent on the Master Plan.

  - DHS Headquarters
  - Science & Technology
  - Preparedness
  - I & A
  - Office of Operations Coordination
  - FLETC Washington Office
  - DNDO
  - USSS
  - CIS
  - ICE
  - CBP
  - TSA
  - USCG (full HQ)
  - FEMA
  - US-VISIT

- General Services Administration is currently preparing a master plan for the redevelopment of the site.

- Coast Guard Headquarters is already slated to move to St. Elizabeths in late fiscal year 2010, early 2011.

Talking Points

NCR Master Housing Plan

October 26, 2006

BACKGROUND

The lessons learned from Hurricane Katrina and Secretary Chertoff's Second Stage Review has reinforced the critical requirement that DHS operate with increased integration to prepare for and respond to natural disasters or terrorist attacks. Our mission demands this approach to all hazards. Yet, the Department's legacy facilities are dispersed over more than 60 buildings throughout the National Capital Region (NCR), sometimes with sub-optimal security protections and routinely impacting adversely critical communication, coordination, and cooperation across DHS components. To support the incident management and command-and-control requirements of our mission, the department clearly needs to consolidate executive leadership and operational management in a secure setting.

Talking Points

- We have been working close with the General Services Administration (GSA) for well over a year to develop planning level requirements for a consolidated campus, as well as a detailed Program of Requirements for all DHS and Component Headquarters functions throughout the NCR.

- We have carefully analyzed the minimum consolidation needs at St. Elizabeths to support effective and efficient mission execution. Out of a total current need of 7.1 million gross square feet GSF of office space in the NCR, the Department has determined that a minimum of 4.5 million GSF must be collocated on a secure campus. This campus will support consolidation of the Department's executive program leadership for policy, management, and operational coordination to facilitate the incident management functions and command and control capabilities.

- GSA is developing a Master Plan and an Environmental Impact Statement for St. Elizabeths West Campus development. And, since the campus has been designated a National Historic Landmark, GSA is also engaged in consultations with historic preservation interest groups.

- GSA, and DHS are also developing a comprehensive Transportation Management Plan (TMP) to outline strategies to minimize the traffic impacts by reducing single occupancy vehicles, providing employee shuttles, promoting the use of public transportation to the maximum extent practicable, and creating a holistic approach to campus traffic management.

- The USCG Headquarters Relocation to St. Elizabeths West Campus was previously announced in the President's FY06 Budget. GSA received appropriations ($24.9

million) in FY06 to design the building. GSA's current development schedule provides for a move to St. Elizabeths in FY11. Preliminary design is underway.

- The current GSA development schedule for St. Elizabeths is a three-phase approach with construction funding requested for the new USCG headquarters building in FY07 and ending with final occupancy of the 3rd phase in FY15. DHS headquarters and remaining component relocations would occur in the 2nd and 3rd phases.

- Phase I anticipates bringing 3,860 employees to the site; Phases II and III will add another 5,000 employees, each for a total of up to 14,000 employees. DHS intends to evaluate with GSA options to accelerate construction and to combine in whole or part Phases II and III, subject of course to availability of funds.

SBINet P-28

- Individual systems of P-28 work, and the systems themselves can integrate. The remaining challenge is the integration of all the systems into a Common Operating Picture.

- We have been impressed with the seriousness with which Boeing and its partners have acted in addressing this remaining challenge. They have brought in new personnel and placed heightened focus and priority on the completion of P-28.

- Several benchmarks were part of the P-28 contract. As benchmarks were met some payments were made. Roughly three-fourths of the initial $20 million have been paid to Boeing, and the remaining amount will be paid upon completion of the project.

- Our primary concern continues to be providing the Border Patrol with this new and necessary tool. The department will not take delivery of a tool until it is ready for live, operational use.

SBINET PROGRAM OVERSIGHT

- CBP shares the belief that strong program management and contract oversight will ensure successful execution of SBInet. CBP has established a robust program management structure to oversee the successful implementation of the solution and is rapidly building upon this foundation.

- CBP selected an indefinite delivery, indefinite quantity (IDIQ) contract vehicle because the vastly different terrain, threats, and evolving nature of the operational environment require a solution that is flexible, adaptable and tailored to specific needs.

- An IDIQ contract allows CBP to structure the acquisition into discrete, workable phases implemented through task and delivery orders, without committing the government to acquire additional capability from the SBI*net* integration contractor. This approach will provide the greatest amount of flexibility to respond to ever-changing conditions while minimizing risk to the government.

Talking Points

St Elizabeths and a CR

August 20, 2008

Normally, a Continuing Resolution (CR) only provides funding for existing programs at a specific percentage of the prior year's appropriation, depending on the length the CR period. There are exceptions that permit funding of critical new programs in a CR in cases where there are compelling reasons for the project or program to move forward. These exceptions are called "anomalies" and are considered as a CR is approved by Congress.

It is also important to note that although the Department of Homeland Security (DHS) has not received funding to date for the St. Elizabeths development, the General Services Administration (GSA), which will fund about two-thirds of the overall development costs, has received appropriations in prior years for stabilization, infrastructure and design of the new U.S. Coast Guard Headquarters.

DHS and GSA are currently working with the Office of Management and Budget (OMB) and the Congress on potential "anomalies" that may be required in the event a CR is enacted for FY 2009.

The DHS Consolidated Headquarters at St. Elizabeths is a top Administration and Department priority and funding in FY 2009 is vital to support DHS operations, integration and the recruitment and retention of our dedicated workforce.

We continue to work closely with Congress on this important initiative and are encouraged by the strong support for the project shown in the DHS and GSA FY 2009 marks in both the House and the Senate for the St. Elizabeths project.

While we prefer an FY 2009 DHS appropriation, we are confident the Congress appreciates the criticality of getting construction started of the new DHS Headquarters at St. Elizabeths next year.

The DHS FY 2009 funds will be used for:

1. Construction Phase 1A of the new Coast Guard Headquarters (about 1.1 million gross square feet), which provides the new administrative office space. This will fund a new office building and the interior build-out. Phase 1B will be requested in a future budget year and will fund the parking , shared services that go into the historic buildings (such as cafeteria, fitness center, etc) and the Coast Guard Command Center, which will eventually be tied in with the NOC.

2. DHS Project Team staff to manage the entire Headquarters Consolidation effort (21 positions/11 FTE for FY 2009)

3. DHS Chief Security Office (CSO) Site Survey Activities to monitor contractor personnel, equipment and materials to be delivered and installed on the campus.

GSA's request also has funding to commence Phase 2 Design, which include DHS Headquarters, FEMA and the NOC. GSA just issued the FEDBIZOPS notice to potential offerors last Friday for the Phase 2 Design Services. The solicitation, evaluation, selection and contract award process takes about six to nine months, which is why it is being issued now.

Talking Points

U.S. Coat Guard Headquarters

June 1, 2007

- The Coast Guard is responsible for its own security regardless of the building's owner; the Coast Guard does not share its facility security plans with the building owner; and building owner representatives are given a thorough vetting, just as any contractor receives, before being given access to the building.

- The original owner was Laszlo N. Tauber, MD and Associates. Dr. Tauber a local doctor and real estate developer owned the building until January 30, 2004. At that time the building was sold.

- The 2004 owners were Transpoint Building Company. In this case the investors were a **Kuwaiti** consortium that worked through Arch Street Capital Advisors, LLC, of Greenwich Connecticut.

- In December 2006 the building was sold to 2100 2nd Street Holdings, LLC a Delaware limited liability company associated with Monday Properties, and has no ties to Kuwait.

- USCG occupies the building under an Occupancy Agreement with the General Services Administration (GSA). GSA identifies the building as DC1230zz. It is under Lease number GS-11B-20780

- Current lease is a 5 year extension that began on May 16, 2003 and runs through May 15, 2008. Original Lease was for 10 years from May 16, 1993 through May 15, 2003 from Lessors Laszlo N. Tauber M.D., & Associates, and Laszlo N. Tauber M. D., Trustee.

US-VISIT Talking Points
September 13, 2007

- One of the U.S. Department of Homeland Security's (DHS) first priorities is keeping dangerous people out of the country. This was a central recommendation of the 9/11 Commission.

- Today, DHS' US-VISIT program provides identity management services to entities throughout the U.S. government. US-VISIT uses the power of biometric technology, which helps DHS identify dangerous people who are trying to get into the country.

- Through the collection of biometrics—digital fingerprints and photographs—from international visitors, US-VISIT provides the capability for DHS and the State Department to check travelers' information against integrated terrorist watch lists and biometric databases.

- U.S. Customs and Border Protection (CBP) officers have this capability at all international air, sea and land border ports of entry. State Department consular officials have this capability at visa-issuing posts overseas.

- US-VISIT's biometric database, which is called IDENT, is currently based on the collection of two fingerprints. We are in the process of converting to a 10-fingerprint collection standard, which is an international standard.

- US-VISIT is transitioning from collecting two to collecting up to 10 fingerprints from international travelers. This will enable us to:

    - Continue facilitating legitimate international travel by more accurately establishing a traveler's identity. With more fingerprints against which to match, officers can verify a traveler's identity more efficiently.

    - Continue preventing dangerous people from visiting the United States by:
        - More accurately establishing and verifying a traveler's identity;
        - Making DHS's fingerprint database more compatible with that of the FBI, and;
        - Identifying criminals and immigration violators based on latent fingerprints—full or partial fingerprint "images" left at the scene of a crime.

    - Continue protecting the privacy of our citizens and visitors by reducing false positives and the chances of someone being sent to secondary inspection needlessly.

- With this capability, we will send a message, worldwide, that we are eliminating terrorists' ability to travel to our country, and eventually, their ability to even board a plane.

- The United States is already deploying this capability to achieve these goals.

- The State Department is currently using 10-fingerprint scanning at many of its visa-issuing posts overseas, and will have this capability worldwide by the end of this year.

- We will begin testing 10-fingerprint collection capability by the end of this year. The collection of up to 10 fingerprints will be tested at the following U.S. airports:
    - Boston Logan International Airport
    - Chicago O'Hare International Airport
    - Detroit Metropolitan Wayne County Airport
    - Houston's George Bush Intercontinental Airport
    - Hartsfield-Jackson Atlanta International Airport
    - Miami International Airport
    - New York's John F. Kennedy International Airport
    - Orlando International Airport
    - San Francisco International Airport
    - Washington Dulles International Airport

- We have also started to integrate IDENT with the FBI's Integrated Automated Fingerprint Information System, or IAFIS, database.

- The move to 10-fingerprint collection, coupled with the integration of these databases, will allow federal, state and local law enforcement officials, as well as visa-issuing posts overseas, to identify persons with greater accuracy and focus more on those who might be greater risks.

- These capabilities will also strengthen our collaboration with the Department of Defense (DOD) by allowing us to check fingerprints against those latent fingerprints captured from battlefields or terrorist safe houses around the world.

- Beginning earlier this year, the US-VISIT program began checking its database against biometrics obtained in operations throughout Iraq. The initiative links subjects encountered by U.S. military forces to biometric records maintained by US-VISIT and provides the government with biometric links to data previously encountered in combat zones.

- This effort supports the activities of the multiple government agencies as well as the intelligence community.

- A10-fingerprint standard will further our ability to provide decision makers government-wide with more information—enhancing security and better facilitating legitimate travel.

- At US-VISIT, we are acutely aware that our success depends on how well we are able to protect the privacy of those who use and interact with our systems.

- Privacy is part of everything we do, and is essential to our mission.

- We take privacy into account from conception, through planning and development and during the execution of every part of the program.

- US-VISIT also has a dedicated privacy officer who is responsible for creating a culture within the program and throughout the Department of Homeland Security (DHS) where privacy is inherently valued, treated as a fundamental right and obligation, and embedded into the enterprise planning and development process.

- Privacy advocates have recognized US-VISIT's Privacy Impact Assessments as models for providing a transparent view of what information we collect, how we store it and our policies and practices to ensure it is not abused.

- Our policy extends to non-U.S. citizens most of the same privacy protections we give by law to U.S. citizens, something the Center for Democracy and Technology's Ari Schwartz has pointed to publicly.

- We take great care to protect the data throughout the <u>enrollment</u>, <u>collection</u>, <u>storage</u> and <u>diffusion processes</u>.

    - <u>Enrollment</u> is perhaps the most critical stage. We have to get it right the first time, because if we misidentify people, it becomes nearly impossible to identify them correctly each subsequent time we see them.

    - <u>Collection/storage</u>. Once a traveler is enrolled in US-VISIT and using the program, we vigilantly protect their personal information from misuse by anyone within or outside the government. To this end, we have elaborate and carefully monitored systems and security practices in place.

    - <u>Diffusion</u> to the private sector. Government agencies have a special responsibility to set an example in the development of this technology and the practices surrounding its use as it relates to personal information because the private sector frequently adopts these practices.

- Even after 100 million people have been processed through US-VISIT at ports of entry, there have only been a miniscule number of petitions for redress.

- And cases of redress have largely centered on requests for information about the program, or an attempt to correct information so that the person isn't routinely selected for secondary inspection.

- Part of the reason for this is that we have created a culture within US-VISIT and DHS that places privacy as a high priority.

If asked about the August 3 GAO report that identifies weaknesses and makes recommendations to help strengthen information security controls over the U.S. Customs and Border Protection (CBP) systems supporting the US-VISIT program:

- There have been no attacks on the US-VISIT system. In fact, the GAO said in Capitol Hill testimony that they have no direct evidence of an intrusion into our system.
- There is no evidence to support a position that any database supporting the US-VISIT program has ever been hacked. We vigilantly protect the information we collect from misuse by anyone inside or outside the government.
- We have the appropriate checks and balances to protect from compromise. Although one control may be deficient at the system level, additional controls exist at the network or facility level to compensate. There is no evidence that any incidents of intrusion have occurred on these controls.
- US-VISIT has carefully monitored systems and security practices in place to protect the privacy of those whose data we collect and to ensure the integrity of that data.
- We strive for zero tolerance on our systems.

Talking Points

DHS Cybersecurity

June 21, 2007

- No data exists within the Department to support a position that any of the incidents recently reported by the Department to Congress resulted in successful penetrations of our networks, or that any mission was (delete the word ever) negatively impacted.

- In 2007, the Department will spend a total of $332 million dollars to secure our information technology systems, and the President has requested $354 million for IT security in the Department in 2008.

- There has been much criticism over the number of government employees focused on managing and overseeing security programs with in the Department. The Department is always looking for talented security professionals to fill critical vacancies.

- The Department's Information Security Program is cross-cutting and touches virtually every aspect of IT management, to include budget formulation and implementation, system and network design, enterprise and component specific IT operations, information security policy and architecture, and compliance with the Federal Information Security Management Act (FISMA).

- The department takes every cyber-incident very seriously, many reports and recent accoutns tend to obscure the significant progress we have made in improving information security at the department.

- Some of the specific actions we are taking to increase security are:

    - We are collapsing multiple legacy wide-area networks (WAN) into a single enterprise WAN, called OneNet. OneNet is based on a comprehensive security architecture that uses the latest IT technologies.

    - We are standardizing all email and directory services into a single, modern framework that is much more secure than the legacy environment we inherited. These improvements will eliminate several security vulnerabilities in our e-mail posture.

    - We are collapsing multiple datacenters into a common shared environment. The first phase of our first datacenter is up and running in Stennis, Mississippi, and we are now in the process of migrating legacy systems into that center.

- In 2007, the Department will spend approximately $4.9 billion for information technology, and $332 Million of that is dedicated to IT security. We have requested $5.2 billion for IT in 2008, and we are planning to spend $354 Million on IT security. These numbers represent approximately 6.8 % of the total IT budgets for each of those years.

The "800 attacks" referenced in the article are based on a total of 800 entries in the initial incident log at our Security Ops Center. We were asked by Congress to provide this data in its entirety, and, by law we are required to do so. Nothing in that data was discovered independently by GAO or anyone else external to the department. All of these are initial reports inside of DHS, and they were all based on our own internal incident reporting and assessment process. The list included every initial report of any possible incident, and most were closed out quickly as non-events (a router or other device crashed for some reason, as an example).

Of course, we encourage reporting from any source within the department, and we take every report seriously; however, this does not equate to 800 successful attacks. In fact, our analysis shows that the opposite is true, and the Department has no evidence that any of the 800 was ever successful, or that any missions had been impacted. My CIO said as much in the hearing yesterday, and to paraphrase the GAO response when asked to confirm that there were actual successful attacks, "in their opinion DHS might be susceptible to an attack." Well . . . we are all susceptible to attacks, but that does not equate to "penetrated."

At the hearing one committee member brought up the issue of two "BOT attacks" at DHS. His information was based on the FBI's recently announced Operation Bot Roast, where FBI agents have collected evidence of BOTs at more than a million sites worldwide. Of those, 181 were government sites including two in DHS. The only actionable information we have gotten from FBI to date are two IP addresses that equate to publicly facing gateways and we are fairly certain that at least one of those was actually spoofed, and the other may have been. We have no additional information to date and it is hard to assess without more data; however, we are fairly certain that these too were non-events. We have asked FBI for more details and are still waiting. In the hearing yesterday, my CIO mentioned the fact that the House of Representatives, the Senate and the Library of Congress were also on the FBI BOT infected list as well, but that fact got lost in the noise and spin.

At the hearing, one committee member raised the issue of DHS spending for IT security. He mentioned that his experts have told him that organizations should spend at least 20% of their IT budget on IT security. The DHS CIO indicated that Gartner Group, a leading provider of this kind of analysis, advertises that an agency should spend between 3-8% of the IT budget on IT security, and that is based on the maturity of the organization. An organization should be at or near eight percent in the initial years before it is mature, and that should shrink to 3-4% when it is fully mature. DHS currently spends approximately 6.8% of its total IT budget on IT security, and based on where we are in the maturity cycle that seems about right.

My assessment is that DHS has made tremendous progress in four short years, and that we still have a long way to go. We are focused now on a few key areas: (1) collapsing 7 WANs into one, (2) migrating multiple datacenters (mainframes) into a common shared environment, and (3) rationalizing multiple active directory trees into a common framework. Also, we continue to (4) ensure that the NIST controls framework has been implemented on each of the 700+ major systems in our inventory, as required by FISMA.

Talking Points

NAPA Report on the 2009 Transition

July 3, 2008

BACKGROUND:

With a forthcoming Presidential change on the horizon and concern that a departure of significant members of DHS' leadership team could further reduce the department's capabilities, congressional leaders thought it prudent to review DHS' senior staffing structure and composition, as well as assess and benchmark senior career training and development programs; these leaders were "concerned that the department and its components will not be able to function effectively when the change in administration occurs in 2009."[2] Congress and DHS asked the National Academy of Public Administration (Academy) to look at these issues and provide guidance. The NAPA report is the result of the request.

Talking Points:

- The USM is working on several fronts to prepare the Department of Homeland Security to continue to operate effectively as both near-term (e.g., change of administration in January 2009) and as longer range transitions occur.

- The Academy Panel made a number of important recommendations to help DHS with the upcoming Presidential transition. However, as this report was being compiled, DHS was continuing to work diligently on its transition plan – some of the findings in the report are no longer valid. For example, DHS named Rear Adm. John Acton, USCG, as full-time transition director and identified career employees to backfill positions currently filled by non-career appointees.

- The Department has received extremely positive response to its briefings on its transition efforts to the House/Senate Homeland committees, the U.S. Government Accountability Office, and the Office of Management and Budget. The DHS plan has been touted as a best practice for other departments to follow.

- The Academy Panel made several positive observations. For instance, compared with other departments, the percentage of DHS' currently filled non-career executives (14 percent) ranks it as one of six departments with the lowest percent of non-career executives, alongside VA, DoD, Treasury, Energy and HHS.

Q's & A's

Q: What recommendations in the report are already underway?

DHS has implemented almost all of the recommendations in Exhibit 1 on page xvi of the NAPA report. The few that are outstanding are ones that are on-going or planned. For example, recommendation # 11, "Fill more FEMA positions with careers" has been addressed by DHS with 3 new career positions. At the discretion of the next administration, further conversion of non-career positions to career may be made.

Regarding the following numbers:
14. Work with other Ds and As to secure prompt security clearances. CSO's office is planning a 'one-stop' process for clearances.
17. Conduct training for potential appointees. DHS plans to provide training for executive appointees/nominees.
18. Plan comprehensive scenario exercises with Federal, State, local and private. We are working with members of the National Exercise Program (NEP) to include Federal, State and local representatives in exercises.
19. Continue joint training and exercises. The Department's plans include future joint training and exercise activities
20. Conduct a comprehensive exercise early in the new administration. A capstone exercise is already scheduled.
21. Fill all Deputy or "second-in-charge" and various FEMA positions with career. DHS has career people identified as "second-in-charge" except at I&A where we expect to select someone soon.
22. Work with Congress to convert PAS positions to statutory term appointments. We think CHCO should be career. CFO is political due to the law.

Q: Do you agree with all of the recommendations in the report? If not, which ones do you not agree with?

We are pleased with the report.

Q: Does the department have a comprehensive implementation plan and evaluation plan for the transition?

DHS began its Transition Planning efforts in Spring 2007. We have a transition plan in place and we are executing it. The Department will be ready come transition time.

The December 1st date that the Hill has mentioned references Section 341(a)(9)(B) of Title 6, United States Code which requires the overall transition and succession plan to be made available to the ***incoming Secretary and Under Secretary for Management*** by December 1, 2008. The House Homeland Committee has been under the impression that the report is due to them on Dec 1st. As a courtesy, both Deputy Secretary Paul

Schneider and Acting Under Secretary Elaine Duke have committed to submitting the Transition plan to the Hill on October 1st.

NAPA is pushing for a September 1st date. However, since DHS is mandated to provide the Transition Plan to the new administration and there will be no new administration until after the election in November, the September 1st date is arbitrary. We are providing our Transition Plan one month early to the Hill to indicate that we are ready.

Washington Post Article:

1) The academy appears to warn that DHS is moving too slowly to prepare for risks surrounding the first presidential transition for U.S. counter-terrorism agencies formed after the 2001 terrorist attacks. The department's plans to train scores of key career officials, fill the posts of 26 soon-to-depart political appointees and complete a transition plan are insufficient or behind schedule, the report said. The report acknowledges actions taken by DHS leaders: holding an exercise in February and another in May for top officials, boosting the number of career executives, expanding the chain of succession to Secretary Michael Chertoff and identifying top career officials to serve as interim leaders in about 25 vital positions. DHS is also preparing transition handbooks and briefing materials and developing a formal transition plan that will be delivered to the Congress in October. But the academy report said DHS should complete its comprehensive plan by September at the latest, once the national presidential conventions end September 4.

Will DHS complete a comprehensive transition plan by September?

DHS began its Transition Planning efforts in Spring 2007. We have a transition plan in place and we are executing it. The Department will be ready come transition time.

The December 1st date that the Hill has mentioned references Section 341(a)(9)(B) of Title 6, United States Code which requires the overall transition and succession plan to be made available to the incoming Secretary and Under Secretary for Management by December 1, 2008. The House Homeland Committee has been under the impression that the report is due to them on Dec 1st. As a courtesy, both Deputy Secretary Paul Schneider and Acting Under Secretary Elaine Duke have committed to submitting to the Transition plan to the Hill on October 1st.

NAPA is pushing for a September 1st date. However, DHS is mandated to provide the Transition Plan to the new administration and there will be no incoming administration until after the November elections. DHS will provide the administration transition plan one month early to the Hill to indicate that we are ready. To provide the DHS transition plan to the Presidential candidates would undercut the authority of the sitting President.

2) Has DHS named a full-time Transition Director who reports to the u/s for management? Report says DHS hasn't yet, p.79.

As this report was being compiled, DHS continued to make diligent progress on the execution of its transition plan; thus some of the findings in the report are no longer valid. For example, DHS named Rear Adm. John Acton, USCG, full-time transition director and identified career employees to backfill positions currently filled by non-career appointees.

3) Will training workshops begin July 1 as planned for the "knowledge transfer and inter-agency relationship mapping" project being done with the Council for Excellence in Government? Report says the initiative is behind schedule, p. 69

CEG's role is one small part of the Dept's overall transition planning efforts. The Dept has been holding training exercises for its senior career officials since February 2008 and will continue to hold them throughout the transition time frame. July 1st is an internal, self imposed date that is flexible and one that adjusts to accommodate the senior leadership's schedule of operational commitments. CEG will deliver its initial training workshop at the end of July.

4) Report says "lack of comprehensive plan to address succession planning challenges is an additional critical gap," meaning the filling of political appointee posts and the backfilling of career officials who will be tapped to take those appointees' duties. Report says the naming of about 25 career officials as back-ups is not sufficient. "DHS has not identified specific career executives who could permanently or temporarily fill non-career positions vacated during the transition. The department's transition initiatives provide a foundation for ensuring that non-career positions are filled, but they are not sufficient," p. 77

- There are approximately 200 political appointees in the Department. That is one tenth of one percent of the entire Department.
- Of these 200, only 82 are in positions that are considered senior executives. (Presidential Appointment with Senate Confirmation, Presidential Appointment, Non-career Senior Executive Service, Senior Level and Scientific and Professional positions)
- Of these 82 political positions, 45 are at headquarters (primarily Under Secretaries, Assistant Secretaries, Deputies, Chiefs of Staff, and others, such as Chief Financial Officer, Chief Human Capital Officer and Chief Information Officer positions.)
- Approximately 50% of these 45 positions at headquarters are in the immediate Office of the Secretary and the Office of Policy which is to be expected given their primary policy-making roles.
- The other 50% of these political appointee executive positions are interspersed throughout DHS headquarters, and the majority of the headquarters offices have senior career individuals as the number two official.
- DHS has filled the Deputy or number two positions with senior career executives. This initiative resulted in converting the Deputy Administrator of Transportation Security Administration from a political appointment to a career position.
- DHS also created three deputy under secretary positions within the Department. Currently, all the number two positions throughout the Department now have senior career executives, except for the Deputy Under Secretary for Intelligence & Analysis. Using the competitive process, DHS expects to make a selection for this position by the end of this month.

- In the Summer of FY 2007, DHS initiated a wider succession planning effort for other critical positions throughout the Department. Critical is defined as those in positions responsible for a major program, having significant budget responsibility, or requiring unique competencies. This information on critical positions has been reviewed and updated twice at the component level to ensure it is relevant and current.
- Most recently, DHS identified career employees to backfill positions throughout the department held by non-career employees.

5) Report also warns more must be done to fill current executive vacancies. Report says nearly 20 percent of 775 DHS executive positions were vacant as of March 20, including 34 critical posts. Over four years, more than 72 percent of DHS career executives left the department. More than half who remain have been in their jobs less than two years. pp. 25-26,46-47,48-50.

DHS is actively managing the overall vacancy rate and attrition challenges and is ensuring that all applicants for SES vacancies continue to move through the staffing process.

Both the Deputy Secretary and the Acting Under Secretary for Management receive a weekly report of all SES vacancies. Reducing the vacancy rate has been a challenge due to attrition; however DHS has made modest progress with the recent concerted efforts. The senior executive vacancy rate has been reduced to 18% as of the last pay period.

DHS is working to fill executive vacancies; in the past year, it has filled more than 150 executive positions. The percentage appears high since additional SES slots were created.

Regarding turnover:

- A large numbers of DHS career executives have left, mostly due to retirement
- With the change from Secretary Ridge to Chertoff, the Senior leadership also changed.
- The average length of service within DHS for an appointee is 18 months.

Sustainability - Law Enforcement Vehicles

October 4, 2010

DHS has established a three tiered classification for law enforcement vehicles that will be used to further delineate types of LE vehicles for the purpose of applying "sustainability" measures to those types of vehicles – L/E1, L/E2, and L/E3. L/E2 and L/E3 are vehicles that do not compromise mission requirements.

L/E 1: An L/E 1 vehicle is configured to serve apprehensions, arrests, law enforcement, police activities, or dignitary protection used in that capacity 75% of the year or more, and assigned to protection, pursuit, or off-road duties. These vehicles must be equipped with heavy duty components to handle the stress of extreme maneuvers and have the horsepower required to achieve the speeds necessary to perform these functions. Exemptions to requirements from applicable laws, regulations, and policies will be sought from the Secretary for these vehicles.

L/E 2: An L/E 2 vehicle is configured to serve intelligence, investigations, security, and surveillance activities. They may be marked units needed to identify their authority and required as a safety factor at certain law enforcement scenes. These vehicles have no expectations for pursuit operations either on or off road and do not require the heavy duty components found on an L/E 1 Vehicle. Hybrid vehicles should be considered for these functions. Exemptions to requirements from applicable sustainability laws, regulations and policies will not be sought from the Secretary for these vehicles.

L/E 3: An L/E 3 tier vehicle is a standard vehicle of any make or model, which may be used for other law enforcement operations. These vehicles have no expectations for pursuit operations either on or off road. Hybrid vehicles should be considered for these functions. Exemptions to requirements from applicable sustainability laws, regulations and policies will not be sought from the Secretary for these vehicles.

DHS is currently developing a planning template that will be used by each of its Components to create specific plans that will articulate their compliance with all the requirements found in the DOE Section 12 Guidance to Executive Order 13514. DHS HQ is providing the Vehicle Allocation Methodology that will be used and examples of expected actions in each focus area. This allows each Component to individually chart their path toward compliance while simultaneously ensuring a Department-wide operational approach…centralized requirements, decentralized execution.

Q&A

Question

How many vehicles from which agencies are you looking at?

Answer

Reclassification of DHS LE Vehicles could affect as many as 15,000 vehicles, but the number is probably closer to 10,000. It depends on how each Component applies the definition to their fleet. We don't have solid data on that yet and are still working with GSA for a change to the software that would allow us to electronically track this number.

Question

How does this differ from the actions of other agencies (Departments)

Answer

DHS is taking a proactive role in redefining LE type vehicles because it can't address its overall Fleet of 49,000 vehicles without dealing with those classified as LE (36,000). Most other organizations do not have such a high percentage of LE vehicles and therefore do not need to focus on this group with quite as much precision.

Question

Is there real potential for sustainability/energy savings in this effort?

Answer

Yes, there could be significant savings associate with this proposal. LE vehicles tend to be larger and less fuel efficient. The application of "Sustainability" measures to this group of vehicles should significantly reduce the vehicle size and improve fuel economy. When coupled with other initiatives underway at DHS such as the Vehicle Allocation Methodology and the Fleet Sustainability Plans there should be significant savings in the out years. The long term key is ensuring the laws, regulations, and policies are followed beginning with the acquisition cycle. Year over year we should begin to see DHS reduce the number of overall vehicles, increase fuel economy, and lower GHG emissions, We will add technology solutions to the mix as they become available and operationally feasible.

Headquarters Consolidation

April 6, 2010

Background:

The extreme dispersion DHS currently operates under imposes significant inefficiencies in our daily operations that can be magnified considerably at the most important moments—when the Department must act as a nimble and integrated team responding to natural disasters or terrorist threats.

DHS and Component Headquarters employees currently occupy more than seven million square feet of office space, scattered in 46 locations throughout the National Capital Region (NCR). We project a need for more than eight million square feet of office space in 2010 and potentially 10 million square feet by 2015.

The DHS Headquarters Consolidation plan will transform the dispersed portfolio from 46, and growing, locations down to approximately seven to eight locations. The plan will also synchronize the transition of 82 percent of the approximately 180 existing leases that are expiring before Fiscal Year (FY) 2015.

The DHS Consolidated Headquarters at St. Elizabeths—partially funded by the American Recovery and Reinvestment Act (ARRA)—will create direct employment opportunities for thousands of people in the Washington region while preserving a National Historic Landmark. It's anticipated that the project will create direct employment opportunities for more than 32,000 people in the region for construction and construction-related activities, not including the 14,000 Federal employees who will work at St. Elizabeths. As a result of these jobs, the local economy will gain payroll earnings of approximately $1.2 billion through the planned completion in FY 2016.

St. Elizabeths

- Consolidating the DHS headquarters will increase effectiveness, efficiency, enhance communication, and foster a "One-DHS" culture that will optimize department-wide prevention, response and recovery capabilities.

- The development is an extremely complex effort with many internal and external stakeholders, varied interests and competing priorities. To be successful, the department must effectively manage the physical campus improvements while integrating the broader community and policy goals.

- We are mindful of the National Historic Landmark status of the campus and remain committed to minimizing harm to contributing historic features while providing functional spaces that meet our programmatic needs. In the end, St. Elizabeths will be a model for integrating modern uses with historic preservation, sustainability, economic development and coordination between the federal government, the district government, private industry and the community.

- St. Elizabeths will serve as the epicenter for DHS leadership, operations coordination, policy, and program management in support of the department's mission execution functions and strategic goals.

- The plan will create 4.5 million gross square feet of space for 14,000 DHS employees at St. Elizabeths.

- The project has been planned in close cooperation and coordination with both GSA and the Office of Management and Budget (OMB) as a three phase development with severable segments designed to create a relatively steady funding requirement over fiscal years 2011 through 2014, in the DHS and GSA budget requests. The phases overlap by necessity for construction and to achieve the overall completion of the development within a reasonable timeframe.

    - Phase 1 is the U.S. Coast Guard Headquarters scheduled for occupancy in FY2013,

    - Phase 2 is the DHS Headquarters, FEMA and the National Operations Center/Collocation of Component Operations Centers in FY2014; and

    - Phase 3 is for the remaining component occupancies in FY2016.

- Extending the development timeline beyond six years will impede our efforts to unify the department's operations and will dilute the 30 year net present value cost advantage of consolidation in federal construction over leasing, which currently stands at more than $600 million.

- The FY 2011 budget request seeks to sustain the momentum generated from the FY 2009 appropriations and the American Recovery and Reinvestment Act with continued investment on Phase 1 requirements (U.S. Coast Guard) and initiation of construction of Phase 2A, which includes the DHS Headquarters, the National Operations Center and the Collocation of Component Operations Centers. A total of $287.8 million is included in the President's Budget request to continue the development of the DHS Consolidated Headquarters at St. Elizabeths.

- DHS received $97.58 million in Fiscal Year 2009 Appropriations and an additional $200 million in American Recovery and Reinvestment Act funding for the DHS Consolidated Headquarters at St. Elizabeths. Working together with GSA and their companion appropriations, GSA awarded a $435 million design-build contract in August of the 2009 for the Phase 1A new 1.1 million gross square feet U. S. Coast Guard Headquarters building. In addition, GSA has awarded contracts for Phase 1 construction management services, and for two design excellence architects to complete the remaining phases of development.

- Phase 1B final design submissions for the adaptive reuse of certain historic buildings for shared services functions such as cafeteria, auditorium, fitness center, Coast Guard Exchange, and infrastructure projects consisting of Security Perimeter Improvements and Phase 1 Utilities are being prepared for National Capital Planning Commission (NCPC) approval at the April and May 2010 meetings with construction awards scheduled for 4th quarter of FY2010.

- The DHS Program Team is working very closely with the GSA on the acquisition strategies for the various procurements. GSA shares our commitment to competitive contracting and small business emphasis where ever possible. GSA and DHS held a joint Industry day sponsored by Delegate Eleanor Holmes Norton on the St. Elizabeths development in October 2009 that was attended by approximately 1,000 business representatives and provided small business networking opportunities during the session.

- We are also completing a Program of Requirements validation for all of the DHS components to assure we have the most up to date information on component needs. Phase 2A design is in progress for the National Operations center and Collocation of Component Operations Centers and the adaptive reuse of the Center Building, which is the most important building on the campus and will house the Secretary's office and the senior leadership of the Department.

- Sustainability is a key driver for this facility and the entire campus. The building will achieve Leadership in Energy and Environmental Design (LEED) Gold certification, which is the target for all development at St. Elizabeths.

Mission Support Consolidation

- While St. Elizabeths will accommodate the main Department and Component HQ mission execution functions, it does not have the capacity to accommodate all of the DHS mission support elements.

- As new office space is created at St. Elizabeths, DHS employees will relocate to occupy these spaces and vacancies will occur in federally owned spaces within the National Capital Region. GSA and DHS will work closely with the 22 Components of DHS to manage approximately 180 lease actions and minimize costly vacancies.

- The FY 2011 request seeks to initiate the Mission Support Consolidation effort, which must be accomplished in concert with St. Elizabeths schedule in order to shed the dispersed lease locations as we begin to occupy the campus.

- The total DHS budget requirement for mission support is $263 million over 4 years, with the expectation that GSA will lease 1.2 million rentable square feet of space with a two-phase implementation schedule in calendar years 2013 and 2014.

- In cooperation with DHS and OMB, a Mission Support Consolidation prospectus for lease authority was submitted by GSA to Congress in October 2009 that will address the Department's current housing needs. As the prospectus is for leased office space, GSA does not require a separate appropriation and all costs for tenant fit out requirements are funded by DHS.

- The $75 million included in the 2011 budget request will initiate the mission support consolidation effort by providing the necessary funding to eliminate 10 lease locations associated with the 1.2 million square feet of office space included in the prospectus. The remaining funding will be requested future budgets to deliver the space in FY2013 and FY2014.

- The Mission Support consolidation plan has the potential to achieve more than $400 million Net Present Value cost avoidances over a 30 year period. It minimizes vacancy risk, short term lease extensions and multiple move requirements and forms the basis of the Fiscal Year 2011 budget request.

The magnitude and complexity of our task to realign our facilities to better support the mission, presents many challenges and opportunities. This project is one of Secretary Napolitano's highest priorities and she has established specific objectives that must be achieved as we move forward.

1. Create a "One DHS" culture focused on effectiveness, efficiency and collaboration

The creation of a unified campus will support the Secretary's goal to unify the Department operationally, administratively and culturally.

2. Develop St. Elizabeths into a campus that supports DHS missions.

It is critical that that as we work with GSA to redevelop this magnificent National Historic Landmark and exercise all possible planning to minimize harm to contributing historic resources, that we also assure that the investments in new construction and adaptive reuse provide functional, effective and efficient facilities to support our mission requirements.

3. Support community revitalization and economic recovery

St. Elizabeths is located in Ward 8 – the most economically disadvantaged ward in the city. As the federal $3.4 billion development progresses toward occupancy by 14,000 DHS employees, the department must ensure that community interests and opportunities local economic benefit are integrated into the plan and synchronized with DC's East Campus development. Coordination with our federal and district partners is key to success as we move forward.

4. Promote sustainable designs while preserving historic structures

As the largest federal development in the region, St. Elizabeths offers an opportunity to showcase the DHS/GSA commitment to sustainable building practices and historic preservation.

5. Inform and manage employee expectations regarding relocation

Recruiting and retaining a highly professional, dedicated and motivated workforce is essential to the Department achieving its mission to protect the homeland. The headquarters consolidation effort has the potential to touch or impact nearly all of the DHS headquarters and component employees in the NCR over the next 4 to 7 years.

Talking Points

St Elizabeths and a CR

August 20, 2008

Normally, a Continuing Resolution (CR) only provides funding for existing programs at a specific percentage of the prior year's appropriation, depending on the length the CR period. There are exceptions that permit funding of critical new programs in a CR in cases where there are compelling reasons for the project or program to move forward. These exceptions are called "anomalies" and are considered as a CR is approved by Congress.

It is also important to note that although the Department of Homeland Security (DHS) has not received funding to date for the St. Elizabeths development, the General Services Administration (GSA), which will fund about two-thirds of the overall development costs, has received appropriations in prior years for stabilization, infrastructure and design of the new U.S. Coast Guard Headquarters.

DHS and GSA are currently working with the Office of Management and Budget (OMB) and the Congress on potential "anomalies" that may be required in the event a CR is enacted for FY 2009.

The DHS Consolidated Headquarters at St. Elizabeths is a top Administration and Department priority and funding in FY 2009 is vital to support DHS operations, integration and the recruitment and retention of our dedicated workforce.

We continue to work closely with Congress on this important initiative and are encouraged by the strong support for the project shown in the DHS and GSA FY 2009 marks in both the House and the Senate for the St. Elizabeths project.

While we prefer an FY 2009 DHS appropriation, we are confident the Congress appreciates the criticality of getting construction started of the new DHS Headquarters at St. Elizabeths next year.

The DHS FY 2009 funds will be used for:

1. Construction Phase 1A of the new Coast Guard Headquarters (about 1.1 million gross square feet), which provides the new administrative office space. This will fund a new office building and the interior build-out. Phase 1B will be requested in a future budget year and will fund the parking , shared services that go into the historic buildings (such as cafeteria, fitness center, etc) and the Coast Guard Command Center, which will eventually be tied in with the NOC.

2. DHS Project Team staff to manage the entire Headquarters Consolidation effort (21 positions/11 FTE for FY 2009)

3. DHS Chief Security Office (CSO) Site Survey Activities to monitor contractor personnel, equipment and materials to be delivered and installed on the campus.

GSA's request also has funding to commence Phase 2 Design, which include DHS Headquarters, FEMA and the NOC. GSA just issued the FEDBIZOPS notice to potential offerors last Friday for the Phase 2 Design Services. The solicitation, evaluation, selection and contract award process takes about six to nine months, which is why it is being issued now.

Annual Financial Report

Background

The Annual Financial Report (AFR) is the Department's principal financial statement of accountability to the President, Congress and the American public. The AFR gives a comprehensive view of the Department's financial activities and demonstrates the Department's stewardship of taxpayer dollars.

Talking Points

Improving Departmental Financial Reporting

- The Department of Homeland Security is committed to a culture of integrity, accountability, fiscal responsibility and transparency.

- In FY 2010, the Department focused its efforts on eliminating audit qualifications and executing corrective actions to strengthen Department-wide internal controls over financial reporting. Due to this strong commitment, the results of the annual audit continue to improve.

- Since FY 2005, the Department has reduced the number of audit qualifications from ten to one and has reduced material weaknesses in internal controls over financial reporting by half.

- DHS is concentrating efforts on obtaining an audit opinion on the Consolidated Balance Sheet and Statement of Custodial Activity by FY 2011.

- Numerous components have contributed to the Department's improvements in the audit:

    - The U.S. Coast Guard implemented new policies, processes, and corrective action plans to considerably increase the value of asset and liability representations. Specific improvements made by the U.S. Coast Guard and other Components include new policies, processes, and corrective actions that increased the auditable balance sheet balances to approximately ninety percent.

    - The Transportation Security Administration no longer contributes to an audit qualification and also made tremendous progress this year by reducing control deficiency findings in the Financial Reporting and Information Technology Controls areas.

    - Customs and Border Protection, U.S. Immigration and Customs Enforcement, and the National Protection and Programs Directorate improved internal control deficiencies in Property, Plant and Equipment to reduce the severity of a Department material weakness condition.

- The Federal Emergency Management Agency also contributed to this year's audit success with reductions in Financial Reporting control deficiency findings.

- The Department is committed to improving performance measurement and accountability by increasing the quality of the Department's performance measures and linking those measures to the mission outcomes articulated in the QHSR and the BUR. DHS is currently in the process of assessing all of its performance measures to align them with the QHSR and the BUR and create a comprehensive performance plan that will provide the basis for strategic planning and management controls.

Addressing Major Management Challenge Areas

- Acquisition Management

  - In FY 2010, DHS conducted 34 Acquisition Review Boards (ARB) to review Level 1 large dollar acquisitions to determine adequacy of an executable business strategy, resources, management, accountability and alignment to strategic initiatives to support the Acquisition Decision Authority in determining appropriate direction for key acquisitions.
  - In FY 2010, the Office of the Chief Procurement Officer (OCPO) hired and placed 105 participants in the Acquisition Professional Career program that will enable OCPO to fill key acquisition positions. In addition, OCPO also drafted a Directive and Instruction to establish the accountability and responsibility that are critical to complementing the contracting authorities already in place.

- Information Technology Management

  - The Office of the Chief Information Officer strengthened information security controls, integrated Information Technology (IT) infrastructure, improved information sharing with partners, further addressed privacy concerns, and initiated a Department-wide Portfolio Review of all major IT investments.
  - The DHS Chief Information Security Officer completed the 2010-2014 Information Security Strategic Plan which outlines how DHS will provide information security over the next five years.
  - The Department continued to show improvements in Federal Information Security Management Act compliance, and improved it's classified cyber threat information processing capability and improved overall analytical capability to understand and respond to sophisticated threats.

- Emergency Management

  - FEMA restructured the Annual Disaster Housing Plan to incorporate a new strategic direction. The new plan, now titled The Disaster Temporary Housing Operational Guide, describes FEMA's new approach to working with Federal partners, states, territories, tribes, voluntary agencies, local communities, and individual disaster

survivors to prepare for and respond to disaster-related sheltering and temporary housing needs.
    - In efforts to improve hazard mitigation outcomes, FEMA has reconciled and clarified over 140 policy memos and integrated them into a streamlined guidance document that provides annual program guidance for the five hazard mitigation assistance programs.

- Grants Management

    - To invigorate monitoring of FEMA's grant recipients, the Grants Program Directorate launched the multi-year Programmatic Grants Monitoring Improvement Initiative and expanded monitoring activities from three to seven grant programs.

- Infrastructure Protection

    - The National Infrastructure Protection Plan Critical Infrastructure and Key Resources Sector Partnership has facilitated the regular meeting and operation of interagency, intermodal, interdisciplinary, and cross-sector working groups to address issues such as cybersecurity, surface transportation security risk assessments, electric telecommunications interdependencies, and incident coordination.

- Border Security

    - Over the past twenty months, DHS has dedicated historic levels of personnel, technology, and resources to the Southwest border.
    - Today, the Border Patrol is better staffed than at any time in its 86-year history, having nearly doubled the number of agents from approximately 10,000 in 2004 to more than 20,500 in 2010.
    - Immigration and Customs Enforcement (ICE) has increased the number of federal agents deployed to the Southwest border from 3,034 in FY 2008 to approximately 3,300 in FY 2010.
    - In addition to the increased resources on the Southwest border, DHS has made great strides in strengthening information sharing and coordination with state, local and tribal law enforcement agencies and Mexican authorities.

- Transportation Security

    - DHS has bolstered security measures at all of our airports by implementing a variety of security measures to further improve an enhanced, risk-based, layered approach to security. TSA deploys the most effective technologies available to counter evolving threats and have deployed over 50,000 trained Transportation Security Officers, Transportation Security Inspectors, and Behavior Detection Officers in the transportation sector add additional layers of security to support the technology at the checkpoints.
    - Our nation's passenger rail systems and assets are vital to the overall functioning of our nation's transportation sector, our economy, and our society. Protecting these

systems from deliberate attack or disruption remains a top Departmental priority and is a shared responsibility among transit agencies, law enforcement, the private sector, and the traveling public.

- Trade Operations and Security

  - CBP completed Cargo Enforcement Reporting and Tracking System (CERTS) guidance for use at ports of entry that updates and outlines specific requirements for input from field operators regarding examination findings.
  - CBP's Secure Freight Initiative started scanning operations at the (b) (5) and is working to forge agreements to scan cargo at the (b) (5) and Salalah, Oman.

- DHS is fully committed to following OMB guidance to ensure a successful financial system implementation. We are working closely with OMB and progressing forward as we continue the planned TASC contract award.

- TASC provides the foundation for ensuring clean audit opinions, addressing system security issues and remediating control weaknesses. It will strengthen financial management and reporting capabilities.

- The goal is to implement a solution already operational in the Federal space that provides financial, acquisition and asset management functionality.

	FEMA FTE HISTORY [1/]						
	FY 2001 to FY 2005 Actuals; FY 2006 Estimate; FY 2007 PB						
	FY 2001 FTE	**FY 2002 FTE**	**FY 2003 FTE**	**FY 2004 FTE**	**FY 2005 FTE**	**FY 2006 FTE** [2]	**FY 2007 FTE**[3]
Office of the Under Secretary				22	22		
Preparedness, Mitigation, Response and Recovery (PMRR)				916	881	822	939
Administrative and Regional Operations (ARO)				798	803	1032	1115
Salaries & Expense / Emergency Management Planning and Assistance	1,662	1,673	1,737				
Subtotal OE	1,662	1,673	1,737	1,736	1,706	1,854	2,054
National Flood Insurance Fund	242	237	239	238	241	270	270
Cerro Grande	66	53	17	10	2	0	0
Disaster Asst Direct Loan Program Acct	3	2	2	3	3	3	3
Public Health Programs [4]			83	83	88	40	40
Flood Map Modernization	0	0	0	0	13	33	33
Pre-Disaster Mi igation	0	0	0	0	0	15	55
Radiological Emergency Preparedness (REP)	84	73	76	77	78	0	0
Subtotal Other FEMA programs	395	365	417	411	425	361	401
Total FEMA w/out DRF	2,057	2,038	2,154	2,147	2,131	2,215	2,455
DRF [5]	2,521	2,865	3,289	3,330	5,458	3493	3493
Total with DRF	4,578	4,903	5,443	5,477	7,589	5708	5948

1/ FTE for Working Capital Fund and IG are not shown for the sake of comparability.

2/ 2SR transferred 90 FTE for REP as well as 113 FTE from PMRR and ARO for USFA to the Preparedness Directorate.

3/ President's Budget

4/ 53 FTE for the Metropolitan Medical Response System transferred out of FEMA in FY 2005. However, an increase in National Disaster Medical System FTE resulted in a net increase for FY 2005.

5/ FY 2006 DRF FTE are estimated based on 5 year average. Actual FTE could be higher, depending on hurricane disaster recovery requirements.

FEMA Funding, FY 2001 - FY 2007

(budget authority in thousands of dollars)

	2001		2002		2003		2004		2005		2006 [1]		2007	
	Request	Enacted	Request	Enacted	Request	Enacted	Request	Enacted	Request	Enacted	Request	Enacted	Request	Enacted
Office of the Under Secretary								$3,430	$4,211	$4,211	$4,306			
Preparedness Mitigation Response and Recovery								$223,672	$208,499	$239,499	$195,058	$202,017	$233,499	
Administrative and Regional Operations (ARO)								$166,015	$196,939	$202,939	$213,934	$219,028	$255,499	
Operating Expenses							$328,267							
Salaries and Expenses	$221,024	$214,408	$233,801	$233,852	$248,919	$244,093								
Emergency Management Planning and Assistance	$132,201	$134,585	$120,077	$122,093	$129,339	$131,847								
2SR [2]								-$44,142		-$42,581	[$44,948]	[$44,948]	[$44,948]	
Subtotal OE	$353,225	$348,993	$353,878	$355,945	$378,258	$375,940	$328,267	$348,975	$409,649	$404,068	$413,298	$421,045	$488,998	
Mitigation Grants Program							$300,000							
Pre-Disaster Mitigation	$30,000	$0	$0	$0	$300,000	$149,025		$149,115	$150,000	$100,000	$150,062	$49,500	$149,978	
Flood Mitigation Fund	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000		$20,000	$20,000	$20,000	$28,000	$40,000	$31,000	
National Flood Insurance Fund	$83,624	$81,910	$85,179	$85,125	$88,693	$90,439	$90,472	$93,222	$92,593	$92,593	$95,854	$145,854	$97,588	
Emergency Food and Shelter [3]	$140,000	$139,692	$139,692	$140,000	[$153,000]	$152,006	[$153,000]	$152,097	[$153,000]	$153,000	$153,000	$151,470	$151,470	
Cerro Grande Fire Claims			$88,083	$90,000		$37,837								
Disaster Asst Direct Loan Program Acct	$2,105	$2,101	$948	$948	$550	$553	$557	$557	$567	$567	$567	$561	$569	
Public Health Programs						$34,000	$34,000	$33,799	$34,000	$34,000	$34,000	$33,660	$33,885	
Flood Map Modernization	$0	$0	$0	$25,000	$300,000	$149,025	$200,000	$198,820	$200,000	$200,000	$200,068	$198,000	$198,980	
Subtotal Other FEMA programs	$275,729	$243,703	$333,902	$361,073	$709,243	$632,885	$625,029	$647,610	$497,160	$600,160	$661,551	$619,045	$663,470	
Subtotal FEMA w/out DRF	$628,954	$592,696	$687,780	$717,018	$1,087,501	$1,008,825	$953,296	$996,585	$906,809	$1,004,228	$1,074,849	$1,040,090	$1,152,468	
Disaster Relief Fund	$2,909,220	$293,587	$1,369,399	$611,100	$1,844,000	$773,363	$1,934,000	$1,767,510	$2,151,000	$2,042,380	$2,140,000	$1,752,300	$1,941,390	
Supplemental DRF		$4,383,133		$8,007,571		$1,925,300		$2,245,000		$66,385,000				
Transfer and Rescission of DRF Carry Over Balance												[-$24,161,800]		
Sub-total FEMA w/DRF	**$3,538,174**	**$5,269,416**	**$2,057,179**	**$9,335,689**	**$2,931,501**	**$3,707,488**	**$2,887,296**	**$5,009,095**	**$3,057,809**	**$69,431,608**	**$3,214,849**	**$2,792,390**	**$3,093,858**	
EMPG	$137,451	$137,146	$134,546	$134,546	$117,946	$163,928								
Stockpile						$429,038	$400,000	$397,640						
Citizen Corps						$20,000								
Grants for emergency management						$70,000								
Inspector General	$8,476	$9,978	$10,303	$10,303	$11,549	$13,909								
Fire Grants		$100,000	$100,000	$150,000		$745,000								
First Responder Grants					$3,500,000									
MMRS					$50,000	$50,000		$49,705						
Programs Transferred Out	$145,927	$247,124	$244,849	$294,849	$3,679,495	$1,491,875	$400,000	$447,345	$0	$0	$0	$0		
Supplemental Other [5]				$531,400		$86,250		$0		$100,000		$769,700		
Grand Total	**$3,684,101**	**$5,516,540**	**$2,302,028**	**$10,161,938**	**$6,610,996**	**$5,285,613**	**$3,287,296**	**$5,456,440**	**$3,057,809**	**$69,531,608**	**$3,214,849**	**$3,562,090**		

[1] FY 2006 enacted reflects 1% across the board rescission pursuant to P.L. 109-148

[2] 2SR transferred $45M to Preparedness in FY 2006. A comparability adjustment is included for FY 2004 and FY 2005. A USFA budget figure is included as a non-add in FY 2006 and FY 2007.

[3] President's Budget Request in FYs 03, 04 and 05 proposed transfer of Emergency Food and Shelter to HUD's budget

Includes Emergency Contingency Fund releases.

[5] Non DRF Supplemental

Liberty Shield						*$86,250*								
Fire Grants				*$210,000*										
Preparedness				*$25,000*										
Winter Olympics				*$10,000*										
Spring Supp. 107-206				*$225,400*										
Cerro Grande				*$61,000*										
Public Health - National Disaster Medical System										*$100,000*				
ARO - Emergency Alert System and financial/acquisition staff												*$17,200*		
Disaster Assistance Direct Loan Program (by transfer)												*$752,500*		
Total Non DRF Supplemental				**$531,400**		**$86,250**				**$100,000**		**$769,700**		

	Airport Security	Port Security	Rail Security
FY 2002	$ 1.2 billion		
FY 2003	$ 10 billion		
FY 2004	$ 4.4 billion		
FY 2005	$ 4.3 billion	$ 1.9 billion	
FY 2006	$ 4.6 billion	$ 2.0 billion	
Total	**$ 8.9 billion**	**$ 3.9 billion**	
FY 2007 requested	$ 4.7 billion	$ 2.8 billion	

- The number of ports is not equivalent to the number of airports
- One is securing cargo versus securing passengers
- Sea vessel traffic flow is different from the flow of passenger flights
- There are different congressional requirements for airport security then port security

eMerge^2 TALKING POINTS

October 20, 2005

- The Department of Homeland Security extended the Blanket Purchase Agreement (BPA) for the eMerge2 project with BearingPoint for 30 days.

- The CFO began a review of the project last spring and is expected to make a determination on how to best proceed with the eMerge2 within the next 30 days.

- Several options are on the table, including progress that has been made by DHS components over the past year in improving their own financial systems—efforts that were already underway before DHS was created. This includes the implementation of SAP at CBP, the implementation of Oracle financials at US Secret Service, and the US Coast Guard taking on TSA as a financial systems and services customer.

eMerge2 Talking Points

December 29, 2005

Background: The ***eMerge²*** Program was established in 2004 to "**e**lectronically **M**anage **e**nterprise **r**esources to promote **g**overnment **e**ffectiveness and **e**fficiency" by:

- Transforming disparate business and financial management systems into a unified electronic solution suite for the department
- Promoting and supporting the critical "one DHS" model by providing and automated enterprise-wide view of the results of departmental business operations.
- Establishing the foundation for functional integration in the financial management areas by building out the HLS Enterprise Architecture, rationalizing financial management requirements across DHS and standardizing systems.

By involving all DHS components in the departmentwide financial management requirements, the department also set the potential for future functional integration by establishing an agreed upon set of requirements.

Talking Points

- ***eMerge²*** is alive and well**.** We are making great progress on a new methodology to achieve the ***eMerge²*** End-State vision.

- While the efforts with BearingPoint were discontinued, a good foundation was laid and the contract was managed well to avoid wasting government funds.

- RMTO has developed a revised strategy that includes assessing the current state, validating the End-State Vision, and migrating to the End-State vision. Though the original mission need has remained unchanged, the RMTO role has changed from that of program office implementing a solution to that of a program executive office that provides oversight to the COE approach to the long-term migration to the End-State Vision.

Program Accomplishments

Beginning in FY 2004, the ***eMerge²*** Program

- Defined the DHS-wide financial management requirements and built out the financial management portion of the HLS enterprise architecture.
- OMB's Financial Management Line of Business (FMLOB) subsequently adopted the DHS FM architecture as the OMB FMLOB enterprise architecture for use governmentwide.

In FY 2005, the Program:

- Completed Studies on Functional Integration Options and evaluated these against DHS/***eMerge²*** functional requirements and long-range vision criteria
- Completed an analysis of ***eMerge²*** options that could:
  - Expedite implementation,
  - Reduce cost, and
  - Reduce risk.
- Developed a Consolidated Financial Statements Strategy
- Developed the first series of web-enabled Financial Metrics for DHS for evaluation

Program Reassessment

In February 2005, DHS CFO initiated a review of the current ***eMerge²*** effort to consider several alternative options.

- As with any major contract, DHS experienced some performance/timing/quality issues with the ongoing integration effort.
- While continuing with the integration of the COTS applications was considered a viable option, the cost and time associated with that direction raised the risk of not being able to achieve the program objectives in a reasonable time period. Additionally, it was concluded that
- Other components within the department had matured their financial management applications over the past two years to a point where they could provide accurate, reliable financial management services to those other DHS components in need of such services.
- Therefore the Program has adopted what could be called a Center of Excellence (COE) approach to the enterprise solution which will focus on three phases:
  - Consolidate systems/service providers and address material weaknesses
  - Implement corporate unifying features (integration capabilities)
  - Optimize environment to achieve efficiencies and effectiveness

BearingPoint Contract

While the efforts with BearingPoint were discontinued, a good foundation was laid and the contract was managed well to avoid wasting government funds.

- The Department and BearingPoint agreed to close out BearingPoint's first task order, and DHS only paid for the products that BearingPoint completed to the government's satisfaction.
- The careful management of the ***eMerge²*** task orders kept DHS from wasting any money on the Program. It also allowed us to catch the problems early, and

escalate them appropriately. We only paid for the products that were successfully completed.

- A total of $ 15 million was spent on the task orders and the following products and services were received:
    - Developed DHS functional requirements
    - Built out of the HLS Financial Management enterprise architecture
    - Completed the ***eMerge²*** Security Strategy
    - Completed a Portal Design for ***eMerge²***
    - Developed a Consolidated Financial Statements Strategy
    - Developed Implementation Training Plan
    - Developed Test Strategy plan and procedures
    - Completed Studies on Functional Integration Options and evaluated these against DHS/***eMerge²*** functional requirements and long-range vision criteria
    - Completed an analysis of ***eMerge²*** options that could:
        - Expedite implementation,
        - Reduce cost, and
        - Reduce risk.

A New Approach

RMTO has developed a revised strategy that includes assessing the current state, validating the End-State Vision, and migrating to the End-State vision. Though the original mission need has remained unchanged, the RMTO role has changed from that of program office implementing a solution to that of a program executive office that provides oversight to the COE approach to the long-term migration to the End-State Vision.

- This approach leverages existing systems to provide support to those components requiring immediate relief in the short term, while simultaneously providing more time to plan and implement the End-State Vision.
- This approach also comprises design, development and implementation of "federal" or unifying functions, such as Department-wide reporting, dashboards and information sharing.
- It is envisioned that the RMTO will be responsible for and perform the role of Department's Executive Agent for the transformation.
- The ***eMerge²*** COE migration strategy reflects the fact that each of several components has already developed and successfully implemented business practices as well as their own financial management code structure to capture, manage, and report financial information and recognizes that these cannot be migrated to a common solution in the near term.
- Therefore, a single solution could not readily accommodate every component's existing architecture requirements.
- Instead of migrating directly to a fully-compliant single solution for the Department, the migration will focus on:
    - making badly-needed corrections to existing systems,
    - re-hosting components as necessary to meet immediate demands,
    - preparing for the long term to implementing a standards-based environment.
- The strategy centralizes control of all resources required to bring about a fully-integrated environment as quickly as possible.

- Throughout the migration the service providers will be responsible for managing their own operations effectively and efficiently.
- We have already migrated Information Analysis and Operations to FLETC (Momentum).

2006 Plans

In FY 2006 the ***eMerge²*** Program plans to begin implementation activities based on the new DHS implementation strategy and to accomplish the following milestones:

- Complete the evaluation of the potential DHS service providers
- Complete preparations for those organizations selected as operational service providers for DHS organizations
- Migrate 3 components to new service providers
- Design an Enterprise Data Mart
- Design and build an accounting data mart and preliminary financial dashboard
- Fund improvements to candidate systems
- Develop a prototype of OCFO web based metrics and financial information

FEMA Budget

Talking Points
April 2006

- There is, and always has been, a strong commitment by this Administration to ensuring that FEMA has the support and resources necessary to carry out its critical mission, and from the FY04 proposed budget - FY07 proposed budget this Administration has sought to increase FEMA's core budget by roughly 10%.

- The creation of the Department involved unprecedented budget dynamics that were experienced by all 22 agencies in the beginning. Budget transfers were common and we worked closely with the Administration and the Hill to apprise them of these transfers and to ensure complete budget transparency.

- For its part, FEMA transferred approximately $42 million in 2003 to help stand up DHS. Another $10.6 million was transferred from FEMA to ODP to fund the Office of National Preparedness, as mandated in the Homeland Security Act of 2002.

- In addition, approximately $11 million of the $77.9 million suggested by Mike Brown to have been transferred out of the FEMA budget since 2003 was, in actuality, strategic savings through consolidated procurement buys. For example, rather than having 22 individual agency contracts for shipping services, DHS recently entered into a department-wide contract for DHL to provide these services.

- Through the Disaster Relief Fund, FEMA's staffing levels can quickly change to meet workload demands. By hiring intermittent employees to supplement response efforts to a natural disaster, the number of FEMA employees can change significantly from year to year. Overall, FEMA has seen an increase in the number of permanent employees since joining the Department.

FEMA Budget

Talking Points
September 28, 2005

- There is, and always has been, a strong commitment by this Administration to ensuring that FEMA has the support and resources necessary to carry out its critical mission, and from the FY04 proposed budget - FY06 proposed budget this Administration has sought to increase FEMA's core budget by roughly 13%.

- While there is no indication of a specific funding request from FEMA to DHS or the Administration based upon outcomes from the Hurricane Pam exercise, approximately $140 million was made available through the Disaster Relief Fund for FEMA response and recovery efforts as a result of lessons learned from the four hurricanes in Florida last year.

- Through the Disaster Relief Fund, FEMA's staffing levels can quickly change to meet workload demands. By hiring intermittent employees to supplement response efforts to a natural disaster, the number of FEMA employees can change significantly from year to year. Overall, FEMA has seen an increase in the number of permanent employees since joining the Department.

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- Congress and the Administration recognized that there is significant public benefit to having the FEMA in the Department with the Homeland Security Act. FEMA has always been able benefit from other agencies and departments for support, but as we saw with Katrina, FEMA's ability to tap sister agencies like the Coast Guard, ICE and CBP for immediate assistance saved lives. There was no red-tape or bureaucracy involved with funding for Coast Guard helos to start flying -- in gale force winds within two hours of Katrina passing threw -- or for ICE and CBP law enforcement officers -- more than 1,400 combined -- to get boots on the ground in support of New Orleans authorities.

Talking Points

Annual Performance Report for Fiscal Years 2008 – 2010

The Department of Homeland Security Annual Performance Report for Fiscal Years 2008 – 2010 presents the Department's detailed performance information relative to our mission and the resources entrusted to us. It provides readers with a sense of how we are performing in relation to our program and strategic goals. The report also provides historical information regarding past performance, and communicates our performance plan for the future.

In this report you will find the performance results achieved compared to our targets for FY 2008, along with our proposed resource requests and performance measure targets for FY 2009 and FY 2010.

DHS continues to work to enhance the quality, scope, and breadth of our performance measures. We are working to implement measures to assess risk reduction and the existence of prevention safeguards in targeted areas identified in our goals and objectives.

Overall talking Points on the Performance and Accountability Report

December 2005

- The department's Fiscal Year 2005 Performance and Accountability Report helps us reassess and reprioritize resource requirements, and it enables the department to improve the understanding of the costs associated with achieving its mission and goals.

- This performance information provides financial and performance information that enables the President, Congress and the public to assess the effectiveness of the department's mission performance and stewardship of resources.

- The department continues positive efforts to make its programs more efficient, effective and results-oriented. We are making substantial progress in implementing the core government-wide initiatives: Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; Expanded Electronic Government; and Budget and Performance Integration.

- In addition, the Department continues to make real progress in meeting the two specific program initiatives of Federal Real Property Assets Management and Research and Development Investments. This year's report again discusses initiatives to transform the President's Management Agenda into the Department's own results agenda.

Purchase Card Program

OPA Talking Points
July 18, 2006

Background

GAO is conducting an audit of the DHS purchase card program. On July 13, DHS received a statement of facts from GAO concerning their testimony before the Senate Homeland Security and Governmental Affairs scheduled for July 19. GAO then provided a detailed briefing for the DHS CFO, CPO, and CAO. On July 14, GAO held an exit conference for DHS and its components, at which the components had an opportunity to comment on the specific findings in the GAO statement of facts.

Talking Points

- Individual findings from within the GAO report will be examined, and based on the review of each case, administrative, disciplinary, or other actions will be taken as appropriate – abuse of taxpayer's dollars will not be tolerated.

- DHS is committed to strengthening our purchase program and has created a manual that will standardize controls across the department and remedy most of the problems identified within the GAO report.

- Using the purchase card saves money by reducing administrative costs; they also provide a means to make individuals accountable by making each purchase traceable.

FACTS – for direct response to query

- The new manual will:
    - Improve training requirements;
    - Require "written" authorization before making a purchase;
    - Limit the number of managers overseeing card holders; and
    - Specify more stringent invoice documentation.

- Administrative options include:
    - Suspension or revocation of purchase card privileges
    - Recoupment of funds for unauthorized purchases

- In 2004, the department spent approximately $296 million in 780,000 purchase card transactions.

- In 2005, the department spent approximately $435 million in 1.1 million purchase card transactions.

- To date, the department has spent approximately $200 million in purchase card transactions.

- Outside of the alleged cases in the GAO report, the department has taken approximately 70 administrative and disciplinary actions this year based on purchase card abuse or improper use.

- Disciplinary options include the full normal range of options from counseling or letters of reprimand, to suspension, to termination of employment. In addition, criminal referral to the Department of Justice is an option for potential criminal acts.

1. "Also questioned by the GAO was the purchase of 107 laptops, 22 printers, and…GPS units, all missing and presumed stolen from FEMA..." ("Panel Finds Homeland Security Waste", *Hartford Courant*, 07/19/06)

   - **<u>FACT:</u> 74 laptops have already been located.**

   - **<u>FACT:</u> 2 of the 3 missing GPS units have been located.**

2. "FEMA now has eight boats, and 'could not provide the location for the other 12 boats.'" ("Panel Finds Homeland Security Waste", *Hartford Courant*, 07/19/06)

   - **<u>FACT:</u> All 12 boats purchased by FEMA have been located.**

   - **<u>FACT:</u> GAO identified $268,000 in missing FEMA items. Since Friday, $217,000 of the missing items have already been located, over 80% of the GAO total figure.**

3. "The Secret Service spent more than $7,000 on 54 iPODs and could not prove they were needed for government work." ("Panel GAO: TV, iPODS Part of Post-Katrina Waste", *USA Today*, 07/19/06)

   - **<u>FACT:</u> These devices were used by the Electronic Crimes Task Force, as such devices are increasingly being used by criminal elements to illicitly store and transfer information.**

4. "A FEMA employee bought a 63-inch plasma-screen TV that was found unopened in its box six months later." ("Panel GAO: TV, iPODS Part of Post-Katrina Waste", *USA Today*, 07/19/06)

   - **<u>FACT:</u> This screen was installed at the Mt. Weather Emergency Operations Center, the facility used by senior DHS leadership in the event of a COOP, or Continuity of Operations.**

5. "Customs and Border Protection held a training seminar for 32 attorneys at the Sea Palms golf and tennis resort at St. Simons Island, Ga. They could have saved $10,000 by using a government facility." ("Terror $$ For Beers", *New York Post*, 07/19/06)

   - **<u>FACT:</u> The government facility referred to is part of the Federal Law Enforcement Training Center, and was not available at the time of the seminar. Lodging facilities for the seminar were purchased at the Government Services Administration's government per-diem rate.**

6. What happened to the beer brewing kit?

- **The GAO report highlighted a purchase that, while technically legal, did not represent a prudent use of appropriated funds. The Superintendent of the Coast Guard Academy is reimbursing the U. S Treasury $227.23 from his personal account to clear up any appearance of impropriety.**

- **The beer making equipment is no longer being used in any official capacity and the beer is no longer being served.**

- **This incident reminds us of the trust we hold to spend tax dollars wisely. The Coast Guard considers this matter closed.**

Transformation and Systems Consolidation Talking Points

30 April 2009

Talking Points

- On April 22, 2009, the decision in Savantage Financial Services, Inc. v. United States (issued under seal on April 15, 2009) was reissued for public release. The Department prevailed on all issues raised by the Company, including its bid protest allegations, namely that the current solicitation was unduly restrictive of competition.
- This was a significant decision for the Department as The Transformation and Systems Consolidation (TASC) initiative provides the way forward for obtaining an enterprise business solution that consolidates and modernizes our business and financial systems within the Department.
- The goals of the TASC initiative are to eliminate redundancies, avoid costs associated with inefficiencies, increase financial transparency, establish a foundation for standard business processes, strengthen internals controls and provide a means for timely, accurate and comprehensive reporting.
- Following receipt of the decision, the Department is proceeding with the procurement that is being conducted as a full and open competition in accordance with Federal Acquisition Regulation (FAR) Part 15.
- The acquisition is for a proven, integrated financial, asset and acquisition management system solution with the accompanying program management, change management and integration services to implement and sustain the proposed solution.
- The TASC acquisition is structured with two phrases. Phase I of the advisory multi-step process is scheduled for completion as early as May 1, 2009 and no later than May 4, 2009.
- Phase II will consist of evaluating the vendors' technical and management approach, corporate experience, past performance and small business participation. At the completion of Phase II, DHS will award a contract with a target award date in the second quarter of 2010.
- Within the DHS Office of the Chief Financial Officer is the Resource Management Transformation Office that serves as the program management office for TASC, providing day-to-day project management and communications with stakeholders.
- The Department has received a notice of an appeal by Savantage to the United States Court of Appeals for the Federal Circuit. As part of the appeal process, Savantage can also seek a stay or injunction against the procurement proceeding pending the resolution of the appeal.
- At this time we have no additional information related to the contents of the appeal.

Talking Points

The ICOFR Playbook

April 2007

Background

The Internal Controls Over Financial Reporting (ICOFR) Playbook. The ICOFR Playbook represents our unified efforts to ensure that internal control systems are comprehensively designed to achieve the mission and execute the strategy of the Department.

Talking Points

- Many of our material weaknesses were inherited and are longstanding challenges. These challenges will not be solved in a single step, but this ICOFR Playbook details the path forward through near and long -term fixes.

- The ICOFR Playbook includes two tracks. The first track focuses on corrective action strategies for material weakness conditions. The second track focuses on building support for the Secretary's ICOFR assurance statement through management performed testing on areas without auditor-identified material weakness conditions.

- As new internal control deficiencies are identified and corrective action plans (CAPs) are developed, they will become part of the ICOFR Playbook including target dates for achieving critical milestones and ultimately building support for the Secretary's ICOFR assurance statement. A sustained effort to improve ICOFR is essential to maximizing every dollar spent to protect the homeland and most importantly, to enable the people in frontline programs to accomplish the mission of the Department effectively.

The DHS Chief Financial Officer's (CFO) vision for DHS-wide financial management is to create a quality operation that enhances DHS' ability to achieve its core mission of securing the Homeland and preserving our Nation's freedoms. On September 13, 2006, the Department's newly appointed CFO established six goals to make measurable, demonstrable progress, as follows:

1. To provide greater visibility into DHS' financial activity, through timely, accurate and useful financial-related data.
2. To improve systems and processes eventually leading to sustainable clean audit opinions.
3. To provide reasonable assurance about our internal controls over financial reporting, via a sound internal controls program.
4. To provide efficient financial management services.
5. To integrate the budget process with the policy and planning process.
6. To support the Chief Information Officer (CIO), Chief Procurement Officer (CPO), Chief Human Capital Officer (CHCO), and Chief Administrative Officer (CAO), by supporting integration and standardization of DHS resource management systems.

Career Opportunities

- The Department of Homeland Security has unique career opportunities that will challenge your mind and reward your skills and talents. As a Homeland Security employee, you will help secure our borders, airports, seaports and waterways; research and develop the latest security technologies; respond to natural disasters or terrorists assaults; and analyze intelligence reports.

- Mission Support Careers – Mission support careers involve medical, human resources, facilities, budget, procurement, science and technology, training, intelligence, planning and coordination, detection, civil rights, fraud detection and more.

- Law Enforcement Careers – Law enforcement careers offer positions in protection of the President, Vice President, their families, heads of state and other designated individuals; securing the nation's borders; interagency law enforcement training; and enforcing economic, transportation and infrastructure security. Related components:
    - U.S. Customs and Border Protection
    - U.S. Immigration and Customs Enforcement
    - U.S. Secret Service
    - Federal Protective Service
    - Federal Law Enforcement Training Center

- Immigration and Travel Security Careers – Immigration and travel security careers involve protecting the nation's transportation systems, as well as overseeing lawful immigration to the U.S. Related components:
    - Transportation Security Administration
    - U.S. Citizenship and Immigration Services

- Prevention and Response Careers – Prevention and response careers protect the public, environment and U.S. economic and security interests in any maritime region, as well as provide preparedness, protection, response, recovery and mitigation to reduce loss of life and property and protect the nation from all hazards are what these careers are all about. Related components:
    - Federal Emergency Management Agency
    - U.S. Coast Guard

2009 Annual Employee Survey Results

March 2010

- We concluded the 2009 Annual Employee Survey (AES) and tabulated the results of the more than 68,000 responses. The results reflect continued improvement as in 2007 and 2008.

- Employees expressed that the work they do relates to DHS priorities, and an overwhelming number — nine of 10 employees — agreed the work they do is important. Significant positive increases were seen in employee responses to the following questions:
    - "How satisfied are you with your job" (12 percent increase);
    - "Creativity and innovation are rewarded" (eight percent increase); and
    - "How satisfied are you with your organization" (eight percent increase).

- Despite the overall improvement, employees said improvements are needed, especially in the categories of leadership and performance culture. The lowest satisfaction scores were on questions related to linking performance to pay and promotion, feeling uninformed about decisions that affect them, and a perception that poor performers are not dealt with properly.

- We will continue to perform a thorough analysis of results and will tailor action plans to address areas for improvement. Some Components will conduct focus groups and new programs and initiatives.

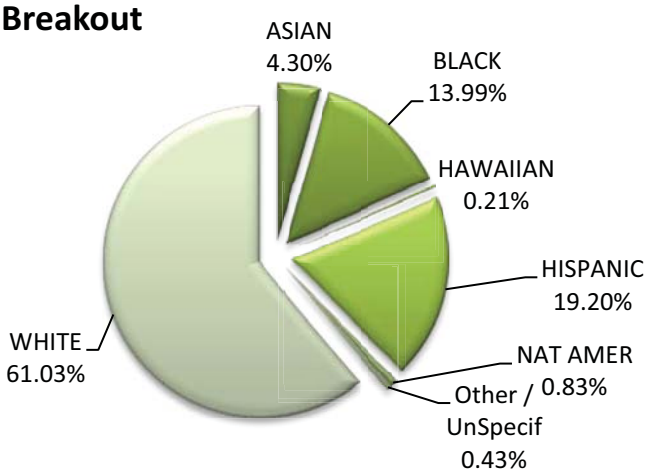
*DHS Workforce Diversity Data as of 1/16/2010**

Total by Gender		
Gender	**Employee Population**	**Percentage of DHS Workforce**
Male	117,538	68.08%
Female	55,099	31.92%
TOTAL	***172,637***	

Gender Breakout

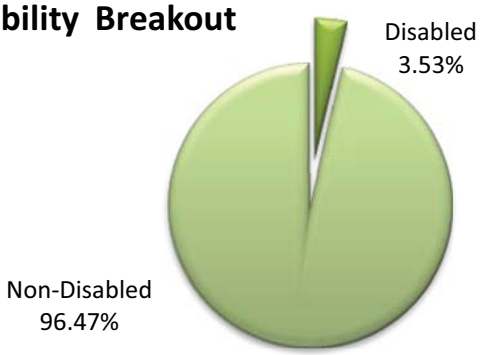
Totals/Percent by ERI		
ERI	**Employee Population**	**Percentage of DHS Workforce**
ASIAN	7,428	*4.30%*
BLACK	24,155	*13.99%*
HAWAIIAN	363	*0.21%*
HISPANIC	33,152	*19.20%*
NAT AMER	1,438	*0.83%*
Other / UnSpecif	746	*0.43%*
WHITE	105,355	*61.03%*
TOTAL	***172,637***	

ERI Breakout



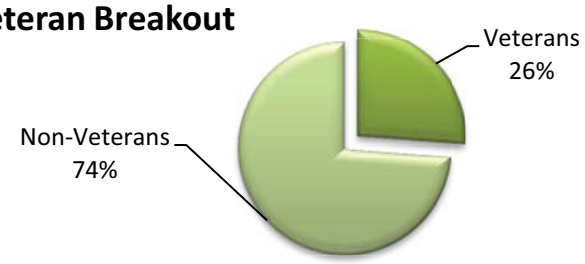
Totals by Disability Status		
Status	**Employee Population**	**Percentage of DHS Workforce**
Disabled	6,097	3.53%
Non-Disabled	166,540	96.47%

Disability Breakout



Totals by Veteran Status		
Status	**Employee Population**	**Percentage of DHS Workforce**
Veterans	45,234	26.20%
Non-Veterans	127,403	73.80%

Veteran Breakout



**Data pulled from the NFC database based on permanent employees. Data as of 1/16/2010.*

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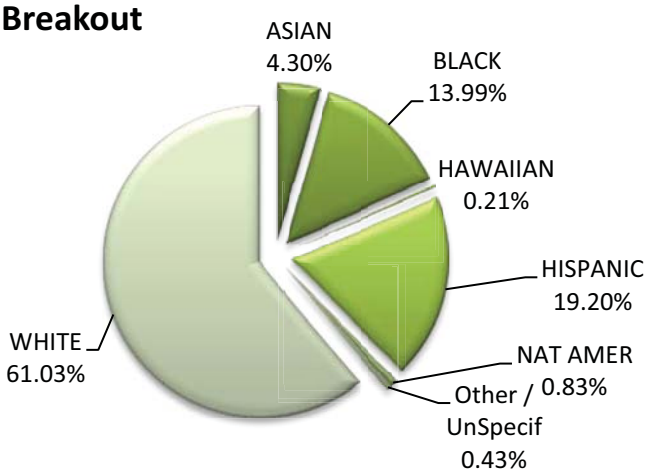

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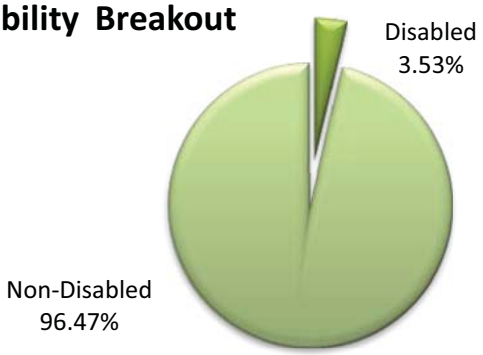

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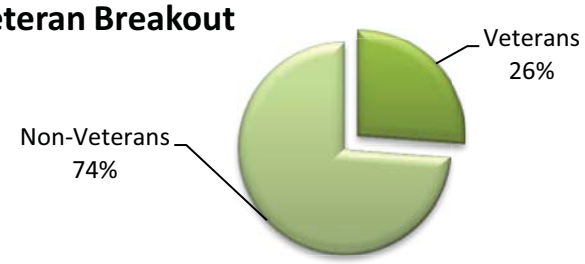
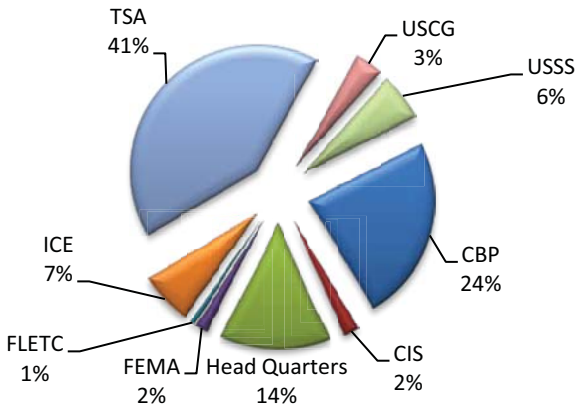


**Data pulled from the NFC database based on permanent employees. Data as of 1/16/2010.*

*Diversity Data of DHS New Hires- Pay Period 26 & 1**

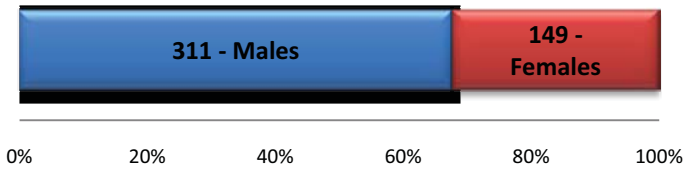
Hires by Component	
Component	**Hires**
CBP	110
CIS	9
Head Quarters	65
FEMA	7
FLETC	3
ICE	31
TSA	191
USCG	16
USSS	28
TOTAL	*460*

New Employees by Component



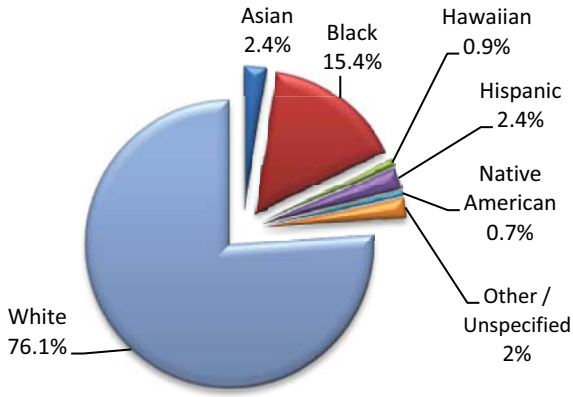
Totals by Gender		
Gender	**Number in Hiring Pool**	**Percentage of DHS Hiring Pool**
Male	311	67.61%
Female	149	32.39%
TOTAL	***460***	

New Employees by Gender



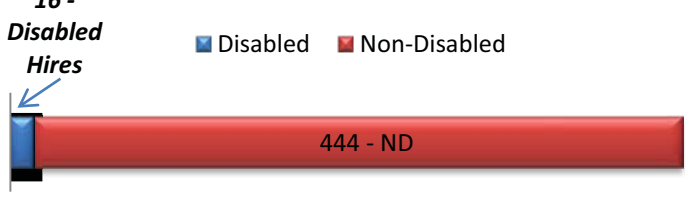
Totals by ERI		
ERI	**Number in Hiring Pool**	**Percentage of DHS Hiring Pool**
Asian	11	*2.39%*
Black	71	*15.43%*
Hawaiian	4	*0.87%*
Hispanic	11	*2.39%*
Native American	3	*0.65%*
Other / Unspecified	10	*2.17%*
White	350	*76.09%*
TOTAL	***460***	

New Employees by ERI Category



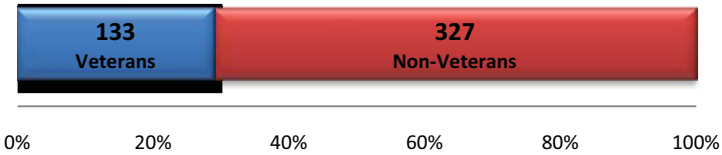
Totals by Disability Status		
Status	**Number in Hiring Pool**	**Percentage of DHS Hiring Pool**
Disabled	16	3.48%
Non-Disabled	444	96.52%
TOTAL	***460***	

New Employees by Disability



Totals by Veterans Status		
Status	**Number in Hiring Pool**	**Percentage of DHS Hiring Pool**
Veterans	133	28.91%
Non-Veterans	327	71.09%
TOTAL	***460***	

New Employees by Veterans Status



**Data pulled from the NFC database based on permanent employees. Data as of 1/16/2010.*

DHS Workforce Diversity Data Comparison

Totals/Percent by Gender						
	2008		2009		Change in Population	Population Change by Employee Population
Gender	Employee Population	% vs. Overall DHS Workforce	Employee Population	% vs. Overall DHS Workforce		
Male	112,583	67.75%	117,748	68.06%	5,165	2.99%
Female	53,592	32.25%	55,264	31.94%	1,672	0.97%
TOTAL	166,175		173,012		6,837	

Totals/Percent by ERI						
	2008		2009		Change in Population	Population Change by Employee Population
ERI	Employee Population	% vs. Overall DHS Workforce	Employee Population	% vs. Overall DHS Workforce		
ASIAN	7,265	4.37%	7,453	4.31%	188	0.11%
BLACK	23,871	14.36%	24,269	14.03%	398	0.23%
HAWAIIAN	373	0.22%	356	0.21%	-17	-0.01%
HISPANIC	32,264	19.42%	33,309	19.25%	1,045	0.60%
NAT AMER	1,409	0.85%	1,447	0.84%	38	0.02%
Others	141	0.08%	575	0.33%	434	0.25%
Unspecified	106	0.06%	159	0.09%	53	0.03%
WHITE	100,746	60.63%	105,444	60.95%	4,698	2.72%

Totals by Disability Status						
	2008		2009		Change in Population	Population Change by Employee Population
Status	Employee Population	% vs. Overall DHS Workforce	Employee Population	% vs. Overall DHS Workforce		
Disable	5,716	3.44%	5,922	3.42%	206	0.12%
Non-Disable	160,459	96.56%	167,090	96.58%	6,631	3.83%

Totals by Veteran Status						
	2008		2009		Change in Population	Population Change by Employee Population
Status	Employee Population	% vs. Overall DHS Workforce	Employee Population	% vs. Overall DHS Workforce		
Veteran	43,423	26.13%	45,305	26.19%	1,882	1.09%
Non-Veteran	122,752	73.87%	127,707	73.81%	4,955	2.86%

** Data was pulled from the Nation Finance Center (NFC) representing permanent DHS employees. 2008 data represents a snapshoot of the workforce on 12/20/2008. 2009 data represents a snapshoot of the workforce on 11/21/2009.*

DHS Workforce Diversity Data - 2009

Total by Gender		
Gender	**Employee Population**	**% *vs.* Overall DHS Workforce**
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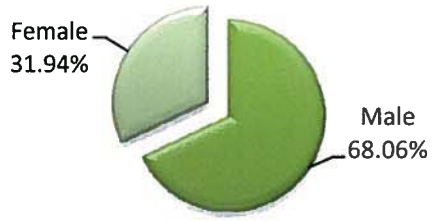
Gender Breakout



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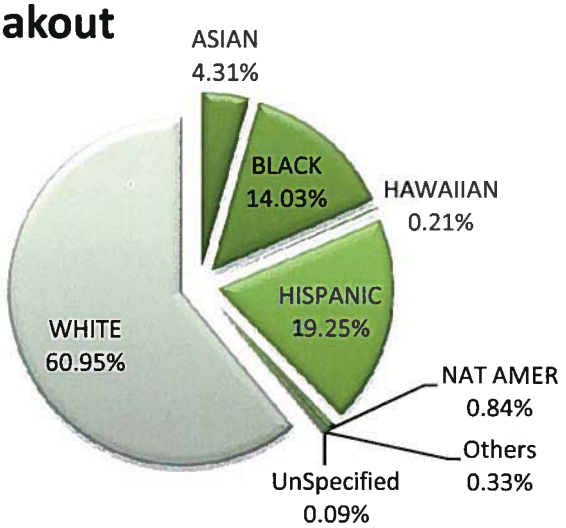

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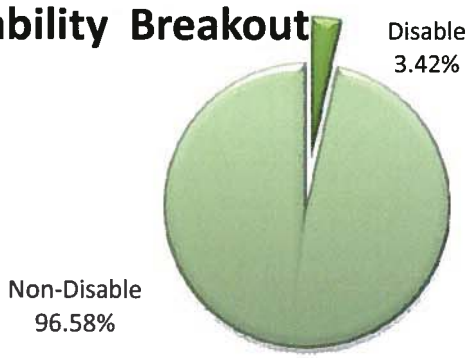

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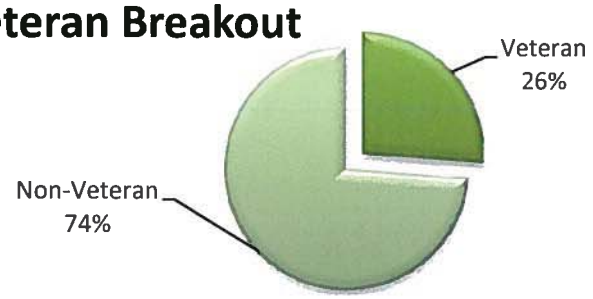
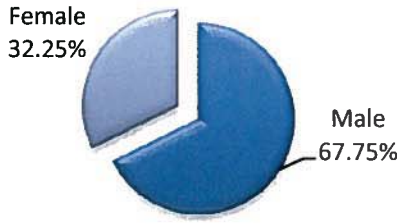


**** Data as of Nov. 21st 2009***

DHS Workforce Diversity Data - 2008

Total by Gender		
Gender	**Employee Population**	**% *vs.* Overall DHS Workforce**
Male	112,583	67.75%
Female	53,592	32.25%

Gender Breakout



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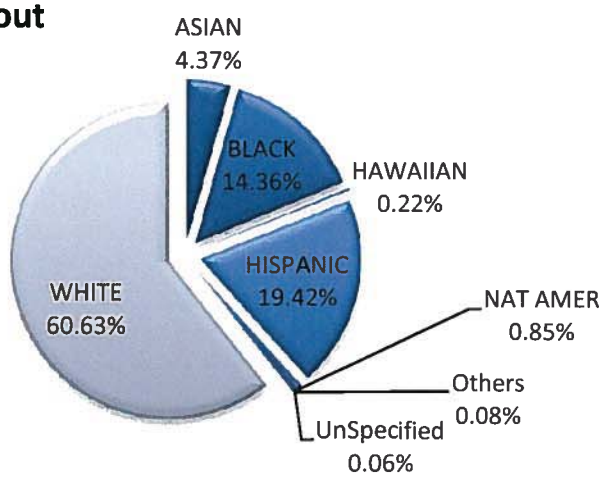

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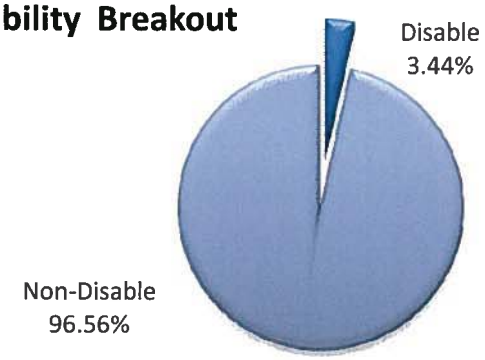

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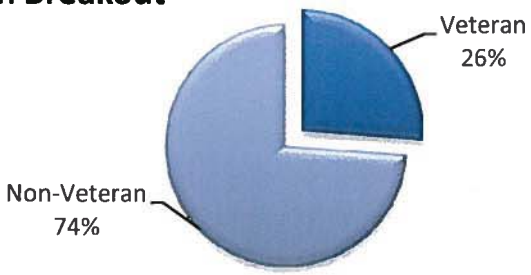

**** Data as of Dec. 20th 2008***

Talking points

Adverse Actions and Appeals Efficiencies

October 12, 2007

1. The new rules are only triggered for furloughs, suspensions, demotions, reductions in pay, or removals. Requests for medical documentation and other employee actions continue to be processed under existing rules.

2. Promotes the fair, efficient and expeditious resolution of matters by combining the currently confusing misconduct-based and performance-based adverse actions procedures into a single procedure. This makes the system easier and more accessible to both DHS management and DHS employees.

3. The department chose a higher standard of proof on management when proving performance-based actions than exists under current law for Chapter 43 performance cases. This should ensure that management carefully marshals its evidence when bringing these cases, and that employees can receive a fair result.

4. Under the new rules for both performance and conduct-based actions, the Merit Systems Protection Board (MSPB) judges and arbitrators may mitigate management's chosen penalty when it is "disproportionate" and "wholly without justification." 5 CFR 9701.706 (k)(6). The new rules also now allow mitigation for performance-based cases, where exiting law disallows mitigation when management proves its case in a Chapter 43 performance case. These changes make the DHS system more flexible for management and appellant employees than do current laws.

5. Requires MSPB to adhere to a 90-day timeframe to render a decision, thus improving overall government efficiency.

6. DHS supervisors are required to "develop employees to enhance their ability to perform." 5 CFR 9701.408 (a)(2). If performance is unacceptable, the supervisor is required to consider various tools such as remedial training and an improvement period.

7. Like performance management, no bargaining unit member will be placed under D, F, or G without concluding bargaining at the level of recognition.

8. There have been significant collaborations with unions, both on the substance of the rules through the statutory process in developing them, and recently in the development of the procedures by which they are implemented. Union-sponsored changes have been made to the Management Directive, and collaboration is ongoing.

9. We are not moving forward yet with "Mandatory removal Offenses" and "Probation periods."

- How will we roll them out to non-bargaining unit employees, who, and when?

The United States Secret Service the non-bargaining employees in DHS HQ components will be placed under the new rules as of November 25, 2007. For all other eligible non-bargaining unit employees, they will be placed under the new rules once the component that employs them fulfills their collective bargaining obligations. In other words, a non-HQ component with bargaining unit employees will come on line with the new rules all at once.

- Who will be the first bargaining unit to fall under the rules?

That will depend on which component fulfills their collective bargaining obligations first. The duration of any bargaining cannot be predicted.

ATTORNEY WORK PRODUCT – PREDECISIONAL DELIBERATIVE DRAFT – PRIVILEGED AND CONFIDENTIAL

Court Ruling on MAX^{HR}

Talking Points June 27, 2006

DHS will be discussing the impact of today's ruling and potential next steps with the Department of Justice and the Office of Personnel Management. Meanwhile, DHS continues to implement a key element of MAX^{HR} – performance management – for managers, supervisors and headquarters non-bargaining unit employees. Supervisors and managers continue to go through performance leadership training and goal cascading sessions to prepare them for this important transition.

The human capital flexibilities contained in MAX^{HR} remain critical to DHS mission accomplishment and our goal of creating a 21st Century Department.

The United States Court of Appeals for the District of Columbia Circuit ruled today in *NTEU v. Chertoff*, a challenge by several federal labor unions to the DHS human resources management system.

The Court of Appeals affirmed in part and reversed in part the decision of the District Court, and remanded the case to the District Court for further proceedings. The Court of Appeals decided that:

- The department failed to ensure collective bargaining by:
    - reserving to itself the right to supersede existing collective bargaining agreements; and
    - excessively limiting the scope of bargaining to employee-specific personnel matters, thereby eliminating all meaningful bargaining over fundamental working conditions (the Court of Appeals reversed the District Court on this point);

- The department was not permitted to use the FLRA as an element of its system;

- The union's challenge to the department's mitigation standard for adverse action penalties was not ripe for review and, thus, the Court reversed the District Court's injunction on this basis, without prejudice to revisiting the issue in the context of a actual disciplinary case;

- The Court expressed no view on the role of the HSLRB, given that the Department will be required to revise the final rule.

In sum, this was not a positive ruling for the Department. DHS will be discussing the impact of ruling and potential next steps with the Department of Justice and the Office of Personnel Management.

The impact of this ruling on pay for performance and current appropriations issues is as follows:

- DHS will not be able to extend pay for performance to the union workforce unless it engages in impact and implementation bargaining with each of the Department's 57 bargaining units;

- The Homeland Security Labor Relations Board will not be stood up in the near future;

Pay for performance implementation for managers and supervisors is NOT affected by this ruling.

Court Ruling on MAX^{HR}

Talking Points August 11, 2006

The Government has decided not to seek rehearing before the D.C. Circuit Court of Appeals, but has reserved its decision as to whether or not to appeal to the U.S. Supreme Court. A filing in the Supreme Court would be due September 25, 2006. DHS and OPM still strongly support the labor relations flexibilities in the regulations and believe that those flexibilities are essential to carrying out the DHS mission.

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On June 27, the Court of Appeals affirmed in part and reversed in part the decision of the District Court, and remanded the case to the District Court for further proceedings. The Court of Appeals decided that:

- The department failed to ensure collective bargaining by:
  - reserving to itself the right to supersede existing collective bargaining agreements; and
  - excessively limiting the scope of bargaining to employee-specific personnel matters, thereby eliminating all meaningful bargaining over fundamental working conditions (the Court of Appeals reversed the District Court on this point);

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- The Homeland Security Labor Relations Board will not be stood up in the near future;

Pay for performance implementation for managers and supervisors is NOT affected by this ruling.

MAX^{HR} Decision not to file a petition

September 25, 2006

Talking Points:

(1) The Solicitor General informed the Department late yesterday that he has decided not to file a petition for writ of certiorari with the U.S. Supreme Court;

(2) This decision allows the Department to move forward towards implementing labor relations flexibilities that will help to protect the homeland, rather than spending additional time in litigation;

(3) DHS will now engage with other interested parties (Components, OPM and unions) and will consider all available options;

(4) Performance management is a top priority for the Department, and we will continue to train employees and managers on the MAX^{HR} Performance Management program to make sure all employees know what is expected of them;

(5) 11,000 managers and supervisors have been trained on the MAX^{HR} Performance Management program; 4,000 supervisors and non-bargaining unit employees are currently under the program; 6,700 managers and supervisors will convert to the program in October 2006.

MESSAGE FROM THE CHIEF HUMAN CAPITAL OFFICER

To: DHS Employees

From: Marta Brito Perez, Chief Human Capital Officer

The U.S. Solicitor General informed the Department late yesterday that he will not petition the U.S. Supreme Court to hear an appeal of the U.S. Court of Appeals decision in *NTEU v. Chertoff*, a union challenge to the labor-management relations flexibilities in the Department's human resources management system. The Department will now engage with DHS components, unions and the Office of Personnel Management to determine its next steps.

DHS remains committed to human capital reform and will continue to deploy the MAX^{HR} performance management system. To date, more than 11,000 managers/supervisors have been trained in performance leadership and performance management has been deployed to approximately 4,000 supervisors and non-bargaining unit employees at headquarters, ICE and FLETC. Beginning in October 2006, approximately 6,700 managers and supervisors in USCIS and CBP will convert to the MAX^{HR} Performance Management program.

A performance management system that links employee performance to mission results is essential to successfully accomplishing the Department's homeland security mission. For more information on MAX^{HR}, please visit the CHCO website at https://dhsonline.dhs.gov. Click on the Components tab, then click on "Management," "CHCO." For questions or suggestions regarding MAX^{HR}, send an email to MAXHR@dhs.gov.

DHS ABANDONS LABOR RELATIONS PORTION NEW REGULATIONS
Various trade publications are writing on the department's decision to abandon the labor relation provisions of the new DHS human resources system.

Talking Points

- DHS and OPM will not revise the permanently enjoined regulations in Subpart E of 5 C.F.R. part 9701, at any time prior to the expiration of DHS the Agencies' authority to revise those regulations.

- DHS will proceed with labor relations pursuant to applicable law.

- This decision permits the department to focus on implementing its human resources management system rather than spend additional time in litigation.

Talking Points

Focus Groups

May 30, 2007

- We recently held numerous focus groups in Washington, DC to gain a better understanding of how to improve the automated e-performance tool in the new performance management system.

- We contracted with the Office of Personnel Management to hold, and have held, focus groups to gain a better understanding of communication and leadership concerns raised in the Federal Human Capital Survey in Seattle & Detroit on May 22; Los Angeles & El Paso on May 23; Miami on May 30th ; New York, NY on June 5th and Washington, DC on June 7th.

- Due to extensive interest from employees in the field concerning the focus groups, we are developing a mini survey on leadership and communications issues to post on our web site which will provide employees an opportunity to express their views.

The National Defense Authorization Act for Fiscal Year 2004, mandates that each agency conduct an annual survey of its employees to assess – leadership and management practices that contribute "to agency performance; and employee satisfaction with –leadership policies and practices; work environment; rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission; opportunity for professional development and growth; and opportunity to contribute to achieving organizational mission."

- We will survey approximately 25,000 randomly selected, representative employees in our first DHS Employee Survey (45 mandatory OPM questions and 12 DHS questions) which is expected to take place in the September/October timeframe.

Gregg Prillaman Resignation
Talking Points

Gregg Prillaman submitted his resignation May 15, 2006, as the DHS Chief Human Capital Officer (CHCO).

Prillaman was appointed September 1, 2005, by President Bush and served as the department's lead executive for matters of Human Resources (HR) management, including strategic planning, organizational analysis, recruitment, performance management, benefits, employment law and employee relations, among other duties.

Prillaman has more than 30 years of experience as an HR professional, HR director, and consultant with a wide range of public-sector and private-sector organizations. Prillaman's talent, experience and leadership were a valuable asset to the department.

2 - Priorites

Finding, Hiring and Keeping a Qualified, Diverse Workforce at DHS

- Keep/Retain all the employees
- Attract the best

Interview with Melissa Turley
Staff Writer, LRP Publications
June 8, 2007

Recruitment/Hiring

- We have a 6-point recruitment plan to:
  1) Reinforce a common DHS brand identity as an employer of choice
  2) Coordinate national recruitment efforts to achieve maximum return on investment
  3) Maintain an ongoing partnership with CRCL to ensure best recruitment practices
  4) Improve the DHS career website and explore Internet recruitment strategies
  5) Maximize use of appointing authorities and recruitment incentives
  6) Implement a recruitment metric system for evaluating the effectiveness of the corporate recruitment program

- In addition to the 6-point plan, we are:
  - Educating our hiring managers and HR officials on existing hiring flexibilities
  - Implementing an enterprise e-Recruitment system to streamline the recruiting process
  - Establishing a corporate branding initiative to fill mission support across DHS
  - Working with the Partnership for Public Service to make vacancy announcements better

- We will be using competencies for hiring, development and evaluation. Our efforts include the first comprehensive effort to use competencies to fill positions. By August we will have identified qualification competencies for 115 different occupations across DHS. We will also provide an assessment tool to evaluate applicants. In addition, we are conducting several competency assessments for specific occupations including:
  - Spanish Language Proficiency,
  - Firearms Proficiency,
  - Law Enforcement Instructors,
  - IT Personnel
  - Managers and supervisors (over 17,600 - currently underway – 5,200 responded)
  - HR Specialists (over 900 - currently underway – 300 responded to date)

- Following are some recent DHS Recruitment Program events:
  - **FEMA Job Fair** on February 15, 2007:
    - Total number of job seekers was 3,000
    - 30 tentative offers made on-site
    - 25 additional job offers made to date

  - **CBP Job Fair** on April 20-21, 2007:
    - Total number of job seekers was 10,000+
    - 348 tentative offers made on-site
    - 244 additional selections made to date

  - **The first DHS Career Expo** was presented on May 8, 2007 and resulted in the following:
    - Applicant Supply File Database has 1242 applicants
    - Outreach to 350 students
    - Outreach to 300 veterans
    - Job offers to date are 9 and over 80 potential hires in the pipeline

- DHS has met or exceeded the OPM 45-day hiring standard in 11 of the past 13 quarters. This includes meeting the standard in each of the previous five quarters since the 1st quarter of FY 2006.

Diversity – Recruitment/Retention

- A major element of the partnership between CHCO and CRCL is the development of a corporate Diversity Strategy. The three major elements of the Diversity Strategy include:
  - Acquisition of Talent
  - Learning and Development
  - Capacity Building

- To date, we have:
  - Increased Department-wide participation at targeted outreach activities - diverse communities, people with disabilities, veterans, students, etc
  - Held a joint Recruitment Summit with leaders of national organizations serving minorities and women to discuss strategies for recruitment, including the:
    - National Black MBA Association
    - Women in Federal Law Enforcement
    - American GI Forum
    - National IMAGE, Inc.
    - Hispanic American Police Command Officers Association
    - Native American Law Enforcement Association
    - African American Federal Executives Association
    - Hispanic Association of Colleges and Universities
  - Met with DHS component heads to discuss employment and capacity building for minority serving institutions

- To demonstrate our commitment to improving our overall recruitment and retention efforts – and to achieving workforce diversity priorities – we are participating in the following activities:
  - Spearheading corporate participation in job fairs (e.g., FOSE, LULAC, Black Engineers)
  - Completing a year-long review of DHS employment policies and practices to identify barriers to full employment and retention
  - Expanding scholarship and internship opportunities for Minority Serving Institutions
  - Planning a Department-wide annual "Diversity Day" event
  - Initiating a formal mentoring program
  - Establishing an Executive Leadership Development Program
  - Creating a Senior Management Rotation Program
  - Developing a corporate recruitment video to highlight job opportunities to a variety of minority groups and institutions
  - Continuing expansion of outreach and employment of individuals with disabilities, including veterans

Performance Culture – Recruitment/Retention

- Developed Action Plans to address issues identified in survey at both Component and DHS levels:
  - All plans must contain action items to improve communications
  - Monitoring Action Plans (Components and CHCO)
  - Sharing best practices (Components and CHCO)

- Conducted DHS-wide focus groups to gain a more granular understanding of employee views concerning leadership and communication (**conducted May 22 – June 7**):
  - Focus groups took place in cities across the nation including Detroit, El Paso, LA, Miami, New York, Seattle and Washington DC
  - Separate focus groups were held for managers and employees

- Developing, and will administer, our first DHS employee survey in September/October of 2007. Sample of 25,000 randomly selected, representative employees from across DHS

Learning and Development - Retention

- The DHS University supports a comprehensive and networked approach to L&D at all levels.

- The System includes 4 pillars: (**Total estimated throughput for FY08 is 1772**)

  - Leadership Institute – prepares and grows leaders throughout the Department at every level by establishing programs and methods that deliver essential leadership training at career milestones. **(Estimated throughput for FY08 is 830)**

  - Preparedness Center – establishes a culture of preparedness throughout the Department by offering programs that build awareness of the Department's protection and response capabilities in a multi-threat/all-hazards environment by establishing a network of DHS-recognized interagency and national preparedness training programs. **(Estimated throughput for FY08 is 785)**

  - Homeland Security Academy – cultivates homeland security strategic analysis and decision-making skills through a high-quality, fully-accredited graduate degree program in Homeland Security Studies. **(Estimated throughput for FY08 is 96)**

  - Center for Academic and Interagency Programs – establishes and maintains partnerships and linkages with interagency and academic community counterparts to optimize current best practices and provide DHS employees with the highest quality training, education and professional development opportunities available in the integrated homeland security learning community. **(Estimated throughput for FY08 is 61)**

Example of Component Leadership and Development – CIS LEAD Program – Retention

Total of 260 CIS employees registered in Leadership, Education and Development (LEAD) programs in FY 2007, including:

- Congressional Fellowships – 3 fellows
- Council for Excellence in Government Fellowship – 1 fellow
- Inter-American Defense College – 2 students
- Harvard's Kennedy School of Government – National Preparedness Institute; Senior Executive Fellows; Senior Leaders in National and International Security; and Senior Managers in Government – 14 students
- National Defense. Univ., National Security Leadership & Decision Making – 80 students
- Naval Post-Grad. School – Homeland Sec. Studies, Master's Degree Progr. – 3 students
- Stanford University, Decision Quality in Orgs and Decision Analysis – 38 students
- USDA Aspiring Leaders Program and New Leader Program – 18 students
- USDA Executive Leadership Program and Executive Potential Program – 18 students
- OPM Eastern Management Development Center, First and Second-Line Supervisor Training – 55 students

Talking Points

Homeland Security Degrees

May 2, 2007

- Frankly - the academic community is also wondering whether it needs a new program or if HS Degrees can thrive within existing schools like Public Administration, Criminal Justice, etc. This is a healthy debate reminiscent of the 60/70s and CJ/LE degrees.

- Homeland security is an evolving profession; with specific tenets and objectives. The appropriate debate relative to content, placement, curricula, etc is taking place in Academia in partnership with organizations such as DHS.

- **The Center for Homeland Defense and Security**
  The Naval Postgraduate School Center for Homeland Defense & Security (CHDS) has been the nation's premier provider of homeland security graduate and executive level education since 2002. NPS and the U.S. Department of Homeland Security are partnering to pioneer the development and delivery of homeland security education programs for governors, mayors and senior homeland security leaders from across a wide spectrum of disciplines in local, state and federal government, and the military.

  http://www.chds.us/?press/summit

  Heather Issvoran
  Director, Public Affairs

  (b) (6)

- Homeland Defense and Security Education Summit
  George Mason University, Feb 27-28, 2007
  Organizations, in partnership with academic and a variety of Homeland Security related organizations nationwide, have made great strides in developing and promoting the disciplines of Homeland Defense and Homeland Security.

  - Discuss and debate the current state of Homeland Security and Defense Education;
  - Receive updates and projections of future efforts from the four event sponsors;

- Provide researchers with an opportunity to present their work on Homeland Defense and Security education;
- Provide academic institutions the opportunity to share, by academic level (associates, bachelors and graduate) highlights of their programs, issues, and challenges;
- Evaluate our responsiveness to the practitioner community's academic requirements;
- Hear the views from top policy authorities on the future direction of Homeland Defense and Security; and
- Discuss research and accreditation issues

- Our human capital office is very much support the effort and welcome our role in the dialogue. Also, we are very engaged in the conversation through S & T, CHCO, Policy, etc.

Human Capital Operations Plan

March 2007

Talking Points

- The plan discontinues use of the term MAX^{HR}, focus on broader human resources issues, and makes strategies operational

- Our components have strong histories and cultures and we honor those traditions. Recognizing that many are at different stages of maturity and have distinct human capital needs and challenges, we have developed the FY 2007-2008 HCOP as a roadmap to integrate key human capital practices.

- The plan recognizes the department's need to have a good performance management program in place before pay can be linked to it

- The goals of the plan are to:
    - Hire and retain a talented and diverse workforce
    - Create a DHS-wide culture of performance
    - Create high-quality learning and development programs
    - Implement DHS-wide integrated leadership system
    - Be a model of human capital service excellence

Background
In September, the Court of Appeals remanded NTEU's case back to Judge Rosemary M. Collyer who in turn modified her August 12 order.

In her modification Judge Collyer dissolved the injunction on subpart G – allowing DHS the option to proceed on an appeals process.

The judge retained jurisdiction over the case and has requested that DHS and the Office of Personnel Management work on correcting the issues raised by the union concerning labor-management relations.

She has asked that the department file a status report, no later than July 17, 2007, addressing the department's plans to revise or abandon the regulations enjoined as part of Subpart E, Labor-Management Relations

Talking Points

- DHS is continuing to work through options and formulating the next steps for MAXHR.

- In the meantime, the department is proceeding with the deployment of the new performance management program.
    - We expect this performance management program to provide a strong foundation for our organizations
    - It is important that this performance management program be fully implemented and tested before overlaying a pay system
    - We anticipate that DHS will benefit from this performance management

- DHS is committed to ensuring the successful implementation of strong human capital practices that ensure the department will always have the most talented, best trained high performing employees in the Federal Government – our mission is too important to have anything less than the best.

Only in response to query

- We will fully implement and train our managers and employees on the new performance system before we make any changes to the pay system
- Any changes to the pay systems will be phased in – therefore the cost will vary
- We will not be implemented the HSLRB in 2007, as a matter of fact, the board's status will depend on decisions not yet made as to the labor-management relations regulations.

Question from Larry Orluskie:

"What does it mean to MAX^{HR} that we requested approximately $42 million, but only received $25 million?"

Proposed Response:

There are five provisions in Max HR – performance management, classification, pay, labor relations, adverse actions and appeals, and much work to be done in all

Recent decisions relative to the injunction to the labor relations provisions require that we review all options available to the Department and that we collaborate with stakeholders to consider a course of action

We have a new Chief Human Capital Officer, Marta Brito Perez, on board and she has began the outreach/conversations with all interested parties

We will live within the FY 07 budget. $25M should allow DHS to:

- Maintain a robust and comprehensive communications strategy to keep employees informed and involved in the ongoing deployment of the performance management program and other human capital initiatives. Our employees deserve the best
- Continue the deployment of the new MAX^{HR} performance management program
- Continue to provide vital training to supervisors/managers and employees on their respective roles under the new performance management program. DHS employees are/will benefit from the new performance management program and well trained managers
  - The program provides a strong foundation for our organizations
  - The program is being implemented and tested
- Continue the design and development and testing of a compensation system (classification, qualification and pay)
- Develop training for compensation
- Continue to implement program evaluation of the performance management program

The reduced level of funding is acceptable as funding needs will not be as great as originally expected: WAS THIS A QUESTION? ARE WE SAYING THIS?

- We do not expect to implement a new pay system as earlier as expected.
- We do not expect to stand up the Homeland Security Labor Relations Board (HSLRB) as early as expected.
- Program management and program evaluation costs will be reduced if compensation is not fully deployed

DHS is committed to ensuring the successful implementation of strong human capital practices that ensure the Department will always have the most talented, best trained high performing employees in the Federal Government. Our mission is too important to have anything less than the best. That requires innovations and flexibilities inherent in MAX HR.

TALKING POINTS ON MAX^{HR} IN RESPONSE TO REPRESENTATIVE THOMPSON'S REPORT ON 33 UNFULFILLED PROMISES

December 28, 2005

Background: Thompson states in his report: *Implementation of the MAXHR system has been blocked by the courts, which have found its provisions so lacking in fairness as to be a violation of collective bargaining rights. If the Department continues to pursue implementation of the MAXHR system, it will risk undermining the morale of the people working on the front-line of homeland security. The Department should stop pursuing implementation of the MAXHR system and instead ensure that its employees have a truly fair and efficient human resource system.*

Talking Points

- It is not accurate to say that implementation of "the MAX^{HR} system" has been blocked by the courts. MAX^{HR} includes an array of flexibilities in the areas of performance management, compensation, classification, and adverse actions and appeals that are largely unaffected by the court case. These are the flexibilities that were included in the DHS legislation to improve the Department's ability to recruit, motivate, manage, and retain a highly skilled and high-performing workforce. The District Court decisions, which are now on appeal, dealt only with the labor relations subpart of the MAX^{HR} regulations and one small element of the appeals subpart.

- DHS is continuing to develop and implement the other subparts of the regulations, with an initial emphasis on performance management. Deployment of the new performance management program has been initiated in DHS Headquarters and is already evidencing a positive impact. Performance leadership training is being offered to all DHS managers and supervisors and is receiving positive feedback. Likewise, efforts to improve the organizational focus on performance management and accountability are already showing progress – including clearer goals and expectations and improved organizational planning

- The human capital flexibilities contained in MAX^{HR} remain critical to DHS mission accomplishment and our goal of creating a 21st Century Department. Detractors apparently want to maintain the status quo, which means the rigid and longevity-based GS system which has been widely criticized by both government and private-sector experts as an antiquated approach for managing a modern, results-based organization.

- MAX^{HR} represents a significant and positive advancement in how we attract, retain and reward our federal government workforce. The system allows us to create a flexible and mission-focused human resources program at DHS so that

we are better able to reward strong employees and maintain the flexibility to deploy the DHS workforce to meet the country's security needs.

- Most employees will see benefits from the new system - competitive salaries based on the pay for similar jobs in the local labor market - merit-based increases each year based on their performance - greater clarity on performance expectations and career paths.

- A lot of time and careful analysis went into creating a human resources system to meet DHS's unique homeland security mission and we are confident that the final product both benefits employees and gives the department the flexibility to better protect our homeland.

MaxHR Talking Points

The President's request for the Office of the Under Secretary for Management includes $71.4 million for MaxHR, the Department's new personnel system. This figure represents an increase of $41.7 million over the FY2006 enacted level. Despite ongoing litigation challenging the program's collective bargaining and appeals processes, the Department continues the development and implementation of MaxHR to the extent permissible.

- Under the authority granted to the Department of Homeland Security by the Homeland Security Act, the Department issued final regulations for a new, more flexible human resources management system – known as MaxHR – on February 1, 2005. As provided in statute, this new system would:

    - create a new pay-for-performance management system;
    - establish a new pay and job classification system for the Department;
    - lay out new procedures governing labor relations and collective bargaining within the Department;
    - provide a new set of rules for disciplining employees; and
    - establish a streamlined appeals process.

- Shortly after the publication of the regulations, several employee unions brought a legal challenge against the Department charging that the Department exceeded the authorities granted to it by the Homeland Security Act. Specifically, the litigation challenges the labor relations, adverse actions, and appeals process of MaxHR.

- The U.S. District Court for the District of Columbia enjoined the Department from implementing those aspects of MaxHR until oral arguments by both sides are heard on their motions. In the meantime, DHS is not implementing any aspect of MaxHR on employees in bargaining units; however, it is implementing pay and performance management reforms for managers, supervisors, and other non-bargaining unit employees. The District Court is expected to rule on the pending motions this summer.

- Due to the legal proceedings, the implementation process for MaxHR has been altered, which led the Department to revise its FY 2006 funding for the program from the enacted $53 million down to $30 million. Should the Court not rule in the Department's favor this summer, the President's request of $71.4 million for FY 2007 will also be revised.

- Meanwhile, DHS is continuing to develop and implement the other subparts of the regulations, with an initial emphasis on performance management. Deployment of the new performance management program has been initiated in DHS Headquarters and is already evidencing a positive impact. Performance leadership training is being offered to all DHS managers and supervisors and is

receiving positive feedback. Likewise, efforts to improve the organizational focus on performance management and accountability are already showing progress - including clearer goals and expectations and improved organizational planning.

- The human capital flexibilities contained in MaxHR remain critical to DHS mission accomplishment and the goal of creating a 21st Century Department. Detractors apparently want to maintain the status quo, which means the rigid and longevity-based GS system, which has been widely criticized by both government and private-sector experts as an antiquated approach for managing a modern, results-based organization.

- MaxHR represents a significant and positive advancement in how the Federal Government attracts, retains, and rewards the Federal workforce. The system allows the Department to create a flexible and mission-focused human resources program so that DHS will be better able to reward well-performing employees and maintain the flexibility to deploy the DHS workforce to meet the country's security needs.

- Most employees will see benefits from the new system, including: competitive salaries based on the pay for similar jobs in the local labor market; merit-based increases each year based on their performance; and greater clarity on performance expectations and career paths.

- A great deal of time and careful analysis went into creating a human resources system to meet DHS's unique homeland security mission. MaxHR will ultimately benefit employees while giving the Department the flexibility it needs to protect our homeland.

MAX^{HR}

Talking Points
April 2006

MAX^{HR} Litigation

On Nov. 10, the Department of Justice (DOJ) filed a notice of appeal on behalf of DHS and the Office of Personnel Management of the District Court rulings as to the MAX^{HR} labor-management relations and adverse action regulations. The unions also filed a notice of appeal on Nov. 14.

DOJ then filed a motion to expedite the appellate briefing process with the Court of Appeals on Nov. 23 and, on Nov. 29; the unions opposed that motion. The court has yet to rule on expedition. The expedited schedule, as currently proposed, calls for the following schedule of activities related to the litigation:

- **Dec. 19, 2005** – DOJ files its opening brief on behalf of DHS and OPM
- **Jan. 23, 2006** – Unions file cross opening brief
- **Feb. 13, 2006** – DOJ files a reply brief
- **Feb. 27, 2006** – Unions file a reply brief
- **Late Spring** – Oral argument and a ruling from the Court of Appeals

DHS maintains that the MAX^{HR} regulations are consistent with the provisions of the Homeland Security Act of 2002 and reflect the critical flexibilities that Congress and the Administration gave to the department to meet its mission.

Meanwhile, DHS is moving forward with implementing a key element of MAX^{HR} – performance management – for most non-bargaining unit employees. Supervisors and managers continue to go through performance leadership training and goal cascading sessions to prepare them for this important transition.

Performance Management Desk Guides Now Available

With the MAX^{HR} Performance Management Program well under way at headquarters and scheduled to roll out to additional components in April, the department has developed additional tools and resources to help supervisors understand the important role they play in the new performance management program and how to access and use the new ePerformance tool.

Two comprehensive user-friendly desk guides are now available: a MAX^{HR} Performance Management Supervisor's Desk Guide and a MAX^{HR} ePerformance System User Guide. The Supervisor's Desk Guide explains the performance management process in detail and will assist supervisors in carrying out their performance management responsibilities, such as setting performance expectations, monitoring employee performance, developing employees, evaluating performance, and addressing poor performance. The guide also contains reminders and tips for navigating through the performance management process. The MAX^{HR} ePerformance System User Guide provides step-by-step instructions for using the automated tool to facilitate the

performance management process, creating a goal plan, individual performance goals, progress reviews, and annual appraisals.

No matter what your level of knowledge or experience with MAX^{HR}, these guides will serve as a ready resource for supervisors, and employees who want to learn more about the new MAX^{HR} performance management program and ePerformance system.

Performance Management

A new ePerformance tool—the MAX^{HR} Performance Management System—is now available to those Headquarters (HQ) employees and supervisors who have converted to the new MAX^{HR} performance management program.

This new, Web-based system provides easier access to performance plans and management tools to help supervisors and employees complete key actions required throughout the MAX^{HR} performance management cycle.

Highlights of this new system include a number of features to make the performance management process more consistent and easier to manage, including automated performance plans and appraisal forms. In addition, supervisors can use the system to document quarterly and mid-year performance reviews, and employees can take advantage of the journaling function to track major accomplishments throughout the year.

The MAX^{HR} Performance Management System has a built-in training module so that employees and supervisors can take the training at any time and reference the supporting materials as needed. Instructions on how to access the system will be sent by separate correspondence to managers, supervisors, and employees as deployment occurs. Other components will be given access as they convert to the new MAX^{HR} performance management program.

Market Matching Is Underway

The first DHS employees (Headquarters, Headquarters Components, FLETC and USSS) are currently scheduled to convert to the new MAXHR pay system by January 2007.

Market matching, which is the process of identifying pay ranges for comparable DHS jobs in the open labor market, is one step in the overall MAXHR pay design process.

Market matching will help ensure that the DHS pay system is competitive with current labor market rates.

A rigorous process was used in both the market matching and its validation to ensure that the market pricing data used to determine the MAXHR pay bands is relevant to DHS and that the resulting pay bands are accurate.

The market matching process started in May 2005 and concluded in August 2005. Validation of the market matching process started in December 2005 and concluded in March 2006.

The overall pay design process is on-going. Next steps in the design process are to validate and finalize the draft occupational clusters and pay band assignments, with final results expected this summer.

Draft Occupational Job Clusters Posted on DHS Online

An essential element of the new MAX^{HR} pay system. As an important milestone in the pay design process are the job clusters.

DHS positions have been matched initially into nine broad clusters based upon a variety of market factors: nature of the work; mission and function; skill sets, competencies, and qualifications; career and pay progression patterns; the recruiting marketplace; and other factors.

These notional occupational clusters were developed with extensive participation from employees, supervisors, and employee representatives and are intended to streamline the evaluation of DHS jobs without compromising internal equity and the principle of equal pay for work of equal value.

The draft clusters are being used to develop specific pay bands, which are the salary ranges that establish the minimum and maximum rates of pay across the DHS workforce. Although each occupational cluster will be different, typically, each will have between three to five different pay bands. Most clusters will have pay bands for entry/developmental, full performance, senior expert, as well as supervisory personnel.

Pay

The majority of DHS employees will receive a pay increase when they convert to the MAX^{HR} Pay System. The pay increase will be processed as a one-time within-grade-increase (WGI) buy-out that will compensate them for the length of time they have accrued toward their next WGI. This increase will be added to their base pay and will count toward retirement. The WGI buyout excludes employees who are at step 10 within their grade at the time of conversion, since they are not eligible for a WGI.

Talking Points

OPM Assessment of the implementation of DHS alternative Personnel System

May 1, 2007

Background:

The results of the OPM report, *Creating a Foundation for the 21st Century Federal Workforce*, provides an expert analysis of DHS's implementation of its new authorities. The report describes the assessment methodology, the framework, and the results of the analysis. The assessment tool used requires system implementation in order to assess both preparedness and progress, so classification, pay, appeals and adverse actions systems of the alternative personnel system (APS) were not assessed. The labor relations system, which has been enjoined by the courts, was also not assessed. OPM recommends, and is ready to support, DHS's implementation of the remaining systems as soon as possible to take advantage of existing program momentum.

Talking Points

- The department has also planned and prepared extensively for effective implementation of the remaining APS programs – classification, pay, adverse actions, appeals and labor relations.

- While we would have liked the report to elaborate more on all aspects of the APS and the progress DHS has made in their development, we understand that by design, the OPM APS assessment was only performed on those areas fully implemented. OPM was responsive to our comments and we look forward to continued collaboration with them on this important effort.

- Building a contemporary human resources management system that includes a new pay system, classification, adverse actions, appeals, performance management and labor relations is no easy task. Thanks to our leadership's commitment, cooperation across the Department, and detailed planning and dedication to the task at hand, we are proud of the many achievements we have made to date.

- The Department has been very measured in the way it has implemented reforms. We have invested a great deal of time with employees, employees' representatives and managers throughout the organization in the design of the programs. We will continue to pursue a thoughtful and measured course before deploying any more of the remaining elements of the system.

- We believe that this program, in combination with other key initiatives related to recruiting, hiring and retention, will have a significant impact on sustaining a high-performing workforce and providing DHS employees with the knowledge and tools they need to be successful contributors to achieving the homeland security mission.

Statement of Scott Charbo in Response to IG Report

Jan. 9, 2006

"There have been a lot of people second guessing the department's structure and effectiveness of lines of authority. I sincerely feel that the present structure and lines of authority grant me what I need in regards to accomplishing my mission. The secretary and deputy secretary always have their door open to me, and we've had many of discussions. I have an excellent team with the DHS CIO Counsel. These professionals from across the department's agencies work with me very closely and together we are meeting mission goals."

Scott Charbo
Chief Information Officer
Department of Homeland Security

CIO Overall Talking Points

January 2007

- We recognize that a stronger, safer, and more secure America requires that DHS maintain a highly capable and efficient information technology program that is tightly linked to mission imperatives.

- To ensure that the right people inside and outside DHS have access to, and receive, the right information at the right time, and to enhance mission capability of our organizational elements, the DHS Office of the Chief Information Officer has established five strategic objectives for FY 2007:

    1. Improved project management with alignment of budget and enterprise architecture
    2. Improved infrastructure and consolidation
    3. Continue cyber security improvements
    4. Transition projects into actions and operations
    5. Improved information sharing and data collaboration/integration

Data Centers

Talking Points
December 20, 2007

- Our goal it to consolidate the department's legacy data centers to two enterprise-wide data centers to provide a highly-survivable and reliable computing environment.

- Data center consolidation will promote unity and information sharing within DHS, creating a more efficient infrastructure to achieve the department's primary mission.

- Consolidation of data centers will enhance DHS-wide corporate software applications services/capabilities through the consolidation and integration of COTS-based server applications, by providing a common hardware platform and a common set of development tools.

- A task order award was awarded on August 31, 2007 with an effective date of September 1, 2007 to Electronic Data Systems, Inc. (EDS) for a second enterprise-wide data center managed services. The objective of the second data center is to provide for consolidation of some of the departments' legacy data centers and to provide a continuity of operations capability in the case of an enterprise-wide data center disruption.

Talking Points

Disaster Management

June 25, 2007

- Main benefits of the transition to HSIN include the following:

  - Improved Information Sharing
  - Improved content quality and reduced message conflict among the emergency management and first responder community
  - Better DM alignment with DHS strategic initiatives
  - Reduced Costs

- In the letter dated June 18th, 2007, from the Disaster Management Practitioner Steering Group (PSG) questioned whether there would be changes to the transitioned DM components. Our responses are below:

  - DMIS-OPEN: There will be no loss in functionality during the transition period, which is expected to last through the end of FY 2007. Following the transition, DMIS-OPEN will be hosted by HSIN, which, in cooperation with the OCIO and stakeholders, will coordinate future developments for DMIS-OPEN.

  - DisasterHelp.gov: There is significant similarity between it and the HSIN web portal and efforts are underway to ensure functionality is retained. Additional benefits of transition to HSIN:

  - DisasterHelp.gov users will be able to access a larger user base, including members of the emergency management community, law enforcement community and other individuals from local, state, tribal and federal communities who play crucial roles in disaster management, response and recovery.

  - DisasterHelp.gov users will also have access to enhanced geospatial and other tools that will enable them to execute their responsibilities more effectively.

  - The letter also states that the OCIO committed to DMIS and OPEN being transitioned by April 6th, 2007 and DisasterHelp.gov being transitioned by May 29th, 2007. These dates were notional dates discussed during internal discussions, used for high level planning purposed only and were never agreed upon or released publicly. Since January, in discussions, public events and formal exchanges with stakeholders the OCIO has communicated our target date range for transition of DM components to the plan date of late 2007. As dates are finalized, we will continue to communicate with DM stakeholders throughout the transition period.

Disaster Management

Talking Points
September 8, 2006

- Although some money was reallocated within the program, the department continues to fully fund the Disaster Management program.

- We are upgrading the features to the current user base and creating greater information sharing and functionality to the Emergency Management community.

- This required DHS to re-prioritize tasks within redundant disaster management projects, including the Disaster Management Program.

- We are addressing performance issues we have seen in past efforts with our current projects and addressing GAO reports.

- We are also doing what is required under the presidential initiative, information sharing initiative, and the Katrina after action retooling to develop a more robust disaster management community and interoperability for federal and state and local users.

FISMA

Talking Points
March 16, 2006

- The success of the DHS mission is dependent on our ability to protect sensitive information. The DHS Information Security Program is designed to provide a secure and trusted computing environment based on sound, risk-management principles.

- The department has made great strides to integrate 22 disparate IT networks and enhance the security of our combined departmental network. We are constantly striving to improve our systems and will continue to work with all oversight bodies to ensure that they have accurate and complete information for their reporting.

- The department disputes the FISMA grade because it does not reflect the department's tremendous improvements in security and network integration over the last year. The "report card" system fails to reflect that network security is one of our management division's most important priorities.

- The department has made significant progress in computer security such as:

  A comprehensive FISMA Remediation Project for 2006 that builds on key prior-year milestones such as completion of a comprehensive systems inventory in 2005 and fielding of automated security program management tools in 2004 and 2005

  In just 5 months, the Department has more than doubled the number of accredited systems (increase from 26% in October 2005 to 62% at the end of February 2006)

- We are on track to make the goal of 100% remediation by the end of this year

- In addition to the systems-level Remediation Project, the department is also migrating to a common enterprise backbone infrastructure. The "OneNet" project:

  - Is designed around a comprehensive and detailed security framework

  - Will provide common, shared network services to all components

  - Includes the stand-up of an enterprise Network Operations Center/Security Operations Center

FISMA Talking Points for 2006 reporting cycle

FISMA overview

- The Federal Information Security Management Act (FISMA) was enacted in 2002 to strengthen computer and network security within Federal Government agencies.
- Agencies are required to submit an annual report to OMB and Congress that provides an inventory and security status of all major IT systems as well as the status of the agency's privacy and data protection programs.
- FISMA directs agencies to certify and accredit (C&A) all major IT systems every three years, when significant changes are made to a system, or before a new system can be brought online.
- The goal is for 100% of all IT systems to be (1) certified and accredited as secure prior to operations, and (2) continuously monitored for security compliance while in operation. OMB uses these metrics to grade agencies' FISMA performance in support of the President's Management Agenda (PMA).

FISMA compliance in DHS

- DHS has made impressive progress on securing its computers and networks and has taken great strides to institutionalize rigorous network security and data and privacy protection programs.
- DHS anticipates receiving a passing score from Congress for the first time when 2006 scores are released in early 2007. Congress previously graded DHS with an F for the years 2003-2005.
- This year is the first that the Inspector General has not recommended that the Department's Information Security Program be considered a material deficiency. Previous IG audits in 2003 and 2004 highlighted serious IT security gaps:
    - "Lack of a comprehensive and complete IT systems inventory"
    - "Significant number of systems not certified and accredited"
    - "Lack of continuous monitoring after systems are accredited"
- In 2005, the Department completed its first comprehensive inventory of all IT systems.
- Building on this success, the Department's Chief Information Security Officer led a year-long remediation plan, the results of which are captured in the DHS FISMA 2006 report. Of a total inventory of 692 DHS IT systems:
    - 589 systems (85%) were certified and accredited as of 15 Sept 2006, and this is the number reported in the Department's 2006 FISMA report to OMB.
    - Since then the Department has made additional progress, and as of 29 Sept 2006, 621 systems (90%) were certified and accredited
    - The Department anticipates 100% C&A by the end of calendar year 2006.

- In 2007, DHS will build on this foundation by improving the ability to monitor for continuous security compliance throughout IT systems' lifecycle.

Specific talking points in response to the OIG-06-62, September 2006, Evaluation of DHS' Information Security Program for Fiscal Year 2006

(Note: These comments are in direct response to the four bullets listed in the Executive Summary of the report.)

OIG Report says: All DHS systems have not been properly certified and accredited. *(Executive Summary)*

Department response: As of September 29, 2006, the Department has 90% of its 692 major systems and applications accredited. This is a huge improvement of over 70% from last year, and we are on track to achieve 100% by the end of the calendar year.

OIG Report says: All components' information security weaknesses are not included in a POA&M. *(Executive Summary)*

Department response: The Department conducted numerous reviews in 2006 to ensure that weaknesses were addressed as part of the POA&M Process. All weaknesses from the following sources are currently tracked:

- NIST Self-assessments
- OIG Audits
- GAO Audits
- Risk Assessments,
- Penetration Tests,
- Other Sources

In 2007, improved POA&M management will be a key Information Security Program priority.

OIG Report says: Data in the enterprise management tool, Trusted Agent FISMA, is not complete or current. *(Executive Summary)*

Department response: The Department actually relies on two automated tools for program management. Both tools are good at what they do; however, the Department does not, and will not, rely only on standard tool-generated forms and database queries for meeting reporting requirements. For the most part, the CISO uses custom database queries for program management support, as well as for supporting the extensive audit and FISMA reporting requirements for both internal and external reporting. All reports are reviewed offline for accuracy, and, in order to ensure the quality of the data reported by Components, all uploads are regularly reviewed for accuracy.

OIG Report says: System contingency plans have not been tested for all systems. (Executive Summary)

Department response: Of the 692 systems in the FISMA inventory, 617 require contingency plans (moderate or high availability) and 362 (59%) of those plans have

been tested. This is a significant improvement from the 8.5% completion rate reported in 2005. For low availability systems, contingency plan testing is optional, per Department policy.

OIG Report says: While DHS has issued substantial guidance designed to create and maintain secure systems, we identified areas where the implementation of agency wide information security procedures require strengthening: (1) certification and accreditation; (2) plan of action and milestones; (3) security configurations; (4) vulnerability testing and remediation; (5) contingency plan testing; (6) incident detection, analysis, and reporting; and (7) specialized security training. (Executive Summary)

Department response: The Department has made significant progress in implementing a FISMA-compliant Information Security Program as evidenced in the 2006 annual FISMA report submission to OMB. The Department also acknowledges that security is a dynamic process, and we are committed to strengthening our processes, procedures and implementation wherever and whenever it is feasible to do so.

Prepared by: Robert West, Chief Information Security Officer

Office: (b) (6)

HSPD-12 Talking Points

October 12, 2006

Q: are we still on schedule to begin issuing cards this month?

Yes

Q: Is this timeline still good:

Yes

- **October 06** – Begin Issuing PIV Compliant Smart Cards to DHS employees in the National Capitol Region (5,500)
- **January 07** – Deliver Framework and develop Implementation Plan for DHS Components(based on NCR deployment)
- **October 07** – Begin Issuance cards in Component environments
- **October 10** – Finish Issuance of PIV Compliant Smart Cards to all DHS Components

Q: Who is providing our cards, and was it off the GSA list?

We are using a dual interface (contact and contactless on the same chip) **Cosmo smart card from Oberthur Card Systems**.

By January, 2007, we expect that at least two additional vendors will have FIPS 140-2, level 3 smart cards available to us.

Integrated Wireless Network

April 2007

Background

The Integrated Wireless Network (IWN) program is a joint effort of the Department's of Homeland Security (DHS), Justice (DOJ) and the Treasury to provide for secure, interoperable wireless communications that support the missions of the respective partners. Since its inception in 2003, a hallmark of the IWN program and partnership has been its flexibility to evolve and account for the inevitable changes in the wireless technology industry as well as operational requirements and internal management strategies of the respective agencies. The purpose and effect of such flexibility has been to allow DHS, DOJ, and Treasury to remain committed to the objectives of an integrated wireless environment across the three agencies, including effective interoperability amongst federal law enforcement/homeland security agents; interoperability between the federal agencies and the state and local agencies with which we partner; interagency leveraging of federal investments in communications infrastructure; and support for and endorsement of standards-based technologies that stimulate improved interoperability, functionality and market competition.

To achieve these objectives, DHS, DOJ, and Treasury will:

- Coordinate all wireless communications projects to identify coincident areas of operation and functional requirements; This will be achieved through collaboration of the CIOs of each agency.
- Collaborate on the development and implementation of compatible (standards-based) wireless communications system architectures across the respective Department enterprises; This will achieved through an interagency workgroup that will report its recommendations to the agency CIOs.
- Implement cost-effective interoperability solutions in each geographic region of the country; The agreed to architecture will identify the appropriate interoperability approaches.
- Achieve economies of scale through the sharing of communications infrastructure to the extent consistent with operational /functional needs of the participating agencies; This will be facilitated by the joint architecture, and implemented through coordination of specific projects undertaken by each Department.
- Harness federal purchasing power through joint purchasing arrangements where appropriate and consistent with each Department's respective budget plans; This will be achieved by using each Department's respective contracts and coordinating purchasing of equipment – e.g., bulk radio buys.
- Revamp the IWN interagency governance agreement to oversee accomplishment of the above actions, including executing a new memorandum of agreement formally documenting the interagency partnership commitments.
- Expand this partnership to include other federal agencies which have common/complementary mission requirements.

Talking Points

DHS-DOJ-Treasury IWN Partnership

April 2007

Background

The Integrated Wireless Network (IWN) program is a joint effort of the department's of Homeland Security (DHS), Justice (DOJ) and Treasury to provide for secure, interoperable wireless communications that support the missions of the respective partners. Since its inception in 2003, a hallmark of the IWN program and partnership has been its flexibility to evolve and account for the inevitable changes in the wireless technology industry as well as operational requirements and internal management strategies of the respective agencies. The purpose and effect of such flexibility has been to allow DHS, DOJ, and Treasury to remain committed to the objectives of an integrated wireless environment across the three agencies, including effective interoperability amongst federal law enforcement/homeland security agents; interoperability between the federal agencies and the state and local agencies with which we partner; interagency leveraging of federal investments in communications infrastructure; and support for and endorsement of standards-based technologies that stimulate improved interoperability, functionality and market competition.

Talking Points

- DHS, DOJ, and Treasury will coordinate all wireless communications projects to identify coincident areas of operation and functional requirements; This will be achieved through collaboration of the CIOs of each agency.

- We will collaborate on the development and implementation of compatible (standards-based) wireless communications system architectures across the respective department enterprises; this will achieved through an interagency workgroup that will report its recommendations to the agency CIOs.

- The goal is to implement cost-effective interoperability solutions in each geographic region of the country; the agreed to architecture will identify the appropriate interoperability approaches.

- We will achieve economies of scale through the sharing of communications infrastructure to the extent consistent with operational /functional needs of the participating agencies; this will be facilitated by the joint architecture, and implemented through coordination of specific projects undertaken by each Department.

- IWN will harness federal purchasing power through joint purchasing arrangements where appropriate and consistent with each department's respective budget plans; This will be achieved by using each department's respective contracts and coordinating purchasing of equipment – e.g., bulk radio buys.

- Revamp the IWN interagency governance agreement to oversee accomplishment of the above actions, including executing a new memorandum of agreement formally documenting the interagency partnership commitments.

Integrated Wireless Network

March 2007

Talking Points:

- The DOJIG report identifies significant DOJ affordability issues with replacing obsolete DOJ communications equipment in general; and in funding the IWN program in particular. As recommended by the DOJIG, DHS will work with DOJ and Treasury to assess the viability of IWN as a joint project, assuring appropriate interoperability and determine what should be the best way ahead for all three Departments.

- Since the IWN program was established there have been significant changes in the budgets, priorities and the execution of related programs across the Departments. DHS has made substantial information technology and communications investments in response to congressional direction to secure our borders and execute other critical DHS missions. These include Coast Guard C4ISR, Rescue 21, SBInet and DHS OneNet and DHS emergency communications efforts, where capability has been fielded.

- Given the mission-critical nature of securing the borders and protecting the homeland, DHS is pursuing a wireless implementation strategy that emphasizes affordability, ensures interoperability, and leverages existing infrastructure and services to the greatest extent possible.

- The objective is to extend DHS OneNet wirelessly to provide secure, interoperable communications—tactical, command and control communications, and access to enterprise resources—for mobile users, including capabilities for users in isolated or remote areas not served by wired infrastructure. DHS will achieve this extension through an integrated data and voice architecture using an upgrade and modernization approach.

IT NOVA
January 18, 2008

DHS awarded the Information Technology Networking Operations Virtual Alliance (IT-NOVA), Operations and Maintenance (O&M) support services in late 2007 to Lockheed Martin as a task order under the DHS EAGLE suite of IT support services contracts.

The purpose of this task order is to provide IT-NOVA, Operations and Maintenance (O&M) support services for the Department of Homeland Security (DHS), Office of the Chief Information Officer (OCIO), Infrastructure Operations (IO) Division.

Support services under the IT-NOVA O&M task order include applications management and support services, deployment services, infrastructure engineering services, testing, operations and maintenance for end user support, video teleconferencing, phone and PBX operations, network and security management centers operations, communications security (COMSEC) management, IT-related training, wireless management and IT continuity management.

The IT-NOVA O&M support services task order procurement will combine various existing operations and maintenance contracts into a consolidated task order. To effectively meet the mission objectives of the DHS/OCIO/IO, the agency requires a robust, reliable, scalable, integrated, secure, and flexible IT Infrastructure support contract vehicle that employs methodologies to achieve mission and business-critical systems and applications.

The integrated IT-NOVA infrastructure contract will provide for a more cohesive IT support structure for DHS. In addition, this contract vehicle will provide improved information sharing through a consolidated, enterprise wide support services task order and assist DHS in achieving its strategic goals and business objectives which include awareness, prevention, protection, response, recovery, service and organizational excellence.

Background Information

For Use during Secure Borders Initiative (SBI) Industry Day; January 26, 2006

Contact: *Sam Russ, Director, Wireless Management Office (202-205-4465)*

SUBJECT: Integrated Wireless Network (IWN) and SBI

SUMMARY

The IWN is an acquisition to provide systems integration and related products and services to support modernization and upgrade of DHS components' current separate wireless communications systems. The IWN acquisition will also support the concurrent transformation of these separate component systems to a more cost-effective, more fully integrated, and converged wireless communications environment which will provide the wireless extension of OneNet, the department's integrated enterprise network, i.e. DHS OneNet-Wireless). The IWN will provide state-of-the-art, digital, encrypted, standards-based wireless communications products and services for use by federal agents and officers to support their mission-critical law enforcement, protective services, homeland defense, and disaster response activities across the Nation. The system encompasses tactical wireless communications and the application of emerging technologies as they pertain to domestic law enforcement and counter/anti-terrorist operations (including missions in the U.S. Territories), first responders, and legacy systems support, in terrestrial, aeronautical, and maritime environments. The IWN acquisition is managed by the Joint Program Office, a collaborative initiative among the Departments of Homeland Security, Justice (DOJ), and Treasury. The IWN acquisition is intended to support greater interoperability and a more integrated/shared approach to provisioning wireless services based upon architectural standards.

The potential benefits of using the IWN acquisition to achieve a more integrated/shared approach to provisioning wireless services include: (1) improved interoperability through common designs and standards; (2) cost savings through shared spectrum, shared infrastructure, and shared operations and maintenance; and (3) economies of scale (e.g. more favorable pricing) through consolidated procurements.

KEY MESSAGES

- The IWN acquisition will offer a broad range of technologies and services to meet DHS' requirements for reliable, secure, nationwide wireless communications capabilities, enhanced interoperability and increased operational effectiveness.

- DHS intends to use the IWN acquisition to acquire the technologies and services required to transform DHS' separate wireless infrastructures into DHS OneNet-Wireless, the wireless extension of the DHS enterprise network.

- The DHS Wireless Management Office (WMO) will facilitate collection of wireless requirements of individual components and programs, including the SBI, to ensure maximum return on investment and economies of scale (e.g., shared use of radio sites, network infrastructure, spectrum, and operation and maintenance.)

- The ID/IQ contract(s) resulting from Phase II of the IWN acquisition are expected to be awarded in March/April 2006.

POSSIBLE QUESTIONS AND PROPOSED RESPONSES

NOTE: Prior to taking questions the following preliminary statement should be made: "The IWN acquisition is still in its competitive stages; therefore, we will not be able to discuss any information that is considered to be source selection sensitive."

What is the IWN?

The IWN is an acquisition to provide systems integration and other services and for both current and emerging technologies and products to support modernization, upgrade, and concurrent integration and transformation of DHS components' separate wireless communications systems to become DHS OneNet-Wireless, the wireless extension of DHS' integrated enterprise network (OneNet).

What are the goals of the IWN acquisition?

The purpose of the IWN acquisition is to achieve maximum operational return on investment and obtain the following results:

- The provision of reliable, secure[1], nationwide wireless communications capabilities;
- Enhanced interoperability, operational effectiveness, and support through increased coverage and capabilities;
- Enhanced interoperability with other federal and non-federal wireless users through the consistent application of standards.;
- Reduced capital and operational costs through economies of scale; and
- Rapid deployment of wireless capabilities based upon mission requirements and risk-based priorities.

What capabilities will the IWN provide?

The IWN acquisition is intended to provide scalable voice and data communications technologies and services for implementation of the DHS One Net-Wireless system. DHS One Net Wireless will leverage the DHS One Net, an Internet Protocol (IP) based integrated enterprise network.

What is the current status of the IWN acquisition?

The IWN acquisition is currently nearing completion of Phase II of a three-phase process. At the conclusion of Phase II, expected in March/April 2006, the government intends to award two or

[1] "Secure," for purposes of this document, is defined as meeting all requirements necessary to achieve federal certification and accreditation for sensitive, but unclassified, communications.

more ID/IQ contracts. Phase III is to be a system design competition and is expected to be completed by October 2006.

Is there any truth to the reports that the government is considering allowing the IWN partners to pursue separate approaches for implementing the IWN?

The participating departments are committed to moving forward with the IWN acquisition. In consideration of solution affordability and available funding, the participating departments will develop a mission-based requirements and risk-based priorities implementation approach. The Departments will proceed jointly wherever the potential for synergies and operational mission requirements and priorities dictate.

What is the planned implementation schedule for the IWN?

Upon completion of Phase III of the IWN acquisition, DHS will begin to issue task orders against the IWN ID/IQ contract(s) to support the upgrade/modernization and transformation of current wireless systems into DHS OneNet-Wireless, the wireless extension of the integrated DHS enterprise network. That is expected to begin in early FY07. Detailed implementation plans will be area specific.

What is the relationship of IWN to SBI?

The IWN acquisition will provide a source for wireless technologies and services to support the SBI and other DHS programs as specific requirements and priorities are identified.

Will the IWN provide wireless services to SBI?

The IWN acquisition will provide a source for developing the DHS OneNet-Wireless which will support the wireless requirements of the SBI and other Department programs.

Will the IWN be operational in the border regions within the 5-year goal for SBI implementation?

The IWN acquisition will provide a source for developing DHS OneNet-Wireless, which will support the SBI's wireless requirements. OneNet-Wireless will upgrade, and modernize communications capabilities based upon mission priorities. Currently, the border regions are one of DHS' highest priority mission areas.

Will the IWN provide sufficient coverage, capacity, and throughput to support SBI requirements?

The IWN is an acquisition that will provide a source for the wireless technologies and services required by DHS to develop DHS OneNet-Wireless. OneNet-Wireless will be scalable to accommodate applicable prioritized wireless requirements of the SBI and other Department programs.

Will SBI vendors be asked to design an interface to the IWN infrastructure?

Vendors may be asked to design an interface to OneNet and/or OneNet-Wireless.

Will the IWN design competition for the SW Border now include integration with SBI?

The IWN acquisition will provide a source for developing DHS OneNet-Wireless, which will support the SBI's wireless requirements. The details of the IWN Phase III design competition are considered to be source selection sensitive at this time.

Is there a potential for a conflict of interest for IWN vendors who would like to bid on SBI?

DHS does not believe that an inherent conflict exists; however the need for mitigation strategies could occur and will be determined on a case-by-case basis.

Talking Points

Integrated Wireless Network

December 22, 2008

Background:

Department of Homeland Security input for GAO Draft Report 09-133, *Radio Communications: Congressional Action Needed to Ensure Agencies Collaborate to Develop a Joint Solution,* December 2008, does not include specific recommendations but presents four actions related to the Integrated Wireless Network (IWN) for consideration by Congress. The GAO's report is focused on mandating that the three agencies have one radio communications solution and implies that any other option will result in a stovepipe of non-interoperable communication systems.

The GAO report states that the governance structure for pursuing a joint communications solution was disbanded due to a lack of collaboration and agreement; in fact, DHS and DOJ are employing different radio designs funded by Congress that are commensurate with spectrum needs in their environments.

Talking Points:

- Effective radio communications systems are critically important for law enforcement and public officials responding to events such as natural disasters, criminal activities, and domestic terrorism. Lessons learned from major events (e.g., 9/11, Hurricane Katrina) indicate that Federal wireless needs extend beyond a limited number of Federal partners or a single discipline (e.g., law enforcement), and that interoperability with State, local, and tribal agencies must be considered an essential requirement of any joint Federal wireless solution.

- The IWN initiative, begun in 2001, was intended to serve as the contracting tool that would be able to improve the Federal tactical communications capabilities among DHS, the Department of Justice (DOJ), and the Department of Treasury (Treasury), the primary Federal law enforcement agencies. Over time, this fundamental concept has evolved and accounted for changes in the wireless technology industry and operational requirements of the partner agencies.

- Additional management and administration lessons learned from the IWN Program and the Seattle/Blaine Pilot Project identified issues with joint governance; the management of priorities and requirements across multiple departments; and the addressing of user requirements within schedule constraints.

- Because DOJ and DHS have different regional priorities – the majority of DOJ users operate in highly populated, geographically condensed urban areas with limited frequencies, while the majority of DHS users operate in remote border areas – a common system will not work on a national level, although common systems can work in particular cases. Planning for spectrum

efficiency is as much a function of the geographic landscape in which law enforcement is operating as it is a function of joint planning.

- In January, 2008, the DHS, DOJ, and Treasury signed a Memorandum of Understanding describing an agreed-upon governance structure. Joint wireless programs will be governed by the Joint Wireless Programs Coordinating Council, which will meet on a quarterly basis. Decisions will be reached by consensus and documented through interagency Memoranda of Agreement signed by the Chief Information Officers from each participating Department. In the event consensus is not reached, the issue will be referred for consideration by the Deputy Attorney General and the Deputy Secretaries of DHS and Treasury. Any agreed-upon interoperability requirements must be taken into account early in the system-design stage and should not in any way delay operational upgrade requirements in later stages. It is essential to the DHS mission that current radio system modernizations undertaken across departments do not result in delays to much-needed upgrades in the DHS component radio systems, thus posing risk to mission effectiveness and the safety of agents and officers. For example, current needs within DHS Customs and Border Protection (CBP) for radio systems upgrades are absolutely pressing. Radio systems provide critical lifelines to officer safety, but many areas are using radio systems that are old and past their life expectancies.

Similarly, DHS CBP must coordinate its modernization schedule to support the operational needs of SBI*net*, which has a project dependency on the Global Positioning System Blue Force Tracking data generated by the Land Mobile Radio (LMR) microphones. DHS CBP must implement new systems a year ahead of SBI*net* deployments. LMR modernization efforts are long-term projects with significant external schedule dependencies. The time required to obtain spectrum certifications, clear spectrum licenses with neighboring countries, negotiate site leases, and work around environmental and seasonal restrictions (some sites may be inaccessible for several months out of the year) pose significant obstacles to timely implementation of new systems.

Develop a joint outcome and strategy for improving radio communications among the expanded partnership within the ECPC.

DHS, DOJ, and Treasury will use a tiered strategy to achieve effective radio communications in a timely and cost-effective manner. Where necessary, investments will first address immediate mission-critical operability and coverage requirements. Concurrently, the partnership will focus on standardization and optimization of networks planned or in service. The first goal of the expanded partnership under the ECPC will be to define an outcome and an associated joint strategy. The final tier of the strategy will involve partnering with private partners on research and development efforts to migrate to emerging wireless technologies that meet public safety requirements and standards for reliability, sustainability, security, and coverage.

Office of Public Affairs
U.S. Department of Homeland Security

Public Affairs Guidance

BACKGROUND

Secretary Chertoff signed into effect Management Directive 007, which replaced the previous version of the directive. This revised Management Directive (MD) establishes the department's of Homeland Security's (DHS) vision and the authorities and responsibilities of the Department's Chief Information Officer.

LAST MODIFIED

- March 15, 2007, at 9 a.m.

GUIDANCE

- Refer all calls to DHS Office of Public Affairs, (202) 282-8010

GENERAL TALKING POINTS

- This Management Directive establishes the Department of Homeland Security's vision and the authorities and responsibilities of the Department's Chief Information Officer.

- To coordinate all of this work and ensure the prudent annual investment of over $3 billion in information technology, we need to have a strong Chief Information Officer who is empowered to make decisions, control spending, and ensure consistency.

- This management directive places DHS at the forefront of fulfilling the promise of the Clinger-Cohen Act of 1996, which established the role of the CIO at major federal agencies.

Requirements within the Management Directive:

- Each DHS component will be required submit its IT budget to the CIO, who will make recommendations to the secretary for final inclusion in the Department's budget request.

- Any IT acquisition larger than $2.5 million must first be approved by the Department's Enterprise Architecture Board as being aligned with the Department's Enterprise Architecture, then submitted to the CIO for approval.

- The DHS CIO will approve the hiring of component CIOs and set and approve their performance plans, ratings, and annual award compensation.

QUESTIONS AND ANSWERS

Q: Why now? Why after 4 years are we figuring out we need this type of directive?

A: We have had a management directive in place for some time, and Scott has many really strong processes in place, this revision to MD 007 solidifies those processes and adds certainty that the next CIO will be as successful as Scott Charbo. It also adds a layer of due diligence that we are spending taxpayer dollars as efficient and effectively as possible.

Q: Some people have said that this directive doesn't go far enough.

We are satisfied that this new directive establishes the Department of Homeland Security's vision and the authorities and responsibilities of the Department's Chief Information Officer.

###

McAfee

Talking Points:

- The department's Enterprise Architecture has several permitted Anti-Virus software on it, including McAfee, Sophos, and Symantec.

- Yes, only MacAfee is FIPS-140 certified. However, FIPS-140 is only relevant if the organization needs to use encryption for some function, most Anti-Virus products do not encrypt so they do not need FIPS certification.

Background:
FIPS 140-2 applies to cryptographic modules. Its predecessor, FIPS 140-1, was created in 1994. Compliance with the standard is mandatory, and lawmakers ended the waiver process that allowed agencies to bypass it as part of the Federal Information Security Management Act of 2002.

NETWORK MONITORING

Talking Points
April 6, 2006

- DHS policy forbids employees from accessing pornographic material.

- Intrusion detection systems are programmed to look for pornographic related words, however, some DHS law enforcement components may be legitimately creating security event messages due to the content of their e-mails or due to the web sites they may be reviewing as part of normal operations.

- Additionally, the increase in security event messages may be a result of bringing more devices online and to increasing the type of events the DHS wide area network intrusion detection system was recording.

OIG FY 2007 FISMA REPORT

Talking points
October 1, 2007

1. Overall Assessment by OIG - The Department continues to improve, but some Components are not executing.

2. Projected grade is D, due largely to:

   - Continuing C&A quality issues;
   - OIG disallowing of ATOs with less than 6 month duration
   - Need for POA&M process improvements
   - Need for continuous monitoring (configuration and vulnerability scans)

3. Five Recommendations made by the auditors:

   IG Recommendation #1 – OIG wants more Dept oversight of Component POA&M process. Dept needs to ensure remediation dates are reasonable and get more involved at Dept level when remediation is delayed. (The FY2008 performance plan and compliance review process will address this.)

   IG Recommendation #2 – Dept. needs more rigor in C&A oversight and review of C&A artifacts. (The bar for artifact review and scorecard scoring will be raised in FY08 and the Dept. will initiate hands-on security reviews to match the implementation of security with the controls described in C&A documents.)

   IG Recommendation #3 – Dept. needs to verify configuration management on ALL systems. (SOC implementation should resolve.)

   IG Recommendation #4 – Dept. needs to ensure vulnerability scanning on all systems. (SOC implementation should resolve.)

   IG Recommendation #5 – Dept needs to better track training. (DHS Learning Management System, DHScovery, is the long-term solution for the Department.)

4. OIG Recognized Progress

   - Good Performance Plan and Score Card processes
   - Comprehensive Policy and Procedures
   - Initial SOC CONOPS now implemented
   - Improved Dept. Data Review and Verification for FISMA reporting

5. FEMA Laptops

FEMA is currently updating their asset inventory to include/ensure all laptops are in their inventory. The scheduled completion date is 12/01/07. FEMA plans to initiate C&A of all laptops as soon as FY 08 funding is made available with a planned completion date of 6/01/08.

6. Difference between OIG C&A Numbers and OIG C&A Numbers

The OCIO numbers represent the Department and the OIG numbers are based on a sample. Component alignment of the OIG sample is a factor, as demonstrated by the attached Powerpoint slide. In looking at this slide, please consider that USCG has accredited 98% of their systems, they represent 20.5 percent of the DHS operational systems, and represent 8.3 percent of the OIG FISMA sample. CIS accredited 26% of their systems, represent 15.4 percent of the DHS operational systems, and represent 24 percent of the OIG sample. This comment on alignment is in no way intended to question the validity of the OIG sample or sampling method, just pointing out a reason that the OIG numbers and OCIO numbers are different.

OCIO percentages are based on artifacts uploaded by Components as of July 31. The OIG completed audit work on July 5, and discounted ATOs for systems if an ATO letter was in the DHS FISMA management systems as of July 5, but other supporting artifacts were not uploaded as of July 5.

HSIN

January 18, 2008

Talking Points:

- We're not departing from or discontinuing HSIN. Those allegations could not be more false.

- HSIN is going to be the platform for improving overall information sharing capabilities. We've made no secret about wanting more collaborative information sharing that better meets our stakeholder's diverse needs. Our private sector stakeholders have proprietary issues. Law enforcement has its own sensitive information. We've heard from stakeholders who'd prefer one log-in to get what they need. HSIN "Next Generation" will do just that and more, and it will be more cost-effective than the current systems.

- We'll be upgrading our systems over the next year, the same way that Microsoft puts out a new software version each year. We expect to develop HSIN NG in phases, starting with the migration of the Critical Sectors portal.

- In the mean time, enhancements have not stopped. What we are doing is being smart about how we use tax payer resources. We're not going to spend unnecessarily on enhancements that won't migrate to the HSIN NG platform. That would be wasteful. Instead, we're making enhancements to portals where those new features and functionalities are both cost-effective and portable to the HSIN NG system.

EAGLE II Solicitation Release Talking Points
November 1, 2010

EAGLE PROGRAM SUMMARY

EAGLE II will be the next generation of information technology (IT) support service contracts to meet the enterprise wide needs of the Department under the EAGLE program. IDIQ contracts will be awarded to allow decentralized ordering by DHS headquarters and other components, as needed, to meet their unique needs. Fixed price, cost reimbursement, time and material, or labor-hour type task orders will be permitted under the contracts. The overall performance period for EAGLE II will consist of a five (5) year base ordering period and one (1) two-year option ordering period. EAGLE II is estimated to have a maximum contract value of $22 billion over the seven (7) year period of performance.

WHY EAGLE II?

EAGLE II will allow DHS to:

- Refresh the pool of small and large business prime contractors;
- Refine the available services to align with current and anticipated mission needs;
- Refresh the potential periods of performance on new task orders to 2018 and beyond;
- Refresh the labor rates to keep pace with market conditions;
- Incorporate refinements and lessons learned from EAGLE and the acquisition community;
- Ensure that labor categories and levels of security are available to meet anticipated mission needs; and
- Execute a method to add new contractors in later years (on-ramp).

Principal differences between EAGLE II and EAGLE:

- EAGLE II has refined the FCs from five (5) down to three (3) to better align with the mission needs;
- EAGLE II has improved the opportunities for small businesses by including not just a general small business set-aside, but also set-asides for 8(a), HUBZone, and Service-Disabled Veteran-Owned Small Businesses; and
- Where EAGLE only solicited and awarded to Prime contractors, EAGLE II allows offerors to include core team members to enhance their overall capabilities and qualifications.

Benefits to small businesses and mid-size companies:

- Optimum opportunities for an even greater number of small businesses through teaming, by requiring small business core teams to consist of *only* small businesses; the core team shall remain intact throughout the life of the contract.
- Mid-size companies can team with up to four (4) other companies and the qualifications of all the team members will be considered in the evaluation to help strengthen their qualifications for award. This allows the mid-tiers to create a team that can compete with and be comparative in capability/size to the "large" businesses.

Projected Schedule:

- The EAGLE II RFP No. HSHQDC-11-R-10001 released on www.fbo.gov on November 1, 2010.

EAGLE II Solicitation Release Talking Points
November 1, 2010

- Questions on the solicitation are due no later than 2:00 PM ET on November 15, 2010 to mailbox EAGLEIIOutreach@dhs.gov.
- The receipt of Unrestricted proposals is no later than 2:00 PM ET on January 11, 2011.
- The receipt of Small Business proposals is no later than 2:00 PM ET on January 18, 2011.
- Technical Evaluations are anticipated to occur January until May 2011, depending on the number of proposals received.

EAGLE II Acquisition Strategy

The EAGLE II acquisition strategy is as follows:

Award Tracks: There will be two award tracks: Small Business and Unrestricted. The procurement schedule and award decisions on one track will not affect the other track. The following table depicts the organization of the Functional Categories (FCs) within the two award tracks.

Functional Categories		Small Business Track				Unrestricted Track
		8(a)	HUBZone	SDVOSB	All SB	
FC1	Service Delivery, including Integration, Software Design/Development, Operations & Maintenance	X	X	X	X	X
FC2	Information Technology Program Support Services				X	X
FC3	Independent Verification and Validation (IV&V)				X	X

Awards by Functional Category: Source selection will be at the functional category level within each track.

Awards by Small Business Set-aside categories for FC1: Within FC1 *Service Delivery*, source selections will be within small business categories for HUBZone, 8(a), Service-Disabled Veteran-Owned Business (SDVOB), and other small businesses to ensure representation in each of these categories.

Teaming Arrangements: Prime contractors may include up to four (4) core team members in their proposals. Offerors may not submit proposals in more than one functional category, either as a prime or a core team member. Offerors in the Small Business Track may not submit proposals in a different functional category on the Unrestricted Track.

GAO Assessment of Selected DHS Complex Acquisitions

Background

This assessment is a status report to Congress of a prior GAO audit regarding DHS's acquisition oversight, planning, and execution. GAO is not making any new recommendations.

GAO does note that it has previously made numerous recommendations intended to improve acquisition management and that DHS is taking multiple steps to effectively address them, but still needs to further implement these steps and give them sustained management attention.

Talking Points

- DHS has worked to fulfill GAO's recommendation to develop and implement acquisition oversight:
    - DHS' senior-level Acquisition Review Board has increased the frequency of its meetings and has provided program decision memorandums with action items to improve performance.
    - At the Component level, oversight officials are establishing new acquisition executive positions to manage acquisition processes.
- The Office of the Chief Procurement Officer, Office of the Chief Financial Officer, and the Office of Policy are working together to integrate decision making across the Department to streamline and improve the budget and acquisition processes, helping to fulfill GAO's recommendation to improve the overall management of the acquisition process.
- DHS has developed a database to capture and track key program information, including cost and schedule performance, contract awards, and program risk—fulfilling a GAO recommendation.
- DHS's Balanced Workforce Strategy – including the newly created Balanced Workforce Office, dedicated solely to this issue – is addressing situations where offices are overly-reliant on contractor support by eliminating unnecessary contracts and converting positions to federal employees where appropriate, addressing a GAO recommendation.

TALKING POINTS:
WOMEN OWNED SMALL BUSINESS RULE

Top Line Message Points:

- Upon taking office, the Obama Administration made clear its commitment to develop a comprehensive rule to promote access by women-owned small businesses to federal contracting opportunities.

- In less than a year, the SBA has now proposed a complete rule for public comment that identifies 83 industries in which women-owned small businesses are under-represented or substantially under-represented.

- This rule is intended to help achieve the existing statutory goal that 5% of federal contracting dollars go to women-owned small businesses.

Key Talking Points – History of the WOSB Rule:

- In 2000, Congress amended the Small Business Act - authorizing the SBA to establish a program to promote access to Federal contracting by Women-Owned Small Businesses.

- In the years after 2000, the SBA undertook its own study to identify the industries in which women-owned small businesses are under-represented. After it was determined that the SBA's own study fell short, the SBA retained the Kauffman-RAND Institute for Entrepreneurship Public Policy (RAND) to conduct a further, independent study. That study was completed in 2007.

- Since 2007, the SBA has issued various proposed and final rules relating to various aspects of the women-owned small business contracting program. To date, the SBA has not yet implemented a single, comprehensive rule establishing all aspects of the program.

Key Points – The Proposed Rule:

- Upon taking office, the Obama Administration made clear its commitment to develop a comprehensive rule to promote access by women-owned small businesses to federal contracting opportunities – which is what is now out for public comment.

- Based upon the conclusions in the RAND study, the Proposed Rule identifies 83 industries (identified by so-called "NAICS" codes) in which women-owned small businesses are under-represented or substantially under-represented.

- The SBA has identified eligible industries based upon the combination of both the "share of contracting dollars" analysis as well as the "share of number of contracts awarded" analysis used in the RAND study.

    - An earlier proposed version of the Rule proposed to identify only 4 industries in which women-owned small businesses were under-represented. This earlier version proposed to identify eligible industries based solely on the "share of contracting dollars" analysis used in the RAND study.

- In accordance with the statute, the Proposed Rule authorizes a set-aside of federal contracts for WOSB's where the anticipated contract price does not exceed $5 million in the case of manufacturing contracts and $3 million in the case of other contracts. Contracts with values in excess of these limits are not subject to set-aside under this program.

- The Proposed Rule removes the requirement, set forth in a prior proposed version of the Rule that each Federal Agency certify that it had engaged in discrimination against women-owned small businesses in order for the program to apply to contracting by that Agency. [Is this public?]

- The Proposed Rule allows women-owned small businesses to self-certify as "WOSB's" or to be certified by third party certifiers, including government entities and private certification groups.

- The Proposed Rule requires WOSB's which self-certify to submit a robust certification at the federal ORCA certification website and also to submit a core set of eligibility-related documents to an online "document repository" to be maintained by the SBA. Each agency's contracting officers will have full access to this repository.

- The SBA intends to engage in a significant number of program examinations to confirm eligibility of individual WOSB's.

- In the event of a contract protest or program review, the SBA will be entitled to request substantial additional documentation from the WOSB to establish eligibility.

DHS Small Business Accomplishments/Initiatives

FY 09 Activities

- Held ten (10) DHS events that educate small businesses on doing business with DHS (nine events in Washington DC and one event in Chicago, IL). It is estimated that approximately 600-700 participants attend these events on an annual basis.

- DHS attended ninety (90) events throughout the country in support of the Congress, the Small Business Administration (SBA) and small business trade associations. On an average, an estimated 700 people attended each event, enabling DHS to reach approximately 63,000 small businesses.

- On a daily basis, the small business staff met one-on-one with numerous small businesses in face-to face, telephonic, or electronic venues resulting in DHS interacting with approximately 12,500 small businesses to provide guidance and counseling on how to do business with DHS.

- Awarded the Program Management, Administrative, Clerical and Technical Services (PACTS) contract in August, 2009, a Department-wide service contract for acquiring non-IT service solutions. This procurement effort is a 100% set-aside for Service-Disabled Veteran Owned Small Businesses (SDVOSB) in support of the DHS Veteran Coordination Program. Thirty-Four (34) contract awards to SDVOSBs were made in support of this $1.5B program, the first of its kind in federal contracting and recognized by the Secretary of the Department of Veterans Affairs.

FY 10 and FY 11 Activities to Expand Communication with Small Businesses

- DHS has already hosted or participated in 25 vendor outreach events in FY10.

- FY 10 and FY 11 outreach expansion plans include webinars to increase access to DHS information for small businesses in a cost effective way. It is anticipated that the webinars will increase our outreach audience of small businesses by approximately 5%.

- Work with the DHS Office of Procurement Operations to support the Enterprise Acquisition Gateway for Leading Edge Solutions (EAGLE) II, a department-wide acquisition vehicle featuring both small business prime contracting opportunities and small business subcontracting opportunities under large business prime contractors. This IT services procurement effort is currently estimated to result in 40 to 60 small business contract awards with a program valued at $ 5-10 billion.

- DHS entered into a Memorandum of Understanding with the Professional Services Council to conduct an independent review of the DHS small and disadvantaged program from the industry perspective to see if there are additional best practices and ways we can be more effective in our outreach and implementation procedures with recommendations for DHS consideration. The review is expected to be completed by April 1, 2010.

FOLLOW UP QUESTIONS

Question: How did DHS do with its small business accomplishments in FY09?

Answer:

- The federal government-wide goal for small business prime contracting goal is 23%.
- For FY 09, the DHS goal was 31.9% with DHS exceeding the goal by awarding approximately 32% of total contract dollars to small businesses worth about $4.5 billion.
- DHS awarded approximately 8% of total contract dollars to women-owned small businesses, exceeding the goal of 5%.
- DHS awarded approximately 14% of total contracting dollars to small minority businesses, nearly tripling the goal of 5%.

Question: What are you going to do to increase small business opportunities in the DHS procurement program?

Answer:

- For the FY 10 and 11 goaling cycle, in conjunction with SBA, DHS is raising the overall small business goal from 31.9% to 33.5%, over 10 percentage points higher than the government-wide goal of 23%.
- The DHS Veterans Coordination Strategy will increase the visibility of DHS contracting opportunities in the veterans community for veteran owned small businesses and service disabled veteran owned small businesses.
- In support of the White House Council on Women and Girls, DHS has developed a women owned small business (WOSB) strategy to encourage more WOSBs to submit proposals on DHS contracts.

Talking Points

PACTS

March 31, 2008

On March 5, 2008, DHS issued to Industry the Program Management, Administrative, Clerical and Technical Services (PACTS) draft RFP for comment/review with feedback and questions due by April 1, 2008.

PACTS is a DHS-wide strategic initiative being implemented to establish a portfolio of IDIQ contracts for non-Information Technology (IT) support services that will enable DHS business and program units to accomplish their mission objectives.

PACTS will offer a full range of services for DHS through four (4) functional categories:

- Program Management – *operating advice and assistance to businesses and other organizations on administrative management issues, such as financial planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business startup and business process improvement*
- Administrative Support – *day-to-day office administrative services*
- Clerical Support – *(1) letter writing; (2) document editing or proofreading; (3) typing word processing or desktop publishing; and (4) stenography (except court reporting or stenotype recording), transcription and other secretarial services, (5) answering telephone calls and relaying messages to clients, (6) postal and mailing services and (7) one or more other office support services, such as facsimile services, and word processing services.*
- Technical Services – *physical laws and principles of engineering in the design, development and utilization of machines, materials, instruments, structures, processes, and systems.*

On March 26, 2008 DHS held a PACTS Industry Day at the Omni Shoreham Hotel in Washington, DC. There were more than 450 attendees from the business community.

The Industry Day highlighted DHS' vision of the PACTS program, objectives, acquisition timeline and highlights of the Draft RFP.

There was also an informative question and answer session covering various topics. The conference presenters included Tom Essig, DHS Chief Procurement Officer, Soraya Correa, Director of the Office of Procurement Operations, Kevin Boshears, Director of the DHS Office of Small and Disadvantaged Business Utilization, E. Darlene Bullock, PACTS Manager/Associate Director, Office of Procurement Operations and Harrison Smith, PACTS Contracting Officer.

DHS will be issuing the final PACTS RFP in early May 2008.

CONTRACT BONUSES
Trade publications continue to follow the story on Senator Hillary Rodham Clinton's letter to the Inspector General to investigate contracting practices and the use of "award fees" by DHS.

Talking Points

- DHS contracts with award fees are awarded and administered according to the Federal Acquisition Regulation and the Homeland Security Acquisition Regulation.

- Contractor performance is evaluated according to a performance evaluation plan which is unilaterally established by the government. The criteria in the plan may relate to technical requirements, or management or cost, or any combination of these factors.

- The department will certainly cooperate with the IG and support them with their investigation.

Talking Points

2006 Sole Source Contracting

June 5, 2007

- The DHS FY 2006 competition data was an anomaly because of the response and recovery efforts related to Hurricane Katrina. For example, FEMA awarded over $3.5 billion in contract actions on a sole source basis for Individual Assistance/Technical Assistance (IA/TA) services to Fluor Enterprises, CH2M Hill Constructors, Shaw Environmental, and Bechtel.

- Contracts awarded for future disasters will have a significantly higher percentage of competition based on actions FEMA has taken. For example, FEMA has awarded six competitive contracts for IA/TA services and plans to generally compete orders issued under these contracts.

- The competition statistics attached to the OFPP memo do not represent a full picture of competitive contract actions for all agencies. Footnote 4 to the OFPP chart indicates that competitive orders are included in the competitive category. However, many competitive orders are not included due to a coding problem. OFPP is aware of this problem and is working to address it. For DHS, inclusion of all competitive orders increases the percentage of dollars competed to over 60% (it is not clear what this would do to the ranking because we do not have the information for the other agencies)."

Talking points

2ND DATA CENTER

September 10, 2007

Background:

The Department of Homeland Security's (DHS), 2nd Data Center is a department-wide acquisition established by the Office of Procurement Operations' Information Technology Acquisition Center (ITAC) on behalf of the Office of the Chief Information Officer (OCIO) via the DHS Infrastructure Transformation Office (ITO). The 2nd Data Center acquisition requirement represents a cooperative initiative for the DHS CIO and Chief Acquisition Officer (CAO) Councils.

The 2nd Data Center, Managed Services procurement is a task order competition under the Enterprise Acquisition Gateway for Leading-Edge Solutions (EAGLE) contract. EAGLE is a multiple award indefinite delivery indefinite quantity (IDIQ) contract establishing *services-based* contracts that allow users throughout DHS to acquire information technology support services through issuance of task orders on a competitive and as-needed basis. The objective of the 2nd Data Center procurement is to provide a second data center for consolidation of some of the Departments' 22 component Data Centers. The first Data Center has been established at Stennis, Miss.

The 2nd Data Center was issued under EAGLE to vendors holding contracts in the following Functional Categories:

(FC1) Infrastructure Engineering Design, Development, Implementation, and Integration
(FC2) Operations and Maintenance

Talking Points:

- Vendors from either category were allowed to submit a quotation. In the evaluation of all quotations against the requirements of the Statement of Objectives (SOO), Electronic Data Systems, Inc (EDS) was evaluated as providing the most superior technical quotation with the most balanced and cost effective price to reflect a true managed service. Selection of the most highly rated technical submission with a balance and cost effective price structure creates a lower risk to DHS. The task order was awarded for $32 Million and has options up to $820 Million.

- A task order award was awarded August 31, 2007, with an effective date of September 1, 2007, to Electronic Data Systems, Inc. (EDS) for the data center managed services located at the EDS facility in Clarksville, Va.

- The 2nd Data Center task order will have a ten month base period, plus five (5) one-year option periods of 12 months, and a final option period of either one (1) twenty-four month option period or one (1) twelve month option period. The total task order period of performance shall not exceed eight (8) years.

- The following factors were utilized: (1) Technical/Management Approach; (2) Past Performance; *and* (3) Pricing. Non-price factors are listed in descending order of importance. The non-price factors when combined were significantly more important than the price factor and award was best value to the extent that the Government based its determination on the strengths and weaknesses of each offeror's quotation.

- The not to exceed limit of the task order is $820 million.
- The cost of the initial task order is $32 million.
- DHS selected EDS as the managed service vendor they proposed Clarksville, VA which we accepted.
- Why EDS – EDS has the superior quotation outlining their executive policies and procedures along with their migration approach in detail.
- DHS procured a managed services approach for data center services. They will manage DHS' systems. The physical data center was proposed in their approach.

- The Department of Homeland Security's new $22-billion EAGLE II contract incorporates lessons learned and innovations that will enable agency components to procure even more expeditiously IT services from contractors who are attuned to their individual cultures and emerging requirements.

- The Enterprise Acquisition Gateway for Leading-Edge Solutions (EAGLE) II is an Indefinite Delivery/Indefinite Quantity (IDIQ) contracting vehicle that all DHS component agencies can use to purchase information technology services and solutions. EAGLE officials have announced that the follow-on contract to EAGLE I will have a $22 billion ceiling and consist of two tracks: EAGLE II Unrestricted for large businesses and EAGLE II Small Business.

- Correa's office released the draft solicitation for the EAGLE II in May and is expected to issue the final Request for Proposal within about 60 days. Contract award will be made before EAGLE I for large businesses expires in June 2011.

- Moving to EAGLE II now enables us to strengthen the contract in a number of ways.

    - Of the original 28 EAGLE small businesses, 18 have outgrown their small-business status or have been purchased by larger companies.

    - In addition, EAGLE II will make it easier for DHS organizations to achieve their small-business contracting goals. Moving to EAGLE II also will enable DHS officials refresh contractor labor rates and structure the rates to accommodate the different levels of security clearances. Overall, EAGLE officials will apply lessons learned to make the new contract more flexible and easier for component agencies to use, giving them ready access to the latest technologies and solutions.

- The recently released draft RFP for EAGLE II incorporates many lessons learned from the first EAGLE procurement. Among the most significant, EAGLE II has reduced the number of functional categories from five to three:

    - Functional Category 1: Service Delivery, which includes integration, software design and development, and operations and maintenance
    - Functional Category 2: Program Support
    - Functional Category 3: Independent Verification and Validation (IV&V)

EAGLE I sets the stage

The first EAGLE contract was created to serve the needs of the newly formed DHS, which combined 22 departments and agencies. EAGLE I was awarded to 25 large businesses and 28 small businesses in 2006 with a ceiling of $45 billion over a five-year base and two one-year options. The contract was divided into five functional areas, and contractors were awarded spots on one or several of the categories (see chart for EAGLE Functional Categories). To date, DHS organizations have used EAGLE I to generate more than 400 orders totaling $8.2 billion. Although this amount falls well short of the $45 billion ceiling, government and industry officials consider the program a great success.

"We've given work to small businesses and large businesses. People really wanted to use this vehicle and we've been able to put through some very important and critical work for the DHS infrastructure using this contract," Correa said.

Among the major task orders issued through EAGLE are the U.S. Citizenship and Immigration Services' Transformation Solutions Architect Acquisition, a $491 million contract awarded to IBM; Primary Data Center Managed Services, a $391 million contract awarded to CSC ; and the Homeland Security Information Network – Next Generation, a $62 million contract awarded to General Dynamics.

EAGLE II Emerges

Contractors can bid on any or all three functional categories; but unlike EAGLE I, they can win a spot on only one functional category. This will help avoid potential organizational conflicts of interest. But given that the largest portion of work will likely go through Functional Category 1, contractors will have to plan carefully how they bid.

In addition to eliminating organizational conflicts of interest, consolidating the functional categories will make it easier for component agencies to use EAGLE, Correa said. Under EAGLE I, contracting officials were sometimes uncertain which functional area addressed their requirements. The restructured categories in EAGLE II should eliminate this confusion. ""We think this change will simplify EAGLE, making it easier to manage and easier for our folks who are placing the orders," Correa said.

EAGLE II also includes a number of changes to help agencies identify capable small businesses. All of the small-business socioeconomic categories will be represented on the contract—8(a) disadvantaged; woman-owned; HUBZone; service-disable veteran-owned—as well as regular small businesses. Small businesses in each socioeconomic category will compete only against other small businesses in that same category, which will enable components to target specific types of small businesses to meet their goals. "We want to see EAGLE II contribute to our small-

business program by identifying task orders that can be set aside by category and by encouraging large businesses to have meaningful subcontracting participation," said Kevin Boshears, Directors of the DHS Office of Small and Disadvantaged Business Utilization. [For an in-depth look at EAGLE II Small Business, see article on page XX.]

As with EAGLE I, EAGLE II will not charge DHS organizations a fee to use the vehicle. The EAGLE program office awards and manages the contract, but each individual component is responsible for placing and managing its own orders. Similarly, EAGLE II, like EAGLE I, will be "mandatory for consideration" within DHS. This means that DHS procurement officials must consider using EAGLE, but they are not required to use it. "We don't believe that one size fits all, and so we don't require that the components use EAGLE," Correa said. "We just ask that they consider EAGLE first; and if it doesn't' work for them, just to document it."

Correa's office also oversees other agency-wide contracts such as FirstSource, an IT products contract for small businesses, and the Program Management, Administrative, Clerical and Technical Services (PACTS) contract, a non-IT professional support services contract for service-disabled veteran-owned small businesses. Correa and her staff will continue educating DHS program and procurement executives about the advantages of using EAGLE II; but their experience managing EAGLE I has also given them greater insight into the types of programs and requirements for which the contract is best suited. Consequently, they do not balk at sending components in a different direction if another type of contract would better fit their needs.

"We're a lot smarter than when we first started EAGLE. We have a more disciplined requirements management process," Correa said. "I want EAGLE to be the vehicle of choice, but I want our components to use the vehicle correctly."

Small Business Article

In some respects, the Department of Homeland Security's EAGLE contract was *too* successful in helping small businesses grow and prosper. Of the original 28 companies on the agency-wide contracting vehicle, 18 have outgrown their small-business status or have been purchased by larger companies.

But the good news for DHS component agencies is that EAGLE II will offer an even stronger pool of small businesses to address their requirements for IT services. The recently released draft solicitation for EAGLE II contains several new provisions enabling more small-business participation in EAGLE. These planned changes also will enable DHS components to target more

effectively small businesses in the different socioeconomic categories, thus helping them achieve their small-business goals while obtaining needed IT services and solutions.

Kevin Boshears, Director of the DHS Office of Small and Disadvantaged Business Utilization, expects EAGLE officials to conduct a rigorous competition to identify first-rate small businesses. "We will be able to say with confidence that this is a fine group of firms that can compete on task orders and support the IT needs of the department and, by extension, support the DHS mission," he said.

Strengthening Small Business

EAGLE I provided the small business community with numerous subcontracting as well as prime contracting opportunities, Boshears said. For example, each prime contractor was required to designate a Teaming Coordinator to provide outreach to other businesses that wanted to partner as subcontractors on task orders issued through EAGLE. Large businesses were asked to participate in the DHS mentor-protégé program to assist small businesses. And DHS tracked the performance of the large business primes to ensure that they met the goals established in their subcontracting plans.

EAGLE II will continue these practices while also adding these new features:

- All of the small-business socioeconomic categories will be represented on the contract—8(a) disadvantaged; woman-owned; HUBZone; and service-disable veteran-owned—as well as regular small businesses.
- Small businesses in each socioeconomic category will compete only against other small businesses in that same category. This will "level the playing field" for the small businesses competing for task orders. In addition, this will help agencies targets specific socioeconomic categories to meet their small-business contracting requirements.
- EAGLE II reduces the number of functional areas from five to three. Because some small businesses may not have the capabilities to cover all the requirements in the new functional areas, particularly Functional Category 1, they will be allowed to partner with up to four other small businesses in EAGLE II. This will enable the small-business teams to provide the full range of required services.
- In their proposals, large EAGLE II prime contractors will be required to name three small businesses in their subcontracting plans. DHS officials will track how well the prime contractors are using these small businesses to ensure that they are given meaningful opportunities.
- As part of the evaluation criteria for large primes competing for EAGLE II, DHS officials will evaluate their participation in the department's mentor-protégé program.

DHS officials said they will monitor the performance of EAGLE II contractors in meeting their small business subcontracting goals. “If you do not achieve those goals, you will be required to explain to us why you are not achieving the goals and what your plans are for improvement,” Soraya Correa, Director of the DHS Office of Procurement Operations, told industry representatives at a March 30 pre-solicitation conference.

Industry analysts praised EAGLE II plans to promote stronger small business participation, saying they will help address complaints from the small business community. “Prime contractors love to hang on to their money, and this can be frustrating to subcontractors,” said Ray Bjorklund, senior vice president and chief knowledge officer for FedSources**.** The EAGLE II initiatives, he said, “will put more pressure on contractors to ensure that they are, in fact, helping to grow small businesses.”

The plan to have all socioeconomic groups represented in each of EAGLE’s three functional categories has led to speculation that as many as 40 to 60 small businesses will win spots on EAGLE II. However, DHS officials say they haven’t identified a specific number of small businesses that will receive awards. “It will be determined by the evaluation results, by the quality of the firms,” Correa said. “We want top-notch firms.”

Article on EAGLE training and guidance

When Soraya Correa and other Department of Homeland Security (DHS) officials were creating the ordering guide for the first EAGLE contract, they tried to give agency contracting officers as much flexibility as possible in putting together task orders for the new agency-wide contract. As a former contracting officer and head of contracting, Correa didn’t want to be overly prescriptive in the guidance provided to her counterparts. And while EAGLE was generally successful in introducing standardized procurement processes to disparate DHS components, those processes were not as consistent across the agency as she would have liked.

“A lesson learned was we should provide a little more detailed guidance” to contracting officials, said Correa, who is director of the DHS Office of Procurement Operation. “In EAGLE II, we’re trying to introduce more templates and formats for consistency.”

As examples, Correa said the EAGLE office would likely provide more guidance on how to create a task order request for proposal and how to conduct market research under EAGLE.

Another change that already has occurred is that the Enterprise Solutions Office (ES0), which previously managed the EAGLE program, has been renamed the Acquisition Management & Support Division. In addition, the division now oversees all agency-wide purchasing within DHS,

including EAGLE, FirstSource, PACTS (a non-IT services contract), and strategic sourcing initiatives. Within the division, the Acquisition Program Management Branch has direct responsibility for EAGLE program management

"We took ESO, capitalized on it, and expanded its role to support all agency-wide buys," Correa said.

The Acquisition Program Management Branch, which is staffed primarily with program management professionals, will continue developing the EAGLE ordering guide, training users, running best practices forums, and conducting outreach to DHS components, Correa said. The outreach is more than just educating potential users about EAGLE. "We not only want to make sure that people know the vehicle is available and how to use it, but we also want feedback on how well the vehicle is working for them and to help people walk through any problems," Correa said.

DHS does not require EAGLE users to undergo training. EAGLE materials, including the ordering guide, are available online and provide guidance for using the vehicle. However, EAGLE officials will provide training and additional support at no charge to component agencies. "The Acquisition Program Management Branch will do hands-on training for contracting officers and offer assistance to help them work through the process," Correa said.

Article on Industry Partnerships

In addition to the Alliance Meetings and ITP Groups, EAGLE contracting officials are available for informal discussions and ad hoc meetings. "We try to keep an open-door policy," said Soraya Correa, Director of the Office of Procurement Operations, which oversees the EAGLE program. Correa said the team of contracting officers that manages EAGLE is always available. Industry officials can also speak with Correa, her deputy, and Kevin Boshears, who is director of the DHS Office of Small and Disadvantaged Business Utilization. "I've had vendors come to me about issues and questions, such as how decisions were made or procurements were won. We can only make the program better if we listen to each other," Correa said.

Industry officials agree. "The EAGLE office has done a very good job in communicating to the contract holders about activities and changes to the vehicle," Bize said.

"The government has provided a great benefit by providing greater visibility into planned procurements and by providing a forum for industry to make suggestions for improving the operations of the contract," Di Nunzio added.

For DHS components, the payoff is IT services and solutions that support their mission needs. “We’ve been able to come together as a team to improve our operations across the department,” Correa said.

Sidebar on FirstSource

The Department of Homeland Security will create a successor contract to FirstSource when that contracting vehicle expires, said Soraya Correa, Director of the DHS Office of Procurement Operations. “FirstSource has been an extremely successful program. You can definitely expect there will be a follow-on to FirstSource,” she said.

FirstSource is a DHS agency-wide contracting vehicle for commercial IT hardware and software. The contract thus serves as a companion vehicle to EAGLE, which provides IT services and solutions. To date, DHS components have issued 9,500 delivery orders totaling about $1.3 billion through FirstSource.

The contract, which began in 2007, will expire in February 2012. Currently, 11 small businesses participate in First Source. As with EAGLE, FirstSource does not charge a fee to use the contract.

“It’s been very widely used across the department, and we’ve been able to process orders in as little as a few hours when we’ve needed to,” Correa said, adding that, because of FirstSource’s fast turnaround, “some components have even gotten themselves out of trouble using it.”

DHS organizations using FirstSource have the option of using reverse auctions to get the best prices for the products they purchase. In reverse auctions, companies compete for a task order by progressively bidding lower prices. Components can place orders directly if they want, but most use the reverse-auction process. Since reverse auctioning was implemented in the program, DHS has realized cost savings of $131.8 million on awards totaling $814 million.

Correa said her office is focused on EAGLE II right now, but is poised to begin the follow-on effort.

Article on Contractors and EAGLE

EAGLE officials have been pleased with the contract’s growth. They will continue talking with component agencies and educating them about the EAGLE II, encouraging them to use the contract when it meets their requirements. But they also expect contractors to play a strong role in helping expand EAGLE’s reach within DHS. “The successful awardees under the EAGLE II contract, we expect to be a partner to Homeland Security,” Purnell Drew, EAGLE II contracting

officer, told industry officials at a pre-solicitation conference in March. “We expect you to aggressively market your sales to the different components and different program offices.”

If contractors find that the doors to some of those offices are closed, Drew offered to help pry them open. “I will work with you on that,” he said.

Much of the DHS mission capability is provided or supported via acquisition programs. We invest more than $15B per year on products and services, including research and development, production, operations and maintenance, and services.

We have 10 contracting organizations that functionally report to OCPO.

In the initial standup of DHS and merging of numerous organizations, we had an emphasis on mission urgency and lacked a consistent framework to provide oversight of our investment programs. Focus was on fast contracting with limited links to the resource process.

Over the past five years, we have matured our people, processes, and policies to better balance mission and business.

From a workforce perspective, we have gone from having a contracting cadre of 600 personnel to more than 1000 contracting professionals, including the establishment of an intern-like program that develops our future contracting officers by providing a three year training and development program, including rotations through multiple components.

We have also expanded our acquisition career field to include program managers, contracting officer technical representatives (COTRs), and are implementing test and evaluation, system engineering, logistics and cost estimating. These career fields will have their respective certification and training standards similar to DoD.

This is a major step as we go from a "contracting-centric" mentality to an "acquisition life-cycle" perspective. Without the various disciplines being engrained in the various organizations and working together, it would be difficult to continue our progress.

From a process and policy standpoint, we have implemented a new framework which provides a disciplined set of processes that governs our investments. It integrates the acquisition, requirements, and budgeting processes and examines the entire life cycle from requirements definition through production and maintenance of our programs. The Acquisition Review Board, Joint Requirements Council, and the Program Review Board are linked to ensure a given need in validated, resourced and has the supporting infrastructure for sound execution. Depending on the program level (I, II, or III), reviews take place at the Department level or at the component. This framework governs both capital investments as well as services which have a significant role at DHS.

Within the OCPO, we established the Acquisition Program Management Division and the Cost Analysis Division to develop and govern policy, process and procedures for the DHS Acquisition Program. Through these policies and directives, we are instituting common practices for all DHS investments.

Over the past year, we initiated program reviews of our largest programs, including 37 quick-look reviews and have had eight or so ARBs at the Dep Sec level. These reviews have provided visibility at the highest levels and a disciplined process to get documented decisions and approvals to proceed, as appropriate.

At the contracting level, we continue to emphasize planning, strategy, performance-based work statements, pricing, and contract administration. Too often, we award and move on to the next action. However, we recognize the importance of execution in meeting the cost, schedule and performance parameters of the contract.

Some of the critics are recognizing the progress; the IG recently reported that it has begun to witness the positive effects of the department's efforts and initiatives, including tighter security at the borders, increased immigration enforcement, greater cooperation with our international partners and the private sector, better and more efficient passenger screening at our airports, and strengthened disaster response and recovery management.

If Asked about Coast Guard

The USCG Deepwater program has been scrutinized in the past and can likely expect to get continued reviews. However, they are in a much different and stronger state than a couple of years ago. Their acquisition reengineering process has been successful and the fleet is already reaping the benefits. They have gone from being overly reliant on contractors to having a solid organic acquisition organization that works with the Department in providing the necessary oversight of its programs.

General Information Regarding Buy American Act, European Sanctions, and Trade Agreements

The Buy America Act of 1933, as amended, (41 USC sec. 10(a)) imposes certain requirements and restrictions on US procurements. The Federal Acquisition Regulations (FAR Part 25) address these requirements and also address the relationship between the Buy America Act and foreign Free Trade Agreements. Relevant provisions are outlined herein.

The Buy American Act-

(1) Restricts the purchase of supplies, that are not domestic end products, for use within the United States. A foreign end product may be purchased if the contracting officer determines that the price of the lowest domestic offer is unreasonable or if another exception applies (see Subpart 25.1); and

(2) Requires, with some exceptions, the use of only domestic construction materials in contracts for construction in the United States (see Subpart 25.2).

(b) The restrictions in the Buy American Act are not applicable in acquisitions subject to certain trade agreements (see Subpart 25.4). In these acquisitions, end products and construction materials from certain countries receive nondiscriminatory treatment in evaluation with domestic offers. Generally, the dollar value of the acquisition determines which of the trade agreements applies. Exceptions to the applicability of the trade agreements are described in Subpart 25.4.

(c) The test to determine the country of origin for an end product under the trade agreements is different from the test to determine the country of origin for an end product under the Buy American Act (see the various country "end product" definitions in 25.003). The Buy American Act uses a two-part test to define a "domestic end product" (manufacture in the United States and a formula based on cost of domestic components). Under the trade agreements, the test to determine country of origin is "substantial transformation" (*i.e.*, transforming an article into a new and different article of commerce, with a name, character, or use distinct from the original article).

Trade Agreements

The FAR also addresses the policies and procedure applicable to procurements/acquisitions that are subject to trade agreements as follows:

(a) This subpart provides policies and procedures applicable to acquisitions that are subject to

(1) The Trade Agreements Act (the Agreement on Government Procurement, as approved by Congress in the Trade Agreements Act of 1979 (19 U.S.C. 2501, *et seq.*), and as amended by the Uruguay Round Agreements Act (Pub. L. 103-465));

(2) The Caribbean Basin Trade Initiative (the determination of the U.S. Trade Representative that end products granted duty-free entry from countries designated by the President as beneficiaries under the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701, *et seq.*), with the exception of Panama, must be treated as eligible products under the Trade Agreements Act);

(3) Free Trade Agreements (FTAs), consisting of –

(i) NAFTA (the North American Free Trade Agreement, as approved by Congress in the North American Free Trade Agreement Implementation Act of 1993 (19 U.S.C. 3301 note));

(ii) Chile FTA (the United States-Chile Free Trade Agreement, as approved by Congress in the United States-Chile Free Trade Agreement Implementation Act (Pub. L. 108-77)); and

(iii) Singapore FTA (the United States-Singapore Free Trade Agreement, as approved by Congress in the United States-Singapore Free Trade Agreement Implementation Act (Pub. L. 108-78));

(4) The Israeli Trade Act (the U.S. – Israel Free Trade Area Agreement, as approved by Congress in the United States-Israel Free Trade Area Implementation Act of 1985 (19 U.S.C. 2112 note)); or

(5) The Agreement on Trade in Civil Aircraft (U.S. Trade Representative waiver of the Buy American Act for signatories of the Agreement on Trade in Civil Aircraft, as implemented in the Trade Agreements Act of 1979 (19 U.S.C. 2513)).

The trade agreements waive the applicability of the Buy American Act for some foreign supplies and construction materials from certain countries. The Trade Agreements Act and FTAs specify procurement procedures designed to ensure fairness. When the restrictions of the Buy American Act are waived for eligible products, offers of those products (eligible offers) receive equal consideration with domestic offers. Under the Trade Agreements Act, only U.S.-made end products or U.S. services or eligible products, including services, may be acquired (also see 25.403(c)). The contracting officer shall determine the origin of services by the country in which the firm providing the services is established. See Subpart 25.5 for evaluation procedures for supply contracts subject to trade agreements.

(b) The value of the acquisition is a determining factor in the applicability of the trade agreements. Most of these dollar thresholds are subject to revision by the U.S. Trade Representative approximately every 2 years. The various thresholds are summarized as follows:

Trade agreement	Supply contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction contract (equal to or exceeding)
TAA/CBTI*	$175,000	$175,000	$6,725,000
FTAs			
NAFTA—Canada	25,000	25,000	7,611,532
--Mexico	58,550	58,550	7,611,532
Chile FTA	58,550	58,550	6,725,000
Singapore FTA	58,550	58,550	6,725,000
Israeli Trade Act	50,000	. . . . .	. . . . .

*TAA/CBTI = Trade Agreements Act/Caribbean Basin Trade Initiative.

The Agreement on Government Procurement of the Trade Agreements Act-

- Waives application of the Buy American Act to the end products and construction materials of designated countries; prohibits discriminatory practices based on foreign ownership; restricts purchases to certain end products (FAR 25.403(c)); and requires certain procurement procedures designed to ensure fairness.

- Exceptions include, among others, such items/services as arms, ammunition, or war materials, or purchases indispensable for national security; end products for resale; ADP telecommunications and transmission services; Research and Development; transportation services; utility services; dredging; and Management and Operation contracts.

European Sanctions

On April 22.1992, the President made a determination under section 305 of the Trade Agreements Act to impose sanctions against some European Union countries for discriminating against U.S. products and services (see Subpart 25.6).

"Sanctioned European Union country end product" means an article that--

(1) Is wholly the growth, product, or manufacture of a sanctioned European Union (EU) member state; or

(2) In the case of an article that consists in whole or in part of materials from another country, has been substantially transformed in a sanctioned EU member state into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed. The term refers to a product offered for purchase under a supply contract, but for purposes of calculating the value of the end product includes services (except transportation services) incidental to the article, provided that the value of these incidental services does not exceed that of the article itself.

"Sanctioned European Union country services" means services to be performed in a sanctioned European Union member state.

"Sanctioned European Union member state" means Austria, Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Sweden, or the United Kingdom.

(a) Except as provided in 25.602, agencies shall not award contracts for--

(1) Sanctioned EU country end products with an estimated acquisition value less than $175,000;

(2) Sanctioned EU country construction with an estimated acquisition value less than $6,725,000; or

(3) Sanctioned EU country services as follows (Federal Service Code or Category from the Federal Procurement Data System Product/Service Code Manual is indicated in parentheses):

(i) Service contracts regardless of acquisition value for--

(A) All transportation services, including launching services (all V codes, J019, J998, J999, and K019);

(B) Dredging (Y216 and Z216);

(C) Management and operation of certain Government or privately owned facilities used for Government purposes, including federally funded research and development centers (all M codes);

(D) Development, production or coproduction of program material for broadcasting, such as motion pictures (T006 and T016);

(E) Research and development (all A codes);

(F) Airport concessions (S203);

(G) Legal services (R418);

(H) Hotel and restaurant services (S203);

(I) Placement and supply of personnel services (V241 and V251);

(J) Investigation and security services (S206, S211, and R423);

(K) Education and training services (all U codes and R419);

(L) Health and social services (all O and G codes);

(M) Recreational, cultural, and sporting services (G003); or

(N) Telecommunications services (encompassing only voice telephony, telex, radio telephony, paging, and satellite services) (S1, D304, D305, D316, D317, and D399).

(ii) All other service contracts with an estimated acquisition value less than $175,000.

The sanctions in 25.601 do not apply to--

(1) Purchases at or below the simplified acquisition threshold awarded using simplified acquisition procedures;

(2) Total small business set-asides in accordance with 19.502-2;

(3) Contracts in support of U.S. national security interests; or

(4) Contracts for essential spare, repair, or replacement parts not otherwise available from nonsanctioned countries.

Act or Agreement	When Applies	Exceptions
Buy American Act	Over $2500 when a trade agreement doesn't apply	Unavailability, public interest, resale, unreasonable cost
Trade Agreements/Caribbean Basin Trade Initiative	$175,000 unless exception applies	*Exceptions include, among others, such items/services as **arms**, ammunition, or war materials, or purchases indispensable for national security; end products for resale; ADP telecommunications and transmission services; Research and Development; transportation services; utility services; dredging; and Management and Operation contracts
Canada	$25,000	See above*
Israeli	$50,000	See above*
Mexico, Chili, Singapore	$58,550	See above*
European Sanctions	Over simplified acquisition threshold, but less than $175,000 unless exception applies	Exceptions-- Total small business set-asides in accordance with 19.502-2; Contracts in support of U.S. national security interests; or Contracts for essential spare, repair, or replacement parts not otherwise available from non-sanctioned countries. See Above for prohibited services.

Competitive Sourcing

April 2006

"Some of the sharpest increases will come at the Defense, Homeland Security and Agriculture departments… The jobs up for grabs at Homeland Security will go from 74 to 4,449, …"

Why the increase?
When will the competitions take place, and how long will they take to be completed?

- In FY 05, DHS completed competitions involving 137 FTE – all retained in-house.

- The 4,449 FTE figure for DHS represents both the FTE that have been scheduled to be announced for competition in FY 06 for competition completion in FY 06 and the FTE that have been planned for announcement in FY 06 for competition completion in FY 07.

- Our current 'Green Plan, which is being reviewed, calls for the completion of competitions involving 430 FTE in FY 06 and 4,153 FTE in FY 07. An additional 574 FTE at the USCG are currently under FY 06 review as a High Performing Organization (HPO) and will not be subjected to competition.

- DHS has a FAIR Act inventory of over 178,000 FTE, including many law enforcement officers and military personnel. Only 21,258 FTE are currently considered commercial and available for possible competition (Reason Code B).

- When DHS came into existence in 2003 our focus was not on Competitive Sourcing. Indeed, even last year we cancelled or postponed planned competition announcements due to Hurricanes Katrina and Rita. Nevertheless, DHS is committed to competing its inventory of Reason Code B commercial FTE and, after some delays and a need to build resources and skills in FY 05 and FY 06, we are ready to take on a more robust program to seek savings opportunities and opportunities to redirect limited resources to higher counter terrorism mission requirements.

What types of jobs will be opened to competitions, and is that a change from last year? If so, why? How did DHS pick the job types to be competed?

- DHS has a large number of administrative functions, public works type functions and functions that support our law enforcement activities that may be available for competition. We are currently engaged in Preliminary Planning for many of these functions and have not yet had the opportunity to review our findings with our employees or their representatives.

- DHS Components are considering a number of factors in the determination of what commercial activities to compete and when, to include; the experience that DHS or other agencies have had in competing similar functions, the mission criticality of the function, the work force gaps that exist or are projected to exist, as well as the manager's sense of the opportunity that a competition could result in better performance or FTE or dollar savings for redirection to other mission priorities.

- The choice and the timing of specific competitions are also influenced by our long-term requirements and our Human Capital Plan.

- We want to be sure that qualified people will continue to be available to us to meet critical and evolving mission requirements. That means thinking through the functional requirements, what functions can be competed and what functions (*both commercial and inherently governmental*) will require back-hiring and expanded training budgets as retirements take effect. In the short term, only those activities that are commercial in nature can be augmented by DHS retirees that have entered into the private sector economy. Competitive sourcing is increasingly becoming a part of this strategic decision model

"OMB, in its annual report on the administration's competitive sourcing efforts, said job competitions from 2003 to 2005 will eventually reap $5.6 billion in savings."

The OMB reported $5.6 billion in recurring annual savings reflects savings generated by public-private competition during this Administration only. The OMB Circular A-76 has existed since 1966 and follows up pre-existing commercial activities performance policies, procedures and requirements that have existed since 1957.

"Federal employees are taking strategic advantage of competitive sourcing to achieve quantifiable savings and provide better service to taxpayers," said Clay Johnson, OMB's Deputy Director for Management,"

Which offices at DHS are responsible for carrying out the competitions?

- Public-private competitions are an effective tool in the open development of new performance contracts and to provide a required commercial service at a specified level of quality for a given price.

- Each DHS Component is responsible for designating a Competitive Sourcing Official and the resources necessary to compete its inventory of commercial Reason Code B FTE (available for competition). While there is a centralized DHS competitive sourcing policy and program coordination office within the DHS Office of the Chief Procurement Officer, there is no centralized DHS group that goes out to conduct competitions, as found in some Departments and larger agencies.

26,000 jobs will open to competition

By Chris Gosier

April 21, 2006

The government intends to open more than 26,000 federal jobs to private-sector competition this fiscal year, a five-fold increase over the number competed last year, the Office of Management and Budget said in a report released April 20.

Some of the sharpest increases will come at the Defense, Homeland Security and Agriculture departments. Defense will hold competitions for 10,338 jobs, compared with 1,301 last year. The jobs up for grabs at Homeland Security will go from 74 to 4,449, and Agriculture will put 3,540 jobs into play. It held no competitions last year.

OMB, in its annual report on the administration's competitive sourcing efforts, said job competitions from 2003 to 2005 will eventually reap $5.6 billion in savings.

"Federal employees are taking strategic advantage of competitive sourcing to achieve quantifiable savings and provide better service to taxpayers," said Clay Johnson, OMB's deputy director for management, in a statement. But employee representatives protested the increase in competitions.

"It seems as though they want to get rid of as many government employees as they can," said Jack Hanley, president of the council of General Services Administration locals with the National Federation of Federal Employees.

He said unions have no meaningful way to protest the results of job competitions.

A total of 4,876 jobs were opened to competition last year. Of job competitions decided in 2005, federal employees won 61 percent of the positions, down from 91 percent the year before. That's largely because Lockheed Martin won the biggest government jobs a competition ever held — involving 2,300 flight service specialist jobs at the Federal Aviation Administration, OMB officials said.

EAGLE SYNOPSIS

The Department of Homeland Security's (DHS) Enterprise Acquisition Gateway for Leading Edge Solutions (EAGLE) is a department-wide acquisition program being established by the Office of Procurement Operations' Information Technology Acquisition Center (ITAC) on behalf of the Office of the Chief Information Officer (CIO). The EAGLE acquisition program represents a cooperative initiative for the DHS CIO and Chief Acquisition Officer (CAO) Councils.

The EAGLE procurement will establish a large suite of Indefinite-Delivery, Indefinite-Quantity *services-based* contracts that will allow users throughout DHS to acquire information technology support services on a competitive and as-needed basis. Once awarded, the EAGLE program will be centrally managed by the Enterprise Solutions Office (ESO) within the ITAC. Task Order placement will be decentralized, providing DHS Components with direct ordering authority.

Period of Performance:

EAGLE contracts will have a five year base and two one-year option periods

Projected award date:

Contract awards for the unrestricted track are projected in June 2006. Awards for the small-business set-aside track are projected in July 2006.

EAGLE Contracts:

The objective of the EAGLE procurement is to establish contracts to provide IT support services in five functional service categories (FC):

- (FC1) Infrastructure Engineering Design, Development, Implementation, and Integration
- (FC2) Operations and Maintenance
- (FC3) Independent Test, Validation, Verification, and Evaluation
- (FC4) Software Development
- (FC5) Management Support Services

The contract-level service descriptions are intended to provide sufficient scope and flexibility to meet a comprehensive range of potential agency requirements. Specific requirements will be identified and defined at the task order level.

The single EAGLE solicitation included two separate and distinct source selections, one unrestricted and one set-aside for small business. Source Selections for both of these evaluation tracks are being conducted at the functional service category level. Vendors were allowed to propose on one, any or all of the functional service categories. EAGLE contracts will be awarded to vendors in the functional service categories for which they are determined to provide the best value to the government. Proposal requirements emphasized qualifications rather than technical

solutions. The following factors comprised the basis for award: past performance; quality awards and certifications; program management and quality control program; ability to recruit, train and retain high quality personnel; ability to achieve results through teaming; knowledge and understanding of DHS; small business participation (unrestricted track only); and pricing.

Multiple IDIQ contracts will be awarded to the most highly qualified contractors that possess the capabilities and demonstrated experience to serve as EAGLE prime contractors in one or more of the five functional service categories. The Government carefully developed evaluation criteria to identify the most highly qualified offerors which demonstrate the capability to provide, as a prime contractor, the full range of services envisioned in the respective functional category being proposed. Although the contract-level source selection is focused only on prime contractors and their experience as prime contractors, offerors are free to form teams as they see fit, particularly in the interest of providing a more definitive small business subcontracting plan. The number of contract awards resulting from the unrestricted and small business set-aside tracks will be limited to a number sufficient to maintain competition for task orders. Task orders will be competitively awarded for the specific work to be conducted under these functional service category contracts. In the course of task order competitions, EAGLE prime contractors will be expected to establish the best solution (and team) for the specific task order requirements. The EAGLE program will strongly encourage teaming throughout the life of the contracts.

For the set-aside portion, only small businesses will be considered for prime contract award.

The unrestricted portion required offerors to include goals for subcontracting with small business concerns. As applicable, offerors were required to submit a Small Business Subcontracting Plan in accordance with FAR Part 19. Proposed subcontracting goals were addressed as an evaluation factor in the selection of the unrestricted awardees. Additionally, evaluation sub-factors included prime contractor participation in the DHS Mentor-Protege program and small disadvantaged business participation.

EAGLE Program Management

The EAGLE program will be centrally managed by the Enterprise Solutions Office (ESO) within the ITAC. The ESO will work directly with customers and EAGLE prime contractors throughout the acquisition process to provide assistance, support, and overall contract management. The ESO will maintain a level of program integrity to prevent contractual or programmatic problems. There will be no fee associated with use of the contracts.

EAGLE contracts will promote the use of performance based contracting, accommodate the issuance of task orders for all types of pricing arrangements (Fixed Price, Cost Reimbursement, T&M, etc.) and will allow for various incentive contracting features. Specific program or project requirements will be defined in task orders that will be competed at the functional service category level. Task orders will be competed using the Fair Opportunity provisions of the FAR. Individual tasks will specify delivery or performance period requirements that may run up to 24 months beyond the term of the contract. EAGLE will allow for task order performance at any location in the United States (CONUS) or outside the US (OCONUS).

FIRSTSOURCE SYNOPSIS

The Department of Homeland Security's (DHS) First Source is a department-wide acquisition program being established by the Office of Procurement Operations, Information Technology Acquisition Center (ITAC) to establish DHS Information Technology (IT) department-wide contracts for commodity products. This procurement is being conducted by the ITAC in cooperation with the DHS Chief Information Officer (CIO) and the DHS Component IT and procurement communities.

The First Source Program will establish a consolidated portfolio of multiple-award IT commodity contracts that are available for use throughout the Department. The First Source Program will also support the DHS goal of a functionally integrated Department by promoting standardized equipment consistent with the Enterprise Architecture (EA) initiative among and between the various Components. First Source will make available the IT products and systems that will enhance mission effectiveness and create economies of scale through the buying-power of the Department as a whole.

First Source is a total Small Business set-aside acquisition.

First Source Multiple-Award contracts will provide DHS with access to a wide variety of vendor published commercial catalogs for IT commodity products from multiple Original Equipment Manufacturers (OEMs), producers, and suppliers. The resulting contracts will include, but not be limited to: IT equipment and software, networking equipment, wireless technology, imaging products, voice recognition technology; on-line data reporting services for order, delivery, warranty, asset, and spend tracking; and associated product maintenance, installation, and support.

Period of Performance:

The contract term for each First Source contract awarded is a two-year base period with three one-year option period.

Projected award date:

The projected award date is July 31, 2006.

The First Source Program Objectives:

1. Maintain competitive prices for all offered IT commodity products by leveraging DHS buying-power by combining requirements on an enterprise-wide basis and through the contractor sponsored Dynamic Pricing Model;
2. Maintain continuous access to new IT technology consistent with the DHS Enterprise Architecture, as the technology is introduced to the commercial marketplace through the contractor's published commercial catalog; and

3. Meet DHS customer requirements for IT commodities, special delivery needs, and related services throughout the term of the contract.

Evaluation Process and Factors:

The Source Selection is being conducted using a best value analysis.
Evaluation factors for award emphasize price, technical and management solutions, and past performance.

Technical proposals are currently being evaluated. Modified price proposals are due June 23, 2006

Program Management:

The First Source program will be centrally managed by the Enterprise Solutions Office (ESO) within the ITAC. The ESO will work directly with customers and First Source prime contractors throughout the acquisition process to provide assistance, support, and overall contract management. The ESO will maintain a level of program integrity to prevent contractual or programmatic problems. There will be no fee associated with use of the contracts.

First Source contracts will promote the use of performance-based contracting. Specific equipment requirements will be defined in individual delivery orders that will be competed prior to their issuance. Delivery orders will have their own delivery or performance period requirements.

Talking Points for EAGLE AND EAGLE II

The EAGLE II Draft RFP will be issued on May 21, 2010. The following informational points are provided.

EAGLE II

The draft EAGLE II RFP will be issued 5/21/10 via Fedbizopps (FBO.gov).
The final RFP is planned for issuance in the 4th quarter of FY10.

EAGLE II will allow DHS to:

- Refresh the pool of small and large business prime contractors;
- Refine the available services to align with current and anticipated mission needs;
- Refresh the potential periods of performance on new task orders to 2018 and beyond;
- Refresh the labor rates to keep pace with market conditions; and
- Incorporate refinements and lessons learned from EAGLE and the acquisition community.

EAGLE II will be a seven year IDIQ contract (Five-year Base Period with one two-year Option Period)

EAGLE II will have a maximum cumulative contract value of $22 Billion

EAGLE II will be conducted as a single procurement, with two separate award tracks:

- Small Business Set-Aside with awards in the following four small business categories:
  -Service-Disabled Veteran-Owned -HUBZone
  -8(a) -general small business
- Unrestricted (open to any size business)

Services and contract awards will be in three broad Functional Categories (FC):

- FC1- Service Delivery (including: Integration; Software Design/Development; and, Operations & Maintenance)
- FC2- Program Support
- FC3- Independent Test, Validation, Verification and Evaluation (IV&V)

Teaming: EAGLE II will allow offerors to include up to four core team members in their proposal to help strengthen their qualifications for award. Offerors may team pre-award and post-award.

Principal differences between EAGLE II and EAGLE:

- EAGLE II has refined the FCs from five down to three to better align with the mission needs
- EAGLE II has improved the opportunities for small businesses by including not just a general small business set-aside but also set-asides for 8(a), HUBZone and Service-Disabled Veteran-Owned Small Businesses.
- Where EAGLE only solicited and awarded to Prime contractors, EAGLE II allows offerors include core team members to enhance their overall capabilities and qualifications.

Number of Contract Awards. The number of contract awards has not been pre-determined. However, for EAGLE II to be a manageable program for the Government and a beneficial program for the awardees, a limited number of contract awards will be made.

The draft RFP package includes responses to Frequently Asked Questions.

DHS is welcoming comments on the draft solicitation through (b) (6) on or before June 25, 2010. The same address should be used for all public inquiries.

For Government inquiries, please contact Holly Donawa at (b) (6) or Purnell Drew at (b) (6) or William Thoreen a (b) (6)

Talking Points for EAGLE AND EAGLE II

The following provides additional background information on **EAGLE** and **EAGLE II Outreach** and **EAGLE II Criticisms**

EAGLE PROGRAM SUMMARY

Enterprise Acquisition Gateway for Leading Edge Solutions (EAGLE) is a department-wide acquisition program established as a cooperative initiative for the DHS Chief Information Officers (CIO) and Heads of Contracting Office (HCA) Councils. EAGLE is part of the DHS Strategic Sourcing Program.

The current EAGLE is a suite of 53 Indefinite-Delivery, Indefinite-Quantity (IDIQ) *services-based* contracts that allow users throughout DHS to acquire information technology support services on a competitive and as-needed basis. EAGLE includes both small business and large business prime contractors. Since its award in 2006, EAGLE has seen widespread use across the DHS Components with 410 task orders valued at over $8.2 billion to date.

EAGLE, which was designed by, and for DHS, has the following benefits:

- Agency-specific terms & conditions that can be easily modified according to DHS needs;
- Leverages the collective buying power of DHS;
- Enhances agency standardization toward the "One DHS" goal through common processes and streamlined acquisition planning;
- Allows direct ordering for DHS users without incurring additional costs associated with fees to use other contracts;
- Maintains well-informed industry partners who are sensitive to the mission of DHS through monthly and quarterly meetings held with all 53 EAGLE prime contractors; and
- Outstanding opportunities for small businesses to grow/develop.

EAGLE II – Previous Public Outreach

DHS has conducted a wide-variety of outreach activities with the business community, including:

- Public announcements made through the Federal Business Opportunities website (FBO.gov)
- Requests for Information issued in Feb. 2009 (377 responses, Small Business track) and July 2009 (183 responses, Unrestricted track)
- Web-based outreach events in July 2009 (569 participants) and November 2009 (670 participants)
- Pre-solicitation conferences held on March 29 (for Small Business contractors) and March 30 (for Unrestricted contractors. A recording of each conference was posted on www.dhs.gov to accommodate interested vendors who were not able to attend.
- Montgomery County Chamber of Commerce (MCCC) GovConNet 2010 Congressional Procurement Conference & Expo, March 5, 2010.
- EAGLE II Information Session for the U.S. House of Representatives, Homeland Security Committee, May 6, 2010.

EAGLE II – Criticism

1. General concern has been expressed in various circles regarding the proliferation of IDIQ contracts in the government despite the wide-spread availability of GSA-sponsored contracts. Points for DHS response:

- EAGLE contracts are tailored to meet DHS needs and are not mandatory for use. EAGLE is considered an "80% solution" meaning it is not intended to fulfill all DHS IT needs.
- DHS continues to make widespread use of GSA-contracts to meet mission needs. More than 25% of all DHS procurements in FY09 made use of GSA contracts.

Talking Points for EAGLE AND EAGLE II

2. Recent criticism has been received from a segment of the business community regarding the decision not to include a separate service category for telecommunications. What follows is response prepared for the Office of Legislative Affairs:

> Under EAGLE Functional Category 2, Operations and Maintenance (O&M) we included a NAICS Code for Telecommunications which provides for companies with 1500 employees or less to be qualified as "small business." The intent was that task orders for telecommunications support services would be competed under FC #2. All other work under FC#2 was intended to be subject to the IT Services NAICS codes which sets a $25M size standard for small businesses. In reviewing the history of the use of EAGLE I, we noted that companies falling within the 1500 employee size standard have been bidding on all work under FC #2. The companies that fall under the 1500 size category refer to themselves as "mid-tiers," that is they are companies that have outgrown the $25M size standard, but are not "large enough" to be considered equivalent to the "large" companies such as Lockheed, EDS, CSC, etc.
>
> In preparing EAGLE II, we combined Functional Categories 1 (systems integration), 2 (O&M), and 4 (systems development) to create EAGLE II, FC#1 (Service Delivery) – this was done based on the numerous suggestions/comments from industry and our customers. As we were defining the work that would be performed under EAGLE II, FC#1 (Service Delivery), we noted that we have available and are required to use several GSA telecommunications contracts, which include but are not limited to Networx, WITS, and Connections. Those are actually are our principal sources for telecommunications. What little "telecommunications-related" work we anticipate under EAGLE II, FC#1 can reasonably be performed by our true small business partners under the $25M size standard.
>
> The reason several companies are complaining is because use of the Telecommunications NAICS Code allows IT services companies that are no longer small business to be treated as small businesses because of number of employees in lieu of dollars (which is the appropriate way to categorize these services). In other words, the mid-tier companies want the inclusion of the 1500 employee NAICS Code so that they can bid for <u>all work</u> under EAGLE II, FC#1, which would be inappropriate and inconsistent with the intent of the NAICS code. We recognize and understand the concern of the mid-tier companies; however, there is no specific program or approach at SBA to address that concern (i.e., that they are not "large enough" to go "head-to-head" in a competition with the large companies).
>
> To properly address the concerns of the "mid-tier" companies under EAGLE II, we are allowing for companies in the "unrestricted" category to team with up to 4 other companies for the evaluation. In other words, mid-tier companies can team with up to 4 other companies and the qualifications of all the team members will be considered equally in the evaluation. This allows the mid-tiers to create a team that can compete with and be comparative in capability/size to the "large" businesses. This strategy/approach was devised after extensive consultation with Kevin Boshears, Director of the Office of Small Disadvantaged Utilization. This approach is significantly different from EAGLE where we included the Telecommunications NAICS code, but only evaluated the "prime" contractor under the "unrestricted" track. In other words we did not evaluate the qualifications/capabilities of proposed team members. We believe this approach is significantly better because it allows <u>all "mid-tier" companies</u> to participate and not just those with 1500 or less employees.

GAO Assessment of Selected DHS Complex Acquisitions

Background

This assessment is a status report to Congress of a prior GAO audit regarding DHS's acquisition oversight, planning, and execution. GAO is not making any new recommendations.

GAO does note that it has previously made numerous recommendations intended to improve acquisition management and that DHS is taking multiple steps to effectively address them, but still needs to further implement these steps and give them sustained management attention.

Talking Points

- DHS has worked to fulfill GAO's recommendation to develop and implement acquisition oversight:
    - DHS' senior-level Acquisition Review Board has increased the frequency of its meetings and has provided program decision memorandums with action items to improve performance.
    - At the Component level, oversight officials are establishing new acquisition executive positions to manage acquisition processes.
- The Office of the Chief Procurement Officer, Office of the Chief Financial Officer, and the Office of Policy are working together to integrate decision making across the Department to streamline and improve the budget and acquisition processes, helping to fulfill GAO's recommendation to improve the overall management of the acquisition process.
- DHS has developed a database to capture and track key program information, including cost and schedule performance, contract awards, and program risk—fulfilling a GAO recommendation.
- DHS's Balanced Workforce Strategy – including the newly created Balanced Workforce Office, dedicated solely to this issue – is addressing situations where offices are overly-reliant on contractor support by eliminating unnecessary contracts and converting positions to federal employees where appropriate, addressing a GAO recommendation.

Hurricane Katrina Disaster Assistance Contracts

Talking Points

November 22, 2005

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DOLLAR FIGURES

PROGRAM AREA	ALLOCATIONS	OBLIGATIONS	EXPENDITURES
1-HUMAN SERVICES	10,880,496,835	9,543,009,358	5,059,762,720
2-INFRASTRUCTURE	2,141,953,258	2,010,219,330	663,877,071
3-MITIGATION	32,293,204	18,593,204	
4-OPERATIONS	5,486,875,500	5,149,946,113	2,786,203
5-ADMINISTRATION	6,262,568,256	5,546,350,107	477,432,715
Grand Total	**24,804,187,053**	**22,268,118,112**	**6,203,858,709**

SMALL BUSINESS DATABASE

The 'FEMA Small Business Database' (H.R. 4427) bill requires the Department of Homeland Security to create a database of small, minority-owned and disadvantaged businesses from around the country.

- There already is such a database - the Central Contractor Registration (CCR) system.

- In the past, government contracting involved redundant, time-consuming data handling. Suppliers submitted the same business information to each federal agency they wanted to do business with, and each contracting agency handled this data individually. To eliminate this duplication of effort (and its cost in time and resources), the federal government created the Central Contractor Registration (CCR) system.

- CCR is the primary vendor database for all United States government agencies, CCR lets vendors supply their own important business information directly to the government through a single registration.

- CCR is a part of the eGov Integrated Acquisitions Environment (IAE), an ongoing government-wide effort designed to consolidate acquisitions data, streamline business processes, and connect businesses and government agencies via the Internet.

- More information is available on the Web site, www.ccr.gov, or by contacting (888) 227-2423.

SMALL BUSINESSES

- In the case of a disaster, emphasis is placed on the use of both small and locally-owned businesses. One of our goals is to help the community recover both its infrastructure and its economy. Supporting local businesses is an important way we can do this.

- Contracts awarded over $500,000 to business supporting the Katrina recovery effort are required to submit a plan that includes subcontracts from small business. Current business plans require 40 percent of subcontracts to be awarded to small businesses.

- Of the 2008 contracts awarded by FEMA, 1100 nearly 55 percent are to small businesses

- Nearly 14 percent of the dollars in contracts awarded are to small businesses in Alabama, Louisiana, and Mississippi - $489.6 million.

- Small business wanting to do business with DHS and the federal government are encouraged to visit:

    - www.dhs.gov/openforbusiness
    - www.gsaadvantage.gov
    - www.ccr.gov
    - http://www.sba.gov

Small Business Set-asides

- FEMA announced Nov. 3 an upcoming competition of 15 contracts with a value up to $100 million each. The five-year contracts will be awarded to local, small and small disadvantaged businesses for temporary housing maintenance and support for Gulf Coast hurricane recovery.

- Local, small and minority-owned businesses are playing a critical role in rebuilding the Gulf Coast. And, getting local businesses more heavily involved in the long-term recovery efforts will contribute to the overall economic recovery of the region.

- FEMA set aside $1.5 billion for maintenance and deactivation of roughly 100,000 temporary housing units, or 6,700 units each contract - eight for small disadvantaged and seven for small business.

- Interested companies may go to the Rebuilding the Gulf Coast Web site at www.rebuildingthegulfcoast.gov to find the Request for Proposal (RFP), which will be available for downloading no later than Nov. 18, or FedBizOpps at www.fbo.gov.

Back to Business Work shops

- A “Back to Business Workshop” was held October 26 in Belle Chase, La, in the Belle Chasse High School Auditorium. Another workshop was held October 6 at the New Orleans Sheraton.

- The workshops provide the business community of the surrounding area information and insight on how to help the recovery and restoration of a vibrant private sector.

- The Workshop featured presentations from federal, state and local government leaders about loans and disaster assistance, safety, public health for employees, permitting of business operations, as well as updates on insurance issues.

- There were breakout sessions from some of the major contractors working on the region’s recovery who discussed the work they are performing in Louisiana as

well as opportunities for subcontractors. Representatives from the following companies were present:

- Ceres Environmental
- ECC Operating Services, Inc.
- Phillips and Jordan, Inc.
- Shaw
- CH2M Hill
- Bechtel
- Fluor
- KBR Halliburton

- The US Department of Homeland Security's Private Sector Office in partnership with FEMA, the US Corps of Engineers and the City of New Orleans were the organizers of the event.

- Louisiana Governor, the Honorable Kathleen Babineaux Blanco, the Honorable Ray Nagin, Mayor of the City of New Orleans and other State and Parish leaders were in attendance at the event and offered their thoughts on the State's and region's economic future.

DAVIS-BACON ACT

- The Department appreciated the temporary suspension of the Davis-Bacon Act during the Katrina crisis and agrees with the Department of Labor that it is time to lift the suspension as we proceed with rebuilding activities.

- We have no data available at this time that would demonstrate either the effect of the suspension or the lifting of the suspension of Davis-Bacon wage requirements.

RE-COMPETING CONTRACTS

- As part of an ongoing commitment to ensure proper stewardship of tax payer dollars, FEMA is initiating a process to re-compete the four largest contracts issued on an expedited basis to respond to the devastating impact of Hurricane Katrina.

- These contracts are complex and will follow the standard bidding process, which can take up to three months to complete. The first step in the process is the Request For Proposal (RFP) – which will be posted on FedBizOpps soon.

- These non-competitive bid contracts were designed to assist the federal government in establishing secure emergency housing for displaced hurricane victims.

- FEMA obligated close to $300 million to Fluor in a previous contract

- Each of the four contracts have a $500 million "not-to-exceed" limit. The letter contracts dated Sept. 30, 2005, stipulated a contract ceiling of $500 million. Although the decision to increase the ceiling was made prior to that date, 9/30 is the first date it was expressed in writing.

- FEMA has already met the minimum contractual requirements of $50,000 with all four companies, which enables the federal government to reinitiate a competitive process for full and open competition.

- We are very mindful of the immense responsibility that we have to ensure the integrity of the contracting process as we undertake this unprecedented rebuilding effort. We encourage companies capable of assisting the federal government in this endeavor to be a part of the competitive bidding process.

- A key element of the contracting process is a commitment to helping small businesses in the Gulf States get back on their feet. FEMA requires any contract over $500,000 to have a small business plan that obligates 40 percent of their sub-contracting work to small businesses.

- As the President has said, "The work that has begun in the Gulf Coast region will be one of the largest reconstruction efforts the world has ever seen. When that job is done, all Americans will have something to be very proud of…"

CONTRACT INTEGRITY

- Initial contracting was about saving life and happened fast. We have now moved into a much more standard practice of contracting.

- The federal government has a "checks and balances" system – the Federal Acquisition Regulations – for delivering products or services on a timely basis, while maintaining the public's trust and fulfilling public policy objectives.

- The department established an Office for Hurricane Katrina Oversight with the focus on preventing problems through a proactive program of internal control reviews and contract audits to ensure disaster assistance funds are being spent wisely. The office is headed by Matthew Jadacki.

- Mr. Jadacki is also responsible for coordinating the audit activities of other federal Inspector Generals who have an oversight responsibility for the funds

transferred to their respective departments and agencies by the Federal Emergency Management Agency.

- DHS also established a Katrina Internal Control and Procurement Oversight Board Sept. 23, consisting of the Chief Procurement Officer, Chief Financial Officer, General Counsel, Inspector General, and Federal Emergency Management Agency (FEMA) Chief of Operations to oversee expenditures and appropriated dollars for the recovery and reconstruction of the Gulf Region.

- DHS is reviewing and identifying every procurement action done related to Katrina and ensuring that a contract file exists that will serve as an auditable record of actions taken, to include a statement that tells the story of "what was purchased, when the purchase was made, who the requirements person was who authorized the purchase, a certification that the requirements person had the authority to authorized the purchase, the understanding regarding pricing at the time of the purchase, what is or will be the actual invoice amount, who will certify that we received what was ordered; who is the cognizant contracting officer, and who is going to certify as to price reasonableness.

- DHS is working with the Defense Contract Management Agency (DCMA) to obtain on-site administrative contracting personnel who have extensive knowledge of the contractors' management systems and assess contractor compliance with technical performance requirements. Their expertise is providing real-time assistance in reviewing, evaluating, analyzing costs, negotiating and awarding contracts and task orders in support of relief efforts required by Hurricane Katrina.

- DHS has obtained Defense Contract Audit Agency (DCAA) on-site audit support to review contract proposals. Their expertise is providing assistance to the FEMA contracting officer by reviewing, auditing, evaluating, and analyzing costs to ensure all they are properly allowable and allocable to task orders, in support of hurricane relief efforts. DCAA's audit assistance will provide the confidence and credibility required for contracting officers to negotiate fair and reasonable contract costs.

- The Federal Acquisition Regulation permits the use of other than full and open competition when specific conditions exist. As we move to the recovery phase, we expect the number of competitive procurements to substantially increase.

OPPORTUNITIES

- New contracting opportunities are being posted on the federal business opportunities Web site at www.fedbizopps.gov. Synopses are still being placed in the Commerce Business Daily.

- Prospective contractors should register in the Central Contractor Registry (CCR) database prior to being awarded a contract agreement. For important information about how to register, visit www.ccr.gov.

- FEMA uses a variety of ways to find suppliers, including a list of previous vendors, Internet searches, solicitations, CCR, the Small Business Administration's Pro-Net, and the General Services Administration's GSA Advantage, and the Department of Defense's (DOD) Central Contractor Registration.

- In addition to the government-wide databases listed above, FEMA encourages any business that has products and/or services to provide to register at National Emergency Resource Registry (NERR), www.nerr.gov. The NERR coordinates efforts between the resources that are needed and the resources that may be available from the public and private sectors. FEMA continually searches that Web site to locate providers.

- Other federal agencies are awarding contracts for FEMA as "mission assignments". Those agencies also carry the responsibility to solicit contracts and award them in accordance with government guidelines.

INDIVIDUAL ASSISTANCE CONTRACTS

- Historically, FEMA has relied upon many smaller Individual Assistance Technical Assistance Contracts (IATAC) to provide the support; however, the number and complexity of the various support contracts became administratively burdensome for FEMA, so as a first step, FEMA began to use their Public Assistance Technical Assistance Contracts (PATAC) to provide this support. The PATAC contracts were competitively award under the authority of the Brooks Act for AE services.

- After several disasters, FEMA realized the IA work was much broader than could be supported under the PATACs and they began work to set up a competition for the IATAC work when Hurricane Dennis hit late last year. To provide the support needed for Dennis, FEMA non-competitively awarded a contract to Fluor to provide IA support. In the meantime, work on the competitive requirements continued.

- Just as FEMA was ready to release the competitive request for proposals for IA support, Katrina hit. To meet the unimaginable demands of Katrina recovery requirements, FEMA relied upon the market research conducted in preparation for the competitive IA solicitation to identify three additional firms (Bechtel, Shaw and CH2MHill) who were immediately capable of providing this critically needed support. FEMA then issued three verbal contracts to Bechtel, Shaw and CH2MHill to supplement the contracting support available from Fluor. Note that

while we do have a contract with Fluor, the ceiling for contract will be exceeded as a result of Katrina work.

- To ensure the prices established for these contracts are fair and reasonable (including the ceiling increase for Fluor), FEMA has engaged the Defense Contract Audit Agency (DCAA) to provide full-time, dedicated on-site cost and pricing analysis support. DCAA will also participate in the negotiations with these firms to support the FEMA contracting officer's efforts to get these contracts in place as quickly as possible.

PURCHASE CARDS

- PCard holders must complete mandatory training which provides specific instruction on what purchases are allowable, how to actually conduct specific types of transactions and the consequences of misuse of the Government Purchase Card.

- The vast majority of purchases over $2,500 were made by warranted Contracting Officers. For those purchases over $2,500 not executed by a warranted Contracting Officer, the purchase was executed by a contracting specialist with years of federal acquisition experience.

- Purchases under $2,500 are exempt from competition. For those over $2,500, competition may have been waived due to the unusual and compelling urgency that existed due to the disasters.

- The FEMA PCard Program Coordinator reviews daily reports of each credit card transaction to ensure compliance with PCard policies.

Details on purchases – Oct. 19, 2005

- Net total of P-Card transactions = $10,853,851.30
- Total net number of + transactions = 4,705 (does not include credits / returns)
- Total number of users = 70
- Total Number of transactions above standard Micro-purchase threshold of $2,500 = 580
    - Including:
        - Total number of transactions above $15,000 = 154
        - Total number of transactions above $25,000 = 99
        - Total Number of transactions above $250,000 = 1 ($358,390.00)

BST Technologies, Fort Worth

Quantity	Description
1,500	3M Respirator 1/2 mask large
500	3M Respirator 1/2 mask medium
16,000	3M Organic P-100 Filter
40	3M Charcoal nuisance
20	3M Dust Mask

Medtronic

We purchased 54 *Life Pak 12 Defibrillators*, they were used by the DMAT's and Medical Strike Teams in the field in support of the hurricane NDMS medical responses (MS, LA, AL, FLA).

The purchase of these additional LP12' s was based on the incoming requirements from NDMS OP's and that all of the LP12's that the Logistics Center had to support the medical operation were sent out and were being used.

Pennvet Supply in Pennsylvania

At the request of NDMS Operation's, three VMAT (Veterinary Medical Assistance Team) caches were purchased in support of the hurricane response. A majority of the veterinarian supplies were purchased from Pennvet Supply.

Backcountry Gear Limited in Oregon

Boots were purchased from Backcountry Gear Limited, 4000 pairs of the K9 boots were purchase for the three requested VMAT caches.

CRUISE SHIPS

- The provision of temporary housing aboard three Carnival Cruise Lines ships chartered by the Federal Emergency Management Agency (FEMA) is one small but important part of the agency's many efforts to provide relief and care to those whose lives were disrupted by Hurricane Katrina. This immediate, on-site sheltering was a critical piece of early response efforts and continues to play a critical role in the rebuilding.

- Three of the four cruise ships house first responders and relief workers close to New Orleans and St. Bernard Parish on short notice where the heaviest recovery work is being done. It would have been impossible for New Orleans and surrounding areas to make the kind of progress we have seen thus far without these workers being able to stay close to where they are working.

- These cruise liners are cost effective when full, and are already competitive with other forms of housing in New Orleans. Those being housed on board receive meals three times a day, and once-a-week laundry service. At capacity, the per-person/day cost (with 3 meals) for each passenger is about $168. In the few open hotels, rooms, when available, average more than $190 per day, but most rooms are booked or contracted through at least January, 2006. Evacuations for Hurricane Rita slowed the boarding process but boarding is now back on track.

- Ecstasy and Sensation, have a maximum capacity of 2,634 persons each. Depending on individuals' family composition, the actual number to be housed is fluid.

- The Holiday, docked in Pascagoula, Miss., is housing displaced Mississippians as identified by Mississippi Governor's office. The Holiday has a maximum capacity of 1,848 persons.

CONTRACT SPECIFIC DETAILS

Bourgets

- There are 3 purchase orders and a contract to Bourget's which account for the higher dollar value in the report:

  HSFEHQ-05-P-4124 awarded 9/21/05 for $893,170 for 32 TT
  HSFEHQ-05-P-4127 awarded 9/17/05 for $4,059,489.60 for 174 TT
  HSFEHQ-05-P-4319 awarded 9/8/05 for $2,402,346 for 105 TT
  HSFEHQ-05-C-4128 awarded 9/17/05 for $98,100,000 for 6000 TT

Clearbrook LLC.

- GSA awarded two noncompetitive contracts to Clearbrook for prefabricated homes. One is an IDIQ with a not to exceed amount of $200 million. The first task order is for 800 homes for a firm fixed price of $13 million. This is the only order against this contract.

- A second contract (firm fixed price) was awarded to Clearbrook in the amount of $6 million for 300 homes.

- GSA awarded a contract to Clearbrook in a not-to-exceed amount of $50,0000. This contract is for temporary housing, which includes technical support and preparation to purchase and deploy medical housing, responder billeting, base camps for responders and disaster victims.

Troy Enterprises

- There was a bilateral (mutual) agreement to cancel the contract for an order of 4400 travel trailers with Troy Enterprises.

- FEMA is in the process of acquiring 4400 "off-the-lot" travel trailers elsewhere.

Greek cruise ships

While the Department was grateful for the Greek government's kind offer, once it was discovered that the ships would not be able to reach the impacted areas until October 10, 2005 it was determined that they would clearly not be able to meet the needs of the victims of Hurricane Katrina.

Lot Rentals

- **Swindall** – The lease agreement is between the owner, in this case Mr. Swindall and FEMA. We (FEMA) have leased 150 pads from Mr. Swindall at $575.00 per month which includes utilities. Once we have the pad leased, a mobile unit is placed there and we (FEMA) lease the unit to a victim who has no place to stay. With the 403 Program (sheltering) the family can stay there for up to 60 days. Under the 408 Temporary (Direct) Housing Program the family can stay there for up to 18 months. In this particular park it will be used for both 403 and 408 assistance. Currently we have approximately 35+- victims housed in 403 or 408 leases in this park. This number is dynamic due to the constant need by victims of Hurricane Katrina and Rita and the ongoing setups of units there.

- **Airline Oaks** – Is as Bryan described. The original lease was for 77 M/H pads and 13 T/T pads. When we determined that it is in a zone A we made it 90 T/T's. Steve D.and I spoke to Wayne Breaux (the owner) approx. 3 weeks ago about this park. I told him at the time that I would rewrite the lease to be effective the day the pads were useable. He said that they should be ready 11/1. My field inspectors tell me very little has been done to make this park useable. I left a message for Mr. Breaux Friday but got no response. I contacted Mr. Breaux today. He is going to call me in the morning (Tuesday) to give me a time when we can conference call him with myself, Steve D., Bryan Mc., Linda B., and anyone else that needs to be involved. I will let you all know when I have a time, probably after lunch.

Transportation Services

Talking Points

October 18, 2006

- On June 23, 2006, the department issued a Request for Information (RFI) on Federal Business Opportunity (FedbizzOpps) to assist in planning a comprehensive contract to meet the transportation needs for shuttle and sedan services for DHS and its components. *(Reference number RFI06-23-06)*

- We are seeking interested parties willing and capable of providing for DHS and its components transportation needs of daily scheduled shuttle bus or van services over fixed routes, unscheduled group bus or van transportation, and VIP transport via executive sedan, to include provision of all labor and equipment.

- This type of strategic sourcing has added value to the DHS investment review process, improved the quality and timeliness of the delivery of goods, generated department-wide savings on commodities such as aviation, boats, information technology, uniforms, weapons and office supplies. Since FY 2004, DHS has seen $201 million in price savings and $9 million in cost avoidance for a total of $210 million in strategic sourcing program savings to date.

- A preliminary notice was issued to Shirlington Limousine Service with our intent to exercise the first option period of the contract for the purpose of continuity of services until we can complete the RFP process and select a transportation provider to meet our strategic sourcing initiative. The preliminary notice does not bind or obligate the Government to exercise the option.

Shirlington Limo Service

- The Contract was awarded on Oct. 27, 2005 – with a base year and (4) one year option periods for a total estimated contract value of $21.2M. It was awarded as a firm fixed price, indefinite quantity contract in accordance with Federal Acquisition Regulation (FAR) Part 16.

    a. Shuttle Bus Service operates 10 routes continuously between local sites within the Washington DC Metropolitan Area, 12 hours/day, 5 days/week

    b. Shuttle Bus Service requires 16 bus drivers (full and part time to cover 12-hr shifts)

    c. Assets include 12 mini buses (purchased by contractor) with 25 passenger capacity

    d. Executive transportation provides 10 sedan drivers daily to operate the DHS Motor Pool vehicles

    e. Other support personnel required are dispatchers and quality control managers

- The contract was *a c*ompetitive procurement, set-aside for HUBZone Small Business Contractors in accordance with the Federal Acquisition Regulation Part 19. The source evaluation to assess the three offers received was based on best value principles. The evaluation factors included Technical Capability, Past Performance and Price.

- As a minimum, the contract award decision was reviewed at one level above the Contracting Officer, to include the Office of Procurement Operations policy, the Office of General Counsel, and the Small Business Administration.

- We do not check the background of corporate executives or the owners of a company. We check the past performance of the company and we check the debarred bidders list. The Company was not listed on Excluded Parties List System which we are required to check prior to award. Additionally, the company is a SBA Certified HUBZone contractor.

- Per the contract, background checks are performed on the drivers.

- Shirlington Limousine leases the buses, and the Government leases the sedans through a separate agreement with General Motors. The sedans are provided as government Furnished Property. All the vehicles used by DHS on this contract are segregated and not used as part of any other contract or fleet motor pool.

- The sedans are stored after hours on site at the NAC.

- The company maintains three on-site (7th & D Streets) dispatchers who sit at DHS headquarters in the Office of Administrative Services. The individual assignments for the drivers are dispatched and logged by the dispatchers located at DHS HQ. It should be noted that the Contractor has personnel specifically designated on site to inspect, assign and manage all vehicles used under the contract.

- For the base year from 10/27/05 through 10/26/2006 we have obligated $3,992,652.00. This total includes a recent modification the contract to add an additional driver to cover the Gulf Coast Recovery Office transportation requirements at a cost of $70,308.00 through 10/26/2006.

- A preliminary notice was issued to Shirlington Limousine Service with our intent to exercise the first option period of the contract for the purpose of continuity of services until we can complete the RFP process and select a transportation provider to meet our strategic sourcing initiative. The preliminary notice does not bind or obligate the Government to exercise the option.

- On April 18, 2005, **Shirlington Limousine and Transportation, Inc.** was presented a recognition award by the department's Office of Small and Disadvantaged Business Utilization (OSDBU). Shirlington Limousine and Transportation was recognized for their prompt and courteous service to DHS Headquarters employees in the form of shuttle service and sedan drivers.

- Shirlington Limousine was the successful offeror of the previous contract for DHS transportation services. The contract was competitively awarded on April 26, 2004. The contract was awarded for a period of one year and was extended for an additional 6 months. The total period of performance was from April 26, 2004 through October 26, 2005. The total value of the award to include the 6 months extension was $4,019,226. A total of four Offerors to include Shirlington Limousine responded to the RFP.

NAC Security Contract

Talking Points
April 2006

Why was a new contract solicitation issued when there were option years left on the contract?

The Navy awarded a Base Operational Support Services (BOSS) contract for 7 years. The BOSS contract included as part of the requirements limited guard services. This contract was written based on the requirements of the Navy and the tenants previously occupying the space. The contract was not written or designed to fulfill the minimum standards required by DHS. The Navy contract did not contain FPS suitability and certification requirements, complete inside force protection at the NAC, and did not enable complete oversight by the DHS security office.

Since DHS officially took over the NAC from the Navy in the spring of 2005, did it ever renew the security contract itself?

In April of 2005, the Navy sold the Nebraska Avenue Complex (NAC) property to GSA. The Navy exercised the third option in April 2005 and allowed GSA and DHS to continue to use its existing contract until DHS could put a new contract vehicle in place to cover its requirements.

The new solicitation seems to coincide with a serious of incidents detailed in a March 2006 AP report that included failed security tests and the bungled handling of an anthrax threat. Did DHS decide to unload Wackenhut because of those incidents?

Within DHS, the U.S. Immigration and Customs Enforcement's (ICE) Federal Protective Service (FPS) provides the minimum standards that must be fulfilled by security guards and companies providing such services for federal government agencies. ICE FPS working in conjunction with the DHS Office of Security began the development of its solicitation for guard services at the NAC in July of 2005. The ICE Office of Acquisition Management released on the Federal Business Opportunities (FEDBIZOPPS) website a solicitation for the NAC guard services in November 2005. The anticipated award date was established as March 2006 to coincide with the end of the third option period of the Navy contract. The incidents reported in the media concerning Wackenhut were issues related to the Navy's contract and occurred while DHS' was in the process of soliciting and evaluating proposals for the DHS Security Guard Services Contract. The new contract was awarded using full and open competition.

Who is the new contractor?

The contract was awarded to Paragon Systems Inc, 14160 Newbrook Drive, Suite 150, Chantilly VA 20151 for a base year and four one-year options in the amount of $29,032,969. The base year is inclusive of a four-month transition period.

Office of Inspector General Report on Shuttle Services

Talking Points
April 25, 2007

Background
In May 2006, the U.S. House of Representative Committee on Homeland Security (representatives' Bennie Thompson and Bill Pascrell) requested that the OIG review DHS' contract awards to Shirlington Limousine and Transportation, Inc. Among a general request for basic information concerning the department's executive transportation services, Congress tasked the OIG to review and provide answers to three: (1) *Did Shirlington meet the HUBZone certification criteria at the time of the April 2004 contract award?(2) What was the basis for the department's April 2004 sole source award to Shirlington" (3) What steps did the department take to determine that Shirlington was a responsible bidder?*

Talking Points

- DHS does not dispute OIG's facts or findings regarding the April 2004 sole source award; however it should be noted that since the contract award of the 2004 Shirlington contract, OPO has undergone significant improvements to its staffing, acquisition review process and policies and procedures.
  - Standardized checklists and documentation procedures for solicitations and contracts (June 2005).
  - Management of acquisition workforce certification (June 2005).
  - Policies and procedures for establishing the roles, responsibilities, and requirements for appointing contracting officer's technical representatives (July 2005).
  - Policies and procedures for preparing contractor performance evaluations (July 2006).

- The contract awarded on Oct. 27, 2005 to Shirlington Limousine was a competitive procurement, set-aside for HUBZone small business contractors in accordance with the Federal Acquisition Regulation, Part 19.The source evaluation to assess the three offers received was based on best value principles. The evaluation factors included Technical Capability, Past Performance and Price. As a minimum, the contract award decision was reviewed at one level above the Contracting Officer, to include the Office of Procurement Operations policy, the Office of General Counsel, and the Small Business Administration.

- We are in the first option period of the contract for the purpose of continuity of services until we can complete the RFP process and select a transportation provider to meet our strategic sourcing initiative. We are in the selection process of choosing a vendor capable of providing transportation services for DHS and its components transportation needs of daily scheduled shuttle bus or van services over fixed routes, unscheduled group bus or van transportation, and VIP transport via executive sedan, to include provision of all labor and equipment.

Procurement Talking Points

July 27, 2006

- DHS has four priorities for its procurement programs:
    - Build the DHS acquisition workforce to enhance the Department's acquisition program.
    - Establish an acquisition system whereby each requirement has a well defined mission and a management team that includes professionals with the requisite skills to achieve mission results.
    - Ensure more effective buying across the eight contracting offices through the use of strategic sourcing and supplier management.
    - Strengthen contract administration to ensure that products and services purchased meet contract requirements and mission need

- Higher staffing levels will improve DHS' ability to monitor department contracts and effectively identify and correct poor contractor performance. DHS has initiated staffing solutions to resolve personnel shortages.

- The Office of the Chief Procurement Officer issued a management directive in May 2004, which mandated that all program managers meet the Department's certification and training requirements. Since the release of this directive, the number of personnel certified as program managers has increased dramatically from 0 in May 2004 to 348 in July 2006.

- DHS' strategic sourcing has added value to the DHS investment review process, improved the quality and timeliness of the delivery of goods, and generated Department-wide savings on commodities such as aviation, boats, information technology, uniforms, weapons and office supplies. Since FY 2004, DHS has seen $201 million in price savings and $9 million in cost avoidance for a total of $210 million in strategic sourcing program savings to date.

- To improve oversight on major complex investments, DHS requires an investment review prior to prototyping a solution, which is a key decision point required prior to entering the concept and technology development phase. Similarly, the department may require a milestone review to assess the results of prototyping and readiness to proceed with a low rate production.

GAO Assessment of Selected DHS Complex Acquisitions

Background

This assessment is a status report to Congress of a prior GAO audit regarding DHS's acquisition oversight, planning, and execution. GAO is not making any new recommendations.

GAO does note that it has previously made numerous recommendations intended to improve acquisition management and that DHS is taking multiple steps to effectively address them, but still needs to further implement these steps and give them sustained management attention.

Talking Points

- DHS has worked to fulfill GAO's recommendation to develop and implement acquisition oversight:
    - DHS' senior-level Acquisition Review Board has increased the frequency of its meetings and has provided program decision memorandums with action items to improve performance.
    - At the Component level, oversight officials are establishing new acquisition executive positions to manage acquisition processes.
- The Office of the Chief Procurement Officer, Office of the Chief Financial Officer, and the Office of Policy are working together to integrate decision making across the Department to streamline and improve the budget and acquisition processes, helping to fulfill GAO's recommendation to improve the overall management of the acquisition process.
- DHS has developed a database to capture and track key program information, including cost and schedule performance, contract awards, and program risk—fulfilling a GAO recommendation.
- DHS's Balanced Workforce Strategy – including the newly created Balanced Workforce Office, dedicated solely to this issue – is addressing situations where offices are overly-reliant on contractor support by eliminating unnecessary contracts and converting positions to federal employees where appropriate, addressing a GAO recommendation.

Controlled Unclassified Information
Talking Points

- The president signed the Executive Order on Nov. 4, 2010, which establishes an open and uniform program for managing information that requires safeguarding or dissemination controls.

- Within 180 days of the EO's signing the EA will issue such directives as are necessary to implement the EO.

- Within 180 days of the EA issued policies, we (DHS) must provide the EA with a proposed plan for compliance with the requirements of the EO, to include milestones and target dates. Based on a review of the agency plans the EA will establish deadlines for phased implementation by agencies.

- Within 180 days of the EO's signing we (DHS) must provide the EA with a catalogue of proposed categories and subcategories of CUI – in other words we must identify the specific types of information generated within DHS that warrants protection under the CUI framework.

- Implementing CUI is a complex effort with hundreds of issues to be addressed. Many of those issues have already been addressed, negotiated and resolved over years of inter-agency efforts and the earlier version of the CUI EO reflected those solutions.

- The Department currently has 4 markings that are governed by statute and regulation or Departmental directive:

  FOUO, For Official Use Only

  SSI (Sensitive Security Information) - security activities, including research and development be detrimental to the security of transportation

  PCII (Protected Critical Infrastructure Information) - security of critical infrastructure or protected systems

  CVI (Chemical-terrorism Vulnerability Information) - Security Vulnerability Assessments, Site Security Plans

Where We've Been: After laying the groundwork for technological and operational capabilities, we received the Authority to Operate (ATO) on September 11, 2009. To date, DHS HQ has issued more than 24,000 DHS PIV cards. We began national deployment in New York City, Miami, and Los Angeles on February 16, 2010 and card issuance nationwide is on-going.

Where We Are Going: Additional locations will be listed as we continue our nationwide deployment. Phase 1 locations 1 of our deployment plan are listed below:

Start Date	City	ST
4-Jan	Atlanta	GA
11-Jan	Denton	TX
1-Feb	Denver-Lakewood	CO
8-Feb	Thomasville	GA
16-Feb	Miami	FL
16-Feb	New York	NY
16-Feb	Los Angeles	CA
16-Feb	Anniston	AL
22-Feb	Saint Albans	VT
8-Mar	Bothell	WA
8-Mar	Baton Rouge	LA
8-Mar	Biloxi	MS
15-Mar	Oakland	CA
17-Mar	Orlando-Lake Mary	FL
18-Mar	New Orleans	LA
29-Mar	Kansas City	MO
5-Apr	Philadelphia	PA
5-Apr	Chicago	IL
12-Apr	Boston-Maynard	MA

Unified DHS Approach: "One DHS" - DHS is taking a unified approach across the Department to issue HSPD-12 compliant DHS PIV cards. The Identity Management Division at DHS HQ has been leading the effort to ensure unified HSPD-12 compliance across components. With component cooperation, shared resources and a cohesive, integrated nationwide deployment plan, the DHS PIV cards are a physical manifestation of the “One DHS”.

Department Priority: DHS leadership has made compliance with HSPD-12 a Department-wide priority. Department leadership took the initiative to realign existing resources to provide needed funding and personnel support. DHS HQ has deployed the hardware, personnel, and technological solution to DHS component field locations nationwide for card issuance.

Benefits to Implementing HSPD-12: The DHS PIV card and its supporting infrastructure will improve security and access control. They will enable DHS to detect and prevent unauthorized physical and logical access, verify the identity of employees and contractors, and identify fraudulent or expired credentials. DHS has built a trusted, reliable and scalable infrastructure through the Integrated Security Management System (ISMS) – Identity Management System (IDMS) interface to maximize the full benefit of the new and secure DHS PIV card. By taking the needed time for research, design, and testing, DHS has built a reliable chain of trust for DHS identities and created a secure, trustworthy, and dependable DHS PIV card. The department spent time upfront to appropriately plan for the best use of the technology that was built into the card. It eliminates the use of multiple ID cards, for one card would have access throughout DHS facilities. The DHS PIV card secures the Department's networks, data, and applications. It will replace the need for multiple pin and password logins for multiple applications with a single login. The Identity Management System (IDMS) provides a unified IT infrastructure that supports the Department's expanding mission requirements for identity management. The DHS PIV card improves department preparedness and emergency response by credentialing Emergency First Response Officials and Armed Law Enforcement Officials, as well as the capability to identify employee's locations during times of crisis.

QUESTIONS AND ANSWERS

Q: DHS was supposed to begin issuing HSPD-12 compliant cards in 2006 -- why did it take so much longer?

In 2005, DHS submitted an implementation plan to OMB, which allowed the Department to complete card issuance December 2010, where we expect to have completed issuance to over half of the DHS population. Completion of the full implementation has been extended to June 2011.

Q: When do you anticipate that the majority of DHS employees will be using the cards?

We have a plan for issuing DHS PIV cards in a phased approach beginning with DHS personnel the National Capitol Region. We have begun issuing cards to NCR employees and will roll-out in 2010 nationwide.

Q: How will DHS employees and contractors use the cards? What capability will the cards have?

The DHS PIV cards will be used for physical access to DHS facilities (used with compatible card-readers) and logical access to log on to DHS IT networks and systems.

Personnel Security
Frequently Asked Questions (FAQs)

SECURITY CLEARANCE

Q. What is a security clearance?

A. A security clearance is an administrative determination based upon the results of an investigation that an individual is trustworthy and may be granted access to classified national security information to the degree required in the performance of assigned duties.

Q. What types of security clearances might I get?

A. The types of Security Clearances are based on the types of information to which an individual will need access:

- **Confidential**: shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause damage to the national security of the United States that the original classification authority is able to identify or describe.
- **Secret**: shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause serious damage to the national security of the United States that the original classification authority is able to identify or describe.
- **Top Secret**: shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause exceptionally grave damage to the national security of the United States that the original classification authority is able to identify or describe.

Q. What is the difference between an interim and a final security clearance?

A. Interim clearances are granted in exceptional circumstances where official functions must be performed before completion of the investigative and adjudicative processes associated with the security clearance procedure. An interim security clearance is similar to the full security clearance; however, an interim clearance may preclude an individual from the use of certain classified equipment and may hinder access to classified information that is originated from an intelligence agency until a final clearance is granted. When interim access is granted, the background investigation must be expedited, and if unfavorable information is developed at anytime, the interim security clearance may be withdrawn. DHS does not recognize or grant interim Top Secret security clearances.

Q. If I hold a security clearance with a DHS component, will I be required to undergo a new background investigation if I transfer to another component or to DHS headquarters?

A. Clearances held by individuals at DHS headquarters or components will be honored by other DHS components, based on reciprocity, if the requirements for position sensitivity and access to classified information are met for the position to which the individual will be transferred Position sensitivity is based on an assessment of the degree of adverse impact that an individual, by virtue of the position, could affect an agency or program mission, or on the overall “efficiency of the service.”

SUITABILITY

Q. Why are you going to investigate me? I'm only applying for an entry-level job and I don't need a security clearance.

A. Suitability is always a consideration for Federal employment. All persons privileged to be employed in the departments and agencies of the government shall be reliable, trustworthy, of good conduct and character, and of complete and unswerving loyalty to the United States. This means that the appointment of each civilian employee in any department or agency of the government is subject to investigation. All Government employees are subject to a suitability investigation. The requirement to be investigated applies whether or not the position requires a security clearance (in order to have access to classified national security information). The scope of the investigation will vary, depending on the nature of the position and the degree of harm that an individual in that position could cause.

Q. What is the difference between Security and Suitability?

A. Security is a determination of eligibility for assignment to, or retention in, sensitive national security positions. Suitability is a determination based on an individual's character or conduct that may have an impact on the integrity or efficiency of a specific service. An individual may meet security eligibility requirements, but be determined not to be suitable for a specific service.

BACKGROUND INVESTIGATION

Q. What is a background investigation?

A. A background investigation is an inquiry into an individual's loyalty, character, trustworthiness and reliability to ensure that he or she is eligible to access classified information or for an appointment to a sensitive position or position of trust.

Q. What is the purpose of a background investigation?

A. A background investigation is designed to allow the government to assess whether a candidate is sufficiently trustworthy to be granted access to classified and sensitive information and/or suitability for federal employment. Applicants must meet certain criteria, including ones relating to honesty, character, reliability, judgment, and association with undesirable persons. The scope of the investigation varies with the level of clearance being sought.

Q. What kind of inquiries will DHS make into my background?

A. The extent of inquiries made during the background investigation is based on the type of security clearance and/or suitability required for the position. Credit and criminal history checks will be conducted on all applicants. The background investigation may also include additional records checks to verify citizenship of applicant family members, verification of birth, education, employment history, and military history. Interviews may be conducted of persons who know the candidate, and of any current or former spouse (divorced within the past ten years). Additional interviews may be conducted to resolve any inconsistencies. Residences may be confirmed, neighbors interviewed, and public records queried for information about bankruptcies, divorces, and criminal or civil litigation. The background investigation may be expanded if an applicant has resided abroad, or has a history of mental disorders or substance abuse. A personal interview may be conducted with the candidate.

The investigative process includes one or more of the following inquiries:

- A National Agency Check (NAC) – A search of investigative files and other records held by federal agencies such as the Federal Bureau of Investigation (FBI) and Office of Personnel Management (OPM).
- A Local Agency Check (LAC) – A review of appropriate criminal history records held by local law enforcement agencies, such as police departments and sheriffs, with jurisdiction over the areas where you have resided, gone to school, or worked.
- Financial checks.
- Field interviews of references to include co-workers, employers, personal friends, educators, neighbors, and other appropriate individuals.
- Checks of records held by employers, courts, and rental offices.
- A subject interview – An interview with the subject individual by an investigator.

These inquiries are performed by one or more investigators working in the geographic area where the information is to be obtained.

Q. How long does a background investigation take and why do some investigations take longer than others?

A. Because of the number of variable factors involved, there is no definitive answer to this question. If a subject individual does not provide accurate information or does not answer all of the questions on the security questionnaire, the investigative process cannot be initiated.

The type of investigation to be conducted is based on the level of security clearance needed. Different types of background investigations have different time requirements and investigative coverage.

Some persons have more complex backgrounds than other persons and, consequently, more time is required to conduct a complete investigation. Sometimes, the investigative workload of the investigating agency is such that investigators cannot work at their ordinary levels of efficiency and timeliness.

Once the case is opened, however, it could take longer if a subject individual:

- Lived or worked in several geographic locations or overseas.
- Traveled outside of the United States.
- Relatives who have lived outside of the United States.
- Background information that is difficult to obtain or involves issues that require an expansion of the case.

Q. What can I do to help to expedite the investigative process?

A. You can help DHS complete the processing of your packet as quickly as possible by doing the following:

- Provide accurate information on your security questionnaire. Follow the instructions and answer all of the questions on the form.
- Be as specific as possible on general entries, list your employer(s), location(s) and date(s) assigned to each location and indicating all dates including breaks in employment within the investigation scope.

- List any federal level security clearances held prior or if you currently hold a clearance as a military reservist or in any other capacity (including information regarding investigation type, investigation date, clearance type granted, by what agency and date of clearance granted).

Q. Who has access to see my background investigation?

A. The only persons authorized to see your background investigation information are Personnel Security, Suitability, and Investigations professionals who have themselves been investigated and have a demonstrated need to review the information. Please consult with your Security Officer to determine who to contact to request a copy of your investigation file under provisions of the Privacy Act.

Q. Who conducts background investigations for the Federal government?

A. The U.S. Office of Personnel Management (OPM) and a few other agencies have the responsibility of conducting background investigations for the Federal government.

Q. Who can request a background investigation?

A. Investigations and clearances can only be requested by Federal agencies, appropriate to specific positions and their duties. Until a person is offered such a tentative position, the government will not request or pay for an investigation and/or a clearance. Individuals applying for Public Trust or non-sensitive positions will be requested to complete the SF 85 “Questionnaire for Non-Sensitive Positions” or SF 85P "Questionnaire for Public Trust Positions." The SF 86 "Questionnaire for National Security Positions" should be completed by applicants and employees requiring access to national security information.

Q. How often will I be reinvestigated?

A. After the initial security clearance is completed, a Periodic Reinvestigation (PR) is required every 5 years for a Top Secret clearance, every 10 years for a Secret clearance, or every 15 years for a Confidential clearance. However, contractors can be randomly reinvestigated before they are due for a PR.

ADJUDICATION

Q. What is adjudication and what is involved in the adjudication process?

A. Adjudication is the determination whether an individual is eligible for access to classified information or for employment in a position of trust. The adjudication process considers the “whole person” concept, which is the evaluation of pertinent data contained in a background investigation, including available, reliable, and relevant information about the person, past and present, favorable and unfavorable.

Q. What types of issues would prevent me from getting a security clearance or cause a current security clearance to be revoked?

A. Available, reliable, and relevant information about the person, past and present, favorable and unfavorable, is considered in reaching a determination. Issues such as poor credit history, criminal background, or association with undesirable persons may prevent an individual from getting a security clearance.

Q. If I am denied a security clearance, or if my security clearance is revoked, can I make an appeal to have it reviewed?

A. If you are denied a security clearance or if your current clearance or access is revoked, you have the right to appeal the adjudicative decision. Under such circumstances, you will be provided a statement of the reason(s) why your clearance has been denied or revoked,and the procedures for filing an appeal.

GENERAL INFORMATION

Q. What is "need to know"?

A. A determination made by an authorized holder of classified information that a prospective recipient requires access to specific information in order to perform or assist in a lawful and authorized governmental function.

Q. What is reciprocity?

A. DHS, like other Executive Branch Departments and agencies, complies with the requirements of Executive Order 12968, which establishes a uniform Federal personnel security program for employees who require access to classified information. The Intelligence Reform and Terrorism Prevention Act and Executive Order 12968 require that background investigations and adjudications that meet national scope and standards should be mutually and reciprocally accepted by Federal agencies unless the receiving agency has knowledge of derogatory information that would preclude it from granting a clearance.

DHS determines whether an incoming employee is permitted access to classified information as granted by another federal agency and accepts the security clearance if it meets the requirements of the position.

However, each agency has individual requirements related to employment suitability as opposed to security clearance eligibility. These requirements are based on varied agency missions and specific position descriptions and can result in additional background investigation steps and other screening measures. The scope, currency, and availability of prior investigations are a determining factor.

Q. Do I have to answer all the questions on the Security Questionnaire form? A lot of that information is already on my resume.

A. Yes, all of the questions on the Security Questionnaire form should be answered fully, accurately, and honestly, even if the information was provided on your resume.

Q. Why do you want my fingerprints?

A. It is mandated by Executive Order that all Federal employees be fingerprinted.

Q. Why do you need information about my relatives?

A. It is possible that the activities of one's relatives could potentially influence an individual's actions. Therefore, it is important to determine if an individual could be exploited by threats or pressure against one's relatives, or if the relatives could exert pressure on the individual.

Q. What will happen if I refuse to give you some of this personal information?

A. Providing the information is voluntary, but if you choose not to provide the required information, you may not meet the requirements of the job and therefore may not be considered further or may be terminated.

Q. What is e-QIP?

A. The Electronic Questionnaires for Investigations Processing (e-QIP) Gateway is a secure website that allows Federal government applicants to electronically enter, update, and transmit their personal investigative data over a secure Internet connection to their employing agency for review and approval. To learn more about how to use e-QIP, visit the Office of Personnel Management (OPM) web site at www.opm.gov/e-QIP.

Q. What if I have trouble printing my e-QIP forms?

A. When you get to the page to print, certify, and release your e-QIP form, RIGHT click on the first box instead of left click, select "Save Target As", then name the form and save it to a file or onto your desktop. View and print the form from your computer. Then, go back to e-QIP to continue. Do the same for your signature pages, making sure that you remember to print these pages as well. After ensuring your document is correct and complete, and that you have printed copies of both the form and its attachments, you may certify and release it. Please note that once you certify the form, you will not be allowed to make changes. Once you release the form, you will no longer be able to access it.

HSPD-12

November 5, 2007

On August 27, 2004, the President signed Homeland Security Presidential Directive – 12 (HSPD-12) titled *"Policy for a Common Identification Standard for Federal Employees and Contractors."* The Directive requires the development and agency implementation of a mandatory, government-wide standard for secure and reliable forms of identification for Federal employees and contractors.

Talking Points

- DHS believes that it is on an effective path to "smartly" implement HSPD-12 to secure our nation's homeland in a timely manner. DHS received OMB approval for the revised implementation schedule so that it could most effectively develop and deploy a scalable agency-wide solution to successfully establish the foundation for ongoing efforts to increase the security of DHS facilities and networks.

- Contrary to both the IG and press reports, as part of its implementation plan, DHS has completed a detailed **cost estimate** for an enterprise solution that will support the Department's mission and operational requirements. The estimate evaluated HSPD-12 implementation costs across the Department and provided DHS with a baseline for initial budgeting.

- Procurement of an **enterprise-wide HSPD-12 technical solution** began on August 2, 2007, when a Request for Proposal (RFP) to establish a departmental BPA for an Identity Management System and credentialing issuance and maintenance support, was released. When this contract is awarded, it will provide a means to deploy a unified system across the Department for a secure, tamper-proof smart card that allows interoperable access to DHS facilities and systems.

- The DHS HSPD-12 PMO has requested information on both the current and future requirements for facilities, physical and logical access control from DHS components. The PMO is actively involved in gathering the required information using the PMO's Data Input and Monitoring Dashboard (DIAMonD) data collection tool.

- The DHS HSPD-12 PMO has established the required separation of **duties** in the DHS HSPD-12 Reference Book. This position is supported by Section A.1.1.1 of FIPS 201, which states the following: "The roles of PIV Applicant, Sponsor, Registrar, and Issuer are mutually exclusive; no individual shall hold more than one of these roles in the identity proofing and registration process." The roles of Enrollment Official and PIV Issuer are, however, not mutually exclusive. The DHS-specific role of Access Control Office specialist may also perform both of these non-exclusive roles.

- The HSPD-12 PMO plans to obtain a new **Certification and Accreditation** of the information system used to support HSPD-12 at DHS Headquarters as part of the process to implement a new technical solution, following award of task order one of the BPA.

NAC Entry using fake ID

Talking Points
June 9, 2006

Background:
Washington Times is working on a story about DHS headquarters accepting the Matricula Consular card as valid ID for entry - and a fake version at that. Allegedly, DHS headquarters granted entry on Wednesday to someone who showed a fake MC as their only form of ID.

Talking Points:

- In response to the specific case mentioned; DHS is following-up on these allegations and will take necessary actions to ensure there is not an occurrence of this type.

- It should be noted that individuals of the group in mention were previously cleared and placed on an authorized entry list. Photo IDs provided by visitors are used to verify individual recognition, not grant approval of entry. At no time was the group in mention out of direct control of their host.

- It should also be noted that there are a large number of secondary procedures in place to protect NAC facilities and information. Entry into the compound is only a very small portion of the security procedures at the Nebraska Avenue Complex.

- At no time was there a threat to any person or property.

Talking Points

State Contractors with Classified Clearances

May 15, 2008

Response to Queries Only

Background

There are no current provisions under Executive Order 12829, "National Industrial Security Program (NISP)," to allow for State and Local entities to award contracts that include access to classified national security information. As such, to the extent that a state or local entity awards a contract involving access to classified national security information, the contract falls outside of the governance and oversight of the NISP. In fact, any such contract is devoid of any type of Federal oversight and control relative to the obligation to safeguard classified information.

Talking Points

- Contract employees who require a security clearance fall under the provisions of the National Industrial Security Program (NISP). The Department of Defense is the lead agency, with its Defense Security Services acting as the administrator. The NISP covers only those contractors who work for a company that has entered into a contractual agreement with a Federal government agency. It does not cover contractors who work for a company that has a contractual agreement with a state government.

- The DHS Office of Security has created, coordinated, and submitted a proposal to national level policy makers that will allow state and local entities to enter into a contractual agreement with a company that includes access to classified information, provided that company and its applicable contract employees, have already been cleared under the NISP. The proposal as written will serve as an immediate interim measure while a re-evaluation and possible revision to Executive Order 12829 and its' implementing regulations and directives are considered.

- The proposal submitted by the DHS Office of Security has been coordinated through the Information Security Oversight Office (ISOO) and the applicable NISP Cognizant Security Authorities (CSA) and is pending final comments before submission to the National Security Council for approval.

DRAFT

ADVISE Talking points
February 10, 2006

- Analysis, Dissemination, Visualization, and Semantic Enhancement (ADVISE) is a research and development effort within the department and is a center piece of the Homeland Security threat awareness knowledge management tools.

- ADVISE is NOT a data collection technology . When it is complete, ADVISE will deliver a technology or set of technologies, NOT a database OR a data collection activity.

- ADVISE will provide the capability to "connect the dots" described in the *9/11 Commission Report* and mandated in the *Intelligence Reform and Terrorism Prevention Act of 2004*.

- ADVISE extracts important relationships and correlations from a wealth of data and produces actionable intelligence. ADVISE does not perform data-mining; it performs data integration at a large scale.

- This drives the need for innovative technical solutions significantly better than existing analytic capabilities. Without such a critical strategic capability, we will be unable to identify suspicious linkages and prevent complex asymmetric threats. This research and development effort has produced a prototype that is currently available to analysts at DHS Office of Intelligence and Analysis (I&A). Data currently being loaded into ADVISE is already extant at I&A.

- Legal rights and privacy constraints, along with the security of all data sources, are protected by this prototype technology. Care has been taken to ensure compliance with respect to privacy, information assurance, and security, according to established government policies.

- The DHS Privacy Office has been engaged in this effort since program conception. Privacy and information assurance technology is based on proven technologies already operational within the intelligence community.

What's Different from Current Capabilities?

- Privacy and security – Preserves information privacy and security while accomplishing the mission
- Scale – The sheer quantity of data and information
- Dynamic real-time queries – Supports real-time updates and queries
- Mixed domains – Connections between different information domains
- Timely results – Short lifetime for actionable information
- Tracking changes – The temporal nature of information is key to analysis

HOMELAND SECURITY CENTERS OF EXCELLENCE

Talking points
April 2006

The Department of Homeland Security is harnessing the nation's scientific knowledge and technological expertise to protect America and our way of life from terrorism. The Department's Science and Technology directorate, through its Office of University Programs, is furthering this mission by engaging the academic community to create learning and research environments in areas critical to Homeland Security.

Through the Homeland Security Centers of Excellence program, Homeland Security is investing in university-based partnerships to develop centers of multi-disciplinary research where important fields of inquiry can be analyzed and best practices developed, debated, and shared.

The Department's Homeland Security Centers of Excellence (HS-Centers) bring together the nation's best experts and focus its most talented researchers on a variety of threats that include agricultural, chemical, biological, nuclear and radiological, explosive and cyber terrorism as well as the behavioral aspects of terrorism.

HS-Centers

- Johns Hopkins University (JHU) and its partners have been awarded $15 million over the next three years for the Center for the Study of High Consequence Event Preparedness and Response. This fifth Homeland Security Center of Excellence will study deterrence, prevention, preparedness and response, including issues such as risk assessment, decision-making, infrastructure integrity, surge capacity and sensor networks. In particular, it will study interactions of networks and the need to use models and simulations. (Awarded December 2005)

- The Department selected the University of Southern California (partnering with the University of Wisconsin at Madison, New York University, North Carolina State University, Carnegie Mellon University, Cornell University, and others) to house the first HS-Center, known as the Homeland Security Center for Risk and Economic Analysis of Terrorism Events (CREATE). The Department is providing the University of Southern California and its partners with $12 million over the course of the next three years for the study of risk analysis related to the economic consequences of terrorist threats and events. (Awarded November 2003.)

- Texas A&M University and its partners have been awarded $18 million over the course of the next three years for the Homeland Security National Center for Foreign Animal and Zoonotic Disease Defense. Texas A&M University has assembled a team of experts from across the country, which includes partnerships with the University of Texas Medical Branch, University of California at Davis, University of Southern California and University of Maryland. Texas A&M University's HS-Center will work closely with partners in academia, industry and government to address potential threats to animal agriculture including foot and mouth disease, Rift Valley fever, Avian influenza and Brucellosis. Their

research on foot and mouth disease will be carried out in close collaboration with Homeland Security's Plum Island Animal Disease Center. (Awarded April 2004.)

- The University of Minnesota and its partners have been awarded $15 million over the course of the next three years for the Homeland Security Center for Food Protection and Defense, which will address agro-security issues related to post-harvest food protection. The University of Minnesota's team includes partnerships with major food companies as well as other universities including Michigan State University, University of Wisconsin at Madison, North Dakota State University, Georgia Institute of Technology, Rutgers University, Harvard University, University of Tennessee, Cornell University, Purdue University and North Carolina State University. (Awarded April 2004.)

- The University of Maryland and its major partners, the University of California at Los Angeles, the University of Colorado, the Monterey Institute of International Studies, the University of Pennsylvania, and the University of South Carolina, were awarded $12 million over the course of three years for the Homeland Security Center of Excellence for Behavioral and Social Research on Terrorism and Counter-Terrorism. This Center will address a set of broad, challenging questions on the causes of terrorism and strategies to counter terrorism, developing the tools necessary to improve our understanding of, and response to, the magnitude of the threat, examining the psychological impact of terrorism on society, and strengthening the population's resilience in the face of the terrorism. (Awarded January 2005.)

- Michigan State University was awarded $10 million over the next five years to house the Center for Advancing Microbial Risk Assessment (CAMRA), jointly funded by the U.S. Department of Homeland Security and the U.S. Environmental Protection Agency. will provide policy-makers and first responders with the information they need to protect human life from biological threats and to set decontamination goals by focusing on two primary objectives. The first objective is a technical mission to develop models, tools, and information that can be used to reduce or eliminate health impacts from the deliberate indoor or outdoor use of biological agents. The second objective is a knowledge management mission to build a national network for information transfer about microbial risk assessment among universities, professionals, and communities. (Awarded October 2005.)

Counter MANPADS BAA06-01

Talking Points
April 2006

- The Department of Homeland Security is currently demonstrating mature technologies to defeat MANPADS using an onboard laser-based directed infrared countermeasure (DIRCM) system. While that demonstration program is proceeding well, Congress has funded DHS to assess alternative approaches employing emerging technologies that may have the potential for defeating MANPADS in a layered defense environment.

- The major thrust of this assessment program is to evaluate and demonstrate the emerging technology solutions that prove to be the most mature and promising in defeating the MANPADS threat to commercial aviation. Evaluations will focus on the following areas:
    - Countermeasure effectiveness
    - Non-interference with civilian aviation operations
    - Minimal collateral effects
      (i.e. electromagnetic interference, environmental impact)

- The solutions sought are based on existing component technologies. This program will not undertake the development of new technologies and will not assess aircraft-borne DIRCM systems. Approaches to be evaluated are limited to ground-based systems and aircraft-borne non-DIRCM systems.

- Technology approaches to counter-MANPADS other than aircraft-borne systems are in various stages of development and maturity throughout Department of Defense (DoD) programs. The DHS Counter-MANPADS program office is following these technologies and will make a formal assessment of those technologies in terms of their potential application in the civil aviation environment.

- This program may lead to further activities centered on the layered defense concept for protecting commercial aviation from the threat of MANPADS.

COUNTERING MISSILE THREATS TO COMMERCIAL AIRCRAFT

Talking Points
April 2006

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TECHNOLOGICAL CONTEXT OF CHALLENGES 3
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GENERAL

- While there is no credible, specific intelligence information about planned MANPADS attacks against U.S. commercial aircraft, Homeland Security has aggressively pursued countermeasures technology development as part of the administration's strategy to counter this potential threat.

- The objectives of the program are to collect information from industry, select the best contractors to perform systems analysis and flight tests, and to devise a plan that will permit modifications of commercial aircraft with the least disruption and out-of-service costs to the airline industry. The purpose of the program is to deliver to policy makers in the executive and legislative branches the data necessary to make an informed decision regarding countermeasures technologies.

- The department's program is adapting existing technology already in use on military aircraft for commercial aviation use. This technology adaptation approach will speed the development of a deployable prototype, and will ensure that the resulting countermeasures are consistent with airport operations and commercial air carrier logistics and safety that include such activities as maintenance, support, and training.

- The Homeland Security Counter-MANPADS Program uses a robust and disciplined systems engineering approach to identify, test, evaluate, integrate and support countermeasures for commercial aircraft.

- Two teams, one led by BAE Systems and one led by Northrop Grumman, are currently receiving funding of approximately $45 million each for the 18-month final prototype phase of the program.

- Homeland Security leadership is committed to this program, and the Science and Technology directorate has been working with other key stakeholders involved in the potential deployment of a Counter-MANPADS system, including:

  - Transportation Security Administration – conduct vulnerability assessments and work with law enforcement officials to reduce risks at major airports;
  - Department of State – counter proliferation of shoulder-fired missiles;
  - Federal Aviation Administration – certification of technology for commercial use; and
  - Department of Defense – provide expert advise on military technology.

- Homeland Security's systems engineering oversight also included significant contributions from pilots, airport operators, airlines, and ground maintenance professionals. This industry input ensured that lifecycle costs were analyzed, including acquisition, integration, operation and support, giving all stakeholders an understanding of the total costs associated with any potential system.

THREAT REDUCTION

- Homeland Security officials and others throughout the Administration have been working to counter the threat of a shoulder-fired missile attack on civil aviation.

- In December 2002, the Homeland Security Council and the National Security Council convened an interagency task force representing 21 agencies and offices including the Departments of Defense, Treasury and Homeland Security as well the Federal Aviation Administration and Federal Bureau of Investigation to develop an aggressive plan to assess and counter the MANPADS threat.

- The task force adopted a systematic, end-to-end countermeasures strategy, which is being aggressively implemented through multiple agency initiatives. The strategy focuses on three areas:
  - Proliferation control and threat reduction
  - Tactical measures and recovery
  - Technical countermeasures

- The Administration has made significant progress with the international community on proliferation control and threat reduction. This includes numerous efforts in working with member countries of the G-8 and other international economic and industry organizations to adopt an effective global strategy that will limit proliferation and potential illicit use of MANPADS.

MILITARY USE

- While this technology has been used by the U.S. military and some foreign commercial airlines, the challenges in adapting these technologies for use commercially in the United States are significant.

- In the military, there are a limited number of air bases from which these planes take-off and land, with personnel and replacement parts dedicated to the maintenance of these technologies at each base.

- The current military technologies must be serviced after a few flying hours, and there are significant questions about the safety on the ground in the event of a false alarm. In Israel, for example, El Al Airlines is able to use these technologies because they fly out of one airport where their maintenance personnel can all be centrally located. In the U.S., with more than 400 airports and more than 6,000 aircraft in the commercial fleet, the maintenance cost of Counter-MANPADS technology at current system costs would be staggering. These challenges are being addressed in this prototype development program.

TECHNOLOGICAL CONTEXT OF CHALLENGES

- Technologies developed for military or other specialized purposes are currently incompatible with commercial air fleet operations. Although underlying military technologies will be leveraged, the systems must be adapted to meet commercial operational concepts.

- One likely technology that has been identified for potential commercial use is the so-called Directed InfraRed CounterMeasure (DIRCM), an infrared device that jams missile guidance systems.

- Current DIRCMs cannot be easily adapted to the U.S. commercial air fleet, and must be re-engineered. The current available DIRCMs have roughly 300 hours of life before they must be repaired or refurbished. While suitable for the military or special purpose aircraft, given their maintenance and logistical infrastructure, this is not suitable for U.S. commercial air fleet use.

- The cost of the training, ground support equipment, supplies and spares, and logistics trail that would need to be in place at every U.S. airport would be significant. Estimates put this cost at as much as $5 billion to $10 billion per year prior to the re-engineering efforts of this program.

- Military missile countermeasures, such as the Large Aircraft InfraRed CounterMeasure (LAIRCM) unit, which uses Directed InfraRed CounterMeasure (DIRCM) techniques, exist in various stages of development and initial fielding. The LAIRCM system defeats the threat missile guidance system by directing a high-intensity modulated laser beam into the missile seeker. However, these technologies

are generally utilized by military and Heads-of-State aircraft that have the operations and maintenance infrastructure to support the systems.

- The defense industry has performed limited evaluation of tower-mounted InfraRed CounterMeasure (IRCM) subsystems for ground-based applications as an alternative to airborne installation. IRCM commercialization requires tightly integrated systems engineering and development, as well as testing and evaluation of existing and emerging military equipment. Efforts to transition IRCM systems to civilian use face several limitations. The primary challenges are:
    - Achieving an affordable total cost of ownership;
    - Improving reliability over their military counterparts;
    - Performing less labor and time-intensive maintenance interventions;
    - Decreasing false alarm rates; and
    - Ensuring that these devices can be safely applied in operating environments of civilian aircraft.

- When evaluating the deployment of IRCMs aboard civilian aircraft, it is also important to consider the effects of using these countermeasures in civilian airspace, specifically in populated areas. In the event of a MANPADS launch, traditional military pyrotechnic countermeasures (flares) represent a major safety hazard to property and personnel.

- Directed countermeasures, such as an on-board laser to disrupt the MANPADS sensor and steer the missile away from the aircraft, appear to be the most promising candidates for application to civilian aircraft. However, new pyrotechnic and pyrophoric technologies may be adaptable to commercial operations.

- While it is conceivable that existing military IRCM units could be simply re-engineered for civilian aircraft use, many technical and operational tradeoffs have not been analyzed to address the risks of such an approach. For example, there is an established military logistics infrastructure that serves airborne countermeasure equipment, spanning functions from pilot training and routine maintenance to spare parts and depot repair. A similar infrastructure would be costly and time-consuming to replicate in the commercial airline industry.

- It would be premature to integrate currently available military IRCM equipment aboard civilian aircraft due to numerous issues concerning aircraft modification and certification, maintenance and supportability, and operational employment. Even if IRCM equipment were retrofitted on only the Civil Reserve Air Fleet, safety of flight and IRCM operational issues abound because rigorous analytical processes have not been performed. This analysis will occur as part of the multi-phase approach of the Homeland Security Counter-MANPADS program.

PROGRAM STATUS

Phase I

- The Department of Homeland Security announced the beginning of Phase I in January 2004. Phase I developed countermeasures to the potential threat of MANPADS to commercial aircraft. This pilot program was designed to determine the viability, economic costs, and effectiveness of adapting existing military technology to commercial aviation.

- Three six-month contracts for Phase I were awarded to teams led by BAE Systems, Northrop Grumman Corporation, and United Airlines, funded at $2 million per team. Phase I provided an analysis of the economic, manufacturing, and maintenance issues involved as well as a preliminary design needed to support a system that is safe and effective for use on commercial aircraft.

- Phase I focused on designing a system that is effective against a broad range of threats and can be installed on commercial aircraft in an economically viable way. This means reworking from the existing military systems maintenance programs, reducing unit and life-cycle costs, increasing reliability, and developing supply and training plans that work within the commercial sector.

- This funding was granted in February 2004 and final presentations by each of the three teams occurred in August 2004.

- BAE Systems and Northup Grumman developed laser-based systems that jam the guidance systems of incoming missiles. United Airlines developed a flare-based system that would fire off low-temperature decoys to deflect the missiles.

- During Phase I the Counter-MANPADS Program Office worked with other federal agencies with an interest in this issue, including the Federal Aviation Administration, the Department of State, and the Department of Defense.

- Homeland Security worked closely with the three companies during Phase I, with four design review meetings for each. Following an initial contract establishment meeting, two subsequent mid-Phase consultations included four-day on-site visits to each of the development facilities. In early August 2004, the teams presented their progress to Homeland Security for a Preliminary Design Review to determine which of the projects would receive $45 million contracts for Phase II.

Phase II

- Following an examination of each team's Phase I work and their proposals for Phase II, BAE Systems and Northrop Grumman have been selected for Phase II.

- A panel of government representatives including officials from the Departments of Homeland Security, Defense, Transportation, and Justice made Phase II selections based on four categories: Technical Design, Management, Phase I Performance, and Phase II Cost Proposal.

- During Phase II, which will last 18 months, the contractors' design solutions will be completed and undergo a Critical Design Review. Following the review, the contractors will fabricate, install, and test their prototypes on commercial aircraft.

- Contractors will deliver two complete countermeasure units for demonstrating system performance.

- Studies will emphasize the operational suitability and cost by collecting data during testing and evaluation for each of the systems.

- Systems will be integrated onto demonstration aircraft and the FAA will certify the aircraft safety and airworthiness of the integrated countermeasure.

- Extensive testing will be conducted by the contractors as well by third parties on behalf of the government. Evaluation will include engineering and operational effectiveness testing, wind tunnel tests, reliability testing, missile detection, and track accuracy testing.

- Operational suitability testing will include operating environment testing and maintainability demonstrations to include built-in tests, equipment handling, and special ground support equipment.

- Following the completion of Phase II, the Department of Homeland Security will provide the Administration and Congress with recommendations on the most viable solution to defend against shoulder-fired missiles.

Interoperability Talking Points

March 2006

- The number one condition for making intelligent decisions and responding in a safe and effective manner is communications. This is a very high priority for the department. This means not only completing the process of deploying various gateways that allow us to speak at a command level, but driving forward on making sure that we do have common protocols to allow interoperability and see what we need to do to jumpstart the process of moving finally into the Digital Age, with respect to communications capabilities that would allow command level communication across the board, using a common platform.

- But in addition to interoperability, you have to have operability. If all of the communications have been blown down, if the satellite phones are running out of power, if all the radio towers are down, then it's not a question of interoperability, it's a question of ability to operate at all.

- We are in the process of acquiring additional technology that we will be able to put into the field in times of emergencies, that will, for example, use relay repeaters on aircraft or Coast Guard cutters, to build new radio networks if radio networks go down.

- As the nation strives to become interoperable, cooperation across agencies—federal, state, and local—is essential. Partnerships have proven invaluable to the Department of Homeland Security's (DHS) Office for Interoperability and Compatibility (OIC) as it strengthens and integrates its efforts to improve public safety preparedness and response at all levels of government.

- The department is also working to improve the rate of P25 compliance, by working with the National Institute of Standards and Technology and other federal partners to develop a P25 Conformity Assessment Program. The program will ensure that public safety agencies purchasing wireless devices and systems designated as P25-compliant can be confident that the purchased equipment actually meets P25 standards.

- The department has partnered with many different agencies on a number of ambitious initiatives in support of communications interoperability, including:
  - Statement of Requirements (SoR);
  - RapidCom Initiative;
  - Statewide Communications Interoperability Planning (SCIP) Methodology;
  - Regional Communications Interoperability Pilots (RCIPs) in Nevada and Kentucky;
  - 1401 Technology Transfer Program; and,
  - Project 25 (P25) Compliance.

Statement of Requirements: The Office for Interoperability and Compatibility (OIC) and the Department of Justice's (DOJ) National Institute of Justice's (NIJ) CommTech Program partnered to formulate and release the first-ever SoR for public safety communications and interoperability.The SoR provides the Nation's 60,000 public safety agencies with a document defining future communications requirements for crucial voice and data communications in day-to-day, task force and mutual aid operations.

An updated version of the comprehensive SoR document – SoR v1.1 – is in the final stages of review and is targeted for release later this year.This upgraded version of the SoR v1.0 will include refinements
based on input from the public safety community.

RapidCom Initiative: The OIC was established on the heels of RapidCom, another collaborative effort in which SAFECOM—now an OIC communications program—coordinated with the Office of State and Local Government Coordination and Preparedness (SLGCP), the DOJ's 25 Cities Program, and the DHS Wireless Management Office. The RapidCom initiative ensured that a minimum level of public safety interoperability was in place in ten participating high-risk urban areas. SAFECOM and its partners worked closely with public safety leaders in Boston, Chicago, Houston, Jersey City, Los Angeles, Miami, New York, Philadelphia, San Francisco, and the Washington Metropolitan Area to assess their communications capacity and interoperability needs and to identify and implement solutions.With the ontime completion of the RapidCom initiative, incident commanders in each of the urban areas now have confirmed they have the ability to adequately communicate with each other and their respective command centers within one hour of an incident.

Statewide Communications Interoperability Planning Methodology: State planning efforts provide a great opportunity for federal agencies to work together to enhance interoperability.With support from NIJ, OIC partnered with the Commonwealth of Virginia to develop a strategic plan for improving statewide interoperable communications. Based on the lessons learned from the Commonwealth of Virginia's planning process, OIC released the SCIP Methodology, a tool that outlines a step-by-step planning process for developing a locally-driven, statewide strategic plan to enhance communications interoperability.

Regional Communications Interoperability Pilots in Nevada and Kentucky: Additionally, in carrying out two RCIP projects, authorized by Section 7304 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108- 458), OIC, through SAFECOM, will coordinate with the SLGCP Interoperable Communications Technical Assistance Program (ICTAP) to assist the State of Nevada and the Commonwealth of Kentucky as they develop their own interoperable communications plans, using the SCIP Methodology as a model.
1401 Technology Transfer Program; and, Project 25 Compliance: On

technology issues, OIC and the Department of Defense's Office of the Assistant Secretary of Defense for Homeland Defense (OASD (HD)) in collaboration with the DOJ, are leading an effort, the 1401 Technology Transfer Program, to identify and transfer relevant federal technology and equipment including interoperable communications, personal protective equipment, detection devices (weapons, biohazards, etc.), vehicles, and other capabilities to the state and local public safety community nationwide. The development of the transfer process was accomplished through a series of interagency meetings between OASD(HD) and representatives from OIC and NIJ. The OIC is also working to improve the rate of P25 compliance, by working with the National Institute of Standards and Technology and other federal partners to develop a P25 Conformity Assessment Program. The Program will ensure that public safety agencies purchasing wireless devices and systems designated as P25-compliant can be confident that the purchased equipment actually meets P25 standards. On behalf of OIC, I would like to thank you for your ongoing diligence and contributions to the interoperability priority.We welcome your feedback on our efforts and the utility of our tools and resources. I look forward to continuing our work and I am confident that together we can make great strides in the coming year.

Sincerely,
David Boyd, Ph.D.
Director, OIC

Interoperability Talking Points

April 2006

In general, interoperability refers to the ability of public safety emergency responders to work seamlessly with other systems or products without any special effort. Wireless communications interoperability specifically refers to the ability of public safety officials to share information via voice and data signals on demand, in real time, when needed, and as authorized. For example, when communications systems are interoperable, police and firefighters responding to a routine incident can talk to each other to coordinate efforts. Communications interoperability also makes it possible for public safety agencies responding to catastrophic accidents or disasters to work effectively together. Finally, it allows public safety personnel to maximize resources in planning for major predictable events such as the Super Bowl or an inauguration, or for disaster relief and recovery efforts.

- The number one condition for making intelligent decisions and responding in a safe and effective manner is communications. This is a very high priority for the department. This means not only completing the process of deploying various gateways that allow us to speak at a command level, but driving forward on making sure that we do have common protocols to allow interoperability and see what we need to do to jumpstart the process of moving finally into the Digital Age, with respect to communications capabilities that would allow command level communication across the board, using a common platform.

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- As the nation strives to become interoperable, cooperation across agencies—federal, state, and local—is essential. Partnerships have proven invaluable to the Department of Homeland Security's (DHS) Office for Interoperability and Compatibility (OIC) as it strengthens and integrates its efforts to improve public safety preparedness and response at all levels of government.

- The department is also working to improve the rate of P25 compliance, by working with the National Institute of Standards and Technology and other federal partners to develop a P25 Conformity Assessment Program. The program will ensure that public safety agencies purchasing wireless devices and systems designated as P25-compliant can be confident that the purchased equipment actually meets P25 standards.

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BASELINE SURVEY

- The request to take a snapshot of existing capacity for interoperability came through the public safety community in January 2005. SAFECOM began working to develop a valid survey instrument.

- SAFECOM initiated focus groups of emergency responders to validate the survey instrument; it was further validated by the department and other federal interoperability programs, and submitted to the Office of Management and Budget (OMB) for the Paperwork Reduction Act (PRA) process. It took approximately 15 months for development, validation, and approval of the survey. Validation with respondents took the most time.

- The areas are identified in SAFECOM's Interoperability Continuum, which provides the framework for the survey.

- The National Interoperability Baseline Survey is more comprehensive than previous surveys and is designed to assess and generate insights into five critical areas that determine an organization's capacity for interoperability – governance through administration and decision making, standard operating procedures, technology, training and exercises, and usage of interoperable communications.

- To achieve a representative sample, SAFECOM is asking approximately 37,000 agencies from 50 states and the District of Columbia to respond to the survey. SAFECOM officials also will ask the homeland security directors of the 50 states and District of Columbia to complete a shorter version of the survey.

GRANT FUNDING

- Over the last three years, federal agencies—principally the Department of Homeland Security—have provided grants to state and local public safety agencies, over $2 billion of which has been used for interoperable communications.

- In addition to grant funding, federal agencies have been appropriated funds to conduct: research, development, testing, and evaluation; standards development; technical assistance; and pilot programs to assist state and local public safety in improving interoperable communications. This funding has produced key deliverables for state and local public safety, including: targeted equipment procurement; grant guidance; technical assistance in high-risk urban areas; communications requirements definitions; acceleration of standards development; training; frameworks for systems architecture development; and interoperable planning tools and methodologies. More importantly, this funding has provided key tools and resources that will allow the public safety community to plan for and apply interoperability solutions.

Interoperability Talking Points

December 29, 2005

- As the nation strives to become interoperable, cooperation across agencies—federal, state, and local—is essential. Partnerships have proven invaluable to the Department of Homeland Security's (DHS) Office for Interoperability and Compatibility (OIC) as it strengthens and integrates its efforts to improve public safety preparedness and response at all levels of government.

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    - 1401 Technology Transfer Program; and,
    - Project 25 (P25) Compliance.

National Bio and Agro-Defense Facility

Talking Points
April 2006

- The department received 29 submissions from 20 states and the District of Columbia.

- The states are:

Alaska	Missouri
Arkansas with Louisiana	Mississippi
Arizona	North Carolina
California	North Dakota
Colorado	New Mexico
Florida	Oklahoma
Georgia	Pennsylvania
Iowa	Texas
Kansas	Wisconsin
Kentucky with Tennessee	District of Columbia
Maryland	

- Sites are proposed in New Jersey, Florida, Texas and California.

- The Plum Island Animal Disease Center (PIADC) remains a potential site for the NBAF.

- The department mailed an acknowledgement letter to all respondents advising that their EOI submission packages had been received.

- Only packages postmarked no later than March 31, 2006 will be reviewed.

- EOI submissions will be reviewed by a multi-agency, multi-disciplinary review team composed of senior government scientists and engineers from DHS, HHS, DOD, and USDA.

- Review teams will evaluate each EOI submission using four site criteria - in the EOI: Acquisition/Construction/Operations
  - Research Capabilities
  - Workforce
  - Community Acceptance

- DHS anticipates completing the review process in fall 2006, ultimately compiling a short list of sites for analysis as reasonable alternatives to be considered in a National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS), which will assess the environmental impacts of constructing and operating the NBAF at the various alternative sites. The sites chosen for the EIS will be announced via a Notice of Intent published in the Federal Register , at which time the public will have the opportunity to comment on the scope of the analysis.

- DHS will issue a Record of Decision in 2008, announcing results of the several EIS reports and selection of a site for the future NBAF.

FY2006 Budget

Talking Points
October 2005

- President George W. Bush's FY 2006 budget request includes a total of $41.1 billion for the Department of Homeland Security. This is an increase of seven percent over the enacted FY 2005 funding, excluding Project BioShield.

- This year's request demonstrates the Administration's continued commitment to making further improvements to the nation's homeland security.

Overall FY 2006 Budget Highlights

Among the entities with significant budgetary increases are Immigration and Customs Enforcement with a 13.5 percent increase and the U.S. Coast Guard with an increase of more than nine percent.

The budget includes the establishment of the **Domestic Nuclear Detection Office (DNDO)**. The DNDO will develop, acquire and support the deployment and improvement of a domestic system to detect and report attempts to import, assemble, or transport a nuclear explosive device, fissile material or radiological material intended for illicit use. The DNDO will be located within DHS and will be jointly staffed with representatives from DHS, the Department of Energy, the Department of Defense, and the Federal Bureau of Investigation (FBI), with coordination between the Department of Justice, Department of State, intelligence community, and other departments as needed.

The budget proposes to consolidate the various DHS screening activities with the formation of the **Office of Screening Coordination and Operations (SCO)** within the Border and Transportation Security (BTS) directorate. This new organization would enhance terrorist-related screening through comprehensive, coordinated procedures that detect, identify, track and interdict people, cargo and other entities and objects that pose a threat to homeland security. This effort to integrate existing resources to work more efficiently, brings together several similar ongoing screening efforts under one office, including: United States-Visitor and Immigrant Status Indicator Technology (US-VISIT); Secure Flight and Crew Vetting; Free and Secure Trade (FAST); NEXUS/Secure Electronic Network for Travelers Rapid Inspection (SENTRI); Transportation Worker Identification Credential (TWIC); Registered Traveler; Hazardous Materials Trucker Background Checks; and Alien Flight School Checks.

The effectiveness of state and local homeland security assistance can be increased through an approach that closes the most critical gaps in terrorism prevention and preparedness capabilities. Over $2 billion in grants for states and urban areas would be based on assessments of risk and vulnerability, as well as the needs and priorities identified in state and regional homeland security plans. The proposed **Targeted Infrastructure Protection program** would provide $600 million in integrated grants, enabling DHS to supplement state, local and regional government efforts in their

protection of critical national infrastructures such as seaports, mass transit, railways, and energy facilities.

In FY 2006, DHS seeks to **consolidate the research, development, test and evaluation (RDT&E)** activities within the DHS Science and Technology (S&T) directorate. This consolidation, in the amount of $127 million, will bring the scientific and engineering personnel and other RDT&E resources of the Department under a single accountable authority.

The Department requests $49.9 million to begin to establish a regional structure for DHS and integrate and identify efficiencies within information technology, facilities, and operations centers across DHS. Of the 22 agencies that were brought together to form the Department, twelve have regional and field structures ranging in size from three to thirty offices distributed throughout the nation.

Aviation security is a shared responsibility of the federal government, airports, airlines and traveling public. Airport screening, one element of aviation security, benefits passengers and air carriers by protecting them from threats. These costs should be borne primarily by the beneficiaries of screening services. The budget proposes raising the fee on a typical one-leg ticket from $2.50 one way to $5.50. For passengers traveling multiple legs on a one-way trip, that fee would increase from the current maximum of $5.00 to $8.00. Fees cover nearly the full cost of aviation screening operations.

The President remains committed to ensure America welcomes the contributions of immigrants. The budget continues funding for the President's multi-year $540 million initiative enabling U.S. Citizenship and Immigration Services to reduce the backlog of applications and ensure a six-month processing standard for all applications by the end of 2006.

The budget revolves around five major themes: **Revolutionizing the Borders; Strengthening Law Enforcement; Improving National Preparedness and Response; Leveraging Technology; and Creating a 21st Century Department.**

Revolutionizing the Borders

- **Weapons of Mass Destruction (WMD) Detection Technology** is an integral part of the DNDO comprehensive strategy to address the threat of nuclear and radiological terrorism. The budget includes $125 million to purchase additional Radiation Portal Monitors (RPMs) and pilot advanced next generation RPMs to detect both gamma and neutron radiation at our borders.

- The **Container Security Initiative (CSI)**, which focuses on pre-screening cargo before it reaches our shores, will have a preventative and deterrence effect on the use of global containerized shipping of WMD and other terrorist equipment. Egypt, Chile, India, Philippines, Venezuela, Bahamas and Honduras have been identified as

pilots for screening in FY 2006. An increase of $5.4 million over FY 2005 is included in CBP's budget for CSI, for a total request of $138.8 million.

- **CBP Targeting Systems** aid in identifying high-risk cargo and passengers. The budget includes a total of $28.3 million for these system initiatives, which includes a $5.4 million increase.

- **America's Shield Initiative (ASI)** enhances electronic surveillance capabilities along the northern and southern land borders of the U.S. by improving the sensor and video surveillance equipment deployed to guard against the entry of illegal aliens, terrorists, WMDs and contraband into the U.S. The budget includes $51.1 million, an increase of $19.8 million.

- **US-VISIT**, which is proposed for consolidation within the SCO, increases from $340 million to $390 million. The increase will provide for the accelerated deployment of US-VISIT at the land borders and enhance access for border personnel to immigration, criminal and terrorist information.

- The **Customs Trade Partnership Against Terrorism (C-TPAT)** focuses on partnerships all along the entire supply chain, from the factory floor, to foreign vendors, to land borders and seaports. The budget includes an increase of $8.2 million, for a total amount of $54.3 million. The increase will enhance our ability to conduct additional supply chain security validations.

- **Border Patrol Staffing** would increase along the southwest border and coastal areas, in part to replace some Border Patrol agents shifted to the northern border as required by the Patriot Act. An increase of 210 agents and $36.9 million is included in the budget for the Border Patrol. This increases the Border Patrol Agents to 10,949.

- **Long Range Radar** technology is used by the Office of Air and Marine Operations to detect and intercept aircraft attempting to avoid detection while entering the U.S. (b) (7)(E)

Strengthening Law Enforcement

- The **Armed Helicopter for Homeland Security Project** increases by $17.4 million in the budget. These funds will provide equipment and aircraft modifications to establish armed helicopter capability at five USCG Air Stations. This will provide the USCG and DHS with the tools needed to respond quickly

and forcefully to emergency maritime threats. A total of $19.9 million is included in the budget for this project.

- The **Integrated Deepwater System** increases by $242 million to a total of $966 million in FY 2006 to continue the acquisition of the USCG's Maritime Security Cutter–Large, complete design of the Maritime Security Cutter–Medium, promote completion of the Multi-Mission Cutter Helicopter (re-engineered and electronically upgraded HH-65 helicopter) and significantly improve fixed and rotary wing aircraft capabilities. These upgrades will increase awareness and are crucial for an integrated, interoperable border and port security system.

- The **Response Boat-Medium Project** increases the effort to replace the USCG's 41-foot utility boats and other large non-standard boats with assets more capable of meeting all of the USCG's multi-mission operational requirements by $10 million. A total of $22 million is proposed in the budget for this effort.

- The **Federal Air Marshal Service (FAMS)** seeks a total of $688.9 million. This funding will allow ICE to protect air security and promote public confidence in our civil aviation system.

- **Detention and Removal** within ICE increases by $176 million for detention and removal activities. Total increases for this program are approximately 19 percent above the FY 2005.

- **Temporary Worker Worksite Enforcement** increases will more than double the resources available for worksite enforcement including employer audits, investigations of possible violations and criminal case presentations. An increase of $18 million is in the budget.

- **Federal Flight Deck Officers (FFDO)/Crew Member Self-Defense (CMSD) Training** is increased by $11 million in FY 2006 for a total of $36.3 million. This allows for the expansion of the semi-annual firearm re-qualification program for FFDO personnel and to fund the first full year of the CMSD training program.

Improving National Preparedness and Response

- **Federal assistance for our nation's first responder community**. The budget includes $3.6 billion for grants, training, and technical assistance administered by the Office of State and Local Government Coordination and Preparedness (SLGCP). This funding will support state and local agencies as they equip, train, exercise, and assess preparedness for emergencies regardless of scale or cause.

- **Enhanced Catastrophic Disaster Planning** is budgeted at $20 million for FEMA to work with states and localities, as well as other federal agencies, to develop and implement plans that will improve the ability to respond to and to recover from catastrophic disasters.

- The **Office of Interoperability and Compatibility (OIC)** within the S&T Directorate will allow the Department to expand its leadership role in interoperable communications that could be used by every first responder agency in the country. The OIC has currently identified three program areas: communications, equipment, and training. With $20.5 million in FY 2006, the OIC will plan and begin to establish the training and equipment programs, as well as continue existing communication interoperability efforts through the SAFECOM Program.

- Replacement of the USCG's **High Frequency (HF) Communications System**, funded at $10 million in the budget, will replace unserviceable, shore-side, high power high frequency transmitters, significantly improving long-range maritime safety and security communications.

- The **Rescue 21** project is funded at $101 million in the budget to continue recapitalizing the Coast Guard's coastal zone communications network. This funding will complete system infrastructure and network installations in 14 regions and begin development of regional designs for the remaining 11 regions.

Leveraging Technology

- **Low Volatility Agent Warning System** is a new FY 2006 initiative totaling $20 million. Funding is included to develop a system that will serve as the basis for a warning and identification capability against a set of chemical agents whose vapor pressure is too low to be detected by conventional measures.

- **Counter-MAN Portable Air Defense Systems (C-MANPADS)** funding is increased by $49 million to a total of $110 million in the budget. This program will continue to research the viability of technical countermeasures for commercial aircraft against the threat of shoulder-fired missiles.

- **Cyber Security** is enhanced in the budget to augment a 24/7 cyber threat watch, warning, and response capability that would identify emerging threats and vulnerabilities and coordinate responses to major cyber security incidents. An increase of $5 million is proposed in the budget for this effort, bringing the program total to $73.3 million.

- **Secure Flight/Crew Vetting** requests an increase of $49 million to field the system developed and tested in FY 2005. The funds will support testing, information systems, connectivity to airlines and screen systems and daily operations. This also includes an increase of $3.3 million for crew vetting.

- The budget includes $174 million to complete installation of **High Speed Operational Connectivity (Hi-SOC)** to passenger and baggage screening checkpoints to improve management of screening system performance.
- **Emerging Checkpoint Technology** is enhanced by $43.7 million in FY 2006 to direct additional resources to improve checkpoint explosives screening. This assures that TSA is on the cutting edge, ahead of the development of increasingly well-disguised prohibited items. This proposed increase will result in investing more than $100 million invested in FY 2005 and FY 2006 for new technology to ensure improved screening of all higher risk passengers.

- **Homeland Secure Data Network (HSDN)** includes $37 million in the budget. These funds will streamline and modernize the classified data capabilities in order to facilitate high quality and high value classified data communication and collaboration.

- The **Homeland Security Operations Center (HSOC)** funding is increased by $26.3 million bringing its FY 2006 funded level to $61.1 million. This includes an increase of $13.4 million for the Homeland Security Information Network (HSIN) and an increase of $12.9 million to enhance HSOC systems and operations.

Creating a 21st Century Department

- **Electronically Managing enterprise resources for government effectiveness and efficiency** (**eMerge^2**) funding of $30 million in the budget to continue implementation of a DHS-wide solution that delivers accurate, relevant and timely resource management information to decision makers. By delivering access to critical information across all components, the Department will be able to better support its many front-line activities.

- **MAX ^{HR}** funding of $53 million is to continue the design and deployment of a new human resources system. As outlined in final regulations, issued jointly on February 1, 2005, by Secretary Ridge and the Director of the Office of Personnel Management (OPM) Kay Coles James, the MAX^{HR} system provides greater flexibility and accountability in the way employees are paid, developed, evaluated, afforded due process and represented by labor organizations. The goal is a 21st century personnel system that enhances mission-essential flexibility and preserves core civil service principles and the merit system.

- The **Information Sharing and Collaboration** (ISC) program will affect the policy, procedures, technical, process, cultural, and organizational aspects of information sharing and collaboration, including coordinating ISC policy with other federal agencies, drafting technical and operational needs statements, performing policy assessments and analyzing new requirements. The total funding for FY 2006 will be $16.5 million.

FY06 – 10 FYHSP Background and Talking Points

Background:

- 2002 Homeland Security Act and 2004 Department of Homeland Security Financial Accountability Act require a Future Years Homeland Security Program (FYHSP) – a five-year program resource plan

- This 5 year resource plan strategically aligns resources to meet our goals and objectives

- The FYHSP displays all people, expenses, capital equipment, and other resources associated with programs approved by the Secretary; it also summarizes the changes (increases and decreases) planned for the next 5 years

- Identifying our long-range strategies and resource requirements allows DHS to better ensure priority programs are successful and better able to accommodate changing circumstances.

- DHS is only one of three Departments with formal long range planning of this type because of the magnitude of our mission and the breadth of our responsibilities

- FYHSP due to Congress each year at the time of the annual budget request

2002 Homeland Security Act of 2002 and 2004 DHS Financial Accountability Act require the FYHSP to contain the following information:

- The same type of information, organizational structure, and level of detail as the future years defense program submitted to Congress by the Secretary of Defense;

- The DHS homeland security strategy of the Department (DHS Strategic Plan), which shall be developed and updated as appropriate annually by the Secretary, and that was used to develop program planning guidance for the Future Years Homeland Security Program; and

- An explanation of how the resource allocations included in the FYHSP correlate to the DHS Strategic Plan.

Last Year's FYHSP:

- FY05-FY09 FYHSP was completed in draft but not submitted to Congress due to the changes that would have been required to address the 9/11 Report.

- The FY06-FY10 FYHSP will be the first submitted to Congress—it will be submitted in March 2005.

- FY07-FY11 FYHSP under construction. Integrated Planning Guidance prepared awaiting signature—OEs working on Resource Allocation Plans due in March 2005.

Talking Points Provided to DHS OEs

- The first FYHSP submitted to Congress will be the FY06-FY10 FYHSP.

- We plan on submitting the FY2006-2010 FYHSP to the Hill on March 4th.

- The FY2006-2010 FYHSP reflects the FY06 President's budget request and includes the five-year resource plans to continue those programs and includes additional funding for priority initiatives. The FYHSP amplifies and builds on the direction supported in the FY06 President's budget request.

- The FYHSP does not identify funding profiles for individual projects or programs.

- Congress, in the 2004 DHS Financial Accountability Act, directed DHS to explain how the resource allocations in the FYHSP correlate to our homeland security strategy (the DHS Strategic Plan).

- The FYHSP document is organized around the strategic plan, not by appropriation. Individual program funding is allocated to Strategic Goals and Objectives based on the allocation provided by each of you.

- Unlike a budget request going to the Hill, the FYHSP is not cast in stone. We will review priorities, plans and funding levels in the FYHSP annually with a long-term view of where we want to go and the best way to get there.

[Those testifying at hearings or meeting with staffers should be prepared to answer general questions on the FYHSP. (Q&As attached)]

[Details on outyear resource levels for specific projects or initiatives should not be provided but should be taken for the record.]

FY06 – 10 FYHSP Questions

1. **Does the FHYSP include any major policy changes from the FY 2006 Budget?**

   The FYHSP does not include any major policy changes from the FY 2006 budget. The FYHSP amplifies and builds on the direction supported in the FY06 President's budget request.

2. **Section 874 of the Homeland Security Act of 2002, requires the Department to submit annually a Future Years Homeland Security Program (FYHSP)—a five-year resource plan. The Department has done a great job in delivering the first FYHSP . How will this FYHSP compare to subsequent FYHSPs?**

   The Department reviews priorities and plans annually with a long-term view of where we want to go and the best way to get there. The Department expects that over the FYHSP period, we will learn more about the risks and threats to our Nation—and about the most effective ways to combat them. As such, resource requirements will be reassessed and re prioritized. Funding levels in the FYHSP will be subject to the annual review and the President and the Congress will have opportunity to review the Department's budget requests.

3. **Did you use risk-management as a tool in the development of the FYHSP?**

   To support development of the FYHSP, the Department established a comprehensive Planning, Programming, Budgeting, and Execution process (PPBE). The PPBE process is a strategic decision-making process. It links strategic direction and priorities, while considering risk assessments and resource constraints, to the thousands of detailed readiness actions needed to meet the mission of the Department of Homeland Security. Our strategy will build upon the significant strides made in establishing appropriate organizational and program structure, risk management tools, and an aggressive human resource management strategy.

   Many of the program initiatives supported in the FYHSP focus on management, particularly those programs involving screening and targeting. Policy decisions about such matters as visitor, cargo and conveyance screening and targeting systems will have long-term implications. In this FYHSP, new or expanded programs have been prioritized based on their ability to increase homeland security in measurable ways.

4. **Why is the FYHSP organized by strategic goal?**

   The strategic plan, developed by the top leadership in the Department, provides the framework to guide the Department's plans and activities. The vision and mission statements, strategic goals and objectives provide the structure guiding the 1,000s of actions that make up the daily operations of the department. As such, the strategic plan is the guiding document for the FYHSP. The strategic plan breaks down traditional stovepipes and focuses on the full spectrum of what the Department must accomplish to provide a more secure homeland.

5. **Are the Department's non-homeland security activities maintained at current services?**

   While the highest priority within the Department is improving homeland security capabilities, the Department also will ensure functions not related directly to countering terrorism are supported. The total funding level reflected in the FYHSP can support maintaining traditional non-homeland security activities at the current services level assuming the economic assumptions used to develop the FYHSP. However, there are competing resource demands within DHS; each year the budget request and updated FYHSP will reflect the final near-term budget priorities.

6. **Are there any savings assumed in the FYHSP? Major program reductions or reorganizations?**

   The FY06-FY10 FYHSP assumes the same magnitude of savings included in the FY06 budget. As part of strategic planning, the Department is identifying ways to leverage expertise and assets across components to meet common needs and requirements to maximize the use of resources and capabilities. The Department will reinvest and redirect existing resources to meet the most critical needs. The FYHSP does not include any major policy changes from the FY 2006 budget or Departmental reorganizations.

7. **What does the FYHSP assume about resources for preparedness grants to states and localities? Does it assume changes in the program mix or the way funds will be allocated? Are funds tied to milestones in state plans or other specific goals?**

   The FYHSP assumes the level of preparedness grants to states and localities will be constant through FY10. The program mix and the way funds are allocated will be assessed based on progress made in improving preparedness across the nation and in consultation with Congress. State and locality planning goals and milestones will be considered in assessing states and localities' progress in improving preparedness levels. Proposed grant-funded activities will be reviewed for alignment with identified capability gaps, State strategic goals and objectives, and National priorities. DHS will consider factors such as threat, presence of critical infrastructure, vulnerability, population, borders, and ports of entry in making final award determinations.

8. **Was the FY05-FY09 completed as requested by Congress and if so was it ever submitted?**

   The FY05-FY09 FYHSP was completed but not submitted to Congress due to the changes that would have been required to address the 9/11 Commission Report. DHS discussed this with OMB and Congress, and all agreed that the first FYHSP submitted to Congress would be the FY06-FY10 FYHSP.

9. **Does the FYHSP support Coast Guard's recapitalization and modernization, including Deepwater acquisition program?**

   Resources are included in the FYHSP to help recapitalize and modernize the Coast Guard. Significant capital projects currently underway to ensure Coast Guard's assets are prepared to meet mission requirements include Deepwater, Rescue 21, shore facility projects, replacement of Response Boats, the armed helicopter project, and the nationwide Automatic

Identification System (AIS). DHS will continue to review modernization issues to meet mission requirements.

DHS is strongly supports the goals of the Deepwater Program. The FYHSP continues the FY06 Budget policy in regard to the overall Deepwater program. Deepwater represents a recapitalization and modernization of the Coast Guard's major surface and air assets. The capability delivered to the Coast Guard and the nation through this program represents the future of Coast Guard presence and will continue to be a critical investment in our national and maritime security strategies and the ability to provide a layered defense. The resources planned in the FHYSP will enable DHS to target the highest priority projects to recapitalize and modernize the Coast Guard.

10. Does the FYHSP support the Intelligence Reform and Terrorism Prevention Act?

Yes. The FYHSP strongly supports the Intelligence Reform and Terrorism Prevention Act. DHS has allocated significant resources to help meet the requirements of the Intelligence Reform and Terrorism Prevention Act. We are strengthening security of our nation's borders, ports of entry and transportation systems, improving information sharing and interoperability, and increasing our ability to prevent weapons of mass effect from entering our country. DHS is working to ensure those charged with protecting America have the best possible intelligence information and the technology, systems, and equipment to meet threats to our security.

11. What does the FYHSP assume about key TSA programs such as screener staffing and EDS equipment and installation?

Based on expected growth in the number of airline passengers over the next five years, DHS is evaluating the screening workforce to determine adequate staffing levels to maintain appropriate levels of security and customer service. Airline passenger screening demand is expected to grow by over 17% in FY 2006 compared to FY 2003 and DOT/FAA projects that passenger growth will continue into the outyears.

TSA's EDS/ETD Systems are the cornerstone to complying with the Aviation Transportation Security Act's 100% electronic screening requirement for checked baggage and achieving staffing efficiencies. TSA will purchase and install EDS (which includes next generation) and ETDs needed for initial installation and for life-cycle replacement. Next Generation (Next Gen) EDS availability is a direct result of prior year investments in the research and development of Checkpoint and Electronic Baggage screening systems. These systems are expected to provide improved detection capabilities and improved passenger and baggage throughput. It may be possible that one Next Gen EDS could replace three ETD machines used for primary screening today. This solution could potentially provide approximately 130 airports with EDS security benefits and could provide airports that only had partial EDS capabilities to have full EDS screening capability by the end of FY 2008.

One method for purchasing and installing EDS equipment is through Letters of Intent (LOIs) with airports. TSA reimburses the airport over time for a portion of costs related to these activities, and purchases and installs the needed EDS equipment to complete the project. TSA also is planning for the recurring costs of performing maintenance on all of the EDS/ETD systems that have been and will be installed to protect the nation's transportation infrastructure, as well as the operational integration of emerging technologies.

Homeland Security Data Network

Talking Points

- DHS Accredited HSDN for Initial Operations on April 22, 2005
- Through its secure connections, HSDN provides authentication services, productivity programming, classified e-mail, and file sharing for the authorized users.
- In response to questions from the IG Report:
    - The HSDN Program Office has involved users, and continues to involve uses, through the HSDN Users Working Group – which consists of users from throughout the departments components
    - All of the activities identified on page 12 of the IG report have been met and the system has been tested, certified and accredited by the HSDN Security Accreditation Working Group – which included independent testing from an outside third party
- A target date for DHS to wean from SIPRNET was discussed early in the program between the Defense Information Systems Agency and DHS. However, the CIO's office never believed it was going to be "shut out" of SIPRNET. Yes, the timeline for HSDN was aggressive, but methodical.

MAX^{HR} Program Overview

Talking Points

- In a post-9/11 world, the mission of securing America requires a nimble and responsive government workforce and a human capital framework that supports the needs of a 21st Century Department. The human capital systems of the past 75 years are simply inadequate for these demands.

- Recognizing that need, in 2002 Congress passed legislation granting DHS and OPM the authority to create a contemporary, flexible and accountable human resources (HR) management system -- MAX^{HR}.

- MAX^{HR} provides a system that allows the Department to act swiftly and decisively in response to critical homeland security threats and other mission needs. It is based upon modern HR practices that are closely aligned with DHS' mission and better meets the needs of the Department and its employees.

- **$53m is requested for MAX^{HR} in the President's FY 2006 budget.**
    - **$10 million is requested for training of all affected employees, including managers;**
    - **$10 million** for employee pay for performance salary adjustments;
    - **$18 million** for analysis and technical assistance for performance management design, pay for performance integration, and competency development and assessment;
    - **$9 million** for program management, oversight and evaluation; and
    - **$6 million** to fund the Homeland Security Labor Relations Board.

- The MAX^{HR} system:

    - ✓ Reinforces the commitment to employees and the pledge to preserve fundamental merit principles, to prevent prohibited personnel practices, and to honor and promote veterans' preference;

    - ✓ Implements a pay-for-performance program that will replace the General Schedule with market-based pay bands, in which employee pay progression is solely driven by performance and/or competency attainment—not longevity;

    - ✓ Benchmarks positions in new DHS occupational clusters with other similar positions in the marketplace to establish minimum and maximum rates of pay for pay bands—ensuring DHS' ability to compete for top talent. Annual compensation surveys will be used to establish ranges of pay for covered DHS employees;

    - ✓ Trains DHS managers to set clear performance expectations and to link employee performance objectives to organizational goals;

    - ✓ Expands management rights that are non-negotiable to ensure DHS' ability to respond to operational needs;

- ✓ Preserves collective bargaining but reduces the number of situations in which bargaining is required; and

- ✓ Streamlines adverse actions and appeals processes for DHS employees, ensuring the Department's ability to effectively deal with performance and conduct issues, including standard notification and response periods, while retaining due process protections.

- **MAX^{HR} is currently being rolled out to DHS organizational elements**. Thus far, the Department has:

  - ✓ Conducted substantial planning, communication and outreach to ensure good design and smooth agency-wide deployment, including weekly newsletter articles, daily monitoring and response to an estimated 1200 employee emails, cascading brief-the-briefer sessions across the Department, and production of an all-employee MAX^{HR} satellite broadcast.

  - ✓ Hosted 30 focus groups of managers, supervisors, and employees (bargaining and non-bargaining unit) in 10 geographic locations to address performance management program design options.

  - ✓ Convened an estimated 10-15 Technical Advisory Groups and other working groups to address competencies and Classification and Pay Design options.

  - ✓ Surveyed 500+ employees to validate organizational core competencies that will be integrated into the MAX^{HR} performance management design.

  - ✓ Facilitated weekly continuing collaboration sessions with National Treasury Employees Union (NTEU) and American Federation of Government Employees (AFGE).

  - ✓ Identified nine notional occupational clusters and over 200 DHS positions that will serve as benchmarks for upcoming market pricing and establishment of new pay bands.

  - ✓ Let a contract for a new e-Performance system to facilitate more interactive goal planning and the linkage of organizational and individual performance objectives.

  - ✓ Drafted new Labor and Employee Relations program management directives and initiated formal review processes with DHS management and employee representatives.

  - ✓ Developed interim operating procedures for the Homeland Security Labor Relations Board.

  - ✓ Launched labor relations/employee relations training nationwide; 10 training sessions are scheduled for the month of May 2005.

  - ✓ Scheduled executive and managerial training to support full deployment of the system.

Background

Key Regulatory Provisions:

- Market-based pay - --The General Schedule (GS) pay system, primarily a longevity-based system, does not reinforce a culture of results and accountability. Under the current GS system, 100% of employees receive a general pay increase (even employees rated "unacceptable") and an estimated 99% of employees receive a with-in-grade increase simply for the passage of time. The DHS pay-for-performance system, by contract, is designed to recognize and reward performance and to ensure that pay is competitively linked to "markets" with which DHS competes for key talent. The current over 50-year old GS pay system is not sufficiently market-sensitive and under-values the talents of many of the Department's most critical employees.

- Performance Management – Current performance management practices with their annual written standards, pass/fail systems, and generic performance elements do not adequately focus attention on specific, measurable work plans to guide employee results. In a pay for performance environment, DHS is better positioned to move toward specific employee work plans where results and employee contribution is directly linked to compensation and reward. A culture of performance and accountability is critical to the DHS mission.

- Labor Relations – the ability to act quickly is central to the Department's mission and in meeting day-to-day operational demands. The Department must be able to assign and deploy employees and to introduce the latest in security technologies without delay. To facilitate mission accomplishment, the list of management rights that are prohibited from bargaining has been expanded, however collective bargaining has been preserved and collaboration with unions is encouraged. The Homeland Security Labor Relations Board has been established to ensure efficient resolution of labor/management issues and to ensure appropriate consideration of DHS mission needs.

- Adverse Actions and Appeals – Key changes, including shortened notice and concurrent response periods and optional performance improvement periods, are provided to simplify and streamline adverse action procedures and to provide for greater individual accountability. Employee due process is protected and the role of MSPB and EEOC is preserved.

"DHS does not comment on pending litigation. However, let me say, a lot of time and careful analysis went into creating a human resources system to meet DHS's unique homeland security mission and we are confident that the final product both benefits employees and gives the department the flexibility to better protect our homeland."

Q: What are the specific elements of MAX^{HR}?

A: MAX^{HR} includes six elements:

- ***Performance Management*** – Individual performance will drive all pay increases.
- ***Pay*** – The GS Schedule will be replaced with at least four market competitive pay bands based on "occupational cluster" and locality as appropriate.
- ***Classification*** – Jobs will be grouped into "occupational clusters" based on similarity of work, qualifications, marketplace and competencies. Minimum and maximum salary levels will be market-based by occupational cluster.
- ***Labor Relations*** – Collective bargaining is preserved but limited to enable the Department to be nimble and responsive to operational and mission needs. For example, procedures for implementing changes in work processes and technology would not be bargainable. In addition, an independent Homeland Security Labor Relations Board will be established to handle DHS bargaining disputes.
- ***Adverse Actions*** – New, streamlined notice (minimum of 15 days) and reply periods (minimum of 10 days) for taking adverse actions. However, basic principles of employee due process remain unchanged including the rights to reply and to appeal or grieve an adverse action. DHS mandatory removal offenses will be established.
- ***Appeals*** – Revised and streamlined Merit System Protection Board procedures for hearing appeals. New, streamlined Mandatory Removal Panel procedures for hearing appeals of removals based on commission of a mandatory removal offense.

Classification	Compensation	Performance Management
▪ Simplified system ▪ Occupational clusters based on similarity of work, qualifications, marketplace and competencies ▪ Pay bands based on level of work within each cluster ▪ Pay ranges set by occupational cluster, band	▪ Performance replaces longevity as basis for individual pay increases ▪ Employees rated less than fully successful do not receive pay increases ▪ Pay ranges based on labor market (national and local), budget, etc. ▪ Compensation Committee (including union representatives) advises Secretary ▪ Additional detail provided for promotion, demotion, pay retention, etc.	▪ Individual expectations aligned with organizational goals ▪ Ratings will reflect meaningful distinctions in employee performance ▪ System results in improved organizational accountability ▪ Less emphasis on paper and more attention to manager-employee interaction ▪ Performance Improvement Periods no longer required
Labor Relations	**Adverse Actions**	**Appeals**
▪ Non negotiable management rights expanded to assure ability to act ▪ Bargaining on procedures prohibited, but management required to confer ▪ Limited bargaining on the impact of a management action ▪ Expedited collective bargaining with impasse resolution ▪ Homeland Security Labor Relations Board (HSLRB) established to ensure mission focus, provide one-stop dispute resolution ▪ Judicial review provided	▪ Due process preserved ▪ Single process for performance and conduct ▪ Streamlined 15-day notice/10-day reply period ▪ Initial Service Periods (trial periods) of up to 2 years for designated positions ▪ Mandatory Removal Offenses (MRO) to be identified	▪ Due process preserved ▪ Merit Systems Protection Board (MSPB) and arbitration retained ▪ Burden of proof changed to single “preponderance” standard ▪ MSPB procedures streamlined ▪ Mitigation permitted only when penalty is wholly without justification ▪ Mandatory Removal Panel established for MROs to ensure mission focus ▪ Judicial review provided

Q: Who will be covered by MAX^{HR}?

A: All DHS civilian employees are eligible for coverage under one or more subparts, with the exception of those covered by provisions of law outside Title 5. Major exclusions are:

- TSA employees – excluded from all subparts.
- EP&R Stafford Act Employees – excluded from all subparts.
- Secret Service – excluded from labor relations – and the Uniformed Division also excluded from pay and classification.
- Inspector General – excluded from all subparts.
- Wage Grade employees – not included in pay and classification in initial implementation.

Q: When will coverage take effect?

A: Until such time as the Secretary specifically makes a determination to cover eligible employees, all current rules, regulations, and procedures will continue to apply.

Using the framework established under the regulations:

The new policies and procedures for labor relations, adverse actions, and appeals, including the formation of the Homeland Security Board, will occur after 30 but no later than 180 days from the date of issuance.

The new performance management system is expected to be in place in the fall of 2005 with pay and classification changes implemented the following year for some employee groups.

Until these changes are implemented, DHS employees are covered by the current Title 5 civil service provisions.

Q: What are some of the expected employee benefits of MAX^{HR}?

A: Employees will see the following benefits from MAX^{HR}:

- Allowing DHS the flexibility to offer competitive salaries based on the pay for similar jobs in the local labor market.
- Enabling employees to receive merit-based increases each year based on their performance.
- Providing greater clarity about performance expectations and career paths.
- Promoting excellence within the work environment.

Q: How will MAX^{HR} benefit the organization?

A: MAX^{HR} will provide the following organizational benefits:

- Improved individual and organizational performance – enabling the Department to attract and retain the very best candidates.
- Greater focus on mission accomplishment – employee performance expectations will be directly linked to the goals and objectives of their work unit.
- More agile operations – including deployment and assignment of personnel.
- Ability to reward good performance and expeditiously deal with poor performance.

Q: Why have pay for performance?

A: Tying pay to performance allows organizations to provide monetary incentives to encourage employees to perform at their highest level, benefiting both the organization and individual employees.

From an organizational perspective, pay for performance reinforces an organization's mission by motivating peak performance and rewarding behaviors that support organizational goals.

From an employee perspective, it recognizes individual contributions and provides employees with greater control over their earning potential.

This two-way benefit is the primary reason many organizations opt for some form of pay for performance. In fact, research confirms that people perform better when they are rewarded for their performance.

Q: What are the key aspects of the new performance management system?

A: Key aspects include:

- Individual goals/objectives that support DHS' mission and strategic goals, and unit-level goals
- Continuous dialogue and feedback throughout the year between managers and their employees
- Developing and improving performance
- An automated system to enable more efficient and effective planning, tracking and communication

Q: How will you ensure that supervisors properly administer the new performance management system?

A: DHS will make a substantial investment in managerial training.

Training is a central component of MAX^{HR}, and an important focus will be on conducting performance appraisals in a fair and consistent manner. Managers will be held accountable for their role related to performance management, for example, one of their performance objectives should be the proper administration of the performance management system.

Q: How will MAX^{HR} change the way DHS deals with poor performers?

A: If performance is unacceptable, supervisors must consider the range of options available. For unacceptable performance or conduct, supervisors must consider a range of options available to address the performance deficiency which includes remedial training, an improvement period, reassignment, oral warning, letter of counseling, written reprimand, and/or an adverse action.

Q: Will MAX^{HR} include any reductions to employee pay?

A: There will be no reduction in current pay or benefits for employees as a result of the transition to MAX^{HR}.

Rather, the intent is that when employees are converted from the General Schedule to a pay band, their base pay will be adjusted to include a percentage of their next within-grade increase; based on the time spent in their current step and the waiting period for the next step.

In reality, most employees will receive a slight increase in salary upon conversion to a pay band.

Q: Since salaries will be based on market surveys, is it possible for my salary to go down from one year to another?

A: No. Employees will not have pay reduced as a result of any market surveys.

Q: Is it true that under the new system only a specific percentage of employees will be able to get performance-based increases?

A: No, under the new system, there will be no forced ratings or quotas. This means that all employees who meet or exceed performance expectations will be eligible for a performance-based increase.

Q: Can you explain occupational clusters and pay bands?

A: Jobs will be grouped into a limited number of broad occupational clusters based on occupational series.

For each occupations cluster, there are typically 4 “bands”: Entry/Developmental, Full Performance, Senior Expert, and Supervisory.

The bands have substantially wider ranges of pay opportunities than in the current system, have no steps, and are based on local labor market rates.

Within each cluster, promotion to another band (full performance to senior expert, for example) requires assessment and/or competition. Progress through the bands will be based on performance and demonstrated competencies.

Q: Who will be involved in making strategic compensation decisions?

A: The Homeland Security Compensation Committee will provide options and/or recommendations for consideration by the Secretary on strategic compensation matters, such as, the annual allocation of funds between market and performance pay adjustments and the annual market based adjustment of rate ranges.

Q: How does collective bargaining change with the new regulations?

A: The new regulations prohibit collective bargaining on procedures regarding an expanded list of core management rights (e.g. deploying personnel, assigning work, and using new technology).

Bargaining over arrangements for adversely affected employees would be required if the change has a significant and substantial impact and exceeds 60 days. The regulations maintain the right to bargain collectively over procedures and appropriate arrangements concerning other management rights such as layoffs, retention, discipline, and merit promotion.

Term bargaining will be limited to 90 days.

Mid-term bargaining will be limited to 30 days and is subject to impasse resolution.

Q: What is the Homeland Security Labor Relations Board?

A: The Homeland Security Labor Relations Board is an independent body that will be established to resolve bargaining matters and disputes.

The Board processes will facilitate quick resolution and maintain a focus on the Department's mission while ensuring fairness.

The new Board replaces the Federal Labor Relations Authority for DHS labor disputes although the FLRA will continue to decide DHS cases on certification of bargaining units, certain types or unfair labor practices and certain exceptions to arbitration decisions. Labor unions will be asked to provide nominees for the Secretary's consideration.

Q: What else will remain the same with the new labor relations regulations?

A: Unions will continue to negotiate on behalf of employees and represent employees in grievances and appeals.

Unions will also have the right to be present at investigatory meetings. The Department will continue consultation and collaboration with unions.

Employees and union representatives will continue to have protection against reprisal for exercising their rights under this regulation.

Q: What has changed about the adverse actions regulations?

A: The adverse action/appeals regulations create

- an Initial Service Period,
- Mandatory Removal Offenses,
- a single process for taking conduct and performance based actions, and
- streamlined adverse action procedures that will allow for a more efficient resolution of issues while maintaining employee due process rights.

The appeals section includes the addition of a Mandatory Removal Panel, a streamlined process for Merit Systems Protection Board appeals and an emphasis on using alternative dispute resolution.

Q: What is a Mandatory Removal Offense?

A: These are offenses that the Secretary will determine that have a direct and substantial adverse impact on the Department's homeland security mission, and therefore, warrant removal.

Employees charged with committing a mandatory removal offense will be given due process including the rights to reply to a proposal and to appeal the removal.

Once these offenses have been identified, they will be published in the Federal Register and publicized to employees annually.

Q: What is the Mandatory Removal Panel?

A: The Mandatory Removal Panel is an independent panel composed of three members appointed by the Secretary to review and decide all appeals involving Mandatory Removal Offenses.

These members will be independent, distinguished citizens of the United States who are well known for their integrity, impartiality and expertise in labor/employee relations, law enforcement/homeland security matters.

Q: Do employees still have Merit Systems Protection Board (MSPB) appeal rights?

A: Yes, employees retain their appeal rights to the MSPB.

The MSPB process has been streamlined to allow for quicker decisions, for example, filings with the MSPB must occur within 20 days after the effective date of the action being appealed and MSPB must act within 90 days of receiving the appeal.

Q: I have heard a lot about the Department of Defense (DoD) legislation regarding changes to its personnel system. Does this change what DHS is doing with its personnel system?

A: No. The DoD personnel system is a completely different piece of legislation. DoD is also in the process of establishing a separate pay for performance human resource system.

Q: Why aren't Homeland Security Senior Executive Service (SES) employees covered under the new pay system?

A: DHS SES employees are covered under a Federal Government-wide pay system that was recently revised, is performance-based, and is similar to the proposed DHS pay system.

In fact, OPM recently issued regulations that establish a single, open pay band for all SES employees, and increases in SES pay will no longer be automatic, but will be linked to performance.

As a result of these regulations, all departments and agencies, including DHS, are required to develop new performance management rules for the SES, which will be finalized this year.

Nonetheless, DHS SES members will play a key role in implementing MAX^{HR}, and in most cases, will supervise employees subject to MAX^{HR}.

Q: Many employees are concerned about fairness with the new program. How will that be addressed?

A: Training is a central component of MAX^{HR} and an important focus will be on implementing the new performance management rules fairly and consistently. In addition, a web-enabled performance management system will help managers and employees to complete performance appraisals in an objective, standardized and efficient manner.

Q: How is the Department planning to communicate details of the new system to employees?

A: In various forums with employees and managers, the MAX^{HR} design team has heard about the need for clear, consistent and frequent communications about the new human resources system. Communication is *always* important, but never more so than during major change initiatives such as this. DHS is committed to ensuring that all employees, managers, and executives are informed, and that they fully understand the new system, and *how and when* it will affect them.

We are also going to make it easy for employees to get the information they need – when they need it. As different elements of MAX^{HR} launch, employees will receive comprehensive communication and education so they *know what is happening, when, how* and *why*. This ongoing communication will be available to employees in email, leave and earning statement messages, weekly articles in the DHS Today MAX^{HR} News Corner, and during meetings with their managers. They will also receive details on an upcoming satellite broadcast at a DHS broadcast facility nearest them. Employees can also visit the intranet website for the latest information.

- **Performance Management Training**:
  - MAXHR training for all eligible DHS employees will commence this summer and continue with refresher training throughout the course of the MAXHR implementation.

  - Overall, as we implement broad changes to the DHS human resources system management under MAXHR, and as we will roll out training on the different components of MAXHR, we will train those audiences first who are in the best position to support the training and change efforts (i.e., in the following order: executives, HR professionals, managers/supervisors and ultimately to non-supervisory employees).

- **Pay for performance:**

  - Will be implemented in phases. As such, training for managers and supervisors will mirror implementation in the form of an initial launch training and "just in time" refresher modules.

  - Managers and supervisors will receive End-of-Cycle Performance Management Process training based on a just-in-time approach. This training includes a Pay-for-Performance Refresher and Pay Administration training. The phased approach will ensure that managers and supervisors learn the critical skills they need in a timely manner so they feel confident to make appropriate performance evaluations and pay decisions at the end of the performance cycle.

- **Timeline:**
  - Managers and supervisors in Phase 1 of the MAXHR rollout (Headquarters, Science & Technology, Information Analysis and Infrastructure Protection, Federal Law Enforcement Training Center, Emergency Preparedness and Response) will receive this training beginning in summer 2006

  - Managers and supervisors in Phase 2 (United States Coast Guard, United States Secret Service) in summer 2007

  - Managers and supervisors in Phase 3 (Customs and Border Protection, Citizenship and Immigration Services, Immigration and Customs Enforcement) in summer 2008

- **Funding**
  - FY05: $36m was enacted for MAXHR in the FY 2005 budget.
  - FY06: $53m is requested for MAXHR in the President's FY 2006 budget.

Northrop Grumman

Northrop Grumman Information Technology was awarded a Blanket Purchase Agreement (BPA) on June 29, 2004. The BPA is for a 3-year period with an estimated maximum ceiling of $175 million.

What is the purpose of this contract?

This contract will support the DHS Office of the Chief Human Capital Officer in designing and implementing a system that reflects the critical mission of the Department and supports and rewards the employees who perform it. The critical mission of DHS requires the best human resource system we can deliver and our people deserve no less.

How was Northrop Grumman selected?

Northrop Grumman was selected following a competitive process conducted among GSA Federal Supply Contract vendors in accordance with federal regulatory procedures. The factors considered in the selection were: experience and past performance in implementing, on a large-scale, new HR regulations and enterprise HR solutions; technical approach; management and staffing plan; and price.

What will Northrop Grumman be doing for DHS?

Northrop Grumman IT will provide the full range of services needed to assist Homeland Security in designing the core HR systems and services and developing and implementing recommended solutions necessary to "stand up," as well as maintain, a new human resources management system for DHS. In DHS, this initiative is referred to as MAX$^{HR.}$ The scope of the contract includes the following major efforts:

Program Management/Integration
In-depth Functional Expertise (Pay, Performance, Classification, Labor Relations, Adverse Actions, Appeals)
Training, Communications and Change Management
Human Resources Information Technology Implementation
Shared Services (Optional)

Why is DHS using a private company to design a new human resources management system?

Northrop Grumman IT is not designing the new human resources management system. Northrop Grumman, and their teaming partners such as Watson-Wyatt, bring valuable resources and expertise to supplement DHS' efforts and resources.

Performance Management Training Underway

Senior leadership is implementing a MAXHR leadership program to prepare DHS supervisors and managers for the new performance management system. Managers and supervisors are required to participate in the training prior to deployment of MAXHR in their component.

Registration Site
https://dhs.geolearning.com/

Performance Management Training

Starting this Month:

o Performance management training will begin July 25 for supervisors. Supervisors in those components scheduled to be among the first to move to performance management—FEMA, FLETC, IAIP, S&T, Headquarters (Office of the Secretary, Public Affairs, Management and BTS headquarters office only) and USSS—are encouraged to register as soon as possible at the DHS Online Training Registration Site: https://dhs.geolearning.com.

o Senior executives are scheduled for training in early August, and HR professionals in early September. Employee training is in development and will be available prior to the start of the new performance-based management system on Oct. 1. Look for additional details in the coming weeks.

Pay and Classification

In Progress:

o Further research and validation are under way for clusters and pay bands, with decisions on these key elements of MAX^{HR} expected in August.

o Competencies are currently being validated by DHS employees through the competencies survey, which is open to all MAX^{HR} –covered employees through July 15. Covered employees are encouraged to take this important survey and share their views on the defined competencies at this Web site: http://learning.uscg.mil/perseus/surveys/1662616114/5d6fa34.htm.

o Decisions on competencies and performance standards are expected in September. As soon as these critical decisions are made, information will be provided to enable employees to see how their GS series and grade will translate into a cluster and pay band in the new system, and what their performance standards and goals will be. Town Hall meetings will coincide with these decisions to provide employees with the opportunity to talk to the design teams and ask any questions they may have about the new system.

Labor Relations, Adverse Actions and Appeals

Coming Soon:

On Aug. 1, policies for labor relations, adverse actions, and appeals will go into effect. In addition, the Homeland Security Labor Relations Board (HSLRB) will be activated. The HSLRB will resolve issues relating to the scope of bargaining and the duty to bargain in good faith. It will adjudicate some complaints of unfair labor practices and exceptions to arbitration awards, and decide all negotiation impasses. In addition, the HSLRB may assume jurisdiction over any matter concerning Department employees that has been submitted to the Federal Labor Relations Authority, if the HSLRB determines that the matter affects homeland security.

Manzullo amendment to the Buy America Act

Talking points
May 19, 2005

- The Department of Homeland Security opposes the Manzullo amendment.

- The Department fully complies with the Buy American Act.

- The pending amendment would eviscerate the Buy America Act's historic and well-reasoned exceptions when adherence to the Act would be inconsistent with the public interest or the cost unreasonable.

- The Department is engaged in cooperative research, development, testing, and evaluation programs with the United Kingdom, Canada, and other trusted allies. The pending amendment would diminish the capacity of the Department to participate in such cooperative programs and, thus, would jeopardize the ability of the Department to exploit anti-terrorism technologies and frustrate its ability to solicit the cooperation of allies as it seeks to harvest these technologies to protect U.S. citizens.

- The pending amendment could limit the Secretary's discretion under the Buy American Act in ways that cannot be fully anticipate and, thus, work to the detriment of the public interest and the security of the homeland.

- The pending amendment is inconsistent with the flexibilities granted to the Secretary under the Homeland Security Act.

Public Affairs Guidance

LAST MODIFIED
11/2/05 12:00 PM

GUIDANCE

- Refer all calls to DHS OPA: (202) 282-8010

PRODUCTS

- SBI FACT SHEET
- SBI PRESS RELEASE

TALKING POINTS

- The Secure Border Initiative is a vision forward to gain operational control of our borders. DHS can't hermetically seal 7,000 miles and keep out 100% of illegal crossers. But we can create such a high likelihood of interdiction that it will have a strong and unequivocal deterrent effect on those who wish to cross illegally.

- This broad multi-year initiative looks at all aspects of the problem across the board – deterrence, detection, apprehension, detention, and removal. SBI, addresses these challenges with an integrated mix of increased staffing, more robust interior enforcement, greater investment in detection technology and infrastructure, and enhanced coordination on federal, state, local, and international levels.

- Accomplishing this vision will take tremendous partnership with state, local, tribal governments; our partners across the federal government (DOJ, State, etc.) and our international partners.

- Our borders represent an enormous security challenge – as well as a vital economic lifeline – protecting them is key to a safe and secure future for our nation. As we move forward on this long-term strategy to secure our borders, there will more details regarding SBI in the weeks and months to come.

Enhance border security by:

- Training and deploying more agents to patrol our borders, secure our ports of entry and enforce immigration laws;
- Expanding detention and removal capabilities to eliminate the practice of "catch and release" of illegal aliens ordered removed from the United States;
- Upgrading and modernizing technologies used to control the border; and expanding investment in infrastructure improvements at the border.

Strengthen interior enforcement of immigration laws by:

- Reducing legal inefficiencies and delays that have hampered interior enforcement in the past and allowing expedited removal of illegal aliens who have been in the U.S. for 14 days or less;
- Seeking out and removing illegal aliens who pose a criminal risk to their communities and to the nation;
- Improving worksite enforcement by expanding the use of tools that allow faster, more definitive verification of a worker's immigration status and by developing a set of "best practices" that employers can use to maximize their compliance; and
- Intensifying cooperation and information sharing with state, local and tribal governments and law enforcement agencies.

ADVISE Talking Points
February 22, 2007

ADVISE is:

The Analysis, Dissemination, Visualization, and Semantic Enhancement (ADVISE) framework is a framework of R&D knowledge management tools. ADVISE is not an operational system, and ADVISE does not collect data. It is a set of R&D information technology tools being developed to aid human analysis of large amounts of already collected data.

Being developed by the S&T Directorate, ADVISE is intended to deliver a technology or set of technologies; it is not a database or a data collection activity. S&T is developing a prototype semantic graph-based technology to perform real-time threat analysis and warning to assist in-depth assessments of data.

ADVISE comprises three elements

1. **Data science and data representation** – a flexible computing architecture that collects analyzes and synthesizes threat information from multiple data sources.

2. **Visualization and analytics** - techniques for visualizing, relating, and synthesizing information of multiple data types and from multiple sources.

3. **Discrete sciences and modeling and simulation** - advanced computing algorithms and hardware architectures for modeling, simulating, and managing threat data in real time and with high resolution. At completion of the research program, ADVISE is intended to deliver a technology or set of technologies for use by DHS components.

ADVISE works by:

The semantic graph facilitates assessments by extracting important relationships and correlations from a plethora of data and producing actionable information. ADVISE performs data fusion across large disparate data sets. This drives the need for innovative technical solutions that scale with orders of magnitude greater performance than existing analytic capabilities. Without such a critical strategic capability, DHS will be unable to identify suspicious linkages and prevent complex asymmetric threats.

What's different about ADVISE?

- Privacy and security – Preserves information privacy and security while accomplishing the mission
- Scale – The sheer quantity of data and information
- Dynamic real-time queries – Supports real-time updates and queries to the semantic graph
- Mixed domains – Connections between different information domains

- Timely results – Short lifetime for actionable information
- Tracking changes – The temporal nature of information is key to analysis

<u>The total budget for ADVISE, since inception, is $42.5 million.</u>

FY 2003 = $5M
FY 2004 = $11.5M
FY 2005 = $15M
FY 2006 = $8.5M
FY 2007 = $2.5M

Total to date = $42.5M

Minimal funding is anticipated for FY 2008 as the program is transitioned to an operational setting.

<u>DHS addresses privacy concerns about ADVISE by:</u>

- Ensuring compliance with respect to privacy, information assurance, and security according to established government policies in all pilot programs.

- The ADVISE toolset is a set of generic IT tools and does not in itself collect or use any data. It is not an operational system. The individual ADVISE tools could be combined to create specific systems which would be designed to support specific operational needs. Each of these deployments of the ADVISE toolset would be reviewed and reported through the DHS privacy compliance process and documented in the Privacy Threshold Analysis (PTA) and, as applicable, the Privacy Impact Assessment (PIA) and System of Records Notice (SORN)

- DHS is using a proscriptive guidance document that is tailored to the specific nature of the ADVISE toolset. This guidance document is called a "Privacy Technology Implementation Guide" and is currently being developed by the DHS Privacy Office.

- We have completed PTAs for the pilots and are working on PIA. Legal rights and privacy constraints, along with the security of all data sources, are protected by this prototype technology. Care has been taken to ensure compliance with respect to privacy, information assurance, and security, according to established government policies.

- The DHS Privacy Office has been engaged in this effort since program conception. Privacy and information assurance technology is based on proven technologies already operational within the intelligence community.

<u>Facts about the four (4) programs being developed under ADVISE:</u>

1. Interagency Center for Applied Homeland Security Technology (ICAHST) -- an independent technical evaluation of ADVISE for potential use by DHS analysts. ICAHST uses synthetic data fabricated for the purposes of the evaluation, expected to be completed in a few months.

Background Facts on ICAHST:

- Two datasets are in use. Dataset #1 is large and tests the scale and speed of the ADVISE system. This dataset simulates a world in which agents (both terrorists and benign) conduct activities. They attend meetings, acquire capabilities, and perform attacks on beacons. Dataset #2 is designed to resemble in structure potential homeland security datasets of interest and is used in the utility/usability evaluation.

- Data from the Pacific Northwest National Laboratories (PNNL) Threat Stream Generator, combined with data generated using the commercial Global Software Applications Data Generator created this system.

- The Spinosaurus (aka "Border Bouncer") data set from PNNL's Threat Stream Generator was used during the timing evaluations. It is comprised of totally synthetic data that simulates information from two separate incident centers located on our borders. This data shows individuals crossing the border, being turned away from the border, and being detained at the border.

- Global Software Application's Data Generator tool is being used to create multiple simulated data sources. The tool itself allows the user to define a table structure and rules to use in populating spreadsheets of data. Data sets were created that mimic actual credit card reports, arrest records, flight manifests, and more. This data will be used to demonstrate the fusion capability of ADVISE, as well as for other tests. All data is also in CSV format.

- The datasets (as well as metrics and testing procedures) generated for the ADVISE evaluation will be reused in future evaluations of similar GOTS and COTS systems to give DHS and other interagency partners a series of objective benchmark measures that can be used in the future to inform acquisition or research and development investment decisions. The software for the ADVISE system consists of server and client software that has been developed by Lawrence Livermore National Laboratories for DHS and operates on top of both Windows and Linux operating systems and uses Oracle database software.

2. **All Weapons of Mass Effect (WME) pilot program at Lawrence Livermore** – focusing on the capabilities of foreign and domestic terrorist groups to develop and deploy weapons of mass effect.

Background Facts on WME:

- Evaluated by the analysts at the all-WME program by loading the ADVISE tools with the types of data that these analysts look at with other tools and by hand. Purpose was to gather information from the analyst population on how they felt the ADVISE tools aided their work. Determined that the ADVISE tools were worthy of further development and refinement, as they could (when finished) greatly speed up the analysis process.

- *Weapons of Mass Effect (WME) Capability Assessment and Attribution* - This program focuses on assessments of the capabilities of foreign and domestic terrorist groups to develop and deploy weapons of mass effect. This program delivers two primary capabilities needed to provide increased situational awareness of terrorist threats and specific incidents:
    i. Robust technical analysis of terrorist efforts to acquire, develop, and use CBRNE agents for weapons of mass effect; and
    ii. Ongoing technical assessments of current and future WME threats to support risk analysis and development of countermeasures.

3. Threat-Vulnerability Integration System (TVIS) at the DHS Office of Intelligence and Analysis –a pilot program being used to determine how well the ADVISE technology addresses the growing needs of I&A to sift through and pinpoint key documents that analysts can use in their day-to-day compilation of reports. A privacy impact assessment for TVIS has been submitted to the DHS Privacy Office.

4. Biodefense Knowledge Center (BKC) pilot at Lawrence Livermore National Laboratory -- developing a pilot knowledge management system to help DHS users analyze and characterize biological threats posed by terrorists. This pilot will be released to a limited number of DHS users, after appropriate legal and privacy approvals, to determine system effectiveness. To date, this pilot has loaded data from eight (8) open-source databases into the ADVISE framework. Those databases are:

U.S. National Library of Medicine's free digital archive of biomedical and life sciences journal literature.	PubMed
Internet-based reporting system for global monitoring of emerging diseases. Contains email alerts of outbreaks and reports. Operated by the International System for Infectious Diseases.	ProMed Mail
List of disease outbreaks by country from World Organization for Animal Health.	OIE Incident Reports (Office International des Epizooties, now called World Organization for Animal Health)
List of experts and laboratories by country from World Organization for Animal Health.	OIE: Reference Experts and Laboratories
Summary information about countries.	CIA World Fact Book
Statistics about US livestock by state and county.	National Agricultural Statistics Service
Census information that maps city name, county name to population, total housing units, land area, water area, geo-location.	U.S. Census Bureau
Lists of countries with known chemical/biological weapons programs.	Center for Nonproliferation Studies

ADVISE Talking Points
June 11, 2007

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3. **Discrete sciences and modeling and simulation** - advanced computing algorithms and hardware architectures for modeling, simulating, and managing data in real time and with high resolution. At completion of the research program, ADVISE is intended to deliver a technology or set of technologies for use by DHS components.

4. **Security Infrastructure –** an integral part of the ADVISE architecture which protects information by requiring all users to be authenticated, enforces strict access control policies, and logs all requests and responses.

ADVISE works by:

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need for innovative technical solutions that scale with orders of magnitude greater performance than existing analytic capabilities. Without such a critical strategic capability, DHS will be unable to identify suspicious linkages and prevent complex asymmetric threats.

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- The DHS Privacy Office has been actively engaged in this effort. Privacy and information assurance technology is based on proven technologies already operational within the intelligence community.

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- The Spinosaurus (aka "Border Bouncer") data set from PNNL's Threat Stream Generator was used during the timing evaluations. It is comprised of totally synthetic data that simulates information from two separate incident centers located on our borders. This data shows individuals

crossing the border, being turned away from the border, and being detained at the border.

- Global Software Application's Data Generator tool is being used to create multiple simulated data sources. The tool itself allows the user to define a table structure and rules to use in populating spreadsheets of data. Data sets were created that mimic actual credit card reports, arrest records, flight manifests, and more. This data will be used to demonstrate the fusion capability of ADVISE, as well as for other tests. All data is also in CSV format.

- The datasets (as well as metrics and testing procedures) generated for the ADVISE evaluation will be reused in future evaluations of similar GOTS and COTS systems to give DHS and other interagency partners a series of objective benchmark measures that can be used in the future to inform acquisition or research and development investment decisions.

2. **All Weapons of Mass Effect (WME) program at Lawrence Livermore** – focuses on the capabilities of foreign and domestic terrorist groups to develop and deploy weapons of mass effect by solely evaluating technologies (materials, technical skills needed, etc.).

Background Facts on WME ADVISE Evaluation:

- Evaluated by the analysts at the all-WME program by loading the ADVISE tools with the types of data that these analysts look at with other tools and by hand. <u>However, there is no information about U.S. persons in any of the data. The focus of the all-WME program is on technology, not people.</u> The purpose of this evaluation of ADVISE was to gather information from the all-WME analyst population on how they felt the ADVISE tools aided their work. It was determined that the ADVISE tools were worthy of further development and refinement, as they could (when finished) greatly speed up the analysis process.

[The section below is to provide a brief description of the all-WME program for clarity. This has nothing to do with the ADVISE program or pilot.]

- *Weapons of Mass Effect (WME) Capability Assessment and Attribution* - This program focuses on assessments of the capabilities of foreign and domestic terrorist groups to develop and deploy weapons of mass effect by examining the technology required. This program delivers two primary capabilities needed to provide increased situational awareness of terrorist threats and specific incidents:
    i. Robust technical analysis of what terrorists would have to do (technically) to acquire, develop, and use CBRNE agents for weapons of mass effect; and
    ii. Ongoing technical assessments of current and future WME threats to support risk analysis and development of countermeasures.

3. Threat-Vulnerability Integration System (TVIS) at the DHS Office of Intelligence and Analysis –a pilot program being used to determine how well the ADVISE technology addresses the growing needs of I&A to sift through and pinpoint key documents that analysts can use in their day-to-day compilation of reports. A privacy impact assessment for TVIS has been submitted to the DHS Privacy Office. S&T has been told that I&A has a SORN for all of their data.

4. Biodefense Knowledge Center (BKC) pilot at Lawrence Livermore National Laboratory -- developing a pilot ADVISE knowledge management system to help DHS users analyze and characterize biological threats posed by terrorists. This pilot, currently in the testing phase within the BKC, will be released to a limited number of DHS users, after appropriate legal and privacy approvals, to determine system effectiveness. Eight (8) open-source databases have been identified to be loaded into the ADVISE framework. Those databases are:

U.S. National Library of Medicine's free digital archive of biomedical and life sciences journal literature.	PubMed
Internet-based reporting system for global monitoring of emerging diseases. Contains email alerts of outbreaks and reports. Operated by the International System for Infectious Diseases.	ProMed Mail
List of disease outbreaks by country from World Organization for Animal Health.	OIE Incident Reports (Office International des Epizooties, now called World Organization for Animal Health)

List of experts and laboratories by country from World Organization for Animal Health.	OIE: Reference Experts and Laboratories
Summary information about countries.	CIA World Fact Book
Statistics about US livestock by state and county.	National Agricultural Statistics Service
Census information that maps city name, county name to population, total housing units, land area, water area, geo-location.	U.S. Census Bureau
Lists of countries with known chemical/biological weapons programs.	Center for Nonproliferation Studies

Important contacts:

ADVISE SUBJECT MATTER EXPERTS				
Name	**Title**	**E-Mail**	**Phone #**	**ADVISE Role**
David Boyd, PhD	Director, Command Control and Interoperability (CID) Division	(b) (6)	(b) (6)	CID spokesman on ADVISE
Elizabeth Behr	Public Affairs Specialist			CID contact for media inquiries on ADVISE
Dr. John Hoyt	Research Director			Contact for background information on ADVISE
Bruce Baicar	Program Manager			Contact for background information on ADVISE
Dr. Joseph Kielman	Research Director-Futures			Contact for background information on ADVISE
Alexandra Landsberg	Chem/Bio Threat Characterization and Attribution			Contact for background information on BKC and ADVISE
Dave Shepherd	Chem/Bio Management Support			Contact for background information on BKC and ADVISE
Peter E. Sand, J.D., CIPP/G	Director of Privacy Technology			Contact for Privacy Office expertise
Larry Orluskie	Public Affairs			Public Affairs spokesman on Privacy Office inquiries

AUTOMATED TARGETING SYSTEM
Associated Press will run a story on the CBP Federal Register notice published to fulfill Privacy Act compliance which informs the public of the information gathered and used by the Automated Targeting System and the National Targeting Center, such as APIS and PNR data.

Talking Points:

- The Washington Post is misinterpreting the notice. The Federal Register notice clearly states that this does not create any new collection of information, but provides new transparency of the how DHS collects and uses data on cargo and travelers.

- Under U.S. laws, all travelers and cargo entering the United States or leaving the country are subject to inspection and examination for compliance with customs, immigration and a multitude of other laws. Screening like this has been conducted and authorized for decades.

- The notice is part of Department's effort to move from legacy system of records notices to DHS system of records notice.

- The notice specifically states that CBP will regularly remove information if determined to no longer be relevant and useful. The Privacy Office will conduct reviews of CBP's implementation.

WASHINGTON POST STORY ON AUTOMATED TARGETING SYSTEM

A WASHINGTON POST STORY CLAIMS THAT DHS IS CREATING A NEW SCREENING PROGRAM AT U.S. BORDERS: "The federal government disclosed details yesterday of a border-security program to screen all people who enter and leave the United States, create a terrorism risk profile of each individual and retain that information for up to 40 years." ("U.S. Plans to Screen All Who Enter, Leave Country Personal Data Will Be Cross-Checked With Terrorism Watch Lists; Risk Profiles to Be Stored for Years," *Washington Post*, 11/03/06)

BUT AS CLEARLY STATED IN THE NOTICE, THERE IS NO NEW SYSTEM BEING CREATED:

- "This system of records notice does not identify or create any new collection of information, rather DHS is providing additional notice and transparency of the functionality of these systems." (DHS Notice of Privacy Act System of Records, Vol. 71, No. 212, Nov. 2, 2006)

THE STORY ALSO CLAIMS THAT A NEW PROCESS WILL BE USED FOR TRAVELERS ENTERING THROUGH OUR LAND BORDERS: "While long known to scrutinize air travelers, the Department of Homeland Security is seeking to apply new technology to perform similar checks on people who enter or leave the country 'by automobile or on foot.'" ("U.S. Plans to Screen All Who Enter, Leave Country Personal Data Will Be Cross-Checked With Terrorism Watch Lists; Risk Profiles to Be Stored for Years," *Washington Post*, 11/03/06)

AGAIN, THIS IS NOT A NEW SYSTEM. AS THE NOTICE STATES:

- "CBP has used the advance submission of traveler information to aid in screening travelers to facilitate its border enforcement mission." (DHS Notice of Privacy Act System of Records, Vol. 71, No. 212, Nov. 2, 2006)

THE WASHINGTON POST INCORRECTLY STATES THAT EACH PASSENGER IS DESIGNATED A RISK SCORE: "Each traveler assessed by the center is assigned a numeric score: The higher the score, the higher the risk." ("U.S. Plans to Screen All Who Enter, Leave Country Personal Data Will Be Cross-Checked With Terrorism Watch Lists; Risk Profiles to Be Stored for Years," *Washington Post*, 11/03/06)

THE SYSTEM PERFORMS A RISK ASSESSMENT ON INTERNATIONAL TRAVELERS AND CARGO, ALLOWING DHS TO DETERMINE RISKS TO COMPLIANCE WITH US LAWS, INCLUDING THOSE RELATING TO NATIONAL SECURITY:

- "The Automated Targeting System (ATS) associates information obtained from CBP's cargo, travelers, and border enforcement systems with a level of risk posed by each item and person…" (DHS Notice of Privacy Act System of Records, Vol. 71, No. 212, Nov. 2, 2006)

THE STORY ALSO CLAIMS THAT DHS WILL RETAIN INDIVIDUALS' INFORMATION FOR UP TO 40 YEARS: "In yesterday's Federal Register notice, Homeland Security said it will keep people's risk profiles for up to 40 years." ("U.S. Plans to Screen All Who Enter, Leave Country Personal Data Will Be Cross-Checked With Terrorism Watch Lists; Risk Profiles to Be Stored for Years," Washington Post, 11/03/06)

THE NOTICE STATES THAT DATA IS REGULARY REVIEWED AND IRRELEVENT DATA IS DELETED:

- "The retention period for data specifically maintained in ATS **will not exceed forty years** at which time it will be deleted from ATS. Up to forty years of data retention may be required to cover the potentially active lifespan of individuals associated with terrorism or other criminal activities." (DHS Notice of Privacy Act System of Records, Vol. 71, No. 212, Nov. 2, 2006)
- "CBP will regularly review the data maintained in ATS to ensure its continued relevance and usefulness. **If no longer relevant and useful, CBP will delete the information."** (DHS Notice of Privacy Act System of Records, Vol. 71, No. 212, Nov. 2, 2006)

Data Mining in DHS

Sept. 5, 2006

BACKGROUND

The IG report on Data Mining identified 12 systems and capabilities within DHS that support data mining activities. They reside within United States Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), Office of Intelligence and Analysis (OIA), United States Secret Service (USSS), and Transportation Security Administration (TSA). Those systems and capabilities perform a variety of functions that contribute toward the counterterrorism effort. Nine systems are operational and three systems are under development.

The DHS Privacy Office report on data mining identified six systems and was prepared as part of the requirements of House Report 108-774 – *Making Appropriations for the Department of Homeland Security for the Fiscal Year ending September 30, 2005, and for Other Purposes*.

Talking Points

- The *Homeland Security Act of 2002* requires DHS to use data mining tools and other advanced analytics to access, receive and analyze law enforcement and intelligence information for the purpose of identifying potential threats of terrorism within the United States.

- As with any activity undertaken by a federal agency, data mining projects are only performed for a lawful purpose, consistent with the agency's mission and improper uses and implementations are not tolerated.

- There is no universally agreed-upon definition for the term "data mining." Data mining was defined in this report as the use of sophisticated data analysis tools to discover previously unknown, valid patterns and relationships in large data sets. Data mining consists of more than collecting and managing data; it also includes analysis and prediction.

FOIA Plan

Talking Points
July 2006

- The department is just days away from announcing its FOIA improvement plan. The plan is currently in the final review stages before publishing.

- DHS recognizes the need for a strong FOIA plan and recognizes the public's right to know about its government.

- To that end, in additional to responding to all of the initiatives of the Executive Order, the Privacy Office at DHS sponsored a public workshop on April 5, 2006 on "Transparency and Accountability: The Use of Personal Information Within the Government," which was a widely attended event that included a discussion on FOIA.

- From the start in 2003, when DHS came into existence, we recognized the necessity to promptly establish procedures to facilitate the interaction of the public with the department. We continue to work on a responsive FOIA operation across the Department and the FOIA improvement plan addresses achievements and challenges in the 22 component FOIA operations.

Hugo Teufel Appointment

July 21, 2006

- The Homeland Security subcommittee requested "all" the information on the Shirlington Limousine contract, and as a subcommittee of competent jurisdiction – it was provided in full compliance with the Privacy Act.

- The information provided was given with explicit notification that documents provided include information that may be proprietary in nature or source selection-sensitive and exempt from disclosure under the Freedom of Information Act (FOIA) and that the documents provided may also include information subject to the Privacy Act or exempt from disclosure under the FOIA because it is privacy-protected.

- Hugo brings a wealth of knowledge and experience to this leadership position, having served previously as Associate Solicitor at the Department of the Interior, the Deputy Solicitor General for the state of Colorado, and as an attorney in private practice.

- Yes, Hugo wrote two articles that appeared in Solder of Fortune magazine – they were well written and provided an excellent law enforcement perspective of the events of Columbine. They were also covered by the Denver Rocky Mountain News and the Denver Post.

Dan Corsentino
HSAC Emergency Responders Senior Advisory Committee

Jan. 15, 2007

- The committee advises the HSAC and thus Department leadership on issues that affect the emergency responder community. The committee meets with relevant leaders from within the Department (FEMA, Preparedness, Chief Medical Officer, Science and Technology, Immigration and Customs Enforcement, etc.) to provide advice on how to handle the challenges the Department confronts.

- Sheriff Corsentino was chosen because of his proven leadership over the years and the respect he has gained in his home state of Colorado and beyond. We are contacted by a many individuals who are interested in serving on the HSAC but have a limited number of positions so only choose those individuals who are recognized leaders in their field. Sheriff Corsentino's vast experience and contacts will help provide unique perspectives for the Department.

- Sheriff Corsentino's vast knowledge and experience remain, even though he is no longer a Sheriff.

- Sheriff Corsentino is a graduate of *Harvard University's John F. Kennedy School of Government Senior Executive Management Program* in Cambridge, Massachusetts. He completed the National Federal Bureau of Investigation Law Enforcement Executive Development Seminar in Quantico, Virginia. In March of 1993, he graduated from the prestigious National FBI Academy (172nd session) in Quantico, Virginia. He is also a graduate of the School of Police Staff and Command at Northwestern University Traffic Institute in Chicago, Illinois. In addition, he holds a Master's degree in public administration and a bachelor's degree in political science from the University of Colorado. Prior to being sheriff, he served at the Pueblo County Sheriff's Office as under sheriff, detention facility administrator, law enforcement captain, law enforcement lieutenant and inspector.

- The Sheriff's new position, Executive Director of Silver State Helicopters will continue his contacts with state and local emergency responder officials.

- Sheriff Corsentino's appointment will end on February 29, 2009.

Frequently Asked Question of Project Hostile Intent

What is Project Hostile Intent?

Project Hostile Intent provides the understanding, technology, and automated prototype to assist screeners in the identification of people with current and future hostile intentions in real-time using culturally independent, non-invasive sensors.

What is hostile intent?

Hostile intent is any current or future behavior that poses a threat the United States and its citizenry.

What is the Threat?

Over 400 million people enter the United States annually. Most of these people are law abiding. Some however possess intentions hostile to the United States and its citizenry. While screening technologies such as biometrics offers the potential to identify known threats, it does not identify the unknown threats. Identifying these unknown threats is the objective of Hostile Intent.

What is the requirement?

The current screening process is largely manual and greatly time constrained. Screeners typically have less than one minute to examine a traveler's documents and to assess whether they are a potential threat. With over 400 million people enter the United States annually – this is a very challenging job. As a result of this challenging environment and its direct impact on national security, the DHS operational community has requested that the DHS Science & Technology Directorate develop and test screening aids to include an automated, real-time, culturally independent capability to assess deception and future hostile intent.

What is an indicator of future hostile intent?

The underlying basis of Hostile Intent research is involuntary and voluntary behaviors that are inconsistent with someone's answer. The research is currently focusing on validating the relationship between over 50 involuntary and voluntary behaviors and deception or future hostile intent.

What is an example of an indicator of future hostile intent?

While the specific indicators are sensitive, the underlying research builds upon what both law enforcement officials and parents both know: it is not just what someone says but how they say it. Basically, we are looking for involuntary and voluntary behaviors that are inconsistent with someone's answer.

What is an example of a question a screener may ask while he/she are looking for these indicators of future hostile intent?

The specific questions a screener may ask is a policy question for the operational components within the Department of Homeland Security. However, Hostile Intent could augment the current screening process and thus could potentially include questions regarding explosives, illegal weapons, false documents, etc.

How accurate are these indicators?

While the research is on-going, the relationships between select involuntary and voluntary behaviors and future hostile intent are highly significant; yielding an 86% classification accuracy for deceptive and non-deceptive subjects in a laboratory experiment that rigorously emulates the operational screening environment.

Who are the potential users of this technology?

This technology could directly support and augment the operational missions of Federal, State, and Local agencies to conduct real-time screening and interviewing at air, land, & sea portals. The operational benefits include greatly increased screening accuracy without impeding the flow of travelers.

What will Hostile Intent ultimately deliver?

The on-going research is focused in three areas. First is the rigorous identification and validation of behavioral indicators of future hostile intent. Second is the technology required train person to recognize these behavioral indicators. And third is the development of the automated system to assist screener in identifying these behavioral indicators of future hostile intent.

When will Hostile Intent be tested operationally?

Operational testing for Hostile Intent is projected to commence in Fiscal Years 2010 for low throughput environments (e.g. secondary screening) and 2012 for high throughput environments (e.g. primary screening). Prior to those projected dates, Hostile Intent will complete an annual series of tests to assess the effectiveness of the increasing system capability as well as the underlying component technologies. Throughout the development and test cycle, Hostile Intent will be required to pass a rigorous set of policy, legal, and privacy reviews conducted by the Department of Homeland Security.

Talking Points

Plum Island Security

July 6, 2007

- Though the Department of Homeland Security (DHS) typically does not comment on operational security at its facilities, we can tell you that Plum Island Animal Disease Center (PIADC) has a layered 24/7 security program that includes federal and contract guard services as well as the use of modern technology to prevent unauthorized access to the facility.

- DHS takes security at all of its sites, including Plum Island, as its highest priority. The safety and security of our employees, as well as the security of the important work that we do, are of greatest importance to us. Thus, the security program is not a static one, and we are always reevaluating and reexamining policies and procedures in looking for improvements. In this regard, DHS and Federal Protective Services (FPS) have been working together to provide a more in-depth plan of coverage for security at PIADC. The addition of the FPS post, like any other security upgrade, is an added layer to PIADC's security program.

- At PIADC, DHS and the United States Department of Agriculture (USDA) work together in a crucial shared mission of protecting America's livestock from foreign animal diseases. Since 1954, PIADC has been the nation's first defense against foreign animal disease by serving as a diagnostic, research and development, and educational facility. PIADC's primary mission is developing better diagnostic tools, vaccines and antiviral biotherapeutics for foot-and-mouth disease.

DOMESTIC NUCLEAR DETECTION OFFICE (DNDO) HIGHLIGHTS

In the ten months since its founding, DNDO has accomplished the following:

- Completed first ever global nuclear detection architecture and identified priority initiatives in November 2005
  - Analysis was completed four months ahead of schedule
  - Identified non-POE (ports of entry) vulnerabilities in currently deployed architecture

- Took management responsibility and reorganized all detector development programs previously managed by DHS Science and Technology Directorate
  - DNDO reorganization accelerated programs originally proposed as two to three year development cycles into a nine-month design and prototype fabrication process

- Assumed oversight and management responsibility for the acquisition of passive detection systems previously conducted under the Customs and Border Protection (CBP) Radiation Portal Monitor (RPM) program
  - Program has installed over 600 portal monitors at the Nation's ports of entry

- Accelerated development of next-generation passive detection systems (second-generation passive system development completed in two years)
  - Completed first-ever RPM performance tests using multiple, realistic threat objects at the Nevada Test Site during late-summer 2005 (13 RPMs, including 10 prototypes, underwent 7,000 test runs)
  - Provided test results to prototype vendors, November 2005
  - Received proposals for Advanced Spectroscopic Portal (ASP) production, February 2006
  - Contract low-rate production award set for April 30 2006

- Completed performance testing for 30 mobile, handheld, and backpack radiation detection systems

- Launched construction of the DNDO Radiological and Nuclear Countermeasures Test and Evaluation Complex (RNCTEC), the Nation's first permanent detector test and evaluation facility authorized to handle and utilize SNM in June 2005
  - Allows future systems to be evaluated against a wide range of actual threat materials
  - Construction is on-schedule and within budget
  - Expected to be complete by Fall 2006

- Initiated development of next-generation automated radiography systems to detect shielding in cargo (Cargo Advanced Automated Radiography Systems)

- Issued Broad Agency Announcement for Transformational Research and Development for Exploratory Research; competitively selected 44 transformational research proposals from National Laboratories to begin work as soon as funding is made available.

- Assumed oversight of the Nuclear Assessment Program (NAP) and the DHS Secondary Reachback (SRB) program, each which provide technical support to the law enforcement, diplomatic and intelligence communities
  - Developed comprehensive USG process for alarm resolution
  - Conducted approximately 175 assessments of nuclear threats and smuggling cases

- Established a strong working relationship with State and local (S&L) stakeholders
  - Convened two S&L stakeholder working groups to: gain greater insight into S&L preventative rad/nuc detection capabilities, identify and clarify Federal responsibilities and response protocols (October & November 2005)
  - Initiated State and local pilot projects, including building upon on-going pilots in New York/New Jersey and Charleston, South Carolina
  - Demonstrated connectivity between DNDO Joint Analysis Center and the Port Authority of New York/New Jersey Radiation Detection Situational Awareness Pilot Program.

Top DNDO Goals to Accomplish by the end of FY2006:

1. Develop options for architecture improvements for general aviation, small maritime, and supply chain security

2. Award contract for ASP systems development and initial production

3. Acquire the following systems: 184 current generation radiation portal monitors, 106 medium resolution cargo ASP systems, 35 ASP mobile systems – 25 SUV-based systems and 10 truck-mounted systems, 2 ASP rail systems, 88 handheld systems

4. Deliver 24 ASP units to CBP for operational test and evaluation

5. Deliver guidebook for integrating rad/nuc detection into commercial vehicle inspection operations

6. Complete construction of the permanent Radiological and Nuclear Countermeasures Test and Evaluation Complex at the Nevada Test Site

7. Complete initial deployment of additional detection capabilities at weigh stations in Kentucky, Tennessee, and South Carolina in Summer 2006 as part of the Southeast Transportation Corridor Pilot

8. Train 300 State and local participants in preventive rad/nuc detection in twelve locations

DNDO Long-Term Goals:

1. Advanced passive and automated radiography systems deployed to all high priority domestic POEs, CSI and Megaports locations

2. Next generation mobile and handheld systems deployed to:
   - Border Patrol and US Coast Guard for non-POE interdiction
   - Commercial Vehicle Inspection units in all 50 states
   - Expanded surveillance and surge capacity for top 30 high risk cities
   - Expanded Federal surge capacity

3. Improved operability demonstrated through deployment of detector variants (straddle carriers, rail configurations)

4. First Set of Transformational R&D Advanced Technology Demonstrations (ATDs) concepts transitioned to engineering development:
   - Advanced standoff detection and imaging system
   - Intelligent personal radiation detectors
   - Shielded SNM verification systems
   - In-transit, long-dwell detection technologies

5. Real-time information/alarm reporting from domestic deployed architecture fully operational

6. Timely information/alarm reporting in place for all US-funded international deployments under Global Alliance agreements

FINAL – 5/22/06
***Ready Business* Talking Points – Mentoring Guides Launch**
FOR INTERNAL USE ONLY

Question: **What is *Ready Business*?**

Answer: *Ready Business* is a public education campaign designed to give small to medium-sized businesses practical steps they can take to prepare for emergencies. The campaign messages are delivered through www.ready.gov, radio, print and Internet advertisements, and key partnerships.

Ready Business, which focuses on business preparedness, is an extension of the Department's successful *Ready* Campaign, which has helped millions of individuals and families prepare for emergencies.

Question: **What is the purpose of *Ready Business*?**

Answer: *Ready Business* is designed to inform owners and managers of small and medium-sized businesses about what they can do to prepare their businesses in the event of an emergency. The goal of this program is to raise the business community's awareness of the need for emergency planning and motivate them to:

- Plan to stay in business
- Talk to their employees
- Protect their investment

Question: **Who is the target for *Ready Business*?**

Answer: All businesses need to have an emergency plan. *Ready Business* is designed for small- to medium-sized businesses in particular, because, post disaster, they are less likely to be able to re-open.

Question: **What is the *Ready Business* Mentoring Initiative?**

Answer: The U.S. Department of Homeland Security launched the *Ready Business* Mentoring Initiative which includes the release of the *Ready Business* Mentoring Guides and a suite of business preparedness tools designed to assist owners and managers of small- and medium-sized businesses to prepare for emergencies. It is the newest resource of the *Ready Business* Campaign which was launched by Homeland Security and the Advertising Council as an extension of the successful *Ready* Campaign in September 2004.

Question: **What tools does the Initiative include?**

Answer: Most notably, the Initiative includes new *Ready Business* Mentoring Guides. Comprised of two workbooks – the Mentoring Edition and the User Edition – each guide consists of more than 50 pages of step-by-step information designed to assist business owners and managers in learning about no-cost or low-cost ways to better protect their businesses by creating and executing an emergency preparedness plan. Specifically, the workbook includes a Business Continuity and Disaster Preparedness Sample Plan; a Business Emergency Supply Checklist; an Insurance Discussion Form; a Computer Inventory Form; plus testimonials and a list of additional resources.

Question: **How does the *Ready Business* Mentoring Initiative work?**

Answer: Using the Mentor Edition, business leaders can partner with owners and managers of smaller businesses in their community. The goal of the mentoring session is to complete as many elements of a Sample Emergency Plan as possible in a brief one- or two-hour session. This will give small business owners a practical understanding of the commitment and resources needed to continue developing their plan. The User Edition can be used as part of this formal session or as a self-study guide.

Question: **How will the Department of Homeland Security distribute the Mentoring Guides?**

Answer: Homeland Security will collaborate with leading business organizations and federal agencies to distribute the *Ready Business* Mentoring Guides to millions of small- to medium-sized businesses nationwide. These organizations include the U.S. Department of Commerce, Small Business Administration, the U.S. Department of Agriculture, U.S. Department of Labor, Education Disaster Extension Network, National Academic Consortium for Homeland Security, U.S. Chamber of Commerce, U.S. Junior Chamber of Commerce (Jaycees), Society of Human Resources Managers, Business Executives for National Security and ASIS International.

Question: **Are additional resources available?**

Answer: Yes. The U.S. Department of Agriculture's Cooperative Extension Service's Education Disaster Extension Network (EDEN) collaborated with Homeland Security to develop facilitation tools for business and community leaders to create *Ready Business*

workshops which will be held across the country. Presentation materials and a facilitator guide compliment the *Ready Business* Mentoring Guides to enable business advisors and community leaders to deliver training sessions on how businesses can make a plan to stay in business; talk to their employees; and take steps to protect their assets in the event of an emergency.

Question: **Why did Homeland Security create the *Ready Business* Mentoring Initiative?**

Answer: Although most business agree emergency preparedness is important, too few are taking the necessary steps to prepare. In fact, according to an October 2005 survey of small businesses conducted by The Ad Council, 92 percent of respondents said that it is very or somewhat important for businesses to take steps to prepare for a catastrophic disaster such as an earthquake, hurricane or terrorist attack, and 88 percent agreed that having a business continuity plan would make good sense for their company.

However, only 39 percent said that their company has an emergency plan in place and only 59 percent assessed their own business as prepared in the event of a catastrophic disaster. Homeland Security created the *Ready Business* Mentoring Initiative to directly address this need.

Question: **Why is this initiative important?**

Answer: America's businesses form the backbone of the nation's economy; small businesses alone account for more than 99 percent of all companies with employees and provide nearly 45 percent of the nation's payroll. If businesses are ready to survive and recover from a man-made or natural disaster, the nation and our economy are more secure. In its report to Congress and the President, the 9-11 Commission found that the private sector remains largely unprepared for such emergencies. *Ready Business* is a resource to help businesses get prepared.

Question: **Does the content of the *Ready Business* Mentoring Guides adhere to national guidelines?**

Answer: The content of both the Mentoring Edition and User Edition reflects the Emergency Preparedness and Business Continuity Standard (NFPA 1600) developed by the National Fire Protection Association and endorsed by the American National Standards

Institute, the 9/11 Commission and the U.S. Department of Homeland Security.

Question: **How can I get copies of the *Ready Business* Mentoring Guides?**

Answer: To obtain copies of the *Ready Business* Mentoring Guides, go to www.ready.gov and click on *Ready Business* or call 1-800-BE-READY.

Question: **What information is on the *Ready Business* Web site?**

Answer: The *Ready Business* Web site, www.ready.gov, outlines measures business owners and managers can take to start getting ready. It provides practical steps as well as free and easy-to-use templates to help businesses plan for the future survival of their companies.

There are several dozen practical steps business owners can take. My first recommendation is to visit www.ready.gov where a number of steps are laid out to consider. Just for example, there is information for creating an evacuation plan for your business, fire safety, including employees throughout the process, considering people with special needs, and protecting your investments by securing your facility, your equipment and reviewing insurance coverage.

Question: **How can you convince small businesses to act? Many of them seem to feel security is just an expense?**

Answer: Private sector owns 85 percent of the nation's critical infrastructure. But, too few businesses are taking the necessary steps to prepare for emergencies. One of the key findings of the 9-11 Commission report was the need for the private sector to prepare for potential disasters. The report stated "Private-sector preparedness is not a luxury; it is a cost of doing business in the post-9-11 world. It is ignored at a tremendous potential cost in lives, money, and national security." In addition, a 2003 report by The Conference Board, a non-profit organization of global business leaders, found that there has been just a four percent increase in spending on security and emergency preparedness at companies across the nation since 9/11.

We designed this campaign to motivate small businesses to act by making preparedness a series of "actions" rather than abstract philosophy. Also, many of the steps businesses can take have very minimal costs. It does not cost much to think about how you will evacuate your facility and post the evacuation routes where people

can see them. It does not cost anything to take an inventory of your equipment, review your insurance coverage, or to talk to your employees about your company's plan.

Question: **Does *Ready Business* include information about pandemic influenza?**

Answer: Every business should have an emergency plan which outlines how it will function and sustain itself through any type of an emergency. Ready.gov has tools and checklists that can help businesses in developing these plans. For more in-depth information specifically on preparing for and responding to an influenza pandemic visit the U.S Department of Health and Human Service's website at www.pandemicflu.gov.

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August 18, 2006
***Ready* Campaign Talking Points**
FOR INTERNAL USE ONLY

***Ready* Campaign**

Question: What is the *Ready* Campaign?

Answer: *Ready* is a national public service advertising campaign designed to educate and empower Americans to prepare for and respond to emergencies including natural disasters and potential terrorist attacks. The goal of the campaign is to get the public involved and ultimately to increase the level of basic preparedness across the nation. *Ready* asks individuals to do three key things: get an emergency supply kit, make a family emergency plan, and be informed about the different types of emergencies that could occur and their appropriate responses. Individuals can visit www.ready.gov or call 1-800-BE-READY for information about emergency preparedness.

Question: What does the *Ready* Campaign include?

Answer: The *Ready* Campaign includes a general consumer campaign called *Ready America*. In addition, the campaign has two extensions for special audiences. In 2004, Homeland Security and the Ad Council launched *Ready Business*, an extension of the *Ready* campaign that focuses on business preparedness. *Ready Business* helps owners and managers of small to medium-sized businesses prepare their employees, operations and assets in the event of an emergency. In 2006, Homeland Security launched *Ready Kids*, a tool to help parents and teachers educate children, ages 8 – 12, about emergencies and how they can help get their family prepared. There are also Spanish language campaigns, *Listo America, Listo Negocios* and *Listo Niños.*

Question: Why is the *Ready* Campaign sharing this message now – after an emergency has happened?

Answer: In light of recent wildfires across the country, the U.S. Department of Homeland Security is taking this opportunity to remind people to "get ready" and be prepared for future emergencies.

Homeland Security's *Ready* campaign is a national public service advertising campaign produced by The Advertising Council that is designed to educate and empower individuals and businesses to prepare for and respond to all types of emergencies, including wildfires.

General Preparedness

Question: **Is the Department doing enough to prepare citizens?**

Answer: We are very proud of the work that we have been doing through *Ready* and Citizen Corps. However, we know that is it only through working together with all levels government and the private sector and by using a variety of methods that we can truly create a culture of preparedness in this nation.

We are working closely with states and cities and providing them with resources and information to create their own state or local preparedness campaigns. These efforts, such as *Alert Chicago*, *Ready New York* and California's *Be Smart, Be Responsible, Be Prepared. Be Ready!* echo the overall preparedness message and drill down to provide information particularly suited to their residents.

We are also engaging the private sector and encouraging them to play a role through efforts like our relationship with Minor League Baseball and the Boy Scouts of American and National Preparedness Month. These public-private partnerships help us reach Americans were they work and live, making preparedness a neighbor to neighbor message instead of just a government initiative.

Question: **Why aren't people prepared yet?**

Answer: As our partners at the Advertising Council remind us, social change takes time. It took more than 20 years to convince Americans to wear seatbelts or use smoke detectors.

We are using a variety of methods to help instill change including our *Ready* PSAs, public relations activities and grassroots efforts through Citizen Corps and private sector organizations. In addition, we use annual tracking research to see where our efforts are taking hold and how we need to evolve them.

Our hard work is begining to pay off any we are starting to see the seeds of change, but true change will take more time and additional efforts on the part of the government, the private sector and individual citizens.

Question: **What should be included in an emergency supply kit?**

Answer: In a basic emergency supply kit**,** the *Ready* Campaign recommends that the following is included:

- One gallon of water per person per day, for three days – if you have a pet we encourage you to have enough water for them as well
- It's important to store *at least* a three-day supply of non-perishable food. Select foods that require no refrigeration, preparation or cooking and little or no water and choose foods your family will eat: ready-to-eat canned meats, peanut butter, protein or fruit bars, dry cereal or granola.
- Pack a manual can opener and eating utensils
- Battery-powered or hand crank radio and a NOAA Weather Radio with tone alert and extra batteries for both
- Flashlight and extra batteries
- First aid kit
- Whistle to signal for help
- Dust mask, to help filter contaminated air and plastic sheeting and duct tape to shelter-in-place
- Moist towelettes, garbage bags and plastic ties for personal sanitation
- Wrench or pliers to turn off utilities
- Local maps

Ready also encourages individuals to think about the special needs of your family members:

- Prescription medications and glasses
- Infant formula and diapers
- Pet food, extra water for your pet, leash and collar
- Important family documents such as copies of insurance policies, identification and bank account records in a waterproof, portable container.
- Books, games, puzzles or other activities for children

For a complete list of items, we encourage people to visit www.ready.gov to download a free emergency supply checklist or call 1-800-BE-READY.

Question: **Katrina showed us that low income Americans are extremely vulnerable. What does *Ready* do to help low income families prepare?**

Answer: The *Ready* Campaign gives people of every economic background practical information and tools that they can use to learn about emergency preparedness. Preparing a family emergency plan is free and can help a family to stay in contact if they are separated during an emergency. For a free *Ready* brochure that includes a family communications plan template, individuals can call 1-800-BE-READY.

Wildfires

Question: **Who is affected by wildfires?**

Answer: Individuals who live near an abundance of plants and other vegetation that can easily catch fire may be vulnerable to wildfires and should take simple steps to prepare. Visit www ready.gov or call 1-800-BE-READY for more information on preparing for all types of emergencies, including wildfires.

Question: **What can people in areas prone to wildfires do to prepare?**

Answer: Individuals in wildfire prone areas should get an emergency supply kit, make a family emergency plan – including an evacuation plan – and be informed about wildfires and wildfire prevention. There are links with important wildfire prevention and preparation tips available on www.ready.gov.

You can also contact your local fire department, health department, or forestry office for information on fire laws. Make sure that fire vehicles can get to your home - clearly mark all driveway entrances and display your name and address.

Question: **What steps can people take to prepare their homes?**

Answer: There are many steps that can help prepare your home before a wildfire. The *Ready* Campaign encourages every family to get an emergency supply kit and to have a family emergency plan – and take into consideration any special needs including your pets. We suggest that you have a large supply kit that you can keep at home, and a smaller, portable version that you can take with you if you are evacuated.

In addition, being informed about wildfires and safety steps is important. Some of these steps include regularly cleaning your roof and gutters, inspecting your chimney and installing smoke detectors. For more information about wildfires, follow the links on www ready.gov.

If you are warned that a wildfire is threatening your area, listen to your battery-operated radio for reports and evacuation information. Follow the instructions of local officials. Remember that if you're advised to evacuate, you should do so immediately.

Question: **What should individuals do during a wildfire?**

Answer: During a wildfire, people should watch TV, listen to a NOAA battery-powered radio or check the Internet often for official news and

instructions from local officials. They should not return to their homes until local authorities say it is safe. If you are asked to evacuate, do so immediately and take your portable supply kit with you. There is a full list of supplies on www.ready.gov, and you can also request a free brochure by calling 1-800-BE-READY.

Extreme Heat

Question: **What precautions should people take during a heat wave?**

Answer: Periods of extreme heat can be dangerous and even life-threatening for those who don't take the proper precautions. The United States loses 688 people per year, on average, to heat-related deaths. People should plan on being inside a cool building during the hottest time of the day, avoid strenuous outdoor activities, dress in light, loose-fitting clothing and stay hydrated by drinking plenty of water.

We have information available on www ready.gov that addresses the simple steps individuals can take to stay safe during periods of extreme heat.

Question: **Who is most affected by extreme heat?**

Answer: Young children and the elderly are especially susceptible to the heat and should take extra precautions to ensure they remain cool and well hydrated. People should never leave children or pets alone in a closed vehicle during times of extreme heat.

Question: **How can people who live in areas prone to extreme heat better prepare?**

Answer: Individuals should prepare for a heat wave by checking to see if their home's cooling system is working properly. They should also make sure their home is well insulated and that they have weather stripping around their doors and window sills to keep the cool air inside.

It's also a good idea to stay informed about the types of medical conditions that can result from heat waves, and the proper First Aid measures that should be taken. People can visit www ready.gov or call 1-800-BE-READY to learn preparedness tips for extreme heat, as well as other natural disasters.

Thunderstorms

Question: **Why should people be concerned about thunderstorms and lightning?**

Answer: On average, lightning kills 300 people and injures 80 each year in the United States. All thunderstorms produce lightning and all have the potential for danger. Those dangers can include tornadoes, strong winds, hail, wildfires and flash flooding.

Question: **What steps can people take to prepare for thunderstorms?**

Answer: First and foremost**,** individuals should get a basic emergency supply kit. For a complete list of supplies to include in your kit, visit www ready.gov.

We also recommend that people have a thunderstorm plan in place. Remove dead or rotting trees and branches that could fall and cause injury or damage during a severe thunderstorm. Secure outdoor objects that could blow away or cause damage. Shutter windows and secure outside doors. If shutters are not available, close window blinds, shades, or curtains.

Question: **What should people avoid during severe thunderstorms?**

Answer: During a thunderstorm, avoid open areas with tall trees, isolated sheds or other small structures. If you're on a boat or in the water during a storm, get to land immediately Also, be sure to avoid anything metal such as tractors, farm equipment, motorcycles, golf carts, golf clubs, and bicycles.

Remember showering or bathing during a thunderstorm is not safe as plumbing and bathroom fixtures can conduct electricity. Also avoid using electrical items such as computers or television sets as power surges from lightning can cause serious damage.

Question: **What is the difference between a thunderstorm warning and a thunderstorm watch?**

Answer: A thunder storm watch means there is a possibility of a thunderstorm in your area. A thunder storm warning means a thunderstorm is occurring or will likely occur soon. If you are advised to take shelter do so immediately.

For more information on severe thunderstorms, visit www ready.gov.

<u>Blackouts</u>

Question: **How can people prepare for blackouts?**

Answer: First and foremost, individuals should get a basic emergency supply kit. Always keep these items on hand in case of a blackout: a flashlight with

extra batteries, a NOAA Weather Radio, Water (a gallon per person per day), a three day supply of non-perishable food, cellular phone or standard headset phone (instead of a cordless phone).

For a complete list of emergency supplies to include, visit www.ready.gov.

Question: **What should people do during a blackout?**

Answer: During a blackout, people should stay away from downed power lines to avoid the risk of electric shock or electrocution. They should also stay tuned to a NOAA battery powered Weather Radio for important information from local officials.

Floods

Question: **Are all states prone to flooding?**

Answer: Floods are the nation's single most common natural disaster – and they can happen in every state and territory. People should be aware of flood hazards no matter where they live and take steps to be prepared in advance. We have some great information available on www ready.gov that addresses the simple steps all types of natural disasters, including flooding.

Question: **How can people who live in flood-prone regions better prepare?**

Answer: There are three simple steps all Americans can take to prepare: get an emergency supply kit, make a family emergency plan, and be informed about the different types of emergencies that could occur and their appropriate responses. People can visit www ready.gov or call 1-800-BE-READY to learn preparedness tips for flood preparedness, as well as other natural disasters. The site also contains free templates to help them start to plan for emergencies.

Question: **What should people do during a flood?**

Answer: We encourage people to be informed about the types of emergencies that can happen in their areas, such as flooding. By visiting www ready.gov, they can learn about the steps to take before, during and after a flood or other type of natural disaster. It is important to listen to the radio for information, and we suggest having a NOAA Weather Radio and extra batteries as part of an emergency supply kit.

Question: **What should people do if they are evacuated during a flood?**

Answer: The *Ready* Campaign suggests that all Americans make two emergency supply kits – one that is portable in case of evacuation. People should listen to the advice of local emergency officials and first responders if they are asked to evacuate. You will want to secure your home and take your portable emergency kit with you. Ready.gov has great information about additional steps you can take, time permitting, such as moving furniture and turning off utilities at the main switches or valves if instructed to do so.

Question: **Should people drive through flood waters to evacuate?**

Answer: There is great information on www ready.gov about the dangers of driving in flood waters. Six inches of water will reach the bottom of most passenger cars causing loss of control and possible stalling. A foot of water will float many vehicles. Two feet of rushing water can carry away most vehicles including sport utility vehicles (SUV's) and pick-ups.

Hurricanes

Question: **How can people who live in hurricane regions better prepare?**

Answer: There are three simple steps all Americans can take to prepare: get an emergency supply kit, make a family emergency plan, and be informed about the different types of emergencies that could occur and their appropriate responses. People can visit www ready.gov or call 1-800-BE-READY to learn preparedness tips and receive templates to help them start to plan for emergencies.

Question: **A recent study came out about this year's hurricane season. What can you tell us about it?**

Answer: As experts predict another devastating hurricane season, many residents in hurricane-prone areas are not prepared. According to a new Mason-Dixon poll, 60 percent of people surveyed have no family disaster plan in place and 68 percent have no hurricane survival kit in their home. Although Hurricanes Katrina and Rita served as wake-up calls for coastal residents, many individuals in the Gulf Coast and elsewhere are still not taking hurricane preparedness seriously so we want encourage all Americans to take these steps now.

Pet Preparedness

Question: **How can someone prepare for their pets?**

Answer: Tragedies like Hurricane Katrina serve as a serious reminder that emergency preparedness is important for all members of households, including pets.

It's important that your emergency supply kit include enough pet food and water for three days, medications and medical records, leashes, ID tags and other appropriate supplies. We also recommend that pet owners have an emergency plan that considers their pets needs and that they learn more about the types of emergencies that can happen in their area and the appropriate responses. For more information, pet owners can download a free brochure from the *Ready* Web site www ready.gov, or request a copy by calling 1-800-BE-READY.

Question: **What kind of information is available for pet owners?**

Answer: The U.S. Department of Homeland Security consulted with a number of organizations experienced in animal health and wellbeing to develop *Ready* information for pet owners. These organizations include American Kennel Club (AKC), American Society for the Prevention of Cruelty to Animals (ASPCA), American Veterinary Medical Association (AVMA), and Humane Society of the United States (HSUS).

The brochure highlights the key steps pet owners should take to prepare themselves and their animals. We encourage pet owners to make an emergency supply kit including enough pet food and water for three days, medications and medical records, leashes, ID tags and other appropriate supplies. The piece also recommends pet owners have an emergency plan that considers their pets needs and that they learn more about the types of emergencies that can happen in their area and the appropriate responses. Pet owners can download the free brochure from the *Ready* Web site www.ready.gov, or request a copy by calling 1-800-BE-READY.

Question: **What are the effects of *Ready* on behavior?**

Answer: While it is too early to effectively gauge the long term effects of *Ready* on public preparedness, thus far there are indications of progress. A national survey conducted by The Ad Council in June 2006 found:

- 91% of respondents said it is "very" or "somewhat" important for all Americans to be prepared for emergencies
- From 2005 to 2006, the proportion of Americans who said they have taken *any* steps to prepare rose 10 points, from 45% to 55%
- There were also several notable increases in key preparedness behaviors from 2004 to 2006:
  - Put together an emergency kit: 44% 2004 - 54% 2006
  - Created a family emergency plan: 32% 2004 - 39% 2006
  - Searched for info about preparedness: 28% 2004 - 40% 2006

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- Fewer parents reported that their children's schools did not provide emergency preparedness information to them a decrease from 55% in 2004 to 43% in 2006

Question: **How are the *Ready* Campaign's messages delivered?**

Answer: The campaign's messages have been distributed through traditional public service campaign vehicles including: television, radio and print public service advertisements (PSAs); brochures; www.ready.gov and www.listo.gov Web sites; and toll free phone lines, 1-800-BE READY and 1-800-SE-LISTO. Homeland Security and The Ad Council have also worked to create partnerships with a variety of private sector organizations to help communicate these important messages and materials, including the Boy Scouts of America, Minor League Baseball, The Association of Directory Publishers, The Yellow Pages Integrated Media Association, The National Cable and Telecommunications Association, The Salvation Army and The National Association of Broadcasters.

Question: **How successful has the *Ready* Campaign been?**

Answer: The Ad Council has declared *Ready* one of the most successful campaigns in its more than 60-year history. Since its launch the campaign has generated more than $532 million in donated media support. As of July 31, 2006, the Web site has received more than 1.9 billion hits and 23.8 million unique visitors; the toll-free number has received more than 261,000 calls; and more than 7.4 million *Ready* materials have been requested or downloaded from the Web site.

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Question: **Why aren't you only hitting the terrorism message – isn't that the purpose of DHS?**

Answer: The *Ready* campaign teaches Americans to prepare for and respond to all-hazards situations and potential terrorist attacks. Having a family communications plan and getting an emergency kit are lifesaving precautions all families can make, whether they are faced with a hurricane or a terrorist attack.

Question: **How much does the *Ready* Campaign cost?**

Answer: Homeland Security launched the *Ready* Campaign in February 2003 in partnership with The Alfred P. Sloan Foundation, and The Advertising Council. The Sloan Foundation provided the campaign's original funding, as the U.S. Department of Homeland Security was not yet established. The Department began funding the campaign at the start of the 2004 Fiscal Year. To date, the *Ready* Campaign, including its extensions, *Ready*

Business and *Ready Kids* and its Spanish language version, *Listo* has received $9.6 million in federal funding (Fiscal Years 2004-2006).

Question: **Why did the Sloan Foundation pay for the *Ready* Campaign?**

Answer: The *Ready* campaign was originally created in partnership with The White House Office of Homeland Security, the Sloan Foundation, and The Advertising Council in August of 2002 – eight months before the U.S. Department of Homeland Security was created. The Sloan Foundation provided the campaign's original funding because the Department was not yet established and its funding was not yet appropriated. The first round of federal funding for the U.S. Department of Homeland Security was not appropriated until October 1, 2003 for FY04.

Question: **Are the reports that the *Ready* Campaign overran its costs true?**

Answer: The January 20 Associated Press story about cost overruns for the *Ready* Campaign was inaccurate. The Alfred P. Sloan Foundation provided the *Ready* Campaign's original funding, as the U.S. Department of Homeland Security was not yet established. In August 2002, the Sloan Foundation provided $2 million for this effort. As the campaign was being developed it became necessary to provide additional funds for technical enhancements to the security and capacity of www.ready.gov, a high-traffic Web site that to date has received more than 1.9 billion hits. The Sloan Foundation provided an additional $1.8 million for this use. The total amount of Sloan Foundation funding to The Advertising Council in support of the *Ready* campaign was $3.8 million from August 2002 - September 30, 2003.

Ready Kids

Question: **Is it appropriate to speak with kids about terrorism?**

Answer: The *Ready Kids* Web site and in-school materials focus on weather-related emergencies and help parents and teachers educate children, ages 8-12, about emergencies and how they can help their families prepare. DHS encourages parents and teachers to visit the Web site with their children. And the Department urges all families to get an emergency supply kit, make a family emergency plan and be informed about the different emergencies that could happen where they live. The *Ready Kids* tool will stimulate a dialogue between parents and children about the importance of family preparedness.

Homeland Security consulted a number of organizations experienced in education and children's health including the American Psychological Association, American Red Cross, U.S. Department of Education and U.S.

Department of Health and Human Services to develop *Ready Kids.* Together, these experts agree that it is appropriate to reach children, parents and teachers to discuss potential emergencies and how to be prepared.

Question: **Don't kids have enough to worry about with school violence and fire drills?**

Answer: Knowledge is power and we feel that educating kids about potential emergencies helps them to feel confident and comfortable if an emergency occurs at school or at home. *Ready Kids* encourages open dialogue between students, teachers and parents and is presented in a non-threatening way.

Question: **Is this putting the burden on children to prepare their families?**

Answer: By launching *Ready Kids*, we're preparing *families* for potential emergencies. One of the goals of *Ready Kids* is to provide parents and teachers with family-friendly, age-appropriate information that they can use to speak with children about potential emergencies. As part of the discussion, they can work together to get an emergency supply kit to, make a family emergency plan and be informed of the types of emergencies that can affect them. We encourage parents to talk with their children and visit the *Ready Kids* Web site together.

Question: **Isn't this putting the burden on moms and dads to educate their children?**

Answer: *Ready Kids* was developed in response to requests from parents and teachers for information to share with their children about emergency preparedness. The *Ready Kids* Web site and the Scholastic in-school materials serve as excellent resources for parents and teachers.

Question: **Isn't 4th grade too young to learn about emergency preparedness?**

Answer: *Ready Kids* was developed for kids ages 8-12, which means the materials are geared for kids in fourth, fifth and sixth grade. Based on our discussions with experienced experts in children's health and education, this age group is appropriate because they have the ability to understand basic emergencies and discuss preparedness with their families.

Question: **Why did you pick ages 8-12?**

Answer: The U.S. Department of Homeland Security consulted a number of organizations experienced in education and children's health to develop *Ready Kids* including the American Psychological Association, American

Red Cross, U.S. Department of Education and U.S. Department of Health and Human Services. Their expertise helped Homeland Security and The Ad Council present emergency preparedness in a way that is understandable and appropriate for children ages 8-12. Children at this age are old enough to understand basic emergencies and discuss preparedness with their families.

Question: **I heard that the mascot was a dog - why did you choose a different mascot?**

Answer: Yes, one of our original concepts was a fictional American Shepherd dog character. However, with the help of The Advertising Council and other organizations experienced in education and children's health, we ultimately picked Rex as the *Ready Kids* mascot. Rex is a strong and confident mountain lion who encourages children to help their families prepare for emergencies.

Rex and his family (his wife Purrcilla, daughter Rory and best friend, Hector Hummingbird) explain how families can get an emergency supply kit, make a family emergency plan and learn more about the types of emergencies that can happen. Rex and his family are incorporated into the *Ready Kids* Web site (www.ready.gov) activities and the Scholastic in-school materials.

The *Ready Kids* mascot was developed with The Advertising Council, which has a long and successful 64-year history of developing mascots for other educational programs including Smokey Bear and McGruff the Crime Dog. Today more than 99 percent of Americans recorgnize Smokey Bear and his forest fire prevention campaign has helped to reduce the number of acres lost annually to forest fires from 22 million to 8.4 million. McGruff was introduced more than 20 years ago and today 93% of children feel he helps them be safer and over 75% of adults now believe they can do something to stop crime.

Question: **Don't mountain lions eat children – isn't Rex a scary mascot for this campaign?**

Answer: Rex is strong and confident, but he's also a family man. Rex and his family -- his wife Purrcilla, daughter Rory and best friend, Hector Hummingbird -- explain how families can get an emergency supply kit, make a family emergency plan and learn more about the types of emergencies that can happen.

The *Ready Kids* mascot was developed with The Advertising Council, which has a long and successful 64-year history of developing mascots for other educational programs including Smokey Bear and McGruff the

Crime Dog. Rex and his family are incorporated into the Web site and the Scholastic in-school materials.

Question: **What type of materials does *Ready Kids* include?**

Answer: The *Ready Kids* Web site (www.ready.gov) features fun games and puzzles as well as age-appropriate, step-by-step instructions on what families can do to be better prepared for emergencies, and the role kids can play in that effort. The Web site also has additional resources and information for parents and teachers on emergency preparedness and response.

In addition to the Web site, DHS has worked with Scholastic Inc. to develop in-school materials for fourth, fifth and sixth grade students nationwide. These activity sheets offer lessons that meet national standards for language arts, social studies and geography, while providing teachers and parents with a vehicle to explain important emergency preparedness information to children. The in-school materials are being distributed to 135,000 middle-school teachers in the 25 largest metropolitan areas. The materials will also be available on www.ready.gov for teachers to download.

Question: **Why was the *Ready Kids* program only sent to middle-school teachers in the top 25 metropolitan markets?**

Answer: We are spreading the word to middle-school teachers and parents across the country. The materials will also be available on www ready.gov for teachers to download. Prominent organizations such as the National PTA, Girl Scouts of the U.S.A. and Boy Scouts of America are supporting the *Ready Kids* program by distributing information and materials to their members.

For example, the Girl Scouts will use their Intranet to reach the nearly four million Girl Scouts in this country. The Boy Scouts will reach their more than four million members by sending information to their more than 300 local councils and featuring *Ready Kids* on their Web site and in an upcoming issue of *Scouting* magazine. This fall, the National PTA will include the *Ready Kids* in-school materials in its back-to-school mailings to 26,000 PTAs across the nation.

Question: **Are there plans to translate the materials into Spanish or other languages?**

Answer: We have translated *Ready Kids* into Spanish. *Listo Niños* can be found on www.listo.gov. There is also a toll-free phone number for *Listo* and *Listo materials* – 1-800-SE-LISTO.

Question: **Why have DHS and The Advertising Council taken two years to launch *Ready Kids*?**

Answer: Before launching *Ready Kids*, Homeland Security and The Advertising Council wanted to do our homework to ensure we were presenting emergency preparedness in a way that was understandable and appropriate for children.

U.S. Department of Homeland Security and The Ad Council consulted with a number of organizations experienced in education and children's health to develop *Ready Kids* including the American Psychological Association, American Red Cross, National Association of Elementary School Principals, National Association of School Psychologists, National PTA, National Center for Child Traumatic Stress, U.S. Department of Education and U.S. Department of Health and Human Services.

Question: **Is this really something that DHS needs to be doing – we have McGruff, we have local first responders, we do fire drills at schools. Do we really need another bureaucratic layer doing this…isn't the Red Cross or FEMA already working on children's education efforts in schools?**

Answer: *Ready Kids* was developed in response to requests from parents and teachers for information to share with their children about emergency preparedness. The *Ready* campaign is designed to educate and empower Americans to prepare for and respond to emergencies. Our efforts are complimentary to the American Red Cross and FEMA messaging and help emphasize the importance of emergency preparedness. The *Ready Kids* Web site and the Scholastic in-school materials can serve as effective resources for parents and teachers.

Question: **Doesn't FEMA have a Web site for children? Why was *Ready Kids* needed?**

Answer: FEMA for Kids is a children's version of FEMA's Web site, which offers information for kids on the agency and its role in responding to disasters.

Ready Kids was developed in response to requests from parents and teachers for information to share with their children about emergency preparedness. Our efforts are complimentary to the FEMA's work emphasizing the importance of emergency preparedness. Currently, the *Ready Kids* Web site links to the FEMA for Kids site in several places for additional information on natural disasters.

Under the new reorganization of the U.S. Department Homeland Security, FEMA's efforts are changing. FEMA will be focused on the federal

response to disasters. While the Department's new Preparedness Directorate will be focused on preparing for disasters. The *Ready* campaign will be a key part of this new Directorate, helping to educate and empower Americans to prepare for emergencies and *Ready Kids* is an extension of this effort.

Question: **Why are you using resources for *Ready Kids*? Shouldn't all of the organization's resources go towards fixing disasters like the recent hurricane devastations?**

Answer: *Ready Kids* is an important extension to the overall *Ready* Campaign, which is designed to educate and empower Americans to prepare for and respond to emergencies. *Ready Kids* was developed in response to requests from parents and teachers for information to share with their children about emergency preparedness. By taking steps to educate the nation's children about potential emergencies, we are reducing their level of anxiety about these types of situations.

Ready Business

Question: **What is *Ready Business*?**

Answer: *Ready Business*, is a public education campaign designed to give small to medium-sized practical steps they can take to prepare for disasters. The campaign messages will be delivered through a Web site (www.ready.gov), radio, print and Internet advertisements, and key partnerships.

Ready Business is an extension of the Department's successful *Ready* campaign, which has helped millions of individuals and families prepare for emergencies, which focuses on business preparedness.

Question: **What is the purpose of *Ready Business*?**

Answer: *Ready Business* is designed to inform small and medium-sized business owners and managers about what they can do to prepare their businesses in the event of an emergency. The goal of this program is to raise the business community's awareness of the need for emergency planning and motivate them to:

- Plan to stay in business
- Talk to their employees
- Protect their investment

Question: **Who is the target for *Ready Business*?**

Answer: All businesses need to have an emergency plan. This program is designed for small to medium sized businesses in particular, because, post disaster, they are most vulnerable to not re-open for business.

Question: **Why is this initiative important?**

Answer: America's businesses form the backbone of the nation's economy; small businesses alone account for more than 99 percent of all companies with employees and provide nearly 45 percent of the nation's payroll. If businesses are ready to survive and recover from a man-made or natural disaster, the nation and our economy are more secure. In its report to Congress and the President, the 9/11 Commission found that the private sector remains largely unprepared for such emergencies. Ready Business is a resource to help businesses get prepared.

Question: **What is on the *Ready Business* Web site?**

Answer: The *Ready Business* Web site outlines measures business owners and managers can take to start getting ready. It provides practical steps and easy to use templates to help businesses plan for the future survival of their companies.

There are several dozen practical steps business owners can take. My first recommendation is to visit www ready.gov where a number of steps are laid out to consider. Just for example, there is information on creating an evacuation plan for your business, fire safety, including employees throughout the process, considering people with special needs, and protecting your investments by securing your facility, your equipment and reviewing insurance coverage.

Question: **How can you convince small businesses to act? Many of them seem to feel security is just an expense?**

Answer: Private sector owns 85% of the nation's critical infrastructure. But, too few businesses are taking the necessary steps to prepare for emergencies. One of the key findings of the 9-11 Commission report was the need for the private sector to prepare for potential disasters. The report stated "Private-sector preparedness is not a luxury; it is a cost of doing business in the post-9-11 world. It is ignored at a tremendous potential cost in lives, money, and national security." In addition, a 2003 report by The Conference Board, a non-profit organization of global business leaders, found that there has been just a four percent increase in spending on security and emergency preparedness at companies across the nation since 9/11.

We designed this campaign to motivate small businesses to act by making preparedness a series of "actions" rather than abstract philosophy. Also, many of the steps businesses can take have very minimal costs. It does not cost much to think about how you will evacuate your facility and post the evacuation routes where people can see them. It does not cost anything to take an inventory of your equipment, review your insurance coverage, or to talk to your people about what the company's plan is.

2004 OPM Survey Results

Talking Points

December 2005

- The 2004 Federal Human Capital Survey was the first for the Department as a whole, and the data from it is being used to establish a baseline of employee attitudes in DHS. The information from this survey is also being used to suggest policy and program changes to strengthen the Department's ability to provide world-class leadership.

- DHS employees like the work they do, believe their work is important, and have a good understanding of how their work relates to DHS goals and priorities, according to the Governmentwide Federal Human Capital Survey conducted by the Office of Personnel Management (OPM) in 2004.

- Approximately 20,000 DHS employees received the survey in the fall of 2004, a year and a half after the creation of the Department, and approximately 51 percent of those surveyed responded.

- While DHS survey respondents felt a strong sense of personal work experience, many expressed dissatisfaction with three human capital dimensions assessed by OPM: leadership, performance culture, and talent. Specifically, employees expressed concern in areas such as promotions, recognition and rewards, steps taken to deal with poor performers, and leadership performance.

- We are already working aggressively to address many of these concerns," said DHS Deputy Secretary Michael Jackson in a message to all employees, dated June 1, 2005 . "Specifically, the MAX^{HR} human resource program will institute performance management and establish a system where results yield rewards."

- MAX^{HR} program objectives that will assist in addressing issues raised by employees include:
    - Supporting the establishment of clear performance expectations aligned with organizational goals
    - Creating a stronger link between performance and pay
    - Promoting a continuous learning environment
    - Creating new opportunities for leadership development
    - Enabling the department to continue to attract the best and brightest

Site License

Talking Points
June 16, 2005

1. How many enterprise software purchase agreements does the Department already have?

DHS currently has 2 enterprise software purchasing agreements.

2. Which vendors are they with?

- *Autonomy*
- *Dell (Microsoft Software license)*

3. What companies is DHS negotiating with now for additional enterprise agreements?

None

4. What is the status of enterprise licensing agreements?

DHS is currently in the process of revisiting the process that supports the acquisition of enterprise software agreements.

5. What is their expected value?

Approximately $92M over five years.

6. What other companies are you negotiating enterprise licensing agreements with?

None

9. How are you keeping track of the expiration dates of your existing licensing agreements to coordinate them with the new enterprise licensing agreements?

The DHS OCIO has specific POCs at each DHS Organizational Element that helps us coordinates software licensing DHS-wide. DHS has also established an IT Council (the next iteration of the IT

Licensing Commodity Council), which is staffed with IT managers from the DHS OEs that help with gathering and validating requirements and providing information on periods of performance and other terms associated with legacy software agreements.

10. Do the new enterprise licensing agreements apply to all elements of DHS and are they compulsory.

If the agreement is a true enterprise agreement (versus a volume license) then, DHS' intent is to include all DHS Organizational Elements within the enterprise licensing agreement.

11. Are any other elements of DHS still negotiating software licensing agreements? IF so, why?

Organizational elements may have a need for specific software not covered by an enterprise licensing agreement and therefore may be negotiating separate software licensing agreements.

12. Do you seek to centralize all software licensing so as to gain economies of scale?

Yes, the objective of the enterprise licensing agreement is to obtain the best possible price/fee based on increased volumes.

UASI ANNOUNCEMENT
Secretary Chertoff announced $765 million in direct funding for high threat urban areas on Jan.3, 2006, as part of the fiscal year 2006 Urban Areas Security Initiative (UASI). UASI provides resources for the unique equipment, training, planning, and exercise needs of select high threat urban areas.

Talking Points:

- The 2006 Urban Areas Security Initiative will provide $765 million directly to high-threat urban areas, using a more sophisticated set of criteria to determine these urban areas, based upon the potential consequences of an event or attack to a given urban area; the vulnerabilities associated with that urban area and its assets; and a threat assessment.

- In order to receive UASI funding, these urban areas must develop an investment justification that identifies and prioritizes their strategic needs and makes it clear to us that those needs align with the broader national security priorities listed in the National Preparedness Goal. We also looked at geographic risk – such as the presence of international borders, terrorism-related investigations, population, and the location and vulnerability of ports and other critical infrastructure.

- This year we've identified 35 areas eligible to compete for these funds, which encompass 95 cities with populations of 100,000 or more. In addition, 11 cities that were designated UASI cities in 2005, but who did not make it into the top 35 this year are also eligible to compete for funds.

- Since 9/11, this Administration has provided $8.6 billion to first responders across the country, which is a substantial investment that clearly benefits cities and urban areas. This Administration, and this Department, will continue to champion funding on the basis of risk and strategic need. And we urge Congress to do the same in order to ensure that our finite resources are allocated and prioritized to protect our nation's critical assets and the lives of all Americans.

DHS Introduces Risk-based Formula for Urban Areas Security Initiative Grants

For Immediate Release
Office of the Press Secretary
Contact: 202-282-8010
January 3, 2006

The Department of Homeland Security (DHS) announced today $765 million in direct funding for high threat urban areas as part of the fiscal year 2006 Urban Areas Security Initiative (UASI). UASI provides resources for the unique equipment, training, planning, and exercise needs of select high threat urban areas.

"The department is investing federal funding into our communities facing the greatest risk and demonstrating the greatest need in order to receive the highest return in our nation's security," said Homeland Security Secretary Michael Chertoff. "Our nation's preparedness and the support of our emergency responders on the frontlines of the war against terrorism must be a shared effort. We will continue to champion funding on the basis of risk and need, and we urge Congress to do the same to ensure that our finite resources are allocated and prioritized successfully."

In fiscal year 2006, the department identified 35 areas eligible to apply for and receive funding. These 35 areas encompass 95 cities with populations of 100,000 or more. This year's formula promotes a "super" UASI concept that is designed to build greater regional capabilities across a geographic area. In addition, 11 urban areas from the fiscal year 2005 UASI have been identified as eligible to apply for sustainment funding in fiscal year 2006, to ensure that strategic investments made thus far can be completed and to identify projects that, if funded, would significantly reduce risk.

All eligible applicants must submit an investment justification, which identifies needs and outlines the intended security enhancement plan to be addressed with funding, to meet the target capabilities outlined in the National Preparedness Goal. Investment justifications will be reviewed, scored, and prioritized along with risk factors to determine which investments should be funded to best address need and minimize risk.

The fiscal year 2006 UASI list of eligible applicants and recipients is determined through a robust risk formula that considers three primary variables: consequence, vulnerability, and threat. Factors such as the presence of international borders, population and population density, the location of critical infrastructure, formal mutual aid cooperation, law enforcement investigations and enforcement activity are considered in correlation with the risk formula for UASI determinations.

Cities on the UASI list with shared boundaries were combined for fiscal year 2006 into a single entity and urbanized areas outside the official city limits were also included in order to establish a geographic area for enhanced risk analysis, reflecting a regional approach to shared risk and risk-mitigation. Other expansions to the program in fiscal year 2006 include the incorporation of threat analysis from intelligence community products that reflect risk as seen through various attack modes, such as the incorporation of transient populations and greater depth and breadth in infrastructure data.

More than $2.1 billion has been allocated through UASI since the 2003 fiscal year. Since 9/11, $8.6 billion has been provided in overall grant funding to states and territories to enhance first responder capabilities in preventing, protecting and responding to acts of terrorism.

Department of Homeland Security (DHS)
"talking points" Emails (359 pages)

From: Chang, Caroline
To: Orluskie, Larry
Subject: additional talking points - FW: Press Release for Recent Task Order Win
Date: Monday, November 08, 2010 12:08:13 PM
Attachments: (IS) DHS HRITv3.docx

Hi Larry,
I'm guessing the press release on EAGLE already went out, but below are some additional talking points as submitted by John Allen, one of the project leads, in case this would be helpful.

Thanks,
Caroline

_____
Caroline Chang
Senior Advisor and Acting Chief of Staff
Office of the Chief Human Capital Officer
U.S. Department of Homeland Security
(b)(6)

From: Allen, John S.
Sent: Monday, November 08, 2010 6:12 AM
To: Chang, Caroline
Cc: Pelowski, Gregg
Subject: Talking points - FW: Press Release for Recent Task Order Win

Caroline,

I made one very minor edit to the attached press release by changing payroll and personnel systems to "payroll / personnel systems". I see no issues with the document.

Talking Points:

The previous 5 year IT Support Services contract expired – It was replaced by a new contract competed on EAGLE. This new contract award provides overall IT support across several existing Enterprise systems (Payroll, EmpowHR, webTA, E-OPF). It provides full system lifecycle support (requirements definition, software configuration, testing, integration and implementation) towards new enterprise systems. It provides Enterprise Architecture support for the new OCIO/OCHCO integrated project team described below.

To Larry's question "do we really have over 200 systems", the answer is "yes" we do. While we have reduced the core payroll / personnel systems from 8 to 1, and reduced T&A systems from 8 to 2, and 1 E-OPF system across DHS, we still have many other systems supporting payroll / personnel and training. Many of the over 200 systems within the DHS inventory are very small systems; often supporting various reports. The main consolidation efforts are

targeted at the larger systems supporting Hiring Automation, Workflow, Enterprise Integration and Reporting.

One of the new efforts in play is supported by a new partnership with the OCIO and OCHCO aimed at defining the Enterprise HR Segment Architecture for DHS. This will provide DHS a clearer picture of what they have and what they need. The new contract will help DHS towards this goal as well and help define and implement new capabilities needed to support the enterprise.

I hope this helps – let me know if you need anything more.

John

(b)(6)
Human Capital Business Systems
DHS, Office of Human Capital
(b)(6)

From: Pelowski, Gregg
Sent: Friday, November 05, 2010 9:36 AM
To: Allen, John S.
Subject: Fw: Press Release for Recent Task Order Win

John - please respond. A priority.

From: Chang, Caroline
To: Pelowski, Gregg
Cc: Neal, Jeffrey
Sent: Fri Nov 05 09:06:36 2010
Subject: Fw: Press Release for Recent Task Order Win

Gregg, could you or someone on your team please review the attached press release please? Larry is also seeking talking points if possible. This pertains to EAGLE.

Also, kudos for the great effort on the attrition data last night!

Thanks,
Caroline

From: Orluskie, Larry
To: Trippie, Keith; Roat, Maria; Chang, Caroline
Sent: Fri Nov 05 08:48:18 2010
Subject: FW: Press Release for Recent Task Order Win

Hey folks –

Before I approve this release, can you take a look at it for facts?
At the same time, I'm going to need some talking points on what this is – who will have those?

One of the facts in the draft release that concerns me is the statement, to help consolidate and modernize the more than 200 payroll and personnel systems across DHS. Do we really have that many?

Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
(b)(6)

From: Smith, Harrison
Sent: Wednesday, November 03, 2010 1:11 PM
To: Orluskie, Larry
Cc: Holmes, Sheila
Subject: FW: Press Release for Recent Task Order Win

Larry,

Could you please review the attached press release for the HRIT requirement and let me know if you have any concerns? I've left my changes in track changes format so you can see what has been altered since the contractor's initial submission. Thank you.

Thank you,
Harrison Smith

From: Smith, Harrison
Sent: Thursday, October 21, 2010 11:40 AM
To: Holmes, Sheila
Subject: FW: Press Release for Recent Task Order Win

Sheila,

Here you are.

Thank you,
Harrison Smith

From: Holmes, Sheila (b)(6)
Sent: Wednesday, October 13, 2010 12:17 PM
To: Smith, Harrison
Cc: Thoreen, William; (b)(6)
Subject: FW: Press Release for Recent Task Order Win

Hi Harrison,

I received the attached Press Release document from Cathy Whalen, **Northrop Grumman Information Systems**. She wants to release a press release about one of your requirements that you recently awarded using EAGLE.

Can you please review the attached document for accuracy and content agreement of the message that she drafted? Please send an email message to Brenda, Bill and me letting us know if you agree or disagree with her message. I will follow-up with her by telephone call or email message. Nevertheless, the actual approval is provided by you as the Task Order Awardee Contracting Officer.

If you have any questions, please let me know.

Thanks!

Sheila A. Holmes
Associate Director
Acquisition Program Management Branch
E-mail Address: (b)(6)
(b)(6)

From: Whalen, Cathy A (IS) (b)(6)
Sent: Sunday, October 10, 2010 2:11 PM
To: Holmes, Sheila
Subject: FW: Press Release for Recent Task Order Win

Sheila have you had a chance to review this yet. Should this also go the awarding agency for approval as well or will you coordinate with them. Thanks in advance for your help!

Cathy Whalen
IDIQ Solutions Team
Northrop Grumman Information Systems
7575 Colshire Drive
McLean, VA 22102
(b)(6)

From: Whalen, Cathy A (IS)
Sent: Saturday, October 02, 2010 3:31 PM
To: 'Holmes, Sheila'
Subject: Press Release for Recent Task Order Win

Shelia in accordance with the contract section H.15 Advertisements, Publicizing Awards and News Releases I am sending you this press release for approval. Should this also go the awarding agency for approval as well or will you coordinate with them. Thanks in advance for your help!

Cathy Whalen
IDIQ Solutions Team

Northrop Grumman Information Systems
7575 Colshire Drive
McLean, VA 22102
(b)(6)

Sent: Tuesday, November 02, 2010 10:42 AM
To: Kroloff, Noah; Shlossman, Amy; de Vallance, Brian; Smith, Sean
Cc: Kudwa, Amy; Harper, DJ; Worman, Maya
Subject: 2010 Veteran Achievements

Key achievements for consideration in S1, S2 talking points as we approach Veteran's Day.

Hiring

Veterans currently comprise approximately 25 percent of all DHS employees. As of October 2010, DHS employed 47,748 Veterans, compared to 46,847 in August 2009. This is in addition to the 42,000 active duty members of the United States Coast Guard. Secretary Napolitano has set a goal of 50,000 veterans employed at DHS by the end of 2012.

Procurement

In 2010, DHS is projected to surpass Secretary Napolitano's goal of spending $1 billion with veteran owned businesses. Our FY2010 total of approximately $1.1 billion far exceeds the $900 we averaged in 2008 and 2009.

In 2010, DHS is projected to be one of only two agencies that reached the goals set by the Small Business Administration for contracting with service disabled veteran owned small businesses (SDVOSB). DHS is projected to have spent 3.2% of its total FY2010 contracting dollars with SDVOSBs which is above the SBA goal of 3%.

Chris Cummiskey
Deputy Under Secretary for Management
U.S. Department of Homeland Security
Washington DC
(b)(6)

From: Kudwa, Amy
To: Orluskie, Larry
Subject: FW: Agency workforce rankings
Date: Tuesday, August 31, 2010 6:49:44 PM

FYI.

From: prvs=8522bddd3=[redacted] (b)(6)
[mailto:prvs=8522bddd3=[redacted] (b)(6)] **On Behalf Of** Gavin, Tom
Sent: Tuesday, August 31, 2010 4:21 PM
Subject: Agency workforce rankings

All,

The Partnership for Public Service (PPS) has released to the Post its run on the recent OPM survey gauging federal employee satisfaction. The Post did an article (http://www.washingtonpost.com/wp-dyn/content/article/2010/07/11/AR2010071103452.html) when the data were first released, and now is working on a story on the recrunch from PPS. PPS calls it the "Best Places to Work" rankings.

Some offices have called looking for guidance on what to say with regard to the PPS rankings. As with any survey, there are winners and losers, good and bad. Our recommendation to you is to take a steady approach – not crow too loudly for great rankings, and not sulk for poor ones. The rankings are going to change again next year, and those at the top might fall. There are general talking points below. Please shout if you have questions.

GENERAL RESPONSE POINTS:

- The views of our employees are important to the leadership at AGENCY NAME. We take the results of the OPM survey seriously.

- Employees who find their work challenging and their workplace satisfying will do a better job for the American people. That's why we've been giving a critical eye to the OPM data, and we'll design initiatives that can get at the core problems that the survey identified.

- This survey is part of an ongoing conversation that the AGENCY leadership has with both political and career employees every day, and we hope that the data analysis will help to drive improvements that, in the end, lead to better service for the American people.

- It's important to recognize that this is an opinion survey from a small window in time and is only part of our agency's efforts to engage our employees and identify ways that we can consistently improve the quality of our workforce.

- Overall, the data show progress in building a higher-performing federal workforce. But, as with anything, we can always do better. Here at AGENCY, we are committed to reinforcing

the positive lessons in this data, and focusing on those areas of greatest concern from our employees.

DO's/DON'Ts:

- Don't speculate on the "why."
- Don't delve too deeply into specifics. Try to keep this at a high level.
- Accentuate the positive, but recognize that there is always room for improvement. There are positive trends, but we want to do better.

Many thanks.

Tom

From: Roat, Maria
To: Orluskie, Larry
Subject: FW: Blog Incident - Talking Points
Date: Wednesday, June 30, 2010 10:02:25 AM

FYI in case you get any calls.

From: Spires, Richard
Sent: Wednesday, June 30, 2010 9:57 AM
To: Reitinger, Philip; McConnell, Bruce; Denning, John; Brown, Michael A.; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith; Graves, Margie; Roat, Maria
Subject: RE: Blog Incident - Talking Points

Bob West, let's make sure we provide all relevant detail in our responses – others can decide if they want to cut it back. When can we get a complete set of responses? And where are we in the forensics on how this happened?

Thanks.

Richard

From: Reitinger, Philip (b)(6)
Sent: Wednesday, June 30, 2010 8:14 AM
To: Reitinger, Philip; McConnell, Bruce; Denning, John; Brown, Michael A.; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Spires, Richard; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith
Subject: RE: Blog Incident - Talking Points

Also, I'd add the point that computer security is never perfect and people make mistakes – how you respond matters. phil

---

From: Reitinger, Philip (b)(6)
Sent: Wednesday, June 30, 2010 8:09 AM
To: McConnell, Bruce; Denning, John; Brown, Michael A.; Reitinger, Philip R; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Spires, Richard; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith
Subject: RE: Blog Incident - Talking Points

Has the USSS been brought in?

From: McConnell, Bruce (b)(6)
Sent: Wednesday, June 30, 2010 8:00 AM
To: Denning, John; Brown, Michael A.; Reitinger, Philip R; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Spires, Richard; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith
Subject: RE: Blog Incident - Talking Points

+ Graves, Richard, Ryan, Meredith, Tim. Thanks JD for this great start. Agree with the need

for proactive transparency, if the story gets any legs.

OCIO/Graves please work the FAQs.
Ryan, please take a crack at sharpening up the legislative points.
Meredith, please push to this group any stories that pick up on the PC Magazine story.

We will discuss this on the morning OPA stand-ups and circle back.

Thanks,

Bruce

From: Denning, John [mailto (b) (6)
Sent: Wednesday, June 30, 2010 7:46 AM
To: Brown, Michael A.; Reitinger, Philip R; McConnell, Bruce W; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Denning, John
Subject: RE: Blog Incident update

The FAQ's will need to be answered by OCIO and then refined – I don't have enough information about the incident to answer them responsibly. Moreover, the payload question needs to be addressed – did our site cause other bad things to happen; if it did, I don't think we have an option - we must be proactive.

This is an integrity problem set – we need to be transparent and open about the problem before the media or detractors latch onto it.

Overall I am concerned about a few things:
1. DHS.gov becoming a site that is not trusted
2. The political argument against DHS
3. We do not have enough quantifiable and publicly action oriented successes to offset the negative news
4. This is the first in a drum beat of small events between now and October
5. Linkage between DHS networks and overall efforts – "1 step forward, 3 steps back"

Proactive Talking Points:
- **Yesterday, DHS learned that one of its DHS.gov website pages was infected with malicious code.**
- **The infection did not affect the whole of DHS.gov, only one page.**
- **The page has been taken down.**
- **DHS has been initiated a full inspection of DHS.gov and we will share non-operational results with the public as soon as it is completed.**
- **We are working with the website host to investigate the cause and are taking steps to ensure that this type of problem does not happen again.**
- **The payload of the malicious code was [fill in the blank].**

- **It is safe to visit DHS.gov.**

Malicious Code:

- Code injection is the exploitation of an error, flaw, mistake, failure, or fault in a computer program or system that produces an incorrect or unexpected result, or causes it to behave in unintended ways. Code injection can be used by an attacker to introduce (or "inject") code into a computer program that changes the original purpose of the webpage in malicious ways. Code injection can be used by some computer worms to spread malicious code.
- A Trojan is commonly understood to be a non-self-replicating malware that appears to perform a desirable function for the user but instead facilitates unauthorized access to the user's computer system.
- The **Trojan-Clicker.HTML.IFrame.agb does [Fill in the Blank].**
- Most commercially available virus scanners provide protection from this type of malicious code.

DHS's Role:

- DHS CIO is responsible for the protection of the DHS.gov website.
- As with most cyber incidents, determining the precise source of the attack remains problematic.
- DHS CIO has been focusing on mitigation of the vulnerability.
- The Department of Homeland Security (DHS), through NPPD, plays a key role in the Administration's efforts to secure Federal civilian networks, partner with the private sector to secure the nation's critical infrastructure, and promote a more resilient homeland.

What has DHS done about it?

- It is safe to visit DHs.gov.
- DHS has removed the website in question from DHS.gov.
- DHS CIO has launched a complete inspection of the DHS.gov website with the goal of finding and removing any additional malicious code. Aspects of this inspection will be made public.

Legislation:

- A core strength of the U.S. Internet is its decentralization, diversity, and resilience - the protection of critical information infrastructure should be accomplished through means that respect and enhance those features.
- A variety of laws already address aspects of Presidential emergency authorities over communications. The Administration is working with Congress to analyze and identify current law before creating new, and potentially conflicting authorities.
- Improvements in cybersecurity can and must be pursued without violating core principles for protecting privacy and ensuring transparency.
- Privacy and civil liberties protection is built in to our Nation's cybersecurity programs and the desire for situational awareness must not be translated into unconstrained monitoring of private sector or Internet traffic.

What steps can the public take to avoid this from happening to them?

Dealing with the presence of malicious code on your computer can be a frustrating

experience that can cost you time, money, and data. The following recommendations will enhance your defense against future infections:

- **use and maintain anti-virus software** - Anti-virus software recognizes and protects your computer against most known viruses. However, attackers are continually writing new viruses, so it is important to keep your anti-virus software current.
- **use anti-spyware tools** - Spyware is a common source of viruses, but you can minimize the number of infections by using a legitimate program that identifies and removes spyware.
- **change your passwords** - Your original passwords may have been compromised during the infection, so you should change them. This includes passwords for web sites that may have been cached in your browser. Make the passwords difficult for attackers to guess.
- **keep software up to date** - Install software patches so that attackers can't take advantage of known problems or vulnerabilities. Many operating systems offer automatic updates. If this option is available, you should enable it.
- **install or enable a firewall** - Firewalls may be able to prevent some types of infection by blocking malicious traffic before it can enter your computer. Some operating systems actually include a firewall, but you need to make sure it is enabled.
- **follow good security practices** - Take appropriate precautions when using email and web browsers so that you reduce the risk that your actions will trigger an infection. As a precaution, maintain backups of your files on CDs or DVDs so that you have saved copies if you do get infected.

Frequently Asked Questions:

1. **Why were these attacks not disclosed earlier? How long has DHS known about this vulnerability on its systems?**
2. **Is the general public at risk by visiting the DHS.gov website?**
3. **What is the payload of the "Trojan-Clicker.HTML.IFrame.agb?" What harm can it do?**
4. **Does the Department have any data on how many visitors may have clicked on this part of DHS.gov?**
5. **Is the situation under control? How certain are you of this?**
6. **Was a foreign government involved? Do you have the identity of those behind this attack?**
7. **Why wasn't this prevented from happening?**
8. **Has anyone made a mistake? Contractor? Web hosting company? OCIO?**
9. **Has this ever happened before?**
10. **Is there a law enforcement investigation?**
11. **What advice is DHS giving to citizen who may have accidently clicked on that part of the DHS.gov website?**
12. **How do you remove the "Trojan-Clicker.HTML.IFrame.agb" from your computer?**
13. **What has DHS done to ensure this type of attack cannot happen again and to protect the public?**
14. **Why did the EINSTEIN system not detect it?**

From: Brown, Michael A. (b)(6)
Sent: Wednesday, June 30, 2010 6:11 AM
To: Reitinger, Philip R; McConnell, Bruce W; Kudwa, Amy

Cc: West, Robert; Schaffer, Gregory; Brown, Michael; Durkovich, Caitlin A; Dorville, Kristina; Denning, John
Subject: Re: Blog Incident update

Sir,

JD did some last night.

Vr,
MAB

From: Reitinger, Philip [redacted] (b)(6)
To: McConnell, Bruce W [redacted] (b)(6) [redacted]; Kudwa, Amy [redacted] (b)(6) [redacted]
Cc: West, Robert [redacted] (b)(6) [redacted] Schaffer, Gregory [redacted] (b)(6) [redacted] Brown, Michael [redacted] (b)(6) [redacted] Durkovich, Caitlin [redacted] (b)(6) [redacted]; Dorville, Kristina [redacted] (b)(6) [redacted] Denning, John [redacted] (b)(6) [redacted]
Sent: Wed Jun 30 06:05:09 2010
Subject: Fw: Blog Incident update

Bruce - pls think with amy and john about whether we need responsive press activity. Phil

---

From: Reitinger, Philip
To: West, Robert; Schaffer, Gregory
Cc: Stempfley, Roberta; Vickers, Randal; [redacted] (b)(6) [redacted] Spindler, Graves; Coose, Matt; [redacted] (b)(6) [redacted] (b)(6) [redacted] McConnell, Bruce; Spires, Richard; [redacted] (b)(6) [redacted]
Sent: Tue Jun 29 18:14:00 2010
Subject: Re: Blog Incident update

Thank you Bob. Pls keep us in the loop.

From: West, Robert
To: Reitinger, Philip; Schaffer, Gregory
Cc: Stempfley, Roberta; Vickers, Randal; Kudwa, Amy [redacted] (b)(6) [redacted] Spindler, Graves; Coose, Matt; Seale, Mary Ellen [redacted] (b)(6) [redacted] 'Brown, Michael A.' [redacted] (b)(6) [redacted] McConnell, Bruce; Spires, Richard; Graves, Margie [redacted] (b)(6) [redacted]
Sent: Tue Jun 29 18:08:23 2010
Subject: Blog Incident update

Phil and Greg,

Here is a short update on the blog incident:

On June 29, 2010, PC Magazine reported that several DHS public blogs had been compromised and were redirecting public users to a malicious site that was serving malware. (See: http://www.pcmag.com/article2/0,2817,2365796,00.asp)

Based on an initial investigation by the DHS Enterprise Security Operations Center the following has been determined:

In late April, 2010, a number of legacy web pages hosting official DHS blogs were rehosted

into a more secure environment at http://blog.dhs.gov/ and http://journal.dhs.gov/. However, the old sites remained activated after the transfer occurred. On June 24, 2010, starting at approximately 11:00 AM, these legacy sites were compromised when malicious code in the form of a hidden iframe was imbedded in the web pages to redirect site visitors to another malicious website.

The initial investigation has determined that one FTP account was used to modify the files by the attacker. The investigation continues to determine how that occurred.

Thanks,
Bob West

From: Marcott, Stacy
To: Orluskie, Larry
Subject: Fw: Correspondence
Date: Thursday, June 17, 2010 9:17:22 AM

Here you go

Stacy Marcott
(b)(6)

From: Sherry, Peggy
To: Cummiskey, Chris
Cc: Marcott, Stacy; Borras, Rafael; Snow, Avie
Sent: Wed Jun 16 22:44:26 2010
Subject: RE: Correspondence

Chris,
unfortunately we were not able to access the email archive vault to retrieve previous talking points, so we improvised with the following. Please let me know if this does not hit the mark.

TASC

DHS is acquiring an integrated acquisition, finance and asset system that is already operational in the Federal space. Component migrations will be completed in a phased approach based, on risk and need, and employing industry best practices.

TASC brings standardized business processes and internal controls for financial, asset, and acquisition management, as well as provides consolidated, integrated reporting capability. It provide the foundation for achieving a clean audit opinion, addressing system security and functionality control weaknesses, and will allow DHS to strengthen its overall financial management.

ADVANTAGES

- Enterprise view of date to give mission support
- Real time data
- Eliminate manual processes
- Strengthen internal controls and system security
- Standardize business process based on best practices
- Increase financial transparency
- Create a consolidated, integrated reporting capability
- Eliminate redundancies
- Avoid costs associate with inefficiencies
- Centralize program governance for faster responsiveness/ streamlined decision making
- Bring economies of scale:
  - Centralize systems administration
  - Centralize patches and upgrades
  - Government-wide requirements/federal mandates applied centrally

The procurement is a full and open competition and was conducted in accordance with FAR Part 15. It is a single IDIQ contract with multiple task order awards.

TASC has had considerable Congressional interest, much of this interest is the result of lobbying by interested vendors (one particular vendor has considerable DHS-business potentially at stake), as well as concerns related to GAO/OIG findings. DHS has been working closely with the GAO and OIG to address its recommendations, some of which will be addressed once the system solution is known.

In addition, TASC has been the subject of litigation. Most recently, DHS prevailed in the pre-award bid protest and subsequent appeal.

-

What will be delivered in FY10?
DHS will complete its Acquisition Review Board June 22, and anticipates contract award by the end of June.

The first Task Order awards will be to establish contractor PMO (DHS has established its own PMO and will maintain full oversight of contractor) and initiate contractor assessments of components; stand up solution in DHS Data Center; and conduct Department business assessment and gap analysis.

Budget: Currently funding: $40M with additional $11M request for FY11.

IG/GAO reports
DHS has addressed the recommendations of each and incorporated into TASC planning. DHS will continue to work and solicit input from GAO and OIG as we move into implementation.

Recent OIG Report

> ***NOTE*** *the below referenced IG report is based on work conducted last October. It does not reflect the product of work performed by the TASC team and others over the last 7 months. Many of the findings and recommendations have been addressed, such as IV&V.*

Congressional Distribution June 18th, Web Posting June 28th: "DHS Needs to Address Challenges to Its Financial Systems Consolidation Initiative." Background: In an effort to reduce redundancy, weaknesses, and vulnerabilities in its financial systems, DHS initiated the creation of a consolidated financial management system. The Transformation and Systems Consolidation (TASC) initiative is the latest of several attempts at consolidation. **Findings:** The OIG finds that DHS is taking proactive steps toward developing and implementing its systems consolidation program, but faces numerous challenges in fully implementing the TASC initiative and does not have the necessary planning documents in place. **Recommendations:** OIG identifies measures that the Office of the Chief Financial Officer can take to enhance the TASC program's overall effectiveness, including the finalization of planning documents and the creation of a staffing plan and life cycle cost estimation. **Response:** DHS concurs with all the recommendations. DHS has IVV on board and will utilize EVM to measure value. In addition, TASC has an Executive Steering Committee chaired by the USM that will provide executive-level governance to the project.

From: Cummiskey, Chris
To: Sherry, Peggy
Cc: Marcott, Stacy
Sent: Wed Jun 16 19:28:44 2010
Subject: Fw: Correspondence

Peggy,

Can you help with TASC talking points for S1?

Thanks,

CC

Chris Cummiskey
Deputy Under Secretary for Management
U.S. Department of Homeland Security
Washington, DC
(b)(6)

From: McNamara, Phil
To: Cummiskey, Chris; Peacock, Nelson; Shlossman, Amy; Wiggins, Chani; Kroloff, Noah; (b)(6) (b)(6) Ramanathan, Sue; (b)(6) de Vallance, Brian; Cohen, John <CTR>
Cc: (b)(6) Homer, Rachel; 'Kayhoe, Nate' (b)(6)
Sent: Wed Jun 16 19:08:28 2010
Subject: RE: Correspondence

For those folks adding talking points please add them to the attached document.

Chris – SBI review status / TASC

Cohen – I&A

From: Cummiskey, Chris
Sent: Wednesday, June 16, 2010 6:50 PM
To: Peacock, Nelson; Shlossman, Amy; Wiggins, Chani; McNamara, Phil; Kroloff, Noah; (b)(6) Ramanathan, Sue; (b)(6) de Vallance, Brian; (b)(6)
Cc: (b)(6)
Subject: Re: Correspondence

Got it, will pull a capsule together for the group.

CC

Chris Cummiskey
Deputy Under Secretary for Management
U.S. Department of Homeland Security
Washington, DC
(b)(6)

From: Peacock, Nelson
To: Cummiskey, Chris; Shlossman, Amy; Wiggins, Chani; McNamara, Phil; Kroloff, Noah (b)(6) (b)(6); Ramanathan, Sue; (b)(6) de Vallance, Brian; Cohen, John <CTR>
Cc: (b)(6)
Sent: Wed Jun 16 18:47:24 2010
Subject: Re: Correspondence

Chris - may want an update about the status of the SBI review...that piece is not in her materials.

From: Cummiskey, Chris
To: Shlossman, Amy; Peacock, Nelson; Wiggins, Chani; McNamara, Phil; Kroloff, Noah; (b)(6) (b)(6); Ramanathan, Sue; (b)(6) de Vallance, Brian; Cohen, John <CTR>
Cc: (b)(6)
Sent: Wed Jun 16 18:46:09 2010
Subject: Re: Correspondence

Yes, we will pull them together.

CC

Chris Cummiskey
Deputy Under Secretary for Management
U.S. Department of Homeland Security
Washington, DC
(b)(6)

From: Shlossman, Amy
To: Peacock, Nelson; Wiggins, Chani; McNamara, Phil; Kroloff, Noah [redacted] (b)(6) [redacted] Ramanathan, Sue; [redacted] (b)(6) [redacted] de Vallance, Brian; Cummiskey, Chris; Cohen, John <CTR>
Cc: [redacted] (b)(6) [redacted]
Sent: Wed Jun 16 18:25:33 2010
Subject: RE: Correspondence

Chris- can you help w/ TASC tp's?

John- I/A tp's?

Letter attached. Meeting w/ the Majority is first thing tomorrow am.

Thanks.

From: Peacock, Nelson
Sent: Wednesday, June 16, 2010 6:22 PM
To: Wiggins, Chani; Shlossman, Amy; McNamara, Phil; Kroloff, Noah; [redacted] (b)(6) [redacted] Ramanathan, Sue; [redacted] (b)(6) [redacted] de Vallance, Brian
Cc: [redacted] (b)(6) [redacted]
Subject: RE: Correspondence

SW Border is covered in the memo…

Here is what I put together for cargo scanning … we need I&A and TASC.

Maritime Cargo Scanning

The 9/11 Act requires DHS to "100% scan", using both imaging and radiological/nuclear detection systems, all U.S.-bound maritime containers before they are loaded on vessels at foreign ports by 2012. The law authorizes DHS to extend this deadline indefinitely, in two year increments, if certain conditions exist.

You have indicated that meeting the mandate will be difficult, and DHS will likely seek the extensions allowed by law. In your last appearance before CHS, you indicated to the Chairman that we should take a look at changing the law, which went further than we have stated publicly in the past. The Policy office has been looking at options that we could provide to interested members, but they have not been approved and we have not provided them yet. In addition, the White House is preparing a National Strategy on Supply Chain Security that is taking a comprehensive look at this issue. We are pushing the WH to specifically address the mandate in this strategy and believe that White House ownership of this issue is the best way to mute criticism.

What is the Department's position on 100% scanning? Do you want to change the law?

- I understand that this is an important issue to you.
- This issue was raised to me during transition, and I've taken a good look at it.
- The mandate presents logistical challenges, funding challenges, and challenges with our international trading partners.
- I'm concerned that singular focus on the cargo container pathway can leave smuggling vulnerabilities through other entryways, e.g., land ports of entry or small vessels.

- I've also been clear that we are unlikely to meet the mandate and will be seeking the extensions allowed by law.

- As you know, many departments have equities here, and the White House is in the process of developing an Administration wide review and strategy for supply chain security.

- I understand that the White House will be in a position to brief your staff's on the parameters of the study very soon and it will incorporate the views of DHS, Dept. of Energy, Commerce Department and others.

- This report will meet the requirements of the SAFE Ports Act, and we are working with the White House to get this report completed as soon as possible.

- At this point, the Administration has not yet established a position on whether the law should be changed.

From: Wiggins, Chani
Sent: Wednesday, June 16, 2010 6:15 PM
To: Shlossman, Amy; Peacock, Nelson; McNamara, Phil; Kroloff, Noah; (b)(6) Ramanathan, Sue; (b)(6) de Vallance, Brian
Cc: (b)(6)
Subject: Re: Correspondence

This is the majority. We need talkers for those areas - where we are, etc.

From: Wiggins, Chani
Sent: Wednesday, June 16, 2010 6:03 PM
To: Bynum, Marsha; McNamara, Phil; Shlossman, Amy; Kroloff, Noah; (b)(6) Peacock, Nelson; Ramanathan, Sue; (b)(6); de Vallance, Brian
Cc: (b)(6)
Subject: Fw: Correspondence

Please read asap. Haven't seen letter yet, but suspect negative.

From: Newhart, Andrew (b)(6)
To: Wiggins, Chani Winn (b)(6)
Sent: Wed Jun 16 17:57:34 2010
Subject: Correspondence

Good afternoon,

Attached please find a letter sent today by the Subcommittee Chairs of the Committee on Homeland Security to the Secretary of Homeland Security.

Please let me know if you have any questions.

Thanks,

Andrew J. Newhart

Majority Staff
House Committee on Homeland Security
H2-176 Ford House Office Building
Washington, DC 20515
(b)(6)

From: Correa, Soraya
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper
Date: Monday, May 24, 2010 1:36:48 PM
Attachments: FirstSource Point Paper.doc

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
EG Solutions	NCS Technologies
Government Acquisitions	ST-Net Apptis JV
GovPlace	WildFlower International Ltd
iGov	

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Kudwa, Amy
To: Orluskie, Larry
Subject: Budget guidance (please do not forward)
Date: Monday, January 25, 2010 9:24:25 AM

BUDGET MATERIAL

Agency budget offices are in contact with their counterparts at OMB and will have the information as soon as it is available. In support of the budget release, OMB will provide a fact sheet on each Cabinet-level department; a series of cross-cutting fact sheets that highlight issue funding across agencies; and a general talking points for your use. Anything you receive ahead of the budget should be treated as sensitive materials for internal use only. Fact sheets will not be made public until the morning of the budget release.

QUESTIONS AHEAD OF TIME

If you are called for comment on a leak or speculative media story, please use the standard line: "There are many rumors about the Fiscal 2011 budget. We are not commenting on the President's budget until it is formally released."

DAY-OF-RELEASE SPECIFICS

Exact timing on the budget release is still being decided. We expect the day to flow as follows:

- Morning, TBD: President Obama unveils his FY2011 budget.
- Morning, 10 a.m.: Budget docs go live online.
- Morning, following POTUS event: Orszag briefs reporters on the budget's topline details.
- Afternoon, no sooner than 12:30 p.m.: Agencies begin briefings/conference calls/releases on their budget priorities.

Individual budget press releases still need to be cleared through WH communications. However, budget press releases do not need a separate clearance from OMB Communications as long as agency budget offices check the numbers in any release, fact sheet, or blog with their OMB budget counterparts before releasing.

WHAT WILL THE BUDGET LOOK LIKE

In terms of structure, the budget will include chapters on federal departments, as it did in the 2010 budget. However, different from the 2010 submission, the department sections will include a chart outlining the top-line funding levels for the department and its major agencies and bureaus.

Also different this year, and likely to spark questions for you, is the inclusion of the departmental high-priority performance goals. To improve performance, each federal department is moving aggressively to set clear and measurable goals, and use effective, proven tools to reinforce priorities, motivate action, and deliver results. As part of this effort, departments have identified a limited number of high-priority performance goals that will be a particular focus over the next two years. The goals will be printed, department by department, in the Analytical Perspectives portion of the budget.

From: Couch, Howard
To: Sherry, Peggy
Cc: Levine, Jerry; Harris, Mark E (DHS CFO); Orluskie, Larry; Harper, DJ
Subject: CHCO OIG
Date: Tuesday, July 27, 2010 2:56:46 PM

Peggy….feedback to our morning meeting in reference to the CHCO HRIT audit.

BACKGROUND:

- On July 2, Final Report OIG-10-99 "Management Oversight and Component Participation Are Necessary to Complete DHS Human Resource Systems Consolidation Effort" was released.

- This was an advance copy that was not made public by the DHS OIG. OIG planned to release to Congress on July 13, 2010 and post to the WEB on July 21, 2010.

- OCHO selected to designate this as priority two audit….thus it was not reported on the bi-weekly "High Profile" Watch Reports…nor was it briefed to Chris Cummiskey prior to the recent S2/SCAO meeting.

ACTION:

- I discussed the above with Larry Orluskie. Larry has reached out to OCHO to obtain talking points etc.

- In the future, Larry will plan to attend the audit pre-briefs sessions that we will be conducting with Chris Cummiskey. CXO audit liaison personnel will brief Chris on all on-going priority one audits as well as identify all other on-going audits currently underway in each CXO.

Thank you,
Buzz Couch
Special Assistant
Office of the Chief Financial Officer
U.S. Department of Homeland Security
(b)(6)

From: Correa, Soraya
To: Nayak, Nick; Gunderson, Richard; Orluskie, Larry
Cc: Thoreen, William; Wisor, Jan; McLaughlin, Daniel
Subject: FW: FirstSource Vendor looks
Date: Friday, December 03, 2010 3:03:42 PM

FYI – Here are the Talking Points Bill put together for Larry concerning our review of the FS vendors.

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security

(b)(6)

From: Thoreen, William
Sent: Friday, December 03, 2010 2:23 PM
To: Correa, Soraya; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks

Larry,

Here is an improved version which better addresses the DHS involvement up front. The previous version gave the impression that we learned of the problems when the suspensions were issued.

From: Thoreen, William
Sent: Friday, December 03, 2010 1:57 PM
To: Correa, Soraya; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks

Larry,

Here are some suggested talking points:

DHS takes very seriously the issues that resulted in the recent SBA suspensions. DHS has worked closely with the SBA on the issues surrounding the suspensions and on ensuring ongoing compliance under the contracts.

DHS has begun a review of the FirstSource contractors to ensure that our small business

prime contractors are performing their responsibilities correctly and in accordance with the expectations of a small business set-aside program. Of particular interest is compliance with the limitations on subcontracting rules for the performance of services. To that end, we are conducting reviews of the service orders placed with each company to ascertain the contract-level compliance with those limitations.

Because of the differing rules governing joint ventures, we are also conducting financial capabilities and purchasing process reviews of the joint ventures under FirstSource.

If we uncover abuses, we will work with the SBA to take appropriate action which may include actions similar to those recently undertaken by the SBA.

Next week we are meeting with the contractors to discuss the recent SBA suspensions, share our plans for the comprehensive reviews, explain the seriousness with which DHS takes this issue, and openly discuss any other potential methods to ensure ongoing success of the program.

DHS believes it has an excellent group of FirstSource prime contractors and that the program has been successful in promoting small business. While we cannot afford and will not tolerate abuses under the program, we do not intend to turn this into a "witch hunt."

From: Correa, Soraya
Sent: Friday, December 03, 2010 10:32 AM
To: Thoreen, William
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: Fw: FirstSource Vendor looks

Sorry, pls put something together for Larry.

Thank you,
Soraya Correa
Executive Director, Office of Procurement Operations
Department of Homeland Security

Sent from my Blackberry wireless -- pardon the typos!!!

From: Orluskie, Larry [redacted] (b)(6)
Sent: Friday, December 03, 2010 10:29 AM
To: Correa, Soraya [redacted] (b)(6)
Cc: McLaughlin, Daniel [redacted] (b)(6) Nayak, Nick [redacted] (b)(6)
Subject: RE: FirstSource Vendor looks

Is this afternoon too soon?
If it is – Monday can work.
I can tease the story today and give him details Monday.

Larry

From: Correa, Soraya [redacted]
Sent: Friday, December 03, 2010 10:27 AM
To: Orluskie, Larry
Cc: McLaughlin, Daniel; Nayak, Nick
Subject: Re: FirstSource Vendor looks

Can do. When do you need this by?

Thank you,
Soraya Correa
Executive Director, Office of Procurement Operations
Department of Homeland Security

Sent from my Blackberry wireless -- pardon the typos!!!

From: Orluskie, Larry [redacted]]
Sent: Friday, December 03, 2010 10:23 AM
To: Correa, Soraya [redacted]
Cc: McLaughlin, Daniel [redacted] Nayak, Nick [redacted]
Subject: FirstSource Vendor looks

Soraya –

Can you help me with a few talking points on the actions we are taking to look at the FirstSoruce vendors? I'm going to talk to the Post reporter on the record and want to make sure that I use the correct terminology and it doesn't send any misconceptions or red flags to others (SBA, Congress and other vendors).

Larry

Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
[redacted]

From: Marcott, Stacy
To: Orluskie, Larry
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Date: Thursday, July 29, 2010 11:49:48 AM
Attachments: DHS TASC Communications Strategy and Documents.docx

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Updated comms strategy based on RMT comment below.

From: Rone, Lesley
Sent: Thursday, July 29, 2010 11:46 AM
To: Marcott, Stacy
Subject: RE: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC

Just talked to someone in RMT. They asked if we can make sure the second to last bullet reads "The decision on **when** components will migrate to the TASC solution" just to stay consistent with the RFP.
Thanks for catching the issues with language. I'm going to get the Comms strategy from Carlene and make sure what we sent out going forward is reflective of that language.

From: Marcott, Stacy
Sent: Thursday, July 29, 2010 11:32 AM
To: Harris, Mark E (DHS CFO); Rone, Lesley; Ileto, Carlene
Cc: Snow, Avie; Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Importance: High

Please make sure we stay consistent with the message in the TASC comm's strategy talking points (attached) and the Thompson/Carney response. If the message is changing, please let me know so we can maintain consistency.

The talking points on the TASC hearing prep paper CFO provided were not quite there and were revised to say the following:

- The Transformation and Systems Consolidation (TASC) goal is to implement a solution already operational in the Federal space that provides financial, acquisition and asset management functionality.

- TASC provides the foundation for ensuring clean audit opinions, addressing system security issues and remediating control and system weaknesses. It will strengthen financial management and reporting capabilities.

- DHS strategy will focus on migrating components with critical business needs to this solution. Based on successful migration of a large component to TASC, DHS will assess the critical needs of other DHS component to determine the next migration consistent with the assessment requirements of OMB policy.

- The decision on which components will migrate to the TASC solution will be made by a formal Executive Steering Committee chaired by the Under Secretary for Management and

will comport with the administration's policy on financial management systems.

- DHS has been working closely with OMB to review TASC and demonstrate how DHS will ensure the success of TASC on a large DHS component. Upon OMB approval of the program plan and approach for the next 24 months to deliver a successful Component migration, DHS will proceed with the TASC contract award.

From: Readinger, Jeff
Sent: Wednesday, July 28, 2010 7:48 PM
To: Borras, Rafael; Cummiskey, Chris
Cc: Marcott, Stacy
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Importance: High

For your visibility, no action is needed on your part, please see below regarding House Majority Leader and TASC.

Jeffrey T. Readinger
Director, Office of Legislative Affairs
U.S. Department of Homeland Security
(b)(6)

From: Readinger, Jeff
Sent: Wednesday, July 28, 2010 7:35 PM
To: Peggy Sherry (b)(6) Avie Snow (b)(6) Soraya Correa (b)(6) Carlene Ileto (b)(6); Harris, Mark E (DHS CFO) (b)(6) Bucknor, Charles (b)(6)
Cc: Fraser, Tsahai M; Richardson, Jill ((b)(6) Cole, Vivian (b)(6) Heide, Bruce (b)(6) Marian Gibson (b)(6); David O'Leary (b)(6)
Subject: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Importance: High

Peggy, Avie, Soraya, Carlene, and Charles,
Today, the A/S for the Private Sector Office met with House Majority Leader Steny Hoyer's Chief of Staff, Mr. Terry Lierman.
In this meeting TASC came up as a major topic and Mr. Lierman is on a fact finding mission as he has had several meetings with Ms. Lisa Kazor of Savantage Solutions (their side of the story). As a result, we need to set up a briefing for Mr. Lierman as soon as we can.

I need to know your availabilities across Thursday and Friday this week and all of next week for a briefing <u>and</u> I also need you to be flexible.
The Front Office has strong interest in this briefing and I have been instructed to:

- Reach out to Mr. Lierman in the AM,
- Once set, let the Front Office know who our briefers are (I'm assuming it is y'all – like always) and when it is happening, and
- To make this briefing happen as soon as possible, **potentially within the next 48 hours if Mr. Lierman's schedule will accommodate**.

This briefing needs to succinctly and clearly explain:

- The efforts related to TASC,
- The difference between Emerge2 and TASC,
- Where we are today, and
- Why this system is needed.
- Moreover, please find attached is a paper that was provided to Mr. Hoyer and his staff from Ms. Lisa Kazor, which outlines some of the complaints/arguments presented against TASC program. This briefing needs to politely correct the inaccuracies and/or misrepresentations in this paper. Please note, in the attached document, this section is now highlighted:

> "The IG and GAO reports are available upon request. OMB recently issued a memo requiring that all government wide financial system replacement projects be halted until OMB can review and determine if there are viable alternatives and if not that such projects are broken down into 90 day deliverables so that risk can be mitigated."

The original document given to the A/S for the Private Sector Office had these sentences highlighted by Mr. Lierman.

- PLEASE NOTE: I provided this document to RMTO earlier today, and they were working on Talking Points to refute this paper.

In addition to the paper, I have had a discussion with the OLA liaison that was in the meeting and here are some additional concerns and items of note that the Chief of Staff verbalized, which we need to be prepared to address:

- The Majority Leader wants to do something, be it in the Appropriations process or the Authorization process.
- The Majority Leader is concerned about the program due to the current timing (rapidly approaching contract award).
- The Majority Leader is aware of Rep. Van Hollen's efforts, but has resisted being involved.
- The Chief of Staff has heard that DHS wants Oracle to take over the DHS's systems; this apparently is a rumor by other Hill staff.
- The Chief of Staff is concerned with the $450M cost and rumors of billions in other costs.

Again, we need to be ready to go fairly soon and I would appreciate your flexibility and availabilities as soon as possible since I will be reaching out to Mr. Lierman in the AM.

Respectfully,

Jeffrey T. Readinger
Director, Office of Legislative Affairs
U.S. Department of Homeland Security
(b)(6)

From: Marcott, Stacy
To: Gunderson, Richard
Cc: Cummiskey, Chris; Orluskie, Larry
Subject: FW: High-Priority Performance Goals -- talking points for DCOS
Date: Monday, August 02, 2010 2:25:24 PM

Per Amy's request, here are draft talking pts regarding building the acquisition workforce. Is there anything you want to change or add? Stacy

- Recognizing that competition for qualified acquisition professionals is intense across the federal government, DHS established the Acquisition Professional Career Program (APCP). APCP is a three-year development program in which Participants experience a broad spectrum of assignments in acquisition career specialties. They also obtain certification levels commensurate with their experience and training while in the program. Upon graduation from the program, they are assigned to Component contracting and acquisition program offices as members of the DHS acquisition team.
- This program is helping to address the shortage of acquisition professionals by recruiting highly motivated and intelligent individuals into entry level acquisition career fields. In addition to growing the Department's acquisition talent, the program also serves to develop a pipeline of future acquisition leaders and to facilitate the goal of establishing the culture of One DHS.
- This program is expected, once fully implemented, to deliver 100 trained and certified new acquisition professionals to the DHS acquisition workforce every year to offset losses from retirements and transfers to non DHS agencies.
    - The Acquisition Professional Career Program is a three year development program in which participants receive practical on-the-job acquisition experience and formal certification training in their acquisition career specialty.
    - To date, 140 participants are in the program. By the end of FY 2010, the program will grow to 200 participants, and by the end of FY 2011, the program will reach its full sustainment level of 300 participants.
    - The acquisition career fields currently included in the program include contract specialists, acquisition program managers/analysts, system engineers, and business cost estimators. By the end of FY-2010 the program will expand to include acquisition logisticians and information technology specialists. In FY-2011, the program plans to expand to include test and evaluators.

POTENTIAL Q&A's

- How many participants have graduated from the program to date?
    - Answer. In FY 2011 the first two cohorts of 30 participants will graduate from the program and move to DHS component contracting offices.

- What has been the program's attrition rate since the program began?
    - Answer. Since the program began in 2008, eight participants have left the program. Five left to attend graduate or law school; two left for work in the private sector and one left to pursue another government position.

BACKGROUND INFORMATION

From: Shlossman, Amy
Sent: Monday, August 02, 2010 1:00 PM
To: Marcott, Stacy; Whitley, John; Cummiskey, Chris
Cc: Higbee, John; Faulk, Robert; Sherry, Peggy; Grossman, Jordan; Fox, Julia; Grant, Daniel; Dayton, Mark; Schilling, Deborah; Culbertson, Amy; Fronczak, Dana
Subject: RE: High-Priority Performance Goals

Thanks. Can we prepare talking point on the initiatives DHS currently has in place to fill acquisition oversight/ management roles and how our FY11 budget builds on these initiatives. Separate from what is posted on the performance measure web site, we should prepare our narrative on this issue so we are ready to respond to hill and press inquiries about our acquisition oversight and workforce. Thanks.

From: Marcott, Stacy
Sent: Monday, August 02, 2010 12:52 PM
To: Whitley, John; Cummiskey, Chris; Shlossman, Amy
Cc: Higbee, John; Faulk, Robert; Sherry, Peggy; Grossman, Jordan; Fox, Julia; Grant, Daniel; Dayton, Mark; Schilling, Deborah; Culbertson, Amy; Fronczak, Dana
Subject: RE: High-Priority Performance Goals

Please see attached MGMTs changes to address the comments and update the actual and target goal levels. Thanks, Stacy

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From: Whitley, John
Sent: Saturday, July 31, 2010 5:51 PM
To: Goldman, Howard TSA OCC; WINKOWSKI, THOMAS; Kielsmeier, Lauren; Kaufman, David; Rosenblum, Todd; Cummiskey, Chris; Mendoza, Mike; Shlossman, Amy
Cc: Merritt, Marianna; SUBLETT, CARL L; MANAHER, COLLEEN M; Jones, Rendell L; DeStefano, Ernest; Rosado, Timothy A; Macecevic, Lisa J; Farmer, Robert; Criman, Thomas D; Lewis, Rachel; Higbee, John; Faulk, Robert; Sherry, Peggy; Grossman, Jordan; Fox, Julia; Grant, Daniel; Marcott, Stacy; Dayton, Mark; Schilling, Deborah; Culbertson, Amy; Fronczak, Dana
Subject: High-Priority Performance Goals

All,

Attached is consolidated feedback from S1's office, Components, and OMB. Please review your goal areas. There are several highlighted comments in the attached that need responses from Components.

Please provide the responses to the highlighted comments and any additional comments you have by 12:00 noon on Monday, August 2, to myself, Amy Culbertson, and Dana Fronczak. The final DHS position will then be reviewed by S1's office and sent to OMB by the end of the day on Monday.

Thanks,

John

--
John Whitley
(b)(6)
Director, Program Analysis and Evaluation
Department of Homeland Security

From: Gunderson, Richard
To: Orluskie, Larry
Subject: FW: Interview Support
Date: Wednesday, January 20, 2010 3:10:58 PM

Here's a bit more on strategic sourcing at DHS:

The DHS Strategic Sourcing program looks across the entire department to identify similar needs we could then use to leverage DHS buying power, or enhance mission performance. The DHS EAGLE (IT Services) and FirstSource (IT equipment) are prime examples. DHS leveraged the combined buying power to reduce the cost of IT products and services, and at the same helped to unify the DHS enterprise architecture/infrastructure by limiting purchase to only DHS approved items.

From: Howcroft, Loren (b)(6)
Sent: Wednesday, January 20, 2010 2:22 PM
To: Capitano, David; Smith, Michael B.; Randolph, William; Freeman, Brad R
Cc: Gunderson, Richard; Armstrong, Chris
Subject: FW: Interview Support

Thank you for your prompt response. We were given a very short turn around time and all of your efforts resulted in the thorough response we were able to provide.

From: Howcroft, Loren
Sent: Wednesday, January 20, 2010 2:18 PM
To: Orluskie, Larry
Cc: Armstrong, Chris; Gunderson, Richard
Subject: RE: Interview Support

Larry,

Here is the information I received from within OCPO and I have incorporated your input as well. Hopefully this is what you need, but if not, let me know and I will gather more information for you.

fixed priced contracts

- Per President's Memorandum on Government Contracting dated 04 MAR 10, OMB issued Acquisition Savings guidance to target savings across the government of $40 billion a year through better acquisition and acquisition-related practices.
- A part of that guidance is to reduce by **10%** the share of dollars obligated in FY10 under new contract actions awarded with high risk contracting authorities.
- The increased use of fixed priced contracts, thereby reducing our reliance of cost-reimbursable and time and material contracts (considered a high risk contracting strategies), is a cornerstone of the Department's acquisition savings strategy.
- **All** components have provided acquisition savings plans that include the increased use of fixed priced contracts."

acquisition workforce issues,

- DHS increased the size of the contracting and procurement workforce, experiencing a net gain of **129** contracting professionals from 1,152 in FY 2008 to 1,281 in FY 2009.
- DHS is currently strengthening its Acquisition Workforce through our developmental program called the Acquisition Professional Career Program (APCP)
    - The program includes both technical and contracting cadres

        - Cadres go through a 3 year program that includes training and rotations
        - **109** APCP participants currently onboard
    - For our Career Fields - including Contracting, Program Management, and Contracting Officer's Technical Representative (COTR). Currently expanding to include systems engineering, cost estimating, logisitics, test and evaluation
        - Certification
            - We increased the number of Program Manager certifications issued by **694** from 1,083 through FY 2008 to 1,777 through FY 2009.
            - We also increased the number of Contracting Officers Technical Representative (COTR) certifications issued by **2,116** (from 6,243 to 8,359).
        - Qualification
        - Training

strategic sourcing,

- TAPS (DHS-wide contract for professional services)
- IBM Software
- Energy - Electrical
- DHS Spend Management Tool
- Canine Initiatives
- Multi-Function Devices
- EAGLE II
- Oracle
- Digital Investigative Equipment

other important aspects important to the state of procurement at DHS.

- Enforcing the concept that Acquisition is bigger than "procurement"
    - Starts with requirements definition, better planning, cost estimating and logisitics
- In FY 2008, established two new divisions; the Acquisition Program Management Directorate (APMD) and the Cost Analysis Division (CAD). APMD and CAD provide essential competencies that are core to the infrastructure of the Department's acquisition program.
- Released MD 102-01
    - established a revised acquisition review process, including roles and responsibilities of DHS-approving authorities, threshold levels for acquisition, acquisition decision events, and required supporting documentation.
    - The directive established the Acquisition Review Board (ARB) as the Department's highest review body charged with reviewing and approving all programs at key acquisition decision events that are greater than $300 million in life cycle costs.
    - Program review stats for in FY 09:
        - **16** ARBs chaired by S2
        - **2** ARBs chaired by USM
        - **8** ARBs for oversight of the American Recovery and Reinvestment Act (ARRA)
        - **2** ARBs chaired by the CPO
        - **5** Indpendent Expert Program Reviews chaired by APMD
        - **7** Component Portfolio reviews conducted by APMD and the CAE
- Carefully monitoring reliance on contractor employees
    - Involved in the Balanced workforce strategy
    - Ensuring that Federal employees are performing all "inherently governmental" functions and "core" functions

- Ensuring that federal employees are managing and overseeing DHS' projects

---

From: Orluskie, Larry
Sent: Tuesday, January 19, 2010 3:25 PM
To: Gunderson, Richard
Cc: Armstrong, Chris; Howcroft, Loren; Van Houten, Ann; McCollim, Janis
Subject: Interview Support

Rick –

This is the interview request for Chris Cummiskey I was talking about.
It looks like he'll need talking points on:

1. fixed priced contracts,
2. acquisition workforce issues,
3. strategic sourcing, and
4. other important aspects important to the state of procurement at DHS.

They are scheduling the interview for Thursday afternoon. So, he'll need this by tomorrow afternoon.

Thanks!

Larry

From: Morales, Lupe
Sent: Tuesday, January 19, 2010 12:17 PM
To: Orluskie, Larry
Subject: FW: interview request

FYI

Lupe Morales
Executive Assistant to the
Under Secretary for Management
Department of Homeland Security
(b)(6)

From: Kuban, Sara (b)(6)
To: Cummiskey, Chris (b)(6)
Cc: Harper, Daniel J (b)(6)
Sent: Tue Jan 19 11:31:33 2010
Subject: RE: interview request

Great. Thank you Chris! What day/time work best for you and I'll set it up.

From: Cummiskey, Chris (b)(6)
Sent: Tuesday, January 19, 2010 11:26 AM
To: Kuban, Sara A

Cc: Harper, Daniel J
Subject: Re: interview request

Sure, Sara. Happy to assist.

CC

Chris Cummiskey
Chief of Staff for Management
Department of Homeland Security
Washington, DC
(b)(6)

From: Kuban, Sara (b)(6)
To: Cummiskey, Chris (b)(6)
Cc: Harper, DJ (b)(6)
Sent: Tue Jan 19 11:21:42 2010
Subject: interview request

Hi Chris~

Homeland Security Today magazine wants to do an interview on the state of procurement at DHS. The reporter is looking to explore the renewed emphasis on fixed priced contracts, acquisition workforce issues, strategic sourcing, and other important aspects important to the state of procurement at DHS. Would you be available for a 20 minute phone interview on this topic sometime this week? – I've already run this by Amy Shlossman, etc. and I could come to your office to sit in with you during the interview. When you get a chance please let me know if this is something you can do.

Hope you're doing well.
Sara

From: Harper, DJ
To: Orluskie, Larry
Subject: FW: Quick Review Please!
Date: Wednesday, December 02, 2009 5:49:21 PM

Keeping you in the loop.

Boyd came over to do a demo today. We couldn't make the technology work, but he made a presentation to Kuban and Fetcher along with me and Cummiskey.

OPA owes talking points to WH tonight. They are listed below with my comments.

Thanks,

DJ

From: Harper, DJ
Sent: Wednesday, December 02, 2009 5:46 PM
To: Kuban, Sara; Cummiskey, Chris
Cc: 'Fetcher, Adam'
Subject: RE: Quick Review Please!

SK:

I just spoke with Cummiskey about this. Consider this email comments from both of us.

We haven't had the opportunity to vet this through our CIO shop – which we would like to – but don't have time.

It is confusing to me that we call Virtual USA "a collaboration" in the second sentence of the first paragraph. Then, in the "Developed in partnership" sentence, we say that it includes "a web based platform." I think what we are touting here is our collaboration ability and not our technical platform. I think the general message should be: "we've brought these people together to do this cool stuff and provided technical advice." The way the part about the web-based platform reads is: "we've developed this platform that these other states are using." My confusion here could stem from my ignorance of the program (they could have actually developed a platform), but I recommend we figure out a way to drop the phrase "web based platform" which I used strike through font to do in the text below.

Also, one grammar error is identified in highlighted text.

The need for real-time information in the hands of first responders is critical to emergency response operations. Virtual USA – a collaboration between the Department of Homeland Security and eight states across the nation – is enabling the seamless sharing and visualization of critical information in real time, including weather and traffic conditions, the location and operational status of power and water lines, flood detectors, helicopter-capable landing sites, emergency vehicle and ambulance locations, evacuation routes, and school and government building floor plans across local, tribal, state, and federal government .

Developed in partnership with the emergency response community, Virtual USA~~'s visual, web-based platform~~:

- Creates a framework for sharing first –responder information without the need for replacing older systems. It inexpensively complements existing policies, processes, and technologies to establish seamless information exchange.
- Because Virtual USA uses open data standards and open source software, more states and localities can join this information exchange project. **SYNTAX OF THIS SENTENCE DOESN'T MATCH OTHERS OR THE LEADING CLAUSE.**
- Integrates hundreds of disparate data sets, whether on Google Maps or ESRI. Bordering states, such as Alabama, Georgia, Florida, Louisiana, Mississippi, Texas, and Virginia, as well as observers from Tennessee are piloting the sharing of critical information across platforms.
- Offers a platform for accessing and updating this information via the Web, including via inexpensive handheld devices like iPhones.
- Provides a mechanism for Americans in their own communities to contribute information to complement that of police, fire, and other government workers to develop a more complete picture of disaster and recovery efforts in real-time.

From: Kuban, Sara (b)(6)
Sent: Wednesday, December 02, 2009 3:41 PM
To: Boyd, David; Noveck, Beth S.; Howe, Wendy
Subject: RE: 1 pager/Text Box?
Importance: High

Whoa! Hold on please! I have not looked at the one-pager! I need to edit, run by Front Office – please do not proceed with what David sent over!

From: Howe, Wendy (b)(6) **On Behalf Of** Boyd, David
Sent: Wednesday, December 02, 2009 3:36 PM
To: Noveck, Beth S.; Kuban, Sara A; Boyd, David; Howe, Wendy
Subject: RE: 1 pager/Text Box?
Importance: High

Hi Beth:

I'm responding on behalf of Dave as he is at the NAC doing a demo of vUSA. Attached is the vUSA one pager. If you can call me or give me a number to reach you I will be happy to help provide context or more detail.

W

Wendy Howe
Chief of Staff
Command, Control & Interoperability
U.S. Department of Homeland Security
(b)(6)

From: prvs=580917a5c=B (b)(6)
[mailto:prvs=580917a5c= (b)(6) **On Behalf Of** Noveck, Beth S.
Sent: Wednesday, December 02, 2009 3:29 PM
To: Kuban, Sara A; Boyd, David
Subject: 1 pager/Text Box?

Sara, David,

Do you have anything I can use right now for the draft of our Open Government Progress Report to the American People? I've just been told I have to send it today to USA Today not tomorrow. Sorry to surprise you like this. There will be another bite at the apple but if I can include even a small text box about it, I'd be grateful.

Thanks, Beth

From: Wisor, Jan
To: Orluskie, Larry
Cc: Van Houten, Ann; McLaughlin, Daniel
Subject: FW: SBA Issue
Date: Monday, November 15, 2010 2:47:58 PM

Larry,
Below are some talking points from a phone conversation we had earlier today with SBA Chris Clark. Please contact me if you have any questions. Copy of talking points has been sent to Nick Nayak.

Jan Wisor

Jan Wisor
Office of Procurement Operations
Director Acquisition Management & Support Division
(b)(6)

BACKGROUND:

FirstSource is a DHS wide portfolio of 11 small business contracts that provide IT commodities and added value services.

SBA is considering suspending EG Solutions and MultimaxArray, two of the 11 FirstSource prime contractors, for improper subcontracting activity with GTSI. GTSI, a large business, allegedly provided more support to task orders than allowed by SBA. This fact is not releasable outside of DHS and SBA.

If SBA were to suspend a company, the suspension would be effective immediately, the contractors have thirty (30) days to respond.

DHS OGC opined that DHS should not be lead agency because it does not have Suspension and Debarment resources to support the anticipated large requirement.

Potential suspensions are based in part on information from the DHS Administrative Contracting Officer who found evidence of potential violations of the Small Business Act and provide the information to the appropriate SBA office.

OPO, DHS OIG, OCPO, OGC coordinated with Chris Clark, SBA Attorney, to emphasize the active partnership role DHS wants to play in the process.

SBA suspended GTSI October 1 and lifted the suspension on October 19th when GTSI agreed to an Administrative Agreement forfeiting involvement as a subcontractor to small businesses in current and future government contracts.

ISSUES:

SBA expressed that they were moving to suspend EG Solutions and MultimaxArray in the next couple of days. DHS Team reiterated need to be kept informed before any action was taken.

SBA does not anticipate issuing an Administrative Agreement (similar to the one negotiated with GTSI).

DHS Team expressed need for SBA to provide DHS with reports, press releases and proposed actions prior to finalization to ensure our management. SBA has been provided OLA and OPA information to facilitate coordination.

Of concern to DHS is the FirstSource contract is a DHS Enterprise IDIQ contract and corrective action is being taken by SBA vice DHS. DHS Team expressed need for SBA to highlight the fact DHS FirstSource Administrative Contracting Officer discovered the inappropriate subcontracting issues and brought to the attention of SBA to ensure that further investigation and possible corrective action is taken.

SBA also looking at other FirstSource contractors that have used GTSI as subcontractor.

DHS Team to provide support in reviewing documentation used to develop case against EG Solutions and MultimaxArray.

WHY YOU SHOULD CARE

SBA tends **inadvertently provide** incomplete information to the Hill and Media without contacting the effected agency.

If companies are suspended or debarred, they will not be able to compete in DHS. Minimum impact to FirstSource and DHS.

Congressional members may raise a concern regarding future EAGLE and FirstSource task orders or the EAGLE II and FirstSource II contracts. The concern may be that DHS does not aggressively enforce the Small Business Act and should not be allowed to operate large multiple award IDIQ contracts rather than purchase the supplies and services off the GSA schedule.

From: Lewis, Ashley
To: Orluskie, Larry
Subject: FW: SBA Issue
Date: Monday, November 15, 2010 4:32:25 PM
Attachments: 10-243 (b) (6) Partial Response 1.pdf

Please call me.

Ashley J. Lewis
Director, Policy and Acquisition Workforce
Office of the Chief Procurement Officer
Department of Homeland Security
(b) (6)

From: Van Houten, Ann
Sent: Monday, November 15, 2010 4:19 PM
To: Corrigan, Patricia; Lewis, Ashley
Subject: FW: SBA Issue

FYI, This is an OPO issue, but Rick and Nick may want a heads up. We may be reading about it tomorrow.

Ann Van Houten
Procurement Analyst
Office of the Chief Procurement Officer
Department of Homeland Security
(b)(6)

From: Orluskie, Larry (b)(6)
Sent: Monday, November 15, 2010 4:08 PM
To: Wisor, Jan
Cc: Van Houten, Ann; McLaughlin, Daniel; Boshears, Kevin; Armstrong, Chris
Subject: RE: SBA Issue

All –

Washington Post, (b) (6) is all over this story already. He left me a voicemail this morning and I just called him back. The story he has at this point is about how DHS knew that GTSI used Multimax Array and EG Solutions as a front and we took no action against Multimax Array and EG Solutions. I don't think he knows anything about the potential actions, but I suggested he contact SBA's press office before he run his story.

At this point, he's basing the majority of his story on the attached information he received through FOIA. He is also going to use the quote I gave him October 4 to make us look like we lied: "*DHS conducts and manages its acquisitions in accordance with the Federal Acquisition Regulation. At this time we have no information to suggest any misconduct relating to the First Source program. When allegations are raised to the Contracting Officer concerning any DHS contract, those allegations are properly investigated by the*

releasable outside of DHS and SBA.

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If companies are suspended or debarred, they will not be able to compete in DHS. Minimum impact to FirstSource and DHS.

Congressional members may raise a concern regarding future EAGLE and FirstSource task orders or the EAGLE II and FirstSource II contracts. The concern may be that DHS does not aggressively enforce the Small Business Act and should not be allowed to operate large multiple award IDIQ contracts rather than purchase the supplies and services off the GSA schedule.

From:	Kudwa, Amy
To:	Orluskie, Larry
Subject:	FW: TPs for WH IT announcement tomorrow
Date:	Thursday, August 19, 2010 12:52:47 PM
Attachments:	image001.gif
Importance:	High

FEMA

From: Racusen, Rachel (b)(6)
Sent: Wednesday, August 18, 2010 6:05 PM
To: Kudwa, Amy
Cc: Colburn, Brent; Etzel, Jeanne; Kirin, Alexandra
Subject: TPs for WH IT announcement tomorrow
Importance: High

Amy,

Sorry for the late send, but below are TPs on the Next Gen program. Let us know if there's anything else you need.

Thanks,
Rachel

***

TALKING POINTS

Updated Wednesday, August 18, 2010

- Next Gen is a software system that helps manage and administer the National Flood Insurance Program.

- The purpose of Next Gen is to provide NFIP an automated tool to support business operations and management reporting requirements.

- In 2009, as FEMA was testing the system before putting it into use, some issues were identified and FEMA halted the implementation of Next Gen and asked the DHS Inspector General to review the status of the program.

- In the meantime, FEMA reverted back to using the previous system while resolving those issues.

- To ensure tighter accountability of Next Gen system development, oversight of the program has been transferred from the Federal Insurance Mitigation Administration to the FEMA Chief Information Officer.

- FEMA established and is staffing a program management office specifically to look into these issues.

- FEMA Program Executive and NFIP Executives will meet with major insurance companies (public and private) to survey systems and best practices currently in use and define the case for change.

- Ultimately, FEMA will make the final decision as to whether the Next Gen system meets the business needs of the program.

- To ensure proper governance, FEMA is taking the following steps, in collaboration with the IG, the Government Accountability Office, and OMB, to prevent conflicts of interest, provide stronger training to staff, and to keep leadership informed:

    - FEMA personnel currently receive annual ethics training. FEMA Mitigation staff "regularly working with contractors" are required to take additional training geared toward procurement and other related ethics issues that arise when federal employees and contractors interact in federal workplaces.

    - FEMA will use the Executive Steering Committee (ESC) to provide continued oversight of the completion of the Independent Technical Assessment (ITA).

    - FEMA mitigation staff will receive annual training on the roles and responsibilities of the contracting officer, and the contracting officer's technical representative, and will include instruction on appropriate interaction with contractor staff.

***

Rachel Racusen
Director, Public Affairs
Federal Emergency Management Agency
(b)(6)

Stay updated on FEMA
Craig@twitter ▪ FEMA@twitter ▪ Facebook ▪ YouTube

From: Kudwa, Amy
To: Orluskie, Larry
Subject: FW: TPs on GAO Assessment of Selected DHS Complex Acquisitions
Date: Wednesday, June 23, 2010 6:11:32 PM
Attachments: TPs - GAO - Complex Acquisitions - 6-23-10 - Clean.doc

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FYI, good sir.

From: Grossman, Jordan
Sent: Wednesday, June 23, 2010 6:09 PM
To: Brent, Laura; Chandler, Matthew; Fetcher, Adam; Fox, Julia; Grant, Daniel; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wiggins, Chani; Wingate, Amanda
Subject: TPs on GAO Assessment of Selected DHS Complex Acquisitions

GAO is scheduled to release an Assessment of Selected DHS Complex Acquisitions next Wednesday, June 30th. Background and TPs below and attached.

GAO Assessment of Selected DHS Complex Acquisitions

Background

This assessment is a status report to Congress of a prior GAO audit regarding DHS's acquisition oversight, planning, and execution. GAO is not making any new recommendations.

GAO does note that it has previously made numerous recommendations intended to improve acquisition management and that DHS is taking multiple steps to effectively address them, but still needs to further implement these steps and give them sustained management attention.

Talking Points

- DHS has worked to fulfill GAO's recommendation to develop and implement acquisition oversight:
  - DHS' senior-level Acquisition Review Board has increased the frequency of its meetings and has provided program decision memorandums with action items to improve performance.
  - At the Component level, oversight officials are establishing new acquisition executive positions to manage acquisition processes.
- The Office of the Chief Procurement Officer, Office of the Chief Financial Officer, and the Office of Policy are working together to integrate decision making across the Department to streamline and improve the budget and acquisition processes, helping to fulfill GAO's recommendation to improve the overall management of the acquisition process.
- DHS has developed a database to capture and track key program information, including cost and schedule performance, contract awards, and program risk—fulfilling a GAO recommendation.

- DHS's Balanced Workforce Strategy – including the newly created Balanced Workforce Office, dedicated solely to this issue – is addressing situations where offices are overly-reliant on contractor support by eliminating unnecessary contracts and converting positions to federal employees where appropriate, addressing a GAO recommendation.

From:	Grant, Daniel
To:	Chandler, Matthew; Fetcher, Adam; Fox, Julia; Grant, Daniel; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wingate, Amanda; Grossman, Jordan; Sandweg, John; Wenger, Avital; Grossman, Seth; Orluskie, Larry
Subject:	OIG Report: Management of DHS"s Data Center Consolidation Initiative Needs Improvement
Date:	Thursday, October 07, 2010 11:05:34 AM
Attachments:	TPs - OIG Data Center Consolidation - 10-7-10 FINAL.doc

All,

The OIG released a report on the Department's data center consolidation to the Hill today and expects to post it publicly next Friday, October 15th. Talking points are attached and below. Let me know if you have any questions.

Thanks, have a great day!

Dan

OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

Background

OIG reviewed DHS's efforts to consolidate Component data centers from March to July 2010 with the goal of determining the progress DHS has made in meeting its consolidation objectives. The OIG found that DHS has made some progress but needs to take additional steps to improve the data center consolidation process.

The OIG made two recommendations to DHS:

1. DHS should perform the necessary discovery and validation efforts to obtain accurate inventories of its data centers, hardware, and systems. OCIO concurs with this recommendation but notes that they will continue their current practices which fulfill this recommendation.
2. DHS should review government-wide efforts as well as industry best practices for data center consolidations, and develop a more comprehensive data center consolidation plan. OCIO concurs with this recommendation.

Talking Points

- DHS is currently updating its data migration plans to include application information in its recent data inventory collection, addressing an OIG concern.

- As part of updating its data center consolidation plan, DHS is including industry best practices and lessons learned, fulfilling an OIG recommendation.

- DHS started with 48 data centers. As part of the consolidation process, DHS has established two enterprise data centers and is well underway in consolidating older facilities. The

Department has completed migration of seven centers with migration of ICE, USCIS, US-VISIT, and TSA expected to be complete in FY 2011. The Department's enterprise data centers are modern facilities with tiered managed services.

If Asked:

-

- OIG erroneously refers to the OMB data call from August 2009 which includes space that does not contain data application hosting space. When this erroneously counted space is removed, the space needed is well within the planned capacity for data center consolidation. Specifically, FEMA's response to OMB's data call includes 400,000 square feet of space that OCIO does not include in its consolidation plan. When this space is omitted, the space identified is around 160,000 square feet which is well within the original estimate of 220,000 square feet needed.

Dan Grant
Special Assistant
Office of the Chief of Staff | Office of the Secretary
Department of Homeland Security
(b)(6)

From:	Kudwa, Amy
To:	Benda, Paul; Murata, Christina; Verrico, John S; Ortman, Chris; Johnson, James; Shlossman, Amy; Mann, Melissa; Orluskie, Larry
Subject:	OIG Report: Review of the NBAF Site Selection Process
Date:	Friday, December 10, 2010 9:43:02 AM
Attachments:	TPs - OIG - NBAF Site Selection - FINAL.doc OIG_11-13_Nov10.pdf

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Good morning,

An OIG report is likely to publish later today titled, "Review of the National Bio and Agro-Defense Facility Site Selection Process". Attached is the report itself and talking points approved by the front office are attached and below. As the report found that we conducted site selection fairly and made no recommendations for improvement, I don't expect negative bounce on this. With coverage this week on the delayed GSA report, however, this may draw interest in Long Island or Kansas.

Please feel free to share the talking points with KBA or other stakeholders, but we should hold on sending the report itself until OIG actually publishes. Thanks!

OIG Report: Review of the National Bio and Agro-Defense Facility Site Selection Process

Background

In January 2006, the Department of Homeland Security (DHS) requested expressions of interest from government agencies, industry, academia, and other parties and organizations interested in proposing a location to build a new National Bio and Agro- Defense Facility (NBAF). 29 consortia responded. Following a three-year site evaluation process, on January 16, 2009, DHS selected the Manhattan Campus site in Manhattan, Kansas, as the preferred NBAF site. Members of Congress requested that OIG review the NBAF site selection process.

The OIG found that DHS carried out the site selection process fairly, and they did not identify any evidence of bias. DHS adhered to requirements contained in congressional appropriations and the National Environmental Policy Act of 1969, and followed a pre-approved site selection plan consistent with federal guidelines for identifying future government facilities. Federal subject matter experts established sound evaluation criteria that resulted in comprehensive assessments of all prospective sites. DHS informed the public of the importance of in-kind contributions and weighed them fairly.

The OIG made no recommendations in this report.

Site Selection Talking Points

The selection of Manhattan, Kansas as the NBAF site was made by a panel of federal employee experts – career civil servants – from the departments of Agriculture and Homeland Security in 2008. The decision was based on stated evaluation criteria, environmental impacts, and the threats and risks of operating the NBAF. To ensure transparency, the process of developing the NBAF has been open and exhaustive, with many public meetings around the country over seven years.

In Kansas, the NBAF will be at the center of a strong partnership between USDA, DHS, academia, and industry working to protect our Nation from a catastrophe. The site location near Kansas State University provides proximity to a critical mass of existing research capabilities and the leading scientific expertise in the Animal Health Corridor.

General NBAF Talking Points

- The United States needs to be on the frontline of livestock animal health research and defend America against foreign animal, emerging, and zoonotic diseases. NBAF will be a modern research facility that will protect the U.S. from threats to our animal agriculture, food supply, and public health.

- The NBAF, a new, state-of-the-art biosafety level 3 & 4 facility, will enable the U.S. to conduct comprehensive research, develop vaccines and anti-virals, and provide enhanced diagnostic capabilities to protect our country from numerous foreign animal and emerging diseases. The biggest danger to the American public and its food supply is the lack of research to protect them.

- The National Academy of Sciences found the site-specific risk analysis to be an important "first step in an iterative process aimed at identifying and minimizing risk" and supported the need for the capabilities NBAF provides.

- The Plum Island Animal Disease Center (PIADC) is our nation's primary facility to conduct this type of livestock-disease research. However, PIADC is at the end of its life-cycle, is too small to accommodate necessary research, and does not have BSL-4 capabilities. The cost of rebuilding NBAF on Plum Island would be 40% greater than in Kansas and will not provide the proximity of scientists and researchers required for 21st century science.

- High containment laboratories are safely run in the United States every day (e.g. the Centers of Disease Control (CDC) laboratories in Atlanta, Georgia; USDA labs in Ames, Iowa and Department of Defense Labs in Fort Detrick, Md.) The rigorous construction requirements and operational procedures in place today have successfully protected the local environments around federal high-biocontainment facilities on the U.S. mainland for decades, and modern technologies only improve that protective capability for future facilities like the proposed NBAF.

- The NBAF will be at the center of a strong partnership between USDA, DHS, academia, and industry working to protect our Nation from an outbreak by conducting research on vaccines.

- DHS will not build or operate the NBAF unless it can be done in a safe manner. Research on foot-and-mouth disease at the NBAF will not begin until USDA has reviewed the facility design, safety procedures, and emergency response plans, determines that the facility is safe for studying such diseases, and issues the required

permit.

- DHS will continue to work with USDA and CDC to ensure all recommendations from the site specific risk assessment are properly implemented and all biosafety and biosecurity requirements have been met. No permits will be issued by USDA and/or CDC until all requirements are met.

From: Harper, DJ
To: Fetcher, Adam
Cc: Worman, Maya; Cummiskey, Chris; Cotter, Daniel; Orluskie, Larry
Subject: Open Government vUSA/HSIN/NPPD Talking Points
Date: Friday, April 02, 2010 3:39:09 PM

Adam:

For your situational awareness as we release the Open Government Plan. DHS has been in the news this week (article below) about a mapping project at NPPD that sounds sort of similar to vUSA and also HSIN.

In case any reporters were to call to ask us the difference between the three projects, I asked our tech guy to prepare some proactive talking points. Please feel free to reach out to Dan if you have any questions.

Best wishes,

DJ

From: Cotter, Daniel
Sent: Friday, April 02, 2010 2:25 PM
To: Harper, DJ
Cc: Orluskie, Larry
Subject: RE: FYI: DHS Mapping Tool Boosts Situational Awareness

HSIN is a "portal" that provides access for members of the homeland security community, including first responders, emergency managements and law enforcement officials, access to various DHS communities of interest. This includes access to DHS mapping applications and geographic data.

NPPD provides mapping tools for mission applications related to critical infrastructure / key resources protection.

HSIN and NPPD both use the same mapping software through a DHS Enterprise License Agreement (ELA) and share common geographic data. This part of the overall DHS strategy to create a shared infrastructure, including software and geospatial data, for situational awareness.

vUSA is an initiative by DHS Science and Technology (S&T) to enable information sharing, including of geographic data, between emergency responders based on open standards. S&T's focus on promoting the use of open standards for information sharing assures vUSA interoperability with HSIN and NPPD mission-oriented mapping technologies.

Regards,

Dan Cotter
(b)(6)

From: Harper, DJ

Sent: Friday, April 02, 2010 8:43 AM
To: Cotter, Daniel
Cc: Orluskie, Larry
Subject: FW: FYI: DHS Mapping Tool Boosts Situational Awareness

I'm starting to worry that we may be perceived as not having a coordinated strategy for boosting situational awareness using maps…

Can we do some sort of quick fact sheet on the difference between HSIN, vUSA, and this NPPD tool? I'm worried that when OPA does a release on Open Government highlighting vUSA, we'll end up with a reporter asking what's the difference between these three programs. I'm sure we have a good answer, but I want OPA to be ready with the right information when it happens. It doesn't need to be extensive, just something that shows that all three tools are working toward the same goal – just in different ways.

Is that something we can pull together on Monday or Tuesday? The release is going out Wednesday.

Thanks Dan!

DJ

From: Orluskie, Larry
Sent: Friday, April 02, 2010 7:44 AM
To: Brown, Michael; Cotter, Daniel; Graves, Margie; Roat, Maria; Sims, Cedric; Smith, Lee; Spires, Richard; Warren, William; West, Robert
Cc: Bertucci, Nicole M; Bourbeau, Sharie; (b)(6) Cummiskey, Chris; Dayton, Mark; Dorgan, Mark; Hall, Chrisdon; Harper, DJ; Jenkins, Donna; Maday, (b)(6) Morales, Lupe; Ressler, Shila; (b)(6) Waid, Justina
Subject: FYI: DHS Mapping Tool Boosts Situational Awareness

DHS Mapping Tool Boosts Situational Awareness

By Mickey McCarter

Homeland Security Today, April 2, 2010

A mapping tool used by the Department of Homeland Security (DHS) to visualize US critical infrastructure relies upon commercially available geospatial data and does not present any special privacy risk, according to a review released Wednesday by the DHS chief privacy officer.

The DHS National Protection and Programs Directorate (NPPD) has implemented the Integrated Common Analytical Viewer (iCAV), a sensitive but unclassified program, to provide situational awareness to local, state and federal agencies regarding threats to sites classified by the Homeland Security Infrastructure Program (HSIP), noted Chief Privacy Officer Mary Ellen Callahan in Privacy Impact Assessment for the Integrated Common Analytical Viewer.

NPPD developed the software in response to Homeland Security Presidential Directive 7, issued in 2003, which required DHS to map and analyze US critical infrastructure and key resources to visualize the risks to those assets. The NPPD Office of Infrastructure Protection uses this information to identify and prioritize the risks of a terrorist attack.

Homeland security officials at the local, state, and federal levels of government can access iCAV through the Homeland Security Information Network (HSIN). Authorized users can use publicly available datasets to create layers of information on sites of specific interest to them.

HSIP sites include various resources across emergency services, public utilities, telecommunications systems, transportation systems, energy facilities, and industrial sites. In its early days, critics ridiculed the HSIP program for including mundane sites like amusement parks.

"Incorporating iCAV with HSIP creates an improved geospatial context for situational and strategic

awareness across the nation and US territories and holdings around the globe that allows better preparation for, prevention of, and response to natural and man-made disasters," the privacy report stated.

Licensing restrictions have prompted DHS to set up two HSIP datasets within iCAV --HSIP Gold for federal agencies and HSIP Freedom for state and local agencies. The HSIP datasets include a geospatial data inventory provided by the National Geospatial Intelligence Agency along with DHS, Department of Defense, and US Geological Survey.

Using a data feed service called DHS Earth, iCAV users can view geospatial data through specific lenses. For example, users can overlay data from the National Weather Service, hurricane warnings, wildfire zones, flood areas, population density data, and other information to enhance situational awareness.

iCAV alone does not contain personally identifiable information on individuals in or related to HSIP sites, but users could overlay data from external feeds that could include such information, the report cautioned.

As such, the program is a privacy sensitive system but alone does not present any special privacy risks, the report concluded. A warning in the system advises against the use of personally identifiable information within the program.

From: Boshears, Kevin
To: Orluskie, Larry
Cc: Gunderson, Richard
Subject: RE: SBA Scorecard
Date: Thursday, August 26, 2010 5:13:31 PM

Hi Larry,

Here are my recommended talking points in case you get any inquiries:

- Our FY 2008 and FY 2009 small business accomplishments were basically the same (in terms of percentages).
- Our low spot continues to be service disabled veteran owned small business (SDVOSB) at slightly less than 2% with a 3% goal.
- To increase our SDVOSB participation, DHS awarded PACTS and the OSDBU worked with DHS HR colleagues on the Veterans Coordination Strategy, which proposes to increase the number of veterans among DHS employees and contracts with SDVOSBs and non-service disabled veteran owned small businesses. The Veterans Coordination Strategy is available on the DHS website at www.dhs.gov/veterans.
- So far in FY 2010 (as of 8/26/10), DHS has awarded 3.1% of all prime contracts to SDOVSBs.

The scorecard is scheduled to be released tomorrow (Friday August 27).

Regards, -Kevin

From: Orluskie, Larry [redacted] (b)(6)
Sent: Friday, August 20, 2010 10:02 AM
To: Boshears, Kevin
Subject: RE: Preliminary SBA Scorecard Information - FY 2009

Kevin –

Do you have some talking points put together – from the DHS perspective?

i.e. We went down in XX, and attribute it to …
We went up in XX, and we attribute it to …
In the next year we are …

Larry

From: Boshears, Kevin [redacted] (b)(6)
Sent: Friday, August 20, 2010 9:17 AM
To: Gunderson, Richard; Readinger, Jeff; O'Leary, David; Cooper, Robert; Orluskie, Larry
Cc: Bell, Anthony; Davis, Sharon; Groome, Kyle; Hill, Wendy; Lewis, Chandra G; Phillips, Sharon; Pines, Candice; Sturdivant, Dan; Waggoner, Ilene; Williams, Angela
Subject: Preliminary SBA Scorecard Information - FY 2009
Importance: High

Gentlemen,

FYI, as of today (Friday August 20), SBA plans to release the FY 2009 SBA procurement scorecard on Friday August 27. They may release it a day or two earlier, but right now Friday the 27th is the day they are planning on.

In a change from recent years, SBA is moving from a color scheme (green, yellow, and red) to a letter score system (A, B, C, etc.) with weights assigned by small business category, along with a score for each agency's written small business plan.

For background, please see the PowerPoint attachment for the methodology. The Excel attachment contains the proposed scores for the 24 participating agencies including agency and SBA comments; please click on the tabs at the bottom to view the individual DHS grade of A or the grades of other agencies.

Based on these proposed scores, I prepared the attached Word document to show how DHS fared and ranked the 24 agencies.

Next week, I will forward the public scorecard information to you as soon as it becomes available on SBA's website, in the event of inquiries, etc. Thank you for your support.

Regards, -Kevin

From: Matz, Hayley K.
To: Orluskie, Larry
Subject: RE:
Date: Monday, March 15, 2010 1:15:41 PM
Attachments: TPs - WOSB rule.doc

Larry,

Thanks for reaching out. We'll update these after the comment period ends, but these are the current TP.

Hayley

From: Orluskie, Larry (b)(6)
Sent: Monday, March 15, 2010 1:10 PM
To: Matz, Hayley K.
Subject:

Hayley –

I'm the communications director for Management in the Department of Homeland Security. One of the organizations under my portfolio is Contracting, more specifically, the OSDBU. I received the attached query from Matthew Weigelt, Federal Computer Week. We probably won't grant the interview; not wanting to comment on a proposed rule during the comment period. However, if you had any talking points or messages for after the May 3 comment period, feel free to pass them my way and I'll help Kevin echo your message.

Larry

Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
(b)(6)

From: Spires, Richard
To: Orluskie, Larry
Subject: RE: [CIO-COUNCIL] Update on the Federal Data Center Consolidation Initiative
Date: Monday, October 04, 2010 9:33:07 AM

We can lean forward.

Richard

From: Orluskie, Larry
Sent: Monday, October 04, 2010 7:12 AM
To: Spires, Richard
Subject: RE: [CIO-COUNCIL] Update on the Federal Data Center Consolidation Initiative

Thanks!
We owe an interview to Fed News Radio on the subject.
We can either wait for Jason to reach out to us, or I can lean forward and call him.
Thoughts?

Larry

From: Spires, Richard
Sent: Saturday, October 02, 2010 3:36 PM
To: Orluskie, Larry
Subject: FW: [CIO-COUNCIL] Update on the Federal Data Center Consolidation Initiative

Larry,

Keeping you in the loop – I know the attached memo will get some press. Our talking points regarding the number of data centers are no more than what is in the memo itself.

Thanks.

Richard

From: CIO-COUNCIL [mailto: (b)(6)] **On Behalf Of** (b) (6)
Sent: Friday, October 01, 2010 3:49 PM
To: (b)(6)
Subject: [CIO-COUNCIL] Update on the Federal Data Center Consolidation Initiative

The following is sent on behalf of Vivek Kundra, U.S. CIO, and Richard Spires, CIO, DHS.

////////////////////////////

The goals of the Federal Data Center Consolidation Initiative are to assist agencies in identifying their existing data center assets and to formulate consolidation plans that include a technical roadmap and

consolidation targets. The Initiative aims to address the growth of data centers and assist agencies in leveraging best practices from the public and private sector.

In February 2010, the Administration launched the Federal Data Center Consolidation Initiative and issued guidance for CIO Council agencies. This guidance called for agencies to inventory current data center assets, develop consolidation plans throughout fiscal year 2010, and integrate these plans into agency fiscal year 2012 budget submissions.

As part of the President's fiscal year 2012 budget, OMB will release data center reduction targets by agency.

From: Kudwa, Amy
To: Orluskie, Larry
Subject: Re: Blog Incident - Talking Points
Date: Wednesday, June 30, 2010 12:50:11 PM

Totally agree. Letting folks spin.

From: Orluskie, Larry
To: Kudwa, Amy
Sent: Wed Jun 30 12:48:15 2010
Subject: FW: Blog Incident - Talking Points

Amy –

I've been watching this spin. My recommendation is, we should only respond to query – if we get any. The response should be short and succinct about the event and not any of the conjecture in the PC Magazine blog/article.

Let me know your thoughts and what you need from me.

Larry

Larry Orluskie
Director of Communications,
Under Secretary for Management
(b)(6)

From: Roat, Maria
Sent: Wednesday, June 30, 2010 10:02 AM
To: Orluskie, Larry
Subject: FW: Blog Incident - Talking Points

FYI in case you get any calls.

From: Spires, Richard
Sent: Wednesday, June 30, 2010 9:57 AM
To: Reitinger, Philip; McConnell, Bruce; Denning, John; Brown, Michael A.; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith; Graves, Margie; Roat, Maria
Subject: RE: Blog Incident - Talking Points

Bob West, let's make sure we provide all relevant detail in our responses – others can decide if they want to cut it back. When can we get a complete set of responses? And where are we in the forensics on how this happened?

Thanks.

Richard

From: Reitinger, Philip (b)(6)
Sent: Wednesday, June 30, 2010 8:14 AM
To: Reitinger, Philip; McConnell, Bruce; Denning, John; Brown, Michael A.; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Spires, Richard; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith
Subject: RE: Blog Incident - Talking Points

Also, I'd add the point that computer security is never perfect and people make mistakes – how you respond matters. phil

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From: Reitinger, Philip (b)(6)
Sent: Wednesday, June 30, 2010 8:09 AM
To: McConnell, Bruce; Denning, John; Brown, Michael A.; Reitinger, Philip R; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Spires, Richard; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith
Subject: RE: Blog Incident - Talking Points

Has the USSS been brought in?

From: McConnell, Bruce (b)(6)
Sent: Wednesday, June 30, 2010 8:00 AM
To: Denning, John; Brown, Michael A.; Reitinger, Philip R; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Spindler, Graves; Spires, Richard; Fraser, Timothy; Gillis, Ryan M; Isola, Meredith
Subject: RE: Blog Incident - Talking Points

+ Graves, Richard, Ryan, Meredith, Tim. Thanks JD for this great start. Agree with the need for proactive transparency, if the story gets any legs.

OCIO/Graves please work the FAQs.
Ryan, please take a crack at sharpening up the legislative points.
Meredith, please push to this group any stories that pick up on the PC Magazine story.

We will discuss this on the morning OPA stand-ups and circle back.

Thanks,

Bruce

From: Denning, John (b)(6)
Sent: Wednesday, June 30, 2010 7:46 AM
To: Brown, Michael A.; Reitinger, Philip R; McConnell, Bruce W; Kudwa, Amy

Cc: West, Robert; Schaffer, Gregory; Durkovich, Caitlin A; Dorville, Kristina; Denning, John
Subject: RE: Blog Incident update

The FAQ's will need to be answered by OCIO and then refined – I don't have enough information about the incident to answer them responsibly. Moreover, the payload question needs to be addressed – did our site cause other bad things to happen; if it did, I don't think we have an option - we must be proactive.

This is an integrity problem set – we need to be transparent and open about the problem before the media or detractors latch onto it.

Overall I am concerned about a few things:
1. DHS.gov becoming a site that is not trusted
2. The political argument against DHS
3. We do not have enough quantifiable and publicly action oriented successes to offset the negative news
4. This is the first in a drum beat of small events between now and October
5. Linkage between DHS networks and overall efforts – "1 step forward, 3 steps back"

Proactive Talking Points:
- **Yesterday, DHS learned that one of its DHS.gov website pages was infected with malicious code.**
- **The infection did not affect the whole of DHS.gov, only one page.**
- **The page has been taken down.**
- **DHS has been initiated a full inspection of DHS.gov and we will share non-operational results with the public as soon as it is completed.**
- **We are working with the website host to investigate the cause and are taking steps to ensure that this type of problem does not happen again.**
- **The payload of the malicious code was [fill in the blank].**
- **It is safe to visit DHS.gov.**

Malicious Code:
- Code injection is the exploitation of an error, flaw, mistake, failure, or fault in a computer program or system that produces an incorrect or unexpected result, or causes it to behave in unintended ways. Code injection can be used by an attacker to introduce (or "inject") code into a computer program that changes the original purpose of the webpage in malicious ways. Code injection can be used by some computer worms to spread malicious code.
- A Trojan is commonly understood to be a non-self-replicating malware that appears to perform a desirable function for the user but instead facilitates unauthorized access to the user's computer system.
- The **Trojan-Clicker.HTML.IFrame.agb does [Fill in the Blank].**
- Most commercially available virus scanners provide protection from this type of malicious code.

DHS's Role:
- DHS CIO is responsible for the protection of the DHS.gov website.
- As with most cyber incidents, determining the precise source of the attack remains

problematic.

- DHS CIO has been focusing on mitigation of the vulnerability.
- The Department of Homeland Security (DHS), through NPPD, plays a key role in the Administration's efforts to secure Federal civilian networks, partner with the private sector to secure the nation's critical infrastructure, and promote a more resilient homeland.

What has DHS done about it?

- It is safe to visit DHs.gov.
- DHS has removed the website in question from DHS.gov.
- DHS CIO has launched a complete inspection of the DHS.gov website with the goal of finding and removing any additional malicious code. Aspects of this inspection will be made public.

Legislation:

- A core strength of the U.S. Internet is its decentralization, diversity, and resilience - the protection of critical information infrastructure should be accomplished through means that respect and enhance those features.
- A variety of laws already address aspects of Presidential emergency authorities over communications. The Administration is working with Congress to analyze and identify current law before creating new, and potentially conflicting authorities.
- Improvements in cybersecurity can and must be pursued without violating core principles for protecting privacy and ensuring transparency.
- Privacy and civil liberties protection is built in to our Nation's cybersecurity programs and the desire for situational awareness must not be translated into unconstrained monitoring of private sector or Internet traffic.

What steps can the public take to avoid this from happening to them?

Dealing with the presence of malicious code on your computer can be a frustrating experience that can cost you time, money, and data. The following recommendations will enhance your defense against future infections:

- **use and maintain anti-virus software** - Anti-virus software recognizes and protects your computer against most known viruses. However, attackers are continually writing new viruses, so it is important to keep your anti-virus software current.
- **use anti-spyware tools** - Spyware is a common source of viruses, but you can minimize the number of infections by using a legitimate program that identifies and removes spyware.
- **change your passwords** - Your original passwords may have been compromised during the infection, so you should change them. This includes passwords for web sites that may have been cached in your browser. Make the passwords difficult for attackers to guess.
- **keep software up to date** - Install software patches so that attackers can't take advantage of known problems or vulnerabilities. Many operating systems offer automatic updates. If this option is available, you should enable it.
- **install or enable a firewall** - Firewalls may be able to prevent some types of infection by blocking malicious traffic before it can enter your computer. Some operating systems actually include a firewall, but you need to make sure it is enabled.
- **follow good security practices** - Take appropriate precautions when using email and web browsers so that you reduce the risk that your actions will trigger an infection. As a

precaution, maintain backups of your files on CDs or DVDs so that you have saved copies if you do get infected.

Frequently Asked Questions:

1. **Why were these attacks not disclosed earlier? How long has DHS known about this vulnerability on its systems?**
2. **Is the general public at risk by visiting the DHS.gov website?**
3. **What is the payload of the "Trojan-Clicker.HTML.IFrame.agb?" What harm can it do?**
4. **Does the Department have any data on how many visitors may have clicked on this part of DHS.gov?**
5. **Is the situation under control? How certain are you of this?**
6. **Was a foreign government involved? Do you have the identity of those behind this attack?**
7. **Why wasn't this prevented from happening?**
8. **Has anyone made a mistake? Contractor? Web hosting company? OCIO?**
9. **Has this ever happened before?**
10. **Is there a law enforcement investigation?**
11. **What advice is DHS giving to citizen who may have accidently clicked on that part of the DHS.gov website?**
12. **How do you remove the "Trojan-Clicker.HTML.IFrame.agb" from your computer?**
13. **What has DHS done to ensure this type of attack cannot happen again and to protect the public?**
14. **Why did the EINSTEIN system not detect it?**

From: Brown, Michael A. [redacted] (b)(6) [redacted]
Sent: Wednesday, June 30, 2010 6:11 AM
To: Reitinger, Philip R; McConnell, Bruce W; Kudwa, Amy
Cc: West, Robert; Schaffer, Gregory; Brown, Michael; Durkovich, Caitlin A; Dorville, Kristina; Denning, John
Subject: Re: Blog Incident update

Sir,

JD did some last night.

Vr,
MAB

From: Reitinger, Philip [redacted] (b)(6) [redacted]
To: McConnell, Bruce W [redacted] (b)(6) [redacted]; Kudwa, Amy [redacted] (b)(6) [redacted]
Cc: West, Robert [redacted] (b)(6) [redacted] Schaffer, Gregory [redacted] (b)(6) [redacted] Brown, Michael [redacted] (b)(6) [redacted] Durkovich, Caitlin [redacted] (b)(6) [redacted]; Dorville, Kristina [redacted] (b)(6) [redacted]; Denning, John [redacted] (b)(6) [redacted]
Sent: Wed Jun 30 06:05:09 2010
Subject: Fw: Blog Incident update

Bruce - pls think with amy and john about whether we need responsive press activity. Phil

---

From: Reitinger, Philip
To: West, Robert; Schaffer, Gregory
Cc: Stempfley, Roberta; Vickers, Randal; (b)(6) Spindler, Graves; Coose, Matt; (b)(6) (b)(6) McConnell, Bruce; Spires, Richard; (b)(6)
Sent: Tue Jun 29 18:14:00 2010
Subject: Re: Blog Incident update

Thank you Bob. Pls keep us in the loop.

From: West, Robert
To: Reitinger, Philip; Schaffer, Gregory
Cc: Stempfley, Roberta; Vickers, Randal; Kudwa, Amy (b)(6) Spindler, Graves; Coose, Matt; Seale, Mary Ellen (b)(6) 'Brown, Michael A.' (b)(6) ; McConnell, Bruce; Spires, Richard; Graves, Margie (b)(6)
Sent: Tue Jun 29 18:08:23 2010
Subject: Blog Incident update

Phil and Greg,

Here is a short update on the blog incident:

On June 29, 2010, PC Magazine reported that several DHS public blogs had been compromised and were redirecting public users to a malicious site that was serving malware. (See: http://www.pcmag.com/article2/0,2817,2365796,00.asp)

Based on an initial investigation by the DHS Enterprise Security Operations Center the following has been determined:

In late April, 2010, a number of legacy web pages hosting official DHS blogs were rehosted into a more secure environment at http://blog.dhs.gov/ and http://journal.dhs.gov/. However, the old sites remained activated after the transfer occurred. On June 24, 2010, starting at approximately 11:00 AM, these legacy sites were compromised when malicious code in the form of a hidden iframe was imbedded in the web pages to redirect site visitors to another malicious website.

The initial investigation has determined that one FTP account was used to modify the files by the attacker. The investigation continues to determine how that occurred.

Thanks,
Bob West

From:	Armstrong, Chris
To:	Neal, Jeffrey; Readinger, Jeff; Duke, Elaine C; Gunderson, Richard; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc:	Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Childs, David; Carter, Gail
Subject:	RE: Contractor vs. FTE - OCPO feedback
Date:	Thursday, February 25, 2010 6:21:31 PM

Here is our feedback on the three comments:

2A. Is it <u>inaccurate</u> to compare the Department's employee numbers (approximately 188K) with the 210,691 service contractor work years?

Proposed response: Correct. The algorithm for service contract years includes the work performed within the Coast Guard.

CHCO Comment: This implies the 210K number includes USCG personnel. The LMI methodology document specifically states our workforce consists of federal employees, USCG personnel, and the CWYE. Why is it inaccurate to say the 188K employees cannot be compared to the CWYE? If anything, because 188K is a headcount, it overstates the FTE in the Department

CPO Response: The 210K does not include USCG personnel; it does include services contracts that support all USCG operations; as a result, we are saying that it would be more appropriate to compare it to the total DHS workforce, including uniform personnel.

<u>LMI Methodology and the 210,691 contractor work year equivalents</u>

It is important to understand what the 210,691 number reflects. It includes all service contractors such as maintenance and repair, IT break/fix, and guard services. As a result the 210,691 reflects a significant number of contracts that provide operational capability and as such are appropriate. If the intent is only to consider professional services contractors, such as those supporting program offices, the number is significantly less. DHS is still trying to break down the algorithm but believe the number of professional support contractors is significantly less.

CHCO Comment: This is quite a leap. The number is not "appropriate" simply because the contracts are for maintenance, IT, etc.

CPO Response: Concur – it "may" be appropriate, but it takes a case by case assessment.

Comparing CWYE or Federal FTE to the number of DHS federal employees would not be appropriate as there can be several employees performing a single job or work-year.

CHCO Comment: I do not agree. An FTE, much like a CWYE, can be several people working less than full time.

CPO Response: Agree that CWYE and FTE both can reflect people working less than full time; that is why we are saying you shouldn't compare either of them to a body-count of

federal employees.

From: Neal, Jeffrey
Sent: Thursday, February 25, 2010 3:17 PM
To: Readinger, Jeff; Duke, Elaine C; Gunderson, Richard; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc: Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Armstrong, Chris; Childs, David; Carter, Gail
Subject: RE: Contractor vs. FTE

See comments on attached.

Jeffrey Neal
Chief Human Capital Officer
Department of Homeland Security
(b)(6)

From: Readinger, Jeff
Sent: Thursday, February 25, 2010 2:01 PM
To: Duke, Elaine C; Gunderson, Richard; Neal, Jeffrey; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc: Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Armstrong, Chris; Childs, David; Carter, Gail
Subject: Contractor vs. FTE

All,
Please find attached the following two primary documents:

- Contractors_2_24_2010.doc,
- LMI Methodology (v3).doc; and,
- Two supporting documents

All of this information was prepared or provided by OCPO (thank you), for these talking points and to explain what the numbers are -- A script for more detailed external discussions.

My understanding is that OMB has demanded that all FTE vs. Contractors types of information has to be cleared before releasing.
Each of you need to see this, comment, and confirm before it hits the clearance cycle.

A brief explanation of what is in the Contractors 2_24_2010 document provides additional information on:

1. DHS known number of contractors in Federal Space (how this was determined and what it applies to). The supporting document (PDF) is the Data call (plus supporting documentation) for the known contractors in federal spaces.
2. Addresses the 200,619 number that is being confused with contractors (bodies) vs. service contractor work years (workload) and directs the reader to the attached LMI Methodology paper; which explains the algorithm used to come up with the 200,619 number. The attached QFR is also support this.

3. Addresses the known contractor conversions for this year and next year; and,
4. Provides a snap shot numbers of contractors (as in companies) that are working with DHS.

Respectfully,

Jeffrey T. Readinger
Director, Office of Legislative Affairs
U.S. Department of Homeland Security
(b)(6)

From:	Neal, Jeffrey
To:	Armstrong, Chris; Readinger, Jeff; Duke, Elaine C; Gunderson, Richard; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc:	Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Childs, David; Carter, Gail
Subject:	RE: Contractor vs. FTE - OCPO feedback
Date:	Thursday, February 25, 2010 8:08:33 PM

Suggest we revise as follows:

- 2A. Is it inaccurate to compare the Department's employee numbers (approximately 188K) with the 210,691 service contractor work years?

Proposed response: Yes. Because the algorithm for service contract years includes the work that supports Coast Guard operations, the most accurate comparison is contractor work years to total DHS personnel (230,000).

- LMI Methodology and the 210,691 contractor work year equivalents

Change to read: The 210,691 number includes all service contractors such as maintenance and repair, IT break/fix, and guard services. A significant number of contracts provide operational capability and as such may be appropriate. If we consider only professional services contractors, such as those supporting program offices, the number is significantly less. DHS is still refining the algorithm to help us guide our review efforts.

- Delete the sentence that says "Comparing CWYE or Federal FTE to the number of DHS federal employees would not be appropriate as there can be several employees performing a single job or work-year." It doesn't add value.

Jeffrey Neal
Chief Human Capital Officer
Department of Homeland Security
(b)(6)

-----Original Message-----
From: Armstrong, Chris
Sent: Thu 2/25/2010 6:21 PM
To: Neal, Jeffrey; Readinger, Jeff; Duke, Elaine C; Gunderson, Richard; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc: Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Childs, David; Carter, Gail
Subject: RE: Contractor vs. FTE - OCPO feedback

Here is our feedback on the three comments:

2A. Is it inaccurate to compare the Department's employee numbers (approximately 188K) with the 210,691 service contractor work years?

Proposed response: Correct. The algorithm for service contract years includes the work performed

within the Coast Guard.

CHCO Comment: This implies the 210K number includes USCG personnel. The LMI methodology document specifically states our workforce consists of federal employees, USCG personnel, and the CWYE. Why is it inaccurate to say the 188K employees cannot be compared to the CWYE? If anything, because 188K is a headcount, it overstates the FTE in the Department

CPO Response: The 210K does not include USCG personnel; it does include services contracts that support all USCG operations; as a result, we are saying that it would be more appropriate to compare it to the total DHS workforce, including uniform personnel.

LMI Methodology and the 210,691 contractor work year equivalents

It is important to understand what the 210,691 number reflects. It includes all service contractors such as maintenance and repair, IT break/fix, and guard services. As a result the 210,691 reflects a significant number of contracts that provide operational capability and as such are appropriate. If the intent is only to consider professional services contractors, such as those supporting program offices, the number is significantly less. DHS is still trying to break down the algorithm but believe the number of professional support contractors is significantly less.

CHCO Comment: This is quite a leap. The number is not "appropriate" simply because the contracts are for maintenance, IT, etc.

CPO Response: Concur - it "may" be appropriate, but it takes a case by case assessment.

Comparing CWYE or Federal FTE to the number of DHS federal employees would not be appropriate as there can be several employees performing a single job or work-year.

CHCO Comment: I do not agree. An FTE, much like a CWYE, can be several people working less than full time.

CPO Response: Agree that CWYE and FTE both can reflect people working less than full time; that is why we are saying you shouldn't compare either of them to a body-count of federal employees.

From: Neal, Jeffrey
Sent: Thursday, February 25, 2010 3:17 PM
To: Readinger, Jeff; Duke, Elaine C; Gunderson, Richard; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc: Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Armstrong, Chris; Childs, David; Carter, Gail
Subject: RE: Contractor vs. FTE

See comments on attached.

Jeffrey Neal

Chief Human Capital Officer

Department of Homeland Security

(b)(6)

From: Readinger, Jeff
Sent: Thursday, February 25, 2010 2:01 PM
To: Duke, Elaine C; Gunderson, Richard; Neal, Jeffrey; Sherry, Peggy; Cummiskey, Chris; Bourbeau, Sharie
Cc: Ressler, Shila; Morales, Lupe; Orluskie, Larry; Lewis, Ashley; Marcott, Stacy; Brooks, Vicki; Heintz, Craig; Micone, Vincent; Burns, Gary; Gibson, Marian; Armstrong, Chris; Childs, David; Carter, Gail
Subject: Contractor vs. FTE

All,

Please find attached the following two primary documents:

* Contractors_2_24_2010.doc,
* LMI Methodology (v3).doc; and,
* Two supporting documents

All of this information was prepared or provided by OCPO (thank you), for these talking points and to explain what the numbers are -- A script for more detailed external discussions.

My understanding is that OMB has demanded that all FTE vs. Contractors types of information has to be cleared before releasing.

Each of you need to see this, comment, and confirm before it hits the clearance cycle.

A brief explanation of what is in the Contractors 2_24_2010 document provides additional information on:

1. DHS known number of contractors in Federal Space (how this was determined and what it applies to). The supporting document (PDF) is the Data call (plus supporting documentation) for the known contractors in federal spaces.
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Jeffrey T. Readinger

Director, Office of Legislative Affairs

U.S. Department of Homeland Security

(b)(6)

(b)(6)

From: Gunderson, Richard
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper
Date: Friday, July 02, 2010 3:19:47 PM

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
EG Solutions	NCS Technologies
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GovPlace	WildFlower International Ltd
iGov	

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6).

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Boshears, Kevin
To: Orluskie, Larry; Correa, Soraya
Cc: "Gunderson, Richard"; "Thoreen, William"; "McLaughlin, Daniel"
Subject: RE: FirstSource Point Paper
Date: Friday, July 02, 2010 3:11:02 PM

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

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His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

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1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at ((b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security

(b)(6)

From: Correa, Soraya
To: Orluskie, Larry
Subject: RE: FirstSource Point Paper
Date: Monday, May 24, 2010 1:39:23 PM

;-)

From: Orluskie, Larry
Sent: Monday, May 24, 2010 1:39 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Thanks!

Knock on wood – he hasn't called me back …. Yet.

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Cole, Vivian
To: Orluskie, Larry
Subject: RE: FirstSource Point Paper
Date: Monday, August 02, 2010 1:46:04 PM

Larry,

Do you want Soraya to call you at the number listed below (b)(6)

From: Orluskie, Larry (b)(6)
Sent: Monday, August 02, 2010 1:40 PM
To: Correa, Soraya; Orluskie, Larry; Boshears, Kevin; Cole, Vivian
Cc: Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris C; Hill, Wendy; Pines, Candice
Subject: Re: FirstSource Point Paper

I'm not at my desk, but will get to a phone.

From my BlackBerry

Larry Orluskie
Department of Homeland Security
(b)(6)

From: Correa, Soraya (b)(6)
To: Orluskie, Larry (b)(6); Boshears, Kevin (b)(6)>; Cole, (b)(6)
Cc: Thoreen, William (b)(6); McLaughlin, Daniel (b)(6)
Gunderson, Richard (b)(6); Armstrong, Chris (b)(6)
Hill, Wendy (b)(6) Pines, Candice (b)(6)>
Sent: Mon Aug 02 12:58:52 2010
Subject: RE: FirstSource Point Paper

Let's get together at 1:45 PM today. Larry, we can call you from here if you are at the NAC.

Kevin and Bill we can meet in my office.

From: Orluskie, Larry (b)(6)
Sent: Monday, August 02, 2010 11:51 AM
To: Boshears, Kevin
Cc: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris; Hill, Wendy; Pines, Candice
Subject: RE: FirstSource Point Paper

Thanks Kevin –

I remember this and had it on file. But it doesn't help me explain our role in their protests.
Are you around this afternoon to chat with me?

Larry

From: Boshears, Kevin [redacted] (b)(6) [redacted]
Sent: Monday, August 02, 2010 9:23 AM
To: Orluskie, Larry
Cc: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris; Hill, Wendy; Pines, Candice
Subject: Fw: FirstSource Point Paper

Message #2

From: Boshears, Kevin
To: Orluskie, Larry; Correa, Soraya
Cc: 'Gunderson, Richard' [redacted] (b)(6) [redacted] 'Thoreen, William' [redacted] (b)(6) [redacted]; 'McLaughlin, Daniel' [redacted] (b)(6) [redacted]
Sent: Fri Jul 02 15:11:01 2010
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

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Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
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Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Orluskie, Larry
To: Correa, Soraya; Orluskie, Larry; Boshears, Kevin; Cole, Vivian
Cc: Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris C; Hill, Wendy; Pines, Candice
Subject: Re: FirstSource Point Paper
Date: Monday, August 02, 2010 1:40:20 PM

I'm not at my desk, but will get to a phone.

From my BlackBerry

Larry Orluskie
Department of Homeland Security
(b)(6)

From: Correa, Soraya (b)(6) >
To: Orluskie, Larry (b)(6); Boshears, Kevin (b)(6) Cole, Vivian (b)(6)
Cc: Thoreen, William (b)(6); McLaughlin, Daniel (b)(6) Gunderson, Richard (b)(6); Armstrong, Chris (b)(6) Hill, Wendy (b)(6); Pines, Candice (b)(6)
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From: Orluskie, Larry (b)(6)]
Sent: Monday, August 02, 2010 11:51 AM
To: Boshears, Kevin
Cc: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris; Hill, Wendy; Pines, Candice
Subject: RE: FirstSource Point Paper

Thanks Kevin –

I remember this and had it on file. But it doesn't help me explain our role in their protests.
Are you around this afternoon to chat with me?

Larry

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To: Orluskie, Larry
Cc: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris; Hill, Wendy; Pines, Candice
Subject: Fw: FirstSource Point Paper

Message #2

From: Boshears, Kevin
To: Orluskie, Larry; Correa, Soraya
Cc: 'Gunderson, Richard' (b)(6) 'Thoreen, William' (b)(6); 'McLaughlin, Daniel' (b)(6)
Sent: Fri Jul 02 15:11:01 2010
Subject: RE: FirstSource Point Paper

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Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry

Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

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Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Pines, Candice
To: Correa, Soraya; Orluskie, Larry; Boshears, Kevin; Cole, Vivian
Cc: Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris; Hill, Wendy; Pines, Candice
Subject: RE: FirstSource Point Paper
Date: Monday, August 02, 2010 1:24:24 PM

Hello Soraya,

Kevin is actually working from home today. I can send you his home phone number if you would like.

R,
Candice

Candice Pines
Office of the Small & Disadvantaged Business Utilization
U.S. Department of Homeland Security
(b)(6)

From: Correa, Soraya (b)(6)
Sent: Monday, August 02, 2010 12:59 PM
To: Orluskie, Larry; Boshears, Kevin; Cole, Vivian
Cc: Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris; Hill, Wendy; Pines, Candice
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Executive Director
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Subject: RE: FirstSource Point Paper
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Executive Director
Office of Procurement Operations
Department of Homeland Security

(b)(6)

From: Boshears, Kevin
To: Orluskie, Larry
Cc: Pines, Candice
Subject: Re: FirstSource Point Paper
Date: Monday, August 02, 2010 12:05:49 PM

Yes are you available at 300?

From: Orluskie, Larry [redacted] (b)(6) [redacted]
To: Boshears, Kevin [redacted] (b)(6) [redacted]
Cc: Correa, Soraya [redacted] (b)(6) [redacted] Thoreen, William [redacted] (b)(6) [redacted] McLaughlin, Daniel [redacted] (b)(6) [redacted] Gunderson, Richard [redacted] (b)(6) [redacted] Armstrong, Chris [redacted] (b)(6) [redacted] Hill, Wendy [redacted] (b)(6) [redacted]>; Pines, Candice [redacted] (b)(6) [redacted]>
Sent: Mon Aug 02 11:51:27 2010
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Subject: RE: FirstSource Point Paper
Date: Monday, August 02, 2010 1:52:48 PM

Kevin is free at 2:00pm and would like for you to call him at his Alexandria number: (703) 768-4688.

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Candice Pines
Office of the Small & Disadvantaged Business Utilization
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Cc: Thoreen, William; McLaughlin, Daniel; Gunderson, Richard; Armstrong, Chris C; Hill, Wendy; Pines, Candice
Subject: Re: FirstSource Point Paper

I'm not at my desk, but will get to a phone.

From my BlackBerry

Larry Orluskie
Department of Homeland Security
(b)(6)

From: Correa, Soraya (b)(6)
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For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

FirstSource is a 100% small business set-aside based on North American Industry

Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics
Computer World Services
EG Solutions
Government Acquisitions
GovPlace
iGov
Multimax Array JV
Net Direct Systems
NCS Technologies
ST-Net Apptis JV
WildFlower International Ltd

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Thoreen, William
To: Orluskie, Larry; Correa, Soraya
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks
Date: Friday, December 03, 2010 3:02:27 PM

No. Feel free to forward.

From: Orluskie, Larry
Sent: Friday, December 03, 2010 3:01 PM
To: Thoreen, William; Correa, Soraya
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks

Thanks Bill.
Has Nick seen this? He wanted to see it and we chat before I respond.

Larry

From: Thoreen, William
Sent: Friday, December 03, 2010 2:23 PM
To: Correa, Soraya; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks

Larry,

Here is an improved version which better addresses the DHS involvement up front. The previous version gave the impression that we learned of the problems when the suspensions were issued.

From: Thoreen, William
Sent: Friday, December 03, 2010 1:57 PM
To: Correa, Soraya; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks

Larry,

Here are some suggested talking points:

DHS takes very seriously the issues that resulted in the recent SBA suspensions. DHS has worked closely with the SBA on the issues surrounding the suspensions and on ensuring ongoing compliance under the contracts.

DHS has begun a review of the FirstSource contractors to ensure that our small business prime contractors are performing their responsibilities correctly and in accordance with the expectations of a small business set-aside program. Of particular interest is compliance

with the limitations on subcontracting rules for the performance of services. To that end, we are conducting reviews of the service orders placed with each company to ascertain the contract-level compliance with those limitations.

Because of the differing rules governing joint ventures, we are also conducting financial capabilities and purchasing process reviews of the joint ventures under FirstSource.

If we uncover abuses, we will work with the SBA to take appropriate action which may include actions similar to those recently undertaken by the SBA.

Next week we are meeting with the contractors to discuss the recent SBA suspensions, share our plans for the comprehensive reviews, explain the seriousness with which DHS takes this issue, and openly discuss any other potential methods to ensure ongoing success of the program.

DHS believes it has an excellent group of FirstSource prime contractors and that the program has been successful in promoting small business. While we cannot afford and will not tolerate abuses under the program, we do not intend to turn this into a "witch hunt."

From: Correa, Soraya
Sent: Friday, December 03, 2010 10:32 AM
To: Thoreen, William
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: Fw: FirstSource Vendor looks

Sorry, pls put something together for Larry.

Thank you,
Soraya Correa
Executive Director, Office of Procurement Operations
Department of Homeland Security

Sent from my Blackberry wireless -- pardon the typos!!!

From: Orluskie, Larry [redacted] (b)(6) [redacted]
Sent: Friday, December 03, 2010 10:29 AM
To: Correa, Soraya [redacted] (b)(6) [redacted]
Cc: McLaughlin, Daniel [redacted] (b)(6) [redacted] >; Nayak, Nick [redacted] (b)(6) [redacted]
Subject: RE: FirstSource Vendor looks

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Larry

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Larry

Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
([redacted] (b)(6)

From: Thoreen, William
To: Correa, Soraya; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks
Date: Friday, December 03, 2010 2:22:48 PM

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From: Thoreen, William
To: Correa, Soraya; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks
Date: Friday, December 03, 2010 1:57:18 PM

Larry,

Here are some suggested talking points:

DHS takes very seriously the issues that have come to light by the recent SBA suspensions.

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From: Correa, Soraya
To: Thoreen, William; Orluskie, Larry
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks
Date: Friday, December 03, 2010 3:03:54 PM

I took care of it.

From: Thoreen, William
Sent: Friday, December 03, 2010 3:02 PM
To: Orluskie, Larry; Correa, Soraya
Cc: McLaughlin, Daniel; Wisor, Jan
Subject: RE: FirstSource Vendor looks

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From: Orluskie, Larry
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Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
(b)(6)

From:	Marcott, Stacy
To:	Snow, Avie; Harris, Mark E (DHS CFO); Rone, Lesley; Ileto, Carlene
Cc:	Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Subject:	RE: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Date:	Thursday, July 29, 2010 12:06:19 PM

Got it. "when a component migrates" as opposed to "which component migrates". Makes perfect sense.

From: Snow, Avie
Sent: Thursday, July 29, 2010 12:02 PM
To: Marcott, Stacy; Harris, Mark E (DHS CFO); Rone, Lesley; Ileto, Carlene
Cc: Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Subject: Re: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC

Bullet 4 needs to be revised to reflect squencing as opposed to which components as the RFP is clear regarding a dept wide strategy...

Sent using BlackBerry

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To: Harris, Mark E (DHS CFO); Rone, Lesley; Ileto, Carlene
Cc: Snow, Avie; Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Sent: Thu Jul 29 11:31:31 2010
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC

Please make sure we stay consistent with the message in the TASC comm's strategy talking points (attached) and the Thompson/Carney response. If the message is changing, please let me know so we can maintain consistency.

The talking points on the TASC hearing prep paper CFO provided were not quite there and were revised to say the following:

- The Transformation and Systems Consolidation (TASC) goal is to implement a solution already operational in the Federal space that provides financial, acquisition and asset management functionality.

- TASC provides the foundation for ensuring clean audit opinions, addressing system security issues and remediating control and system weaknesses. It will strengthen financial management and reporting capabilities.

- DHS strategy will focus on migrating components with critical business needs to this solution. Based on successful migration of a large component to TASC, DHS will assess the critical needs of other DHS component to determine the next migration consistent with the assessment requirements of OMB policy.

- The decision on which components will migrate to the TASC solution will be made by a

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- The decision on which components will migrate to the TASC solution will be made by a

formal Executive Steering Committee chaired by the Under Secretary for Management and will comport with the administration's policy on financial management systems.

- DHS has been working closely with OMB to review TASC and demonstrate how DHS will ensure the success of TASC on a large DHS component. Upon OMB approval of the program plan and approach for the next 24 months to deliver a successful Component migration, DHS will proceed with the TASC contract award.

From: Readinger, Jeff
Sent: Wednesday, July 28, 2010 7:48 PM
To: Borras, Rafael; Cummiskey, Chris
Cc: Marcott, Stacy
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Importance: High

For your visibility, no action is needed on your part, please see below regarding House Majority Leader and TASC.

Jeffrey T. Readinger
Director, Office of Legislative Affairs
U.S. Department of Homeland Security
(b)(6)

From: Readinger, Jeff
Sent: Wednesday, July 28, 2010 7:35 PM
To: Peggy Sherry (b)(6) Avie Snow ((b)(6) Soraya Correa (b)(6) Carlene Ileto (b)(6) Harris, Mark E (DHS CFO) (b)(6) Bucknor, Charles (b)(6)
Cc: Fraser, Tsahai M; Richardson, Jill (b)(6)); Cole, Vivian (b)(6) Heide, Bruce (b)(6) Marian Gibson ((b)(6) ; David O'Leary (b)(6)
Subject: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Importance: High

Peggy, Avie, Soraya, Carlene, and Charles,
Today, the A/S for the Private Sector Office met with House Majority Leader Steny Hoyer's Chief of Staff, Mr. Terry Lierman.
In this meeting TASC came up as a major topic and Mr. Lierman is on a fact finding mission as he has had several meetings with Ms. Lisa Kazor of Savantage Solutions (their side of the story). As a result, we need to set up a briefing for Mr. Lierman as soon as we can.

I need to know your availabilities across Thursday and Friday this week and all of next week for a briefing <u>and</u> I also need you to be flexible.
The Front Office has strong interest in this briefing and I have been instructed to:

- Reach out to Mr. Lierman in the AM,
- Once set, let the Front Office know who our briefers are (I'm assuming it is y'all – like always) and when it is happening, and
- To make this briefing happen as soon as possible, **potentially within the next 48 hours if Mr. Lierman's schedule will accommodate**.

This briefing needs to succinctly and clearly explain:

- The efforts related to TASC,
- The difference between Emerge2 and TASC,
- Where we are today, and
- Why this system is needed.
- Moreover, please find attached is a paper that was provided to Mr. Hoyer and his staff from Ms. Lisa Kazor, which outlines some of the complaints/arguments presented against TASC program. This briefing needs to politely correct the inaccuracies and/or misrepresentations in this paper. Please note, in the attached document, this section is now highlighted:

> "The IG and GAO reports are available upon request. OMB recently issued a memo requiring that all government wide financial system replacement projects be halted until OMB can review and determine if there are viable alternatives and if not that such projects are broken down into 90 day deliverables so that risk can be mitigated."

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Respectfully,

Jeffrey T. Readinger
Director, Office of Legislative Affairs
U.S. Department of Homeland Security
(b)(6)
(b)(6)

From:	Snow, Avie
To:	Marcott, Stacy; Harris, Mark E (DHS CFO); Rone, Lesley; Ileto, Carlene
Cc:	Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Subject:	Re: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Date:	Thursday, July 29, 2010 12:02:03 PM

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Sent using BlackBerry

From: Marcott, Stacy
To: Harris, Mark E (DHS CFO); Rone, Lesley; Ileto, Carlene
Cc: Snow, Avie; Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Sent: Thu Jul 29 11:31:31 2010
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC

Please make sure we stay consistent with the message in the TASC comm's strategy talking points (attached) and the Thompson/Carney response. If the message is changing, please let me know so we can maintain consistency.

The talking points on the TASC hearing prep paper CFO provided were not quite there and were revised to say the following:

- The Transformation and Systems Consolidation (TASC) goal is to implement a solution already operational in the Federal space that provides financial, acquisition and asset management functionality.

- TASC provides the foundation for ensuring clean audit opinions, addressing system security issues and remediating control and system weaknesses. It will strengthen financial management and reporting capabilities.

- DHS strategy will focus on migrating components with critical business needs to this solution. Based on successful migration of a large component to TASC, DHS will assess the critical needs of other DHS component to determine the next migration consistent with the assessment requirements of OMB policy.

- The decision on which components will migrate to the TASC solution will be made by a formal Executive Steering Committee chaired by the Under Secretary for Management and will comport with the administration's policy on financial management systems.

- DHS has been working closely with OMB to review TASC and demonstrate how DHS will ensure the success of TASC on a large DHS component. Upon OMB approval of the program plan and approach for the next 24 months to deliver a successful Component migration, DHS will proceed with the TASC contract award.

From: Readinger, Jeff
Sent: Wednesday, July 28, 2010 7:48 PM
To: Borras, Rafael; Cummiskey, Chris
Cc: Marcott, Stacy
Subject: FW: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Importance: High

For your visibility, no action is needed on your part, please see below regarding House Majority Leader and TASC.

Jeffrey T. Readinger
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U.S. Department of Homeland Security
(b)(6)

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To: Peggy Sherry (b)(6) Avie Snow (b)(6) Soraya Correa (b)(6) Carlene Ileto (b)(6); Harris, Mark E (DHS CFO) (b)(6); Bucknor, Charles (b)(6)
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From:	Ileto, Carlene
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Cc:	Bontempo, Dawn; Readinger, Jeff; Orluskie, Larry; Cummiskey, Chris
Subject:	RE: FLASH - Congressional Briefing: House Majority Leader Hoyer & TASC
Date:	Thursday, July 29, 2010 12:36:41 PM

Thanks Avie. Your comment was right on target.

Stacey, everything else looks good. Thanks!!

Carlene C. Ileto
Executive Director, Transformation and Systems Consolidation
Office of the Chief Financial Officer
U.S. Department of Homeland Security

(b)(6)

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Director, Office of Legislative Affairs
U.S. Department of Homeland Security
(b)(6)
(b)(6)

From: Young, John
To: Lluberes, Andrew; Williams, Jerry
Cc: Kudwa, Amy; Polk, Kenneth; Rogers, Charles; Cornwell, Janice; Orluskie, Larry
Subject: RE: FYI - POTUS signs EO on Classified National Security Information Program for SLTPS
Date: Thursday, August 19, 2010 12:00:05 PM

Below are some quick points on the order:

The need to share actionable and relevant classified information with our State, Local, Tribal, and Private Sector (SLTPS) partners in support of homeland security is self-evident. Equally evident is the need for a unified, consistent program for the application of standardized security procedures for security clearance management and the safeguarding of classified information across the executive branch and in support of classified information sharing efforts with our partners in the SLTPS communities.

This Order will put in place a governance and oversight structure that will serve to ensure the uniform application of security standards within the executive branch and SLTPS communities while maintaining consistency with existing policy and standards.

The Order designates the Secretary of Homeland Security as the Executive Agent (EA) for the program and establishes a framework to standardize executive branch interaction with the SLTPS community regarding security clearances and the protection of classified information. Highlights of the Order include:

In consultation with affected agencies and with the concurrence of the Secretary of Defense, Attorney General, the Director of National Intelligence, and the Director of the Information Security Oversight Office, publication by DHS of an implementing directive to further define processes and procedures for administration of the program.

The establishment of a SLTPS Policy Advisory Committee, chaired by the Director of the Information Security Oversight Office and consisting of representatives from various Federal agencies as well as the SLTPS community, who shall also serve as vice co-chairs of the Committee along with DHS. The purpose of the Committee will be to discuss program-related policy issues and recommend changes to policies and procedures in order to remove impediments to information sharing associated with the program.

Further emphasizes that security clearances issued to SLTPS personnel will be reciprocally accepted by all agencies and SLTPS entities.

Development and implementation of a uniform security education training and awareness program relative to access to and safeguarding of classified information.

Provides that the security clearance level for SLTPS personnel falling under the program will be at the Secret level, with provisions for a higher level clearance

when needed.

Allows for the storage of classified information, up to the Secret level, at a State, Local, or Tribal owned or operated facility when such storage is approved and sponsored by a Federal agency and the facility meets standardized security requirements.

Provides for the establishment of a centralized mechanism to document and track security clearances issued to SLTPS personnel as well as State, Local, and Tribal owned or operated facilities where classified information is stored.

As with elected members of Congress, formally codifies that a duly appointed or elected State or Territorial Governor may be provided access to classified information without the benefit of a background investigation.

Does not infringe or impede upon the authorities of the Secretary of Defense or other Cognizant Security Authorities relative to administration of the National Industrial Security Program as promulgated through E.O. 12829, "National Industrial Security Program," or it's implementing directives or manuals.

John J. Young
Chief, Administrative Security Division
DHS Office of Security
(b)(6)

From: Lluberes, Andrew
Sent: Thursday, August 19, 2010 10:42 AM
To: Williams, Jerry; Young, John
Cc: Kudwa, Amy; Polk, Kenneth
Subject: FW: FYI - POTUS signs EO on Classified National Security Information Program for SLTPS
Importance: High

Gents:

Fyi, the e-mail from PM-ISE below, and the CQ story saying "In addition, governors may be granted access to classified information without undergoing background checks." Appc any talking points/guidance you can provide since this, in the wake of the WashPost series, probably will generate media inquiries. Thx.

Andrew L. Lluberes
Director of Communications
for Intelligence and Analysis
Office of Public Affairs

U.S. Department of Homeland Security
Washington, D.C. 20528

(b)(6)

From: Cohen, Joel
Sent: Thursday, August 19, 2010 8:53 AM
To: Johnson, Bart R; Rosenblum, Todd; Lluberes, Andrew; Hutchinson, Tamara; Polk, Kenneth; Johnston, Mikeal; Saupp, Kevin
Cc: Cohen, Joel
Subject: FW: FYI - POTUS signs EO on Classified National Security Information Program for SLTPS

All - FYI below from our PM-ISE colleagues (Andrew – see reference to DHS PAO)

Bart - I saw your previous note and we will draft up a note for SLTT partners.

From: prvs=[redacted] (b) (6) [redacted] [mailto:prvs=[redacted] (b) (6) [redacted]] **On Behalf Of** (b)(6)
Sent: Thursday, August 19, 2010 5:46 AM
To: (b)(6) Lerner, Hillary; Sawyer, (b)(6); K (b)(6) (b)(6); R (b)(6) D (b)(6) Johnston, Mikeal B; Saupp, Kevin; Saupp, Kevin
Cc: Cohen, John D; (b)(6) v
Subject: FYI - POTUS signs EO on Classified National Security Information Program for SLTPS

Good morning,

For your awareness only – no action required.

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If you need more information, it is our understanding that DHS's lead to date has been the Office of Security. They have been coordinating with I&A as well. Kerri Weir on our staff, cc'd on this message, is also a wealth of knowledge on topic. Our office supported the National Security Staff in developing the E.O. and the effort was referenced in our Annual Report.

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Have a good day.

Regards,

Elizabeth

CQ HOMELAND SECURITY
Aug. 18, 2010 – 9:48 p.m.

By Matt Korade, CQ Staff

President Obama on Wednesday ordered the establishment of a program to govern state, local, tribal and private sector entities' access to classified information.

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Under the new program, state, local and tribal governments can retain custody of documents with classifications of up to the secret level, going beyond that only if the documents are housed in a facility managed full-time by the Department of Homeland Security or relevant federal agencies. In addition, governors may be granted access to classified information without undergoing background checks.

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Napolitano's duties will include ensuring that state, local and tribal facilities that hold or use classified information are inspected and their personnel receive security clearances and training. Meanwhile, Defense Secretary Robert M. Gates or relevant federal agencies will oversee private sector access to classified information.

Obama's order also creates a committee to resolve disputes and recommend policy changes related to the sharing of classified information. The president named the Information Security Oversight Office director as chair and a DHS-designee and representative of state local tribal and private sector entities as vice chairs of the panel. The departments of State, Defense, Justice, Transportation and Energy, the Nuclear Regulatory Committee, and agencies of the intelligence community will designate other members of the committee, and the Information Security Oversight Office will provide personnel to serve as the panel's staff.

The committee's establishment is effective immediately, the executive order said; the rest of the program goes into effect in 180 days.

Matt Korade can be reached at (b) (6).

From: Lluberes, Andrew
To: Young, John; Williams, Jerry
Cc: Kudwa, Amy; Polk, Kenneth; Rogers, Charles; Cornwell, Janice; Orluskie, Larry
Subject: RE: FYI - POTUS signs EO on Classified National Security Information Program for SLTPS
Date: Thursday, August 19, 2010 12:07:42 PM
Importance: High

John:

Many thanks.

Andrew L. Lluberes
Director of Communications
for Intelligence and Analysis
Office of Public Affairs
U.S. Department of Homeland Security
Washington, D.C. 20528

(b)(6)

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Napolitano's duties will include ensuring that state, local and tribal facilities that hold or use classified information are inspected and their personnel receive security clearances and training. Meanwhile, Defense Secretary Robert M. Gates or relevant federal agencies will oversee private sector access to classified information.

Obama's order also creates a committee to resolve disputes and recommend policy changes related to the sharing of classified information. The president named the Information Security Oversight Office director as chair and a DHS-designee and representative of state local tribal and private sector entities as vice chairs of the panel. The departments of State, Defense, Justice, Transportation and Energy, the Nuclear Regulatory Committee, and agencies of the intelligence community will designate other members of the committee, and the Information Security Oversight Office will provide personnel to serve as the panel's staff.

The committee's establishment is effective immediately, the executive order said; the rest of the program goes into effect in 180 days.

Matt Korade can be reached at (b) (6)

From: Manlove, Marian
To: Orluskie, Larry
Subject: Re: FYI: Public Affairs Activity
Date: Thursday, May 06, 2010 8:17:32 AM

Larry,
I know this isn't ours, but should someone clean up gramatical errors in bullets before these are more broadly disseminated?
Marian

Sent from my BlackBerry Wireless Handheld

From: Orluskie, Larry
To: Allen, John S.; Brooks, Vicki; Flinn, Shawn; Heintz, Craig; Kruger, Randy; Manlove, Marian; Micone, Vincent; Neal, Jeffrey; Remshard, Harry; Sexton, Gene; Stokes, Regina; Tanner, George
Sent: Thu May 06 07:09:59 2010
Subject: FYI: Public Affairs Activity

DHS EMPLOYEE WELLNESS INITIATIVES

The Associated Press interviewed Chief Medical Office and Assistant Secretary for the Office of Health Affairs, Dr. Alex Garza and Assistant Commissioner for Human Resources Management, Christine Gaugler about the recent suicides within the Border Patrol as well as the Department's overall efforts to educate employees on suicide prevention. There is no expected run date for the piece at this time.

Talking Points:

- As part of his role as Chief Medical Officer, Dr. Garza takes an active role in workforce health protection, both the physical aspects and the mental health.

- The Department takes all suicides very seriously. There is not a single theme that ties suicides within one component together because suicide is a very complex, interpersonal issue. That is why DHS take a holistic approach to suicide prevention and provides employees with the tools and resources they need to deal with stressors both in the workplace and in everyday life.

- The Department is working to build a resilient workforce.

- The message to employees is that is suicide never a good option. We want employees to know that there health and wellbeing is important, that it is important for employees to look out for each other, and know they can get help if it is needed.

- While it is tempting to try and correlate a certain number of suicides to a specific theme or cause, it is not possible to do this. We must look at the issue as a concern for the entire department.

From: Manlove, Marian
To: Orluskie, Larry
Subject: Re: FYI: Public Affairs Activity
Date: Thursday, May 06, 2010 8:45:34 AM

Seriously, they use "there" when they mean "their" that's pretty bad. Did you read it?

Sent from my BlackBerry Wireless Handheld

From: Orluskie, Larry
To: Manlove, Marian
Sent: Thu May 06 08:31:40 2010
Subject: RE: FYI: Public Affairs Activity

I'll tell the folks in the press office you don't like their bad grammar.
☺

From: Manlove, Marian
Sent: Thursday, May 06, 2010 8:18 AM
To: Orluskie, Larry
Subject: Re: FYI: Public Affairs Activity

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From: Howcroft, Loren
To: Orluskie, Larry
Cc: Armstrong, Chris; Gunderson, Richard
Subject: RE: Interview Support
Date: Wednesday, January 20, 2010 2:17:46 PM

Larry,

Here is the information I received from within OCPO and I have incorporated your input as well. Hopefully this is what you need, but if not, let me know and I will gather more information for you.

fixed priced contracts

- Per President's Memorandum on Government Contracting dated 04 MAR 10, OMB issued Acquisition Savings guidance to target savings across the government of $40 billion a year through better acquisition and acquisition-related practices.
- A part of that guidance is to reduce by **10%** the share of dollars obligated in FY10 under new contract actions awarded with high risk contracting authorities.
- The increased use of fixed priced contracts, thereby reducing our reliance of cost-reimbursable and time and material contracts (considered a high risk contracting strategies), is a cornerstone of the Department's acquisition savings strategy.
- **All** components have provided acquisition savings plans that include the increased use of fixed priced contracts."

acquisition workforce issues,

- DHS increased the size of the contracting and procurement workforce, experiencing a net gain of **129** contracting professionals from 1,152 in FY 2008 to 1,281 in FY 2009.
- DHS is currently strengthening its Acquisition Workforce through our developmental program called the Acquisition Professional Career Program (APCP)
    - The program includes both technical and contracting cadres
    - Cadres go through a 3 year program that includes training and rotations
    - **109** APCP participants currently onboard
- For our Career Fields - including Contracting, Program Management, and Contracting Officer's Technical Representative (COTR). Currently expanding to include systems engineering, cost estimating, logisitics, test and evaluation
    - Certification
        - We increased the number of Program Manager certifications issued by **694** from 1,083 through FY 2008 to 1,777 through FY 2009.
        - We also increased the number of Contracting Officers Technical Representative (COTR) certifications issued by **2,116** (from 6,243 to 8,359).
    - Qualification
    - Training

strategic sourcing,

- TAPS (DHS-wide contract for professional services)
- IBM Software
- Energy - Electrical
- DHS Spend Management Tool
- Canine Initiatives
- Multi-Function Devices
- EAGLE II
- Oracle
- Digital Investigative Equipment

other important aspects important to the state of procurement at DHS.

- Enforcing the concept that Acquisition is bigger than "procurement"
  - Starts with requirements definition, better planning, cost estimating and logisitics
- In FY 2008, established two new divisions; the Acquisition Program Management Directorate (APMD) and the Cost Analysis Division (CAD). APMD and CAD provide essential competencies that are core to the infrastructure of the Department's acquisition program.
- Released MD 102-01
  - established a revised acquisition review process, including roles and responsibilities of DHS-approving authorities, threshold levels for acquisition, acquisition decision events, and required supporting documentation.
  - The directive established the Acquisition Review Board (ARB) as the Department's highest review body charged with reviewing and approving all programs at key acquisition decision events that are greater than $300 million in life cycle costs.
  - Program review stats for in FY 09:
    - **16** ARBs chaired by S2
    - **2** ARBs chaired by USM
    - **8** ARBs for oversight of the American Recovery and Reinvestment Act (ARRA)
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- Carefully monitoring reliance on contractor employees
  - Involved in the Balanced workforce strategy
  - Ensuring that Federal employees are performing all "inherently governmental" functions and "core" functions
  - Ensuring that federal employees are managing and overseeing DHS' projects

---

From: Orluskie, Larry
Sent: Tuesday, January 19, 2010 3:25 PM
To: Gunderson, Richard
Cc: Armstrong, Chris; Howcroft, Loren; Van Houten, Ann; McCollim, Janis
Subject: Interview Support

Rick –

This is the interview request for Chris Cummiskey I was talking about.
It looks like he'll need talking points on:

1. fixed priced contracts,
2. acquisition workforce issues,
3. strategic sourcing, and
4. other important aspects important to the state of procurement at DHS.

They are scheduling the interview for Thursday afternoon. So, he'll need this by tomorrow afternoon.

Thanks!

Larry

From: Morales, Lupe
Sent: Tuesday, January 19, 2010 12:17 PM
To: Orluskie, Larry
Subject: FW: interview request

FYI

Lupe Morales
Executive Assistant to the
Under Secretary for Management
Department of Homeland Security
(b)(6)

From: Kuban, Sara (b)(6)
To: Cummiskey, Chris (b)(6)
Cc: Harper, Daniel J (b)(6)
Sent: Tue Jan 19 11:31:33 2010
Subject: RE: interview request

Great. Thank you Chris! What day/time work best for you and I'll set it up.

From: Cummiskey, Chris (b)(6)
Sent: Tuesday, January 19, 2010 11:26 AM
To: Kuban, Sara A
Cc: Harper, Daniel J
Subject: Re: interview request

Sure, Sara. Happy to assist.

CC

Chris Cummiskey
Chief of Staff for Management
Department of Homeland Security
Washington, DC
(b)(6) e

From: Kuban, Sara (b)(6)
To: Cummiskey, Chris (b)(6)
Cc: Harper, DJ (b)(6) >
Sent: Tue Jan 19 11:21:42 2010
Subject: interview request

Hi Chris~

Homeland Security Today magazine wants to do an interview on the state of procurement at DHS. The reporter is looking to explore the renewed emphasis on fixed priced contracts, acquisition workforce issues, strategic sourcing, and other important aspects important to the state of procurement at DHS. Would you be available for a 20 minute phone interview on this topic sometime this week? – I've

already run this by Amy Shlossman, etc. and I could come to your office to sit in with you during the interview. When you get a chance please let me know if this is something you can do.

Hope you're doing well.
Sara

From: Howcroft, Loren
To: Orluskie, Larry
Subject: RE: Interview Support
Date: Wednesday, January 20, 2010 2:44:27 PM

No problem – glad to help. Is this what you needed?

From: Orluskie, Larry
Sent: Wednesday, January 20, 2010 2:42 PM
To: Howcroft, Loren
Cc: Armstrong, Chris; Gunderson, Richard
Subject: RE: Interview Support

Thanks Loren!

Larry

From: Howcroft, Loren
Sent: Wednesday, January 20, 2010 2:18 PM
To: Orluskie, Larry
Cc: Armstrong, Chris; Gunderson, Richard
Subject: RE: Interview Support

Larry,

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Executive Assistant to the
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Hope you're doing well.
Sara

From: Duke, Elaine C
To: Orluskie, Larry
Subject: Re: LORAN C
Date: Tuesday, December 01, 2009 8:39:24 AM

Perfect

From: Orluskie, Larry [redacted] (b)(6) [redacted] >
To: Duke, Elaine C [redacted] (b)(6) [redacted]
Sent: Tue Dec 01 08:29:37 2009
Subject: RE: LORAN C

Draft attached.
I also separated the Q&A from the talking points.

Larry

From: Duke, Elaine C [redacted] (b)(6) [redacted]
Sent: Tuesday, December 01, 2009 8:22 AM
To: Lesher, Jan
Cc: Orluskie, Larry
Subject: Re: LORAN C

Larry is rewriting the talking points right now as they weren't her style and we will have them within the half hour

---

From: Lesher, Jan
To: 'Wiggins, Chani' [redacted] (b)(6) [redacted]; 'Beers, Rand' [redacted] (b)(6) [redacted] Duke, Elaine C; Allen, Thad ADM; 'Kroloff, Noah' [redacted] (b)(6) [redacted] 'Smith, Sean' [redacted] (b)(6) [redacted]
Sent: Tue Dec 01 08:17:11 2009
Subject: RE: LORAN C

Any thoughts about S1 calling today?

From: Lesher, Jan
Sent: Monday, November 30, 2009 3:37 PM
To: Wiggins, Chani; Beers, Rand; Duke, Elaine C; Allen, Thad ADM; Kroloff, Noah; Smith, Sean
Subject: LORAN C

A meeting was held earlier today w/ representatives from USCG, USM, OGC, OLA & OPA to discuss LORAN-C. We think that Senators Collins & Lieberman need to be called on Tuesday to give them a heads up on the pending termination of LORAN-C. They support LORAN and will not be happy that we are moving forward with public notice of termination but we have no choice and want them to hear from us.

Do you agree calls should be made and, if so, by whom?

Background –

On 11/3 Senators Collins and Lieberman wrote S1 regarding LORAN-C, which, pursuant to the DHS Appropriations Act, she is to certify as no longer needed as a back up to GPS and then to terminate the LORAN program. The fact that we owe the Senators a response combined with the timing of Federal Register Notice (FRN) announcing the planned termination of LORAN and the possibility that the question might come up during the testimony before Congress on Wednesday causes us to recommend that the Senators be called on. Additional talking points will be developed but include:

- The President's FY 2010 budget supports the termination of outdated systems, and specifically cites LORAN-C as such an example.

- The Coast Guard will be releasing the Federal Register Notice (FRN) along with a press release announcing the planned termination of the LORAN-C signal starting on 4 Jan 2010.

- The Coast Guard is currently finalizing a detailed termination plan with associated costs as documented during FY10 budget development. The Coast Guard does not have the funding in our Environmental Compliance & Restoration appropriation to harden the sites and execute initial termination actions. The Coast Guard has been assured by OMB and DHS CFO that funding will be provided via reprogramming to cover these costs. The CG CFO will be forwarding, via memo to DHS CFO, initial estimates for these costs. Detailed cost estimates will be forwarded upon completion of the termination plan.

- The Coast Guard sent an Action Memo to the Secretary to complete the first certification, which requires the Commandant to certify that LORAN-C is not required in the maritime environment. The Coast Guard is proceeding with termination assuming the Secretary will complete the second certification by 4 Jan 2010.

- The Loran-C system was not established as, nor was it intended to be, a viable systemic backup for GPS. Backups to GPS for safety-of-life navigation applications, or other critical applications, can be other radionavigation systems, or operational procedures, or a combination of these systems and procedures. Backups to GPS for timing applications can be a highly accurate crystal oscillator or atomic clock and a communications link to a timing source that is traceable to Coordinated Universal Time.

- The Department of Homeland Security will continue to work with other federal agencies to look across the critical infrastructure and key resource sectors identified in the National Infrastructure Protection Plan assessment to determine if a single, domestic system is needed as a GPS backup for critical infrastructure applications requiring precise time and frequency. If a single, domestic national system to back up GPS is identified as being necessary, the Department of Homeland Security will complete an analysis of potential backups to GPS. The continued active operation of Loran-C is not necessary to advance this evaluation.

After calls are made to the Senators, staff briefings will be conducted with other interested members.

Let me know if you have questions or need additional information.

Jan Lesher
Chief of Staff - Operations
Office of the Secretary
Department of Homeland Security
Washington, DC 20528
(b)(6)

From: Wiggins, Chani
To: Lesher, Jan; Duke, Elaine C
Cc: Orluskie, Larry
Subject: RE: LORAN C
Date: Tuesday, December 01, 2009 9:04:31 AM

I've left messages for Brandon to call me this a.m. to discuss.

From: Lesher, Jan
Sent: Tuesday, December 01, 2009 8:48 AM
To: Duke, Elaine C; Wiggins, Chani
Cc: [redacted] (b) (6)
Subject: RE: LORAN C

Thanks, Elaine & Larry

From: Duke, Elaine C
Sent: Tuesday, December 01, 2009 8:46 AM
To: Lesher, Jan; Wiggins, Chani
Cc: [redacted] (b) (6)
Subject: Fw: LORAN C

The Q and As are background only; not for S1. Chani if you decide this isn't for a S1 call, we need to decide how to convey it so the Committee is not caught off guard when the termination notice is published later this week.

From: Orluskie, Larry [redacted] (b)(6)
To: Duke, Elaine C [redacted] (b)(6)
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Jan Lesher
Chief of Staff - Operations
Office of the Secretary
Department of Homeland Security
Washington, DC 20528
(b)(6)

From: Grant, Daniel
To: Orluskie, Larry
Subject: RE: OIG Report: Management of DHS"s Data Center Consolidation Initiative Needs Improvement
Date: Thursday, October 07, 2010 12:07:47 PM

Thanks for clarifying Larry and thanks for your help with these.

From: Orluskie, Larry
Sent: Thursday, October 07, 2010 12:05 PM
To: Grant, Daniel; Chandler, Matthew; Fetcher, Adam; Fox, Julia; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wingate, Amanda; Grossman, Jordan; Sandweg, John; Wenger, Avital; Grossman, Seth
Cc: Roat, Maria
Subject: RE: OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

All –

There was a miscommunication between me and CIO.
The third bullet should read:

- DHS started with 48 data centers. As part of the consolidation process, DHS has established two enterprise data centers and is well underway in consolidating older facilities. The Department has completed migration of **five** centers with migration of **FEMA**, ICE, USCIS, US-VISIT, and TSA Headquarters expected to be complete in FY 2011. The Department's enterprise data centers are modern facilities with tiered managed services.

Sorry for any confusion.

Larry

Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
(b)(6)

From: Grant, Daniel
Sent: Thursday, October 07, 2010 11:06 AM
To: Chandler, Matthew; Fetcher, Adam; Fox, Julia; Grant, Daniel; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wingate, Amanda; Grossman, Jordan; Sandweg, John; Wenger, Avital; Grossman, Seth; Orluskie, Larry
Subject: OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

All,

The OIG released a report on the Department's data center consolidation to the Hill today and

expects to post it publicly next Friday, October 15th. Talking points are attached and below. Let me know if you have any questions.

Thanks, have a great day!

Dan

OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

Background

OIG reviewed DHS's efforts to consolidate Component data centers from March to July 2010 with the goal of determining the progress DHS has made in meeting its consolidation objectives. The OIG found that DHS has made some progress but needs to take additional steps to improve the data center consolidation process.

The OIG made two recommendations to DHS:

1. DHS should perform the necessary discovery and validation efforts to obtain accurate inventories of its data centers, hardware, and systems. OCIO concurs with this recommendation but notes that they will continue their current practices which fulfill this recommendation.
2. DHS should review government-wide efforts as well as industry best practices for data center consolidations, and develop a more comprehensive data center consolidation plan. OCIO concurs with this recommendation.

Talking Points

- DHS is currently updating its data migration plans to include application information in its recent data inventory collection, addressing an OIG concern.

- As part of updating its data center consolidation plan, DHS is including industry best practices and lessons learned, fulfilling an OIG recommendation.

- DHS started with 48 data centers. As part of the consolidation process, DHS has established two enterprise data centers and is well underway in consolidating older facilities. The Department has completed migration of seven centers with migration of ICE, USCIS, US-VISIT, and TSA expected to be complete in FY 2011. The Department's enterprise data centers are modern facilities with tiered managed services.

If Asked:

- OIG erroneously refers to the OMB data call from August 2009 which includes space that does not contain data application hosting space. When this erroneously counted space is removed, the space needed is well within the planned capacity for data center consolidation. Specifically,

FEMA's response to OMB's data call includes 400,000 square feet of space that OCIO does not include in its consolidation plan. When this space is omitted, the space identified is around 160,000 square feet which is well within the original estimate of 220,000 square feet needed.

Dan Grant
Special Assistant
Office of the Chief of Staff | Office of the Secretary
Department of Homeland Security
(b)(6)

From: Orluskie, Larry
To: Grant, Daniel; Chandler, Matthew; Fetcher, Adam; Fox, Julia; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wingate, Amanda; Grossman, Jordan; Sandweg, John; Wenger, Avital; Grossman, Seth
Cc: Roat, Maria
Subject: RE: OIG Report: Management of DHS"s Data Center Consolidation Initiative Needs Improvement
Date: Thursday, October 07, 2010 12:04:00 PM

All –

There was a miscommunication between me and CIO.
The third bullet should read:

- DHS started with 48 data centers. As part of the consolidation process, DHS has established two enterprise data centers and is well underway in consolidating older facilities. The Department has completed migration of **five** centers with migration of **FEMA**, ICE, USCIS, US-VISIT, and TSA Headquarters expected to be complete in FY 2011. The Department's enterprise data centers are modern facilities with tiered managed services.

Sorry for any confusion.

Larry

Larry Orluskie
U.S. Department of Homeland Security
Director of Communications,
Under Secretary for Management
(b)(6)

From: Grant, Daniel
Sent: Thursday, October 07, 2010 11:06 AM
To: Chandler, Matthew; Fetcher, Adam; Fox, Julia; Grant, Daniel; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wingate, Amanda; Grossman, Jordan; Sandweg, John; Wenger, Avital; Grossman, Seth; Orluskie, Larry
Subject: OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

All,

The OIG released a report on the Department's data center consolidation to the Hill today and expects to post it publicly next Friday, October 15th. Talking points are attached and below. Let me know if you have any questions.

Thanks, have a great day!

Dan

OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

Background

OIG reviewed DHS's efforts to consolidate Component data centers from March to July 2010 with the goal of determining the progress DHS has made in meeting its consolidation objectives. The OIG found that DHS has made some progress but needs to take additional steps to improve the data center consolidation process.

The OIG made two recommendations to DHS:

1. DHS should perform the necessary discovery and validation efforts to obtain accurate inventories of its data centers, hardware, and systems. OCIO concurs with this recommendation but notes that they will continue their current practices which fulfill this recommendation.
2. DHS should review government-wide efforts as well as industry best practices for data center consolidations, and develop a more comprehensive data center consolidation plan. OCIO concurs with this recommendation.

Talking Points

- DHS is currently updating its data migration plans to include application information in its recent data inventory collection, addressing an OIG concern.

- As part of updating its data center consolidation plan, DHS is including industry best practices and lessons learned, fulfilling an OIG recommendation.

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Dan Grant
Special Assistant
Office of the Chief of Staff | Office of the Secretary

Department of Homeland Security

(b)(6)

From: Grant, Daniel
To: Orluskie, Larry
Subject: RE: OIG Report: Management of DHS"s Data Center Consolidation Initiative Needs Improvement
Date: Thursday, October 07, 2010 12:12:47 PM

No worries at all! Glad we cleared it up and have it right now!

Thanks so much

From: Orluskie, Larry
Sent: Thursday, October 07, 2010 12:12 PM
To: Grant, Daniel
Subject: RE: OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

I'm soy sorry that we wanted that bullet in there, and then f'ed it up.
Thanks!

Larry

From: Grant, Daniel
Sent: Thursday, October 07, 2010 12:08 PM
To: Orluskie, Larry
Subject: RE: OIG Report: Management of DHS's Data Center Consolidation Initiative Needs Improvement

Thanks for clarifying Larry and thanks for your help with these.

From: Orluskie, Larry
Sent: Thursday, October 07, 2010 12:05 PM
To: Grant, Daniel; Chandler, Matthew; Fetcher, Adam; Fox, Julia; Hill, Alice; Himeles, Sara; Kroloff, Noah; Kudwa, Amy; Ortman, Chris; Peacock, Nelson; Ramanathan, Sue; Shlossman, Amy; Smith, Sean; Stevens, Clark; Whithorne, Bobby; Wingate, Amanda; Grossman, Jordan; Sandweg, John; Wenger, Avital; Grossman, Seth
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Dan Grant
Special Assistant
Office of the Chief of Staff | Office of the Secretary
Department of Homeland Security
(b)(6)

From: Cotter, Daniel
To: Fetcher, Adam; Harper, DJ; Ortman, Chris
Cc: Worman, Maya; Cummiskey, Chris; Orluskie, Larry
Subject: RE: Open Government vUSA/HSIN/NPPD Talking Points
Date: Friday, April 02, 2010 3:46:11 PM

All –

I corrected two minor typos in text below:

HSIN is a "portal" that provides access for members of the homeland security community, including first responders, emergency managements and law enforcement officials, to various DHS communities of interest. This includes access to DHS mapping applications and geographic data.

NPPD provides mapping tools for mission applications related to critical infrastructure / key resources protection.

HSIN and NPPD both use the same mapping software through a DHS Enterprise License Agreement (ELA) and share common geographic data. This is part of the overall DHS strategy to create a shared infrastructure, including software and geospatial data, for situational awareness.

vUSA is an initiative by DHS Science and Technology (S&T) to enable information sharing, including of geographic data, between emergency responders based on open standards. S&T's focus on promoting the use of open standards for information sharing assures vUSA interoperability with HSIN and NPPD mission-oriented mapping technologies.

Regards,

Dan Cotter
(b)(6)

From: Fetcher, Adam
Sent: Friday, April 02, 2010 3:43 PM
To: Harper, DJ; Ortman, Chris
Cc: Worman, Maya; Cummiskey, Chris; Cotter, Daniel; Orluskie, Larry
Subject: RE: Open Government vUSA/HSIN/NPPD Talking Points

Thanks, I'm looping Chris Ortman for his awareness also.

From: Harper, DJ
Sent: Friday, April 02, 2010 3:39 PM
To: Fetcher, Adam
Cc: Worman, Maya; Cummiskey, Chris; Cotter, Daniel; Orluskie, Larry
Subject: Open Government vUSA/HSIN/NPPD Talking Points

Adam:

For your situational awareness as we release the Open Government Plan. DHS has been in the news

this week (article below) about a mapping project at NPPD that sounds sort of similar to vUSA and also HSIN.

In case any reporters were to call to ask us the difference between the three projects, I asked our tech guy to prepare some proactive talking points. Please feel free to reach out to Dan if you have any questions.

Best wishes,

DJ

From: Cotter, Daniel
Sent: Friday, April 02, 2010 2:25 PM
To: Harper, DJ
Cc: Orluskie, Larry
Subject: RE: FYI: DHS Mapping Tool Boosts Situational Awareness

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Regards,

Dan Cotter
(b)(6)

From: Harper, DJ
Sent: Friday, April 02, 2010 8:43 AM
To: Cotter, Daniel
Cc: Orluskie, Larry
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a reporter asking what's the difference between these three programs. I'm sure we have a good answer, but I want OPA to be ready with the right information when it happens. It doesn't need to be extensive, just something that shows that all three tools are working toward the same goal – just in different ways.

Is that something we can pull together on Monday or Tuesday? The release is going out Wednesday.

Thanks Dan!

DJ

From: Orluskie, Larry
Sent: Friday, April 02, 2010 7:44 AM
To: Brown, Michael; Cotter, Daniel; Graves, Margie; Roat, Maria; Sims, Cedric; Smith, Lee; Spires, Richard; Warren, William; West, Robert
Cc: Bertucci, Nicole M; Bourbeau, Sharie; (b)(6) Cummiskey, Chris; Dayton, Mark; Dorgan, Mark; Hall, Chrisdon; Harper, DJ; Jenkins, Donna; (b)(6) Morales, Lupe; Ressler, Shila; (b)(6) Waid, Justina
Subject: FYI: DHS Mapping Tool Boosts Situational Awareness

DHS Mapping Tool Boosts Situational Awareness

By Mickey McCarter

Homeland Security Today, April 2, 2010

A mapping tool used by the Department of Homeland Security (DHS) to visualize US critical infrastructure relies upon commercially available geospatial data and does not present any special privacy risk, according to a review released Wednesday by the DHS chief privacy officer.

The DHS National Protection and Programs Directorate (NPPD) has implemented the Integrated Common Analytical Viewer (iCAV), a sensitive but unclassified program, to provide situational awareness to local, state and federal agencies regarding threats to sites classified by the Homeland Security Infrastructure Program (HSIP), noted Chief Privacy Officer Mary Ellen Callahan in Privacy Impact Assessment for the Integrated Common Analytical Viewer.

NPPD developed the software in response to Homeland Security Presidential Directive 7, issued in 2003, which required DHS to map and analyze US critical infrastructure and key resources to visualize the risks to those assets. The NPPD Office of Infrastructure Protection uses this information to identify and prioritize the risks of a terrorist attack.

Homeland security officials at the local, state, and federal levels of government can access iCAV through the Homeland Security Information Network (HSIN). Authorized users can use publicly available datasets to create layers of information on sites of specific interest to them.

HSIP sites include various resources across emergency services, public utilities, telecommunications systems, transportation systems, energy facilities, and industrial sites. In its early days, critics ridiculed the HSIP program for including mundane sites like amusement parks.

"Incorporating iCAV with HSIP creates an improved geospatial context for situational and strategic awareness across the nation and US territories and holdings around the globe that allows better preparation for, prevention of, and response to natural and man-made disasters," the privacy report stated.

Licensing restrictions have prompted DHS to set up two HSIP datasets within iCAV --HSIP Gold for federal agencies and HSIP Freedom for state and local agencies. The HSIP datasets include a geospatial data inventory provided by the National Geospatial Intelligence Agency along with DHS, Department of Defense, and US Geological Survey.

Using a data feed service called DHS Earth, iCAV users can view geospatial data through specific lenses. For example, users can overlay data from the National Weather Service, hurricane warnings, wildfire zones, flood areas, population density data, and other information to enhance situational awareness.

iCAV alone does not contain personally identifiable information on individuals in or related to HSIP sites, but users could overlay data from external feeds that could include such information, the report cautioned.

As such, the program is a privacy sensitive system but alone does not present any special privacy risks, the report concluded. A warning in the system advises against the use of personally identifiable information within the program.

From:	Fetcher, Adam
To:	Harper, DJ; Ortman, Chris
Cc:	Worman, Maya; Cummiskey, Chris; Cotter, Daniel; Orluskie, Larry
Subject:	RE: Open Government vUSA/HSIN/NPPD Talking Points
Date:	Friday, April 02, 2010 3:43:05 PM

Thanks, I'm looping Chris Ortman for his awareness also.

From: Harper, DJ
Sent: Friday, April 02, 2010 3:39 PM
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To: Harper, DJ
Cc: Orluskie, Larry
Subject: RE: FYI: DHS Mapping Tool Boosts Situational Awareness

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vUSA is an initiative by DHS Science and Technology (S&T) to enable information sharing, including of geographic data, between emergency responders based on open standards. S&T's focus on promoting the use of open standards for information sharing assures vUSA interoperability with HSIN and NPPD mission-oriented mapping technologies.

Regards,

Dan Cotter
(b)(6)

From: Harper, DJ
Sent: Friday, April 02, 2010 8:43 AM
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Cc: Orluskie, Larry
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HSIP sites include various resources across emergency services, public utilities, telecommunications systems, transportation systems, energy facilities, and industrial sites. In its early days, critics ridiculed the HSIP program for including mundane sites like amusement parks.

"Incorporating iCAV with HSIP creates an improved geospatial context for situational and strategic awareness across the nation and US territories and holdings around the globe that allows better preparation for, prevention of, and response to natural and man-made disasters," the privacy report stated.

Licensing restrictions have prompted DHS to set up two HSIP datasets within iCAV --HSIP Gold for federal agencies and HSIP Freedom for state and local agencies. The HSIP datasets include a geospatial data inventory provided by the National Geospatial Intelligence Agency along with DHS, Department of Defense, and US Geological Survey.

Using a data feed service called DHS Earth, iCAV users can view geospatial data through specific lenses. For example, users can overlay data from the National Weather Service, hurricane warnings, wildfire zones, flood areas, population density data, and other information to enhance situational awareness.

iCAV alone does not contain personally identifiable information on individuals in or related to HSIP sites, but users could overlay data from external feeds that could include such information, the report cautioned.

As such, the program is a privacy sensitive system but alone does not present any special privacy risks, the report concluded. A warning in the system advises against the use of personally identifiable information within the program.

From: Ortman, Chris
To: Cotter, Daniel; Fetcher, Adam; Harper, DJ
Cc: Worman, Maya; Cummiskey, Chris; Orluskie, Larry
Subject: RE: Open Government vUSA/HSIN/NPPD Talking Points
Date: Friday, April 02, 2010 4:15:13 PM

Thanks, I made some tweaks below to the vUSA part, using language from our release on the program.

Chris Ortman
Assistant Press Secretary, Office of Public Affairs
U.S. Department of Homeland Security
(b)(6)

From: Cotter, Daniel
Sent: Friday, April 02, 2010 3:46 PM
To: Fetcher, Adam; Harper, DJ; Ortman, Chris
Cc: Worman, Maya; Cummiskey, Chris; Orluskie, Larry
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Virtual USA (vUSA), an initiative of the DHS Science and Technology Directorate (S&T), is a platform which links disparate tools and technologies in order to share the location and status of critical assets and information—such as power and water lines, emergency vehicle and ambulance locations, weather and traffic conditions, and evacuation routes—in real time across federal, state, local and tribal governments. Thirteen states are currently participating in vUSA pilot projects.

Regards,

Dan Cotter
202-447-3749

From: Fetcher, Adam

Sent: Friday, April 02, 2010 3:43 PM
To: Harper, DJ; Ortman, Chris
Cc: Worman, Maya; Cummiskey, Chris; Cotter, Daniel; Orluskie, Larry
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From: Grant, Daniel
To: Orluskie, Larry
Cc: Grossman, Jordan
Subject: RE: Talking Points for OIG Report on Information Security Program
Date: Monday, October 18, 2010 8:51:16 AM

Good morning Larry,

Just wondering if you were able to track down any more information on this one. Since this report went to the Hill on Friday, we would definitely like to get these circulated today.

Thanks again for your help.

Dan

From: Orluskie, Larry
Sent: Friday, October 15, 2010 7:12 AM
To: Grant, Daniel
Cc: Grossman, Jordan
Subject: RE: Talking Points for OIG Report on Information Security Program

Dan –

I haven't forgotten you … what they gave me last night seemed only slightly less confusing and I want more. This is what they gave me to replace the sentence:

> One of the DHS Chief Information Officer's FY11 high priority initiatives is to better define the Department's implementation of continuous monitoring, addressing an OIG recommendation.

I want to know what "implementation of continuous monitoring" actually means.

Larry

From: Grant, Daniel
Sent: Thursday, October 14, 2010 10:53 AM
To: Orluskie, Larry
Cc: Grossman, Jordan; Grant, Daniel
Subject: Talking Points for OIG Report on Information Security Program

Larry,

Attached are draft talking points on the upcoming OIG report on Information Security. There is one follow up question in a comment in the doc – do you have any more information we could use to address it? Also, could you look over the TPs to confirm they are all accurate? We pulled them directly from the official response to the OIG, but just want to confirm.

Thanks Larry.

Dan Grant
Special Assistant
Office of the Chief of Staff | Office of the Secretary
Department of Homeland Security
(b)(6)

From: Grant, Daniel
To: Orluskie, Larry
Cc: Grossman, Jordan
Subject: RE: Talking Points for OIG Report on Information Security Program
Date: Friday, October 15, 2010 9:11:22 AM

Thanks Larry – you are right, more clarity on what that actually means would be great.

Thanks for your help tracking this down

From: Orluskie, Larry
Sent: Friday, October 15, 2010 7:12 AM
To: Grant, Daniel
Cc: Grossman, Jordan
Subject: RE: Talking Points for OIG Report on Information Security Program

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Dan Grant
Special Assistant
Office of the Chief of Staff | Office of the Secretary

Department of Homeland Security

(b)(6)

From: Roat, Maria
To: Orluskie, Larry
Subject: RE: Talking Points for OIG Report on Information Security Program
Date: Monday, October 18, 2010 1:45:55 PM

That works!

From: Orluskie, Larry
Sent: Monday, October 18, 2010 1:45 PM
To: Roat, Maria
Subject: FW: Talking Points for OIG Report on Information Security Program

Larry

From: Orluskie, Larry
Sent: Monday, October 18, 2010 12:50 PM
To: Grant, Daniel
Cc: Grossman, Jordan
Subject: RE: Talking Points for OIG Report on Information Security Program

Let's replace that last point with this one:

> One of the DHS Chief Information Officer's FY11 high priority initiatives is to enhance enterprise visibility across the network to the desktop; monitoring the entire network and all its endpoints.

Larry

From: Grant, Daniel
Sent: Monday, October 18, 2010 8:51 AM
To: Orluskie, Larry
Cc: Grossman, Jordan
Subject: RE: Talking Points for OIG Report on Information Security Program

Good morning Larry,

Just wondering if you were able to track down any more information on this one. Since this report went to the Hill on Friday, we would definitely like to get these circulated today.

Thanks again for your help.

Dan

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Cc: Grossman, Jordan
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Special Assistant
Office of the Chief of Staff | Office of the Secretary
Department of Homeland Security
(b)(6)

From: Marcott, Stacy
To: Orluskie, Larry; Borras, Rafael; Sherry, Peggy; Gunderson, Richard; Ileto, Carlene
Cc: Cummiskey, Chris; Readinger, Jeff
Subject: RE: TASC Heads-up
Date: Tuesday, July 20, 2010 10:11:02 AM
Attachments: image001.jpg

Slight modification suggested on the first bullet to highlight we are aligned with OMB guidance and are working with them to move forward on TASC.

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From: Orluskie, Larry
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To: Borras, Rafael; Marcott, Stacy; Sherry, Peggy; Gunderson, Richard
Cc: Cummiskey, Chris; Readinger, Jeff
Subject: RE: TASC Heads-up

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Larry

From: Borras, Rafael
Sent: Tuesday, July 20, 2010 9:17 AM
To: Orluskie, Larry; Gelfer, Elizabeth; Levine, Jerry; Marcott, Stacy; Schilling, Deborah; Sherry, Peggy; Wetklow, Michael; Armstrong, Chris; Boshears, Kevin; Capitano, David; Childs, David; Correa, Soraya; Eng, Benedict; Erkun, Mui; Gunderson, Richard; Higbee, John; Manzo, James; Mason, Thomas; Terry, Anne
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Subject: FYI: TASC Heads-up
Importance: High

I'm sure we'll get some press calls.

From: CHSMajorityPress (b)(6)
Sent: Monday, July 19, 2010 5:16 PM
Subject: Thompson, Carney Question DHS on Impact of OMB Memorandum on Financial Management System

FOR IMMEDIATE RELEASE

Thompson, Carney Question DHS on Impact of OMB Memorandum on Financial Management System

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Link to Letter

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FOR MORE INFORMATION:
Please contact Dena Graziano or Adam Comis at (b) (6)

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H2-176, Ford House Office Building, Washington, D.C. 20515
Phone: (202) 226-2616 | Fax: (202) 226-4499
http://homeland.house.gov
Privacy Policy | **Unsubscribe**

From:	Marcott, Stacy
To:	Ileto, Carlene; Orluskie, Larry; Borras, Rafael; Sherry, Peggy; Gunderson, Richard
Cc:	Cummiskey, Chris; Readinger, Jeff
Subject:	RE: TASC Heads-up
Date:	Tuesday, July 20, 2010 12:21:28 PM
Attachments:	image001.jpg

Good change.

From: Ileto, Carlene
Sent: Tuesday, July 20, 2010 12:18 PM
To: Marcott, Stacy; Orluskie, Larry; Borras, Rafael; Sherry, Peggy; Gunderson, Richard
Cc: Cummiskey, Chris; Readinger, Jeff
Subject: RE: TASC Heads-up

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Carlene C. Ileto
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Office of the Chief Financial Officer
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(b)(6)

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Link to Letter

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http://homeland.house.gov
Privacy Policy | **Unsubscribe**

From: Ileto, Carlene
To: Marcott, Stacy; Orluskie, Larry; Borras, Rafael; Sherry, Peggy; Gunderson, Richard
Cc: Cummiskey, Chris; Readinger, Jeff
Subject: RE: TASC Heads-up
Date: Tuesday, July 20, 2010 12:18:26 PM
Attachments: image001.jpg

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Office of the Chief Financial Officer
U.S. Department of Homeland Security
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To: Marcott, Stacy; Ileto, Carlene; Orluskie, Larry; Sherry, Peggy; Gunderson, Richard
Cc: Cummiskey, Chris; Readinger, Jeff
Subject: RE: TASC Heads-up
Date: Tuesday, July 20, 2010 12:40:33 PM
Attachments: image001.jpg

Good.

From: Marcott, Stacy
Sent: Tuesday, July 20, 2010 12:21 PM
To: Ileto, Carlene; Orluskie, Larry; Borras, Rafael; Sherry, Peggy; Gunderson, Richard
Cc: Cummiskey, Chris; Readinger, Jeff
Subject: RE: TASC Heads-up

Good change.

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Cc: Borras, Rafael; Bertucci, Nicole M; Buck, Ken; Cotter, Dana <CTR>; Cummiskey, Chris; Dayton, Mark; Dorgan, Mark; Hall, Chrisdon; Harper, DJ; Maday, Brian <CTR>; McCollim, Janis; Morales, Lupe; Ressler, Shila; Starr, Heath <CTR>; Waid, Justina
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Privacy Policy | **Unsubscribe**

From: Kudwa, Amy
To: Orluskie, Larry; Kudwa, Amy; Stevens, Clark
Subject: Re: update: ON DEADLINE FW: question, TASC project
Date: Friday, September 24, 2010 7:23:45 AM

Just the same, I'd ask that you work the story -- call the gal and talk to her, not just send lines from the PAG. We got burned last time we handled a TASC inquiry the latter way. She emailed again after midnight. Thanks!

From: Orluskie, Larry (b)(6)
To: Kudwa, Amy (b)(6); Stevens, Clark (b)(6)
Sent: Fri Sep 24 07:16:39 2010
Subject: RE: update: ON DEADLINE FW: question, TASC project

Sorry – my Blackberry died last night!!!!!

I'll check for any updates, but this doesn't seem like anything we should, or would, address and stick to our talking points:

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Larry

From: Kudwa, Amy (b)(6)
Sent: Thursday, September 23, 2010 4:57 PM
To: Stevens, Clark; Orluskie, Larry
Subject: RE: update: ON DEADLINE FW: question, TASC project

I've tried Larry – his phone is off, but I've gotten other emails from him today. Larry, are you on the grid?

From: Stevens, Clark (b)(6)
Sent: Thursday, September 23, 2010 4:46 PM
To: Inquiry, Media; Orluskie, Larry
Subject: RE: update: ON DEADLINE FW: question, TASC project

Is anybody working on this?

From: Sternstein, Aliya (b)(6)
Sent: Thursday, September 23, 2010 4:42 PM
To: Inquiry, Media; Orluskie, Larry

Subject: update: ON DEADLINE FW: question, TASC project

I have received new info regarding congressional efforts to stop TASC that has changed the direction of my story. So I want to share it with you. If you cannot respond today, we can update the story tomorrow with your comments:

I now have letters indicating that House Democrats, after receiving unsatisfactory responses from DHS officials, have gone over the heads of DHS and appealed directly to OMB Acting Director Jeff Zients to cancel the program.

> As my original inquiry to you stated, Rep. Thompson, in a July 19 letter to DHS, raised concerns that the department's system conflicts with OMB's new policy.
>
> DHS Undersecretary for Management Rafael Borras responded to Rep. Thompson in a letter dated July 30 that the program complies with the OMB policy, so DHS is not considering alternative plans. "The department has been working closely with OMB to explain and demonstrate how the TASC program is consistent with the guiding principles in the OMB memorandum," Borras wrote. "Upon successfully completing OMB's review, DHS plans to award the TASC contract."
>
> Moreover, he added "TASC was specifically designed to segment work into small, manageable projects with individual task orders targeted for clear and concise deliverables. This mirrors OMB's policy regarding the use of small, manageable segments with clear deliverables." Also, as prescribed by the memo, DHS has worked to establish strong oversight of the projects by creating a steering committee comprised of senior leaders from across the department that he chairs.
>
> Thompson still objects to the notion that the project aligns with OMB's orders and has gone to the White House to complain. Thompson told OMB Acting Director Jeff Zients in a Sept. 16 letter that DHS has yet to define TASC system requirements, a transition strategy or an overall plan. Cost estimates vary from $450 million to $1 billion and the completion date is unknown, he added. "In essence, at this juncture, DHS cannot definitely determine whether a completed TASC will meet the department's needs," he wrote. "Hopefully, the well-documented problems associated with TASC will weigh heavily in your determination of whether the department will be given authority to move forward."

How do you wish to respond?

Aliya Sternstein
nextgov.com/Government Executive
(b)(6)
600 New Hampshire Avenue, NW
Washington, DC 20037

From: Sternstein, Aliya
Sent: Thursday, September 23, 2010 1:58 PM
To: (b) (6)
Subject: ON DEADLINE FW: question, TASC project

Hi, Can you help out with this inquiry? I can push back the deadline to 10pm tonight.

Aliya Sternstein

nextgov.com/Government Executive
(b)(6)
600 New Hampshire Avenue, NW
Washington, DC 20037

From: Sternstein, Aliya
Sent: Wednesday, September 22, 2010 6:47 PM
To: 'Orluskie, Larry'
Subject: question, TASC project

Hi Larry,
I'm working on a story about a matter you addressed with Jill in July, I think. The article is about DHS replacing financial management systems at individual agencies, such as FEMA and ICE, with one consolidated system. I've been fielding a lot of inquiries about the project's fate. The questions were prompted by a story on OMB cancelling the SBA and VA financial system projects. Your existing agency systems seem to already align with OMB's new vision of smaller, simpler and cheaper financial systems. As you know, the White House in June issued a directive ordering a halt on the development of all financial systems governmentwide so that departments could break modernization plans into smaller projects or cancel them. The DHS consolidation initiative, TASC, appears to conflict with this directive, which called for agencies to scale back financial system projects.

On July 19, Rep. Thompson raised his concerns about the paradox in a letter to DHS (see below). Contractors supporting the individual agency systems have since echoed his arguments, saying, "Why are you replacing systems that haven't come to their useful life? Especially at a time when we have to be especially fiscally responsible, what is the real business need? Has there been analysis prepared to look at alternatives. And has that analysis been vetted and all the cost analysis done?"

"I think the administration has the opportunity to say wait a minute what is the real business proposition . . .does this have something to do with waste at a time when we should be fiscally responsible – changing tires and not buying new cars?"

I'm hoping DHS can supply some answers. Here's what would be helpful to find out:

1. What are the advantages your financial system consolidation effort that perhaps outweigh the concerns OMB raised in its June 28 directive: http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m-10-26.pdf?
2. Since June 28, what, if anything, has DHS done to slow down spending and work on TASC?
3. My understanding is that DHS officials have met with OMB officials to discuss DHS' completed review of TASC. Do you plan to announce your new plan forward by the end of September?

DEADLINE IS THURSDAY 4:30 PM

You can always reach me by cell 301.367.9944 or e-mail. Please let me know what you can do.
Thanks.
-Aliya

Aliya Sternstein
nextgov.com/Government Executive
(b)(6)
Washington, DC 20037

Thompson, Carney Question DHS on Impact of OMB Memorandum on Financial Management System

Monday, July 19, 2010

July 19, 2010 (WASHINGTON) – Rep. Bennie G. Thompson (D-MS), Chairman of the Committee on Homeland Security, and Rep. Christopher P. Carney (D-PA), Chairman of the Subcommittee on Management, Investigations and Oversight, sent a letter to Homeland Security Under Secretary for Management Rafael Borras to question the continuation of the Transformation and Systems Consolidation (TASC) contract.

# # #
FOR MORE INFORMATION:
Please contact Dena Graziano or Adam Comis at (b) (6)

RELATED DOCUMENTS:

- Link to Letter [homeland.house.gov/SiteDocuments/tascletter.pdf]

From:	Thoreen, William
To:	Orluskie, Larry
Cc:	Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Readinger, Jeff
Subject:	RE: Washington Post inquiry
Date:	Thursday, November 18, 2010 3:19:48 PM
Attachments:	FirstSource Order Summary 10-3-2010.xlsx

Attached is the most current information.

From: Orluskie, Larry
Sent: Thursday, November 18, 2010 1:51 PM
To: Thoreen, William
Cc: Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Orluskie, Larry; Readinger, Jeff
Subject: FW: Washington Post inquiry

Bill –

Can you update this for me? (b) (6) from the Post has received word of the suspensions and has asked for this as well as a comment. It's premature for us to comment at this time.

Larry

From: Thoreen, William (b)(6)
Sent: Friday, August 13, 2010 4:10 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Larry,

I am sorry for the slow reply. Purnell and Mae Kim are my two knowledgeable people to answer your question #2 and both out yesterday and today. We will get you an answer on Monday.

Regarding question #1, the numbers you cite below correlate to the attached file for 4-10 (which are the stats through March 2010). The file for 7-10 is newer data which is probably irrelevant.

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Sent: Thursday, August 12, 2010 4:25 PM
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Hi Larry,

Since I'm out tomorrow, let me take a stab at #3.

On contracts less than five years in length (including options), a small business is considered to meet the definition of small (as indicated in the original solicitation) for the entire period, even if during that time period the company grows and exceeds the size standard. This is informally referred to as "natural growth". For example, the size standard for the FirstSource contract was 150 employees and

the contract is five years in length including options. Suppose that one of the FirstSource firms has grown to 175 employees during the third year – that is acceptable and the firm can continue to perform the contract and be considered a small business. The precise FAR coverage is located at FAR 52.219-28 "Post-Award Small Business Program Rerepresentation".

Regards, -Kevin

From: Orluskie, Larry (b)(6)
Sent: Thursday, August 12, 2010 4:01 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Folks –

A few follow-up questions from (b) (6)

1- Can I have a breakdown of the 9,607 orders with a cumulative value of $1,344,287,062, by vendor?

2- When I say "*On December 3, 2008, EGS recertified as 'other than small' due to natural growth,"* did they do that on their own accord, or because a government agency forced them to?

3- So it's clear; even though EGS recertified as no longer a being a small business, we are going to let them remain on the contract through the rest of the performance period – Feb. 2011? (*we should explain why and how its accomplished).*

Larry

From: Correa, Soraya (b)(6)
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry (b)(6)
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?

I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
[redacted] (b)(6)

From: Thoreen, William [redacted] (b)(6)
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C

Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé

program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya [mailto [redacted] (b) (6)
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William [redacted] (b)(6)
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard (b)(6)
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
EG Solutions	NCS Technologies
Government Acquisitions	ST-Net Apptis JV
GovPlace	WildFlower International Ltd
iGov	

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security

(b)(6)

From:	Thoreen, William
To:	Orluskie, Larry
Cc:	Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Readinger, Jeff
Subject:	RE: Washington Post inquiry
Date:	Thursday, November 18, 2010 2:13:36 PM

Larry,

We will update the attachments ASAP.

From: Orluskie, Larry
Sent: Thursday, November 18, 2010 1:51 PM
To: Thoreen, William
Cc: Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Orluskie, Larry; Readinger, Jeff
Subject: FW: Washington Post inquiry

Bill –

Can you update this for me? (b) (6) from the Post has received word of the suspensions and has asked for this as well as a comment. It's premature for us to comment at this time.

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From: Thoreen, William (b)(6)
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Larry,

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Regards, -Kevin

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A few follow-up questions from (b) (6)

1- Can I have a breakdown of the 9,607 orders with a cumulative value of $1,344,287,062, by vendor?

2- When I say "*On December 3, 2008, EGS recertified as 'other than small' due to natural growth,"* did they do that on their own accord, or because a government agency forced them to?

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Cc: Drew, Purnell; Kim, Mae C
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- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William (b)(6)

Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

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4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged

the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [(b)(6)
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya (b)(6)]
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William (b)(6)
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel

Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard (b)(6)
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

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Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards

- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
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FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director

Office of Procurement Operations
Department of Homeland Security

(b)(6)

From: Correa, Soraya
To: Orluskie, Larry
Subject: RE: Washington Post inquiry
Date: Thursday, August 26, 2010 10:25:04 AM

Excellent!!! Good luck with the house hunting/buying!!!!

From: Orluskie, Larry [redacted] (b)(6)
Sent: Thursday, August 26, 2010 9:29 AM
To: Correa, Soraya; Thoreen, William; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Oh no. I'm with you!
There is easy stuff to hand over – and then there is stuff that should be properly reviewed for all the right reasons. Since I get the feeling this is the latter, let's do the right thing and stay within the process.

Larry

From: Correa, Soraya [redacted] (b)(6)
Sent: Thursday, August 26, 2010 9:23 AM
To: Orluskie, Larry; Correa, Soraya; Thoreen, William; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: Re: Washington Post inquiry

I was trying to be flexible to meet your needs. If you are good with it then let's make him FOIA the data. We have an obligation to properly review and adjudicate what will be released under FOIA. I want to be flexible, but do not want to get the agency in trouble.

From: Orluskie, Larry [redacted] (b)(6)
To: Correa, Soraya [redacted] (b)(6) ; Thoreen, William [redacted] (b)(6)
Zuchowski, Laura B; Boshears, Kevin [redacted] (b)(6)
Cc: Drew, Purnell [redacted] (b)(6) Kim, Mae C [redacted] (b)(6)
Sent: Thu Aug 26 09:18:59 2010
Subject: RE: Washington Post inquiry

Ok, but, I don't want to create a new process if this make undo work outside how we do business – we can just make him FOIA it.
Especially, if there is nothing damaging in there – it proves we have as processes for transparency; no matter what.

Larry

From: Correa, Soraya [redacted] (b)(6)
Sent: Thursday, August 26, 2010 9:12 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: Re: Washington Post inquiry

I want OGC review of the information/documents prior to any release -- that is the process we would

follow under FOIA. If OGC agrees that the documents would be releasable then I have no objection to providing the "advance" copy, but I think it is inappropriate to make such a decision w/o OGC review of the document.

From: Thoreen, William [redacted] (b)(6)
To: Orluskie, Larry [redacted] (b)(6) ; Correa, Soraya [redacted] (b)(6) Zuchowski, Laura B; Boshears, Kevin [redacted] (b)(6)
Cc: Drew, Purnell [redacted] (b)(6) Kim, Mae C [redacted] (b)(6)
Sent: Thu Aug 26 09:07:07 2010
Subject: RE: Washington Post inquiry

Larry,

I reviewed the memorandums to file for the three joint ventures and I think they would be releasable under FOIA. However, there are a total of 30 documents when you include the attachments. I don't like the idea of just freely giving out file documentation to reporters and would prefer to make him submit a FOIA request. But I defer to you and Soraya if you think we should.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Thursday, August 26, 2010 7:25 AM
To: Thoreen, William; Correa, Soraya; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Right – only if the reporter can get it (unredacted) through a FOIA should we work to provided it upfront. Otherwise, I have no problem telling him to FOIA it. If it's part of a record he can never have, I don't mind telling him that too. Just let me know.

I'm off buying a house the next few days, but will check my e-mail fairly often.

Larry

From: Thoreen, William [redacted] (b)(6)
Sent: Wednesday, August 25, 2010 5:55 PM
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

I will review the documentation with Mae tomorrow and see if it would be releasable under FOIA. Beyond FOIA, it is my opinion that we shouldn't be giving reporters internal file documentation.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Wednesday, August 25, 2010 4:28 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

He's like the Eveready Battery Bunny!
One more request … can we provide a copy of any documentation to the "comprehensive review" of joint-venture prime contractors prior to exercising options

in February?

I told him he may have to FOIA it if there is any because it may contain proprietary information.

Larry

From: Correa, Soraya (b)(6)
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry (b)(6)
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B (b)(6)

Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William [(b)(6)
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

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Soraya / All –

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He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

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Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

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To: Orluskie, Larry; Correa, Soraya; Thoreen, William; Zuchowski, Laura B; Boshears, Kevin
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Subject: Re: Washington Post inquiry
Date: Thursday, August 26, 2010 9:24:25 AM

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Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Right – only if the reporter can get it (unredacted) through a FOIA should we work to provided it upfront. Otherwise, I have no problem telling him to FOIA it. If it's part of a record he can never have, I don't mind telling him that too. Just let me know.

I'm off buying a house the next few days, but will check my e-mail fairly often.

Larry

From: Thoreen, William [redacted] (b)(6)
Sent: Wednesday, August 25, 2010 5:55 PM
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

I will review the documentation with Mae tomorrow and see if it would be releasable under FOIA. Beyond FOIA, it is my opinion that we shouldn't be giving reporters internal file documentation.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Wednesday, August 25, 2010 4:28 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

He's like the Eveready Battery Bunny!
One more request … can we provide a copy of any documentation to the "comprehensive review" of joint-venture prime contractors prior to exercising options in February?

I told him he may have to FOIA it if there is any because it may contain proprietary information.

Larry

From: Correa, Soraya [redacted] (b)(6) gov]
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry [redacted] (b)(6)]
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C

Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office

USCIS Office of Administration

(b)(6)

From: Thoreen, William [(b)(6)]
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

For small business set-asides (FAR 19.5), the firms (bidders) self-represent

that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [redacted] (b)(6) [redacted]
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya [redacted] (b)(6) [redacted]]
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William [(b)(6)]
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard [(b)(6)]
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the

SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
EG Solutions	NCS Technologies
Government Acquisitions	ST-Net Apptis JV
GovPlace	WildFlower International Ltd
iGov	

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6) *0*

From: Thoreen, William
To: Correa, Soraya; Orluskie, Larry; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry
Date: Thursday, August 26, 2010 9:15:51 AM

I will have Mae put together a package and route to OGC.

Thank you

From: Correa, Soraya [(b)(6)]
Sent: Thursday, August 26, 2010 9:12 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: Re: Washington Post inquiry

I want OGC review of the information/documents prior to any release -- that is the process we would follow under FOIA. If OGC agrees that the documents would be releasable then I have no objection to providing the "advance" copy, but I think it is inappropriate to make such a decision w/o OGC review of the document.

From: Thoreen, William (b)(6)
To: Orluskie, Larry (b)(6); Correa, Soraya (b)(6) Zuchowski, Laura B; Boshears, Kevin (b)(6)
Cc: Drew, Purnell (b)(6) Kim, Mae C (b)(6) >
Sent: Thu Aug 26 09:07:07 2010
Subject: RE: Washington Post inquiry

Larry,

I reviewed the memorandums to file for the three joint ventures and I think they would be releasable under FOIA. However, there are a total of 30 documents when you include the attachments. I don't like the idea of just freely giving out file documentation to reporters and would prefer to make him submit a FOIA request. But I defer to you and Soraya if you think we should.

From: Orluskie, Larry (b)(6)
Sent: Thursday, August 26, 2010 7:25 AM
To: Thoreen, William; Correa, Soraya; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Right – only if the reporter can get it (unredacted) through a FOIA should we work to provided it upfront. Otherwise, I have no problem telling him to FOIA it. If it's part of a record he can never have, I don't mind telling him that too. Just let me know.

I'm off buying a house the next few days, but will check my e-mail fairly often.

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To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin

Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

I will review the documentation with Mae tomorrow and see if it would be releasable under FOIA. Beyond FOIA, it is my opinion that we shouldn't be giving reporters internal file documentation.

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He's like the Eveready Battery Bunny!
One more request … can we provide a copy of any documentation to the "comprehensive review" of joint-venture prime contractors prior to exercising options in February?

I told him he may have to FOIA it if there is any because it may contain proprietary information.

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Subject: RE: Washington Post inquiry

Sounds like you got it!!!

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Cc: Drew, Purnell; Kim, Mae C
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- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

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Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
[redacted] (b)(6)

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Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
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Larry,

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respond to the question about letters to SBA on Wildflower.

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You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

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   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

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Please refer him back to Larry Orluskie.

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EG Solutions	NCS Technologies
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GovPlace	WildFlower International Ltd
iGov	

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Correa, Soraya
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: Re: Washington Post inquiry
Date: Thursday, August 26, 2010 9:12:15 AM

I want OGC review of the information/documents prior to any release -- that is the process we would follow under FOIA. If OGC agrees that the documents would be releasable then I have no objection to providing the "advance" copy, but I think it is inappropriate to make such a decision w/o OGC review of the document.

From: Thoreen, William [redacted] (b)(6)
To: Orluskie, Larry <[redacted] (b)(6) ; Correa, Soraya <[redacted] (b)(6) Zuchowski, Laura B; Boshears, Kevin [redacted] (b)(6) >
Cc: Drew, Purnell <[redacted] (b)(6) >; Kim, Mae C [redacted] (b)(6)
Sent: Thu Aug 26 09:07:07 2010
Subject: RE: Washington Post inquiry

Larry,

I reviewed the memorandums to file for the three joint ventures and I think they would be releasable under FOIA. However, there are a total of 30 documents when you include the attachments. I don't like the idea of just freely giving out file documentation to reporters and would prefer to make him submit a FOIA request. But I defer to you and Soraya if you think we should.

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Cc: Drew, Purnell; Kim, Mae C
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Right – only if the reporter can get it (unredacted) through a FOIA should we work to provided it upfront. Otherwise, I have no problem telling him to FOIA it. If it's part of a record he can never have, I don't mind telling him that too. Just let me know.

I'm off buying a house the next few days, but will check my e-mail fairly often.

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Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

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To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
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- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
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Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

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Laura B. Zuchowski
Chief, USCIS Contracting Office
(b)(6) tration

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Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-

Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

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   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry (b)(6)
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies.

His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya (b)(6)
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William (b)(6)
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard [redacted (b)(6) redacted]
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin [redacted (b)(6) redacted]
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
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To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics
Computer World Services
EG Solutions
Government Acquisitions
GovPlace
iGov
Multimax Array JV
Net Direct Systems
NCS Technologies
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How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel

Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
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FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen ([redacted] or Purnell Drew ([redacted]

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at ([redacted] or Mae Kim, Contracting Officer at [redacted]

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
[redacted]

From: Thoreen, William
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry
Date: Wednesday, August 25, 2010 5:55:26 PM

Larry,

I will review the documentation with Mae tomorrow and see if it would be releasable under FOIA. Beyond FOIA, it is my opinion that we shouldn't be giving reporters internal file documentation.

From: Orluskie, Larry [redacted] (b)(6) [redacted]
Sent: Wednesday, August 25, 2010 4:28 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

He's like the Eveready Battery Bunny!
One more request … can we provide a copy of any documentation to the "comprehensive review" of joint-venture prime contractors prior to exercising options in February?

I told him he may have to FOIA it if there is any because it may contain proprietary information.

Larry

From: Correa, Soraya [redacted] (b)(6) [redacted]]
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry [redacted] (b)(6) [redacted]
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures

(Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [(b)(6)]
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William (b)(6)
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [redacted] (b)(6) [redacted]
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. [redacted] (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya [redacted] (b)(6) [redacted] gov]
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William [redacted] (b)(6) [redacted]
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William

Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard [mailto: (b) (6)
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

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Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Orluskie, Larry
To: Thoreen, William; Boshears, Kevin; Correa, Soraya; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry
Date: Thursday, August 19, 2010 9:48:00 AM

Disregard my earlier e-mail. I found it!!!!!
Sorry.

Thanks.

Larry

From: Thoreen, William [(b)(6)]
Sent: Friday, August 13, 2010 4:10 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Larry,

I am sorry for the slow reply. Purnell and Mae Kim are my two knowledgeable people to answer your question #2 and both out yesterday and today. We will get you an answer on Monday.

Regarding question #1, the numbers you cite below correlate to the attached file for 4-10 (which are the stats through March 2010). The file for 7-10 is newer data which is probably irrelevant.

From: Boshears, Kevin (b)(6)
Sent: Thursday, August 12, 2010 4:25 PM
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Hi Larry,

Since I'm out tomorrow, let me take a stab at #3.

On contracts less than five years in length (including options), a small business is considered to meet the definition of small (as indicated in the original solicitation) for the entire period, even if during that time period the company grows and exceeds the size standard. This is informally referred to as "natural growth". For example, the size standard for the FirstSource contract was 150 employees and the contract is five years in length including options. Suppose that one of the FirstSource firms has grown to 175 employees during the third year – that is acceptable and the firm can continue to perform the contract and be considered a small business. The precise FAR coverage is located at FAR 52.219-28 "Post-Award Small Business Program Rerepresentation".

Regards, -Kevin

From: Orluskie, Larry (b)(6)
Sent: Thursday, August 12, 2010 4:01 PM

To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Folks –

A few follow-up questions from (b) (6)

1- Can I have a breakdown of the 9,607 orders with a cumulative value of $1,344,287,062, by vendor?

2- When I say "*On December 3, 2008, EGS recertified as 'other than small' due to natural growth,"* did they do that on their own accord, or because a government agency forced them to?

3- So it's clear; even though EGS recertified as no longer a being a small business, we are going to let them remain on the contract through the rest of the performance period – Feb. 2011? (*we should explain why and how its accomplished).*

Larry

From: Correa, Soraya (b)(6)
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry (b)(6)]
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
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- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

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- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

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Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
[redacted] (b)(6)

From: Thoreen, William [redacted] (b)(6)
Sent: Friday, August 06, 2010 2:01 PM
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I hope this helps. There have been too many competing priorities this week.

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To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

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I have some time this afternoon if we need to discuss.

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Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William (b)(6)
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

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Subject: RE: FirstSource Point Paper

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Hi Everyone,

Let me try to help on this question.

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I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.

We say:

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
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FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

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FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
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GovPlace	WildFlower International Ltd
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FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

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1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Thoreen, William
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry
Date: Monday, August 16, 2010 9:24:55 AM

Larry,

1- Here is the answer to question #2 *When I say "On December 3, 2008, EGS recertified as 'other than small' due to natural growth," did they do that on their own accord, or because a government agency forced them to?*

EGS did on their own accord. They did not recertify, they simply updated their information in the two relevant Federal websites: CCR (Central Contractor Registration) and ORCA (On-line Representations and Certifications Application).

Lastly, to add one more bit of information to Kevin's response on question #3. In exercising the options on FirstSource in February 2010, EG Solutions was determined to be small under the FirstSource contracts in accordance with the CFR 121.404(g).

From: Thoreen, William
Sent: Friday, August 13, 2010 4:10 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Larry,

I am sorry for the slow reply. Purnell and Mae Kim are my two knowledgeable people to answer your question #2 and both out yesterday and today. We will get you an answer on Monday.

Regarding question #1, the numbers you cite below correlate to the attached file for 4-10 (which are the stats through March 2010). The file for 7-10 is newer data which is probably irrelevant.

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Sent: Thursday, August 12, 2010 4:25 PM
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Hi Larry,

Since I'm out tomorrow, let me take a stab at #3.

On contracts less than five years in length (including options), a small business is considered to meet the definition of small (as indicated in the original solicitation) for the entire period, even if during that

time period the company grows and exceeds the size standard. This is informally referred to as "natural growth". For example, the size standard for the FirstSource contract was 150 employees and the contract is five years in length including options. Suppose that one of the FirstSource firms has grown to 175 employees during the third year – that is acceptable and the firm can continue to perform the contract and be considered a small business. The precise FAR coverage is located at FAR 52.219-28 "Post-Award Small Business Program Rerepresentation".

Regards, -Kevin

From: Orluskie, Larry [redacted] (b)(6)
Sent: Thursday, August 12, 2010 4:01 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Folks –

A few follow-up questions from (b) (6)

2- Can I have a breakdown of the 9,607 orders with a cumulative value of $1,344,287,062, by vendor?

3- When I say "*On December 3, 2008, EGS recertified as 'other than small' due to natural growth,"* did they do that on their own accord, or because a government agency forced them to?

4- So it's clear; even though EGS recertified as no longer a being a small business, we are going to let them remain on the contract through the rest of the performance period – Feb. 2011? (*we should explain why and how its accomplished).*

Larry

From: Correa, Soraya [redacted] (b)(6)]
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry [redacted] (b)(6)]
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.

In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William [m [redacted] (b)(6) v]

Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged

the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [redacted] (b)(6) [redacted]
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya [redacted] (b)(6) [redacted]]
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William [redacted] (b)(6) [redacted]]
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel

Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard (b)(6)
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

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His follow-up question is this:

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My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

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Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director

Office of Procurement Operations
Department of Homeland Security

(b)(6)

From: Thoreen, William
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry
Date: Friday, August 13, 2010 4:11:12 PM
Attachments: FirstSource Order Summary 7-10.xls
FirstSource Order Summary 4-10.xls

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Larry

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Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

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Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
P
F (b)(6)

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Soraya / All –

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I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya [(b)(6)]
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William [(b)(6)]
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

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From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

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From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard [(b)(6)]
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya

Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

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Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

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Subject: RE: FirstSource Point Paper

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(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

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My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Boshears, Kevin
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry
Date: Thursday, August 12, 2010 4:26:13 PM

Hi Larry,

Since I'm out tomorrow, let me take a stab at #3.

On contracts less than five years in length (including options), a small business is considered to meet the definition of small (as indicated in the original solicitation) for the entire period, even if during that time period the company grows and exceeds the size standard. This is informally referred to as "natural growth". For example, the size standard for the FirstSource contract was 150 employees and the contract is five years in length including options. Suppose that one of the FirstSource firms has grown to 175 employees during the third year – that is acceptable and the firm can continue to perform the contract and be considered a small business. The precise FAR coverage is located at FAR 52.219-28 "Post-Award Small Business Program Rerepresentation".

Regards, -Kevin

From: Orluskie, Larry (b)(6)
Sent: Thursday, August 12, 2010 4:01 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Folks –

A few follow-up questions from (b) (6)

1- Can I have a breakdown of the 9,607 orders with a cumulative value of $1,344,287,062, by vendor?

2- When I say "*On December 3, 2008, EGS recertified as 'other than small' due to natural growth,"* did they do that on their own accord, or because a government agency forced them to?

3- So it's clear; even though EGS recertified as no longer a being a small business, we are going to let them remain on the contract through the rest of the performance period – Feb. 2011? (*we should explain why and how its accomplished).*

Larry

From: Correa, Soraya (b)(6)
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William (b)(6)
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
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Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
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I hope this helps. There have been too many competing priorities this week.

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To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
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Thank You,
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Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Ortman, Chris
To: Orluskie, Larry
Subject: RE: Washington Post inquiry
Date: Wednesday, August 11, 2010 12:35:56 PM

BTW, I'm still waiting for Shlossman sign off. Thought I had it last night, but apparently not.

From: Orluskie, Larry (b)(6)
Sent: Wednesday, August 11, 2010 7:47 AM
To: Ortman, Chris
Subject: RE: Washington Post inquiry

Not yet. Today.

Larry

From: Ortman, Chris (b)(6)
Sent: Tuesday, August 10, 2010 6:55 PM
To: Orluskie, Larry
Subject: RE: Washington Post inquiry

Did you provide already?

From: Orluskie, Larry (b)(6)
Sent: Tuesday, August 10, 2010 6:52 PM
To: Kudwa, Amy; Ortman, Chris
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FYI – My background on (b) (6) latest article.

Larry

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I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
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FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
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Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Ortman, Chris
To: Orluskie, Larry
Subject: RE: Washington Post inquiry
Date: Tuesday, August 10, 2010 6:55:23 PM

Did you provide already?

From: Orluskie, Larry [redacted] (b)(6)
Sent: Tuesday, August 10, 2010 6:52 PM
To: Kudwa, Amy; Ortman, Chris
Subject: FW: Washington Post inquiry

FYI – My background on (b) (6) latest article.

Larry

From: Thoreen, William
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.
2. *Clarification of the department's roles and actions in the various filed protests*

and lawsuits. The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.

3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) [redacted] likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his

specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya [redacted] (b)(6)
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William [redacted] (b)(6)
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from [redacted] (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard [redacted] (b)(6)
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin [redacted] (b)(6)

Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

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His follow-up question is this:

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Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Thoreen, William
To: Orluskie, Larry
Subject: RE: Washington Post inquiry
Date: Tuesday, August 10, 2010 6:52:05 AM

Larry,

It looks fine. The only tweak might be to change the word "bidder" to "offeror" in the first bullet but that is a happy to glad.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William [(b)(6)]
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

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Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

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1. *Someone fed him several emails.* The US courts have a website (www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.

2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
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To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

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Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

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Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

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Sounds like you got it!!!

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- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for

SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

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Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

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Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
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From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

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Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

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Subject: RE: FirstSource Point Paper

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To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard [mailto: [redacted] (b) (6)
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To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
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To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel

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Let me try to help on this question.

How do we validate that a company is a small business?

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Subject: RE: FirstSource Point Paper

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(b) (6) from the Post called me back on this.
We say:

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

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My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

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Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

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points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

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FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

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Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

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Date: Friday, August 06, 2010 2:00:49 PM
Attachments: First Source Facts Paper 8-6-10.doc

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For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
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GovPlace	WildFlower International Ltd
iGov	

FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) or Purnell Drew (b)(6)

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at ((b)(6) or Mae Kim, Contracting Officer (b)(6)

Thank You,

Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6) *0*

From: Boshears, Kevin
To: Orluskie, Larry; "(b)(6) (b)(6) ov"; Armstrong, Chris
Subject: Re: Washington Post inquiry
Date: Monday, August 02, 2010 9:21:00 AM

Hi Larry
I will forward a message from early July on this subject - it might be helpful
Please look for Message #2
Regards, -Kevin

From: Orluskie, Larry
To: Correa, Soraya (b)(6) Thoreen, William <(b)(6) McLaughlin, Daniel (b)(6) >; Boshears, Kevin; Gunderson, Richard (b)(6); Armstrong, Chris
Sent: Mon Aug 02 08:48:12 2010
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya (b)(6)
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William (b)(6)]

Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

---

From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard (b)(6)
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but nothing further.

From: Boshears, Kevin (b)(6)]
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry
Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

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Information about FirstSource can be obtained from Duane Johnson, PM/COTR at (b)(6) or Mae Kim, Contracting Officer at (b)(6)

Thank You,

Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Correa, Soraya
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry
Date: Tuesday, July 27, 2010 6:48:26 PM

Please refer him back to Larry Orluskie.

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Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
(b)(6)

From: Sochon, Gloria
To: Orluskie, Larry
Cc: Van Houten, Ann
Subject: RE: Washington Post inquiry
Date: Thursday, November 18, 2010 3:28:19 PM

Larry,
Please include Ann Van Houten on an email related to these suspensions. She is working with me on debarment and suspension issues.

Gloria Sochon
Senior Procurement Analyst
OCPO, Acquisition Policy & Legislation Branch
((b)(6)

From: Orluskie, Larry
Sent: Thursday, November 18, 2010 3:23 PM
To: Thoreen, William
Cc: Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Readinger, Jeff
Subject: RE: Washington Post inquiry

Thanks Bill.

Larry

From: Thoreen, William
Sent: Thursday, November 18, 2010 3:20 PM
To: Orluskie, Larry
Cc: Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Readinger, Jeff
Subject: RE: Washington Post inquiry

Attached is the most current information.

From: Orluskie, Larry
Sent: Thursday, November 18, 2010 1:51 PM
To: Thoreen, William
Cc: Lewis, Ashley; Corrigan, Patricia; Sochon, Gloria; Nayak, Nick; Gunderson, Richard; Correa, Soraya; McLaughlin, Daniel; Wisor, Jan; Sochon, Gloria; Orluskie, Larry; Readinger, Jeff
Subject: FW: Washington Post inquiry

Bill –

Can you update this for me? (b) (6) from the Post has received word of the suspensions and has asked for this as well as a comment. It's premature for us to comment at this time.

Larry

From: Thoreen, William (b)(6)]
Sent: Friday, August 13, 2010 4:10 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B

Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Larry,

I am sorry for the slow reply. Purnell and Mae Kim are my two knowledgeable people to answer your question #2 and both out yesterday and today. We will get you an answer on Monday.

Regarding question #1, the numbers you cite below correlate to the attached file for 4-10 (which are the stats through March 2010). The file for 7-10 is newer data which is probably irrelevant.

From: Boshears, Kevin (b)(6)
Sent: Thursday, August 12, 2010 4:25 PM
To: Orluskie, Larry; Correa, Soraya; Zuchowski, Laura B; Thoreen, William
Cc: Drew, Purnell; Kim, Mae C; Bell, Anthony; Hill, Wendy; Pines, Candice
Subject: RE: Washington Post inquiry

Hi Larry,

Since I'm out tomorrow, let me take a stab at #3.

On contracts less than five years in length (including options), a small business is considered to meet the definition of small (as indicated in the original solicitation) for the entire period, even if during that time period the company grows and exceeds the size standard. This is informally referred to as "natural growth". For example, the size standard for the FirstSource contract was 150 employees and the contract is five years in length including options. Suppose that one of the FirstSource firms has grown to 175 employees during the third year – that is acceptable and the firm can continue to perform the contract and be considered a small business. The precise FAR coverage is located at FAR 52.219-28 "Post-Award Small Business Program Rerepresentation".

Regards, -Kevin

From: Orluskie, Larry (b)(6)
Sent: Thursday, August 12, 2010 4:01 PM
To: Correa, Soraya; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Folks –

A few follow-up questions from (b) (6)

1- Can I have a breakdown of the 9,607 orders with a cumulative value of $1,344,287,062, by vendor?

2- When I say "*On December 3, 2008, EGS recertified as 'other than small' due to natural growth,"* did they do that on their own accord, or because a government agency forced them to?

3- So it's clear; even though EGS recertified as no longer a being a small business, we are going to let them remain on the contract through the rest of

the performance period – Feb. 2011? (*we should explain why and how its accomplished).*

Larry

From: Correa, Soraya [redacted] (b)(6)
Sent: Monday, August 09, 2010 7:03 PM
To: Orluskie, Larry; Zuchowski, Laura B; Thoreen, William; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Sounds like you got it!!!

From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 09, 2010 12:22 PM
To: Zuchowski, Laura B; Thoreen, William; Correa, Soraya; Boshears, Kevin
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Thanks everyone! This is a lot for me to boil down and sound all-knowing, but I think I can do well enough to not cause any harm.
With that said, I need one or two messages points to keep hitting home on.
In other words, if DHS is mentioned in this story, what would we want to see our quote be?
I think it would be this:

- The contracting officer followed the guidelines and referred matters to SBA. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the SBA mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small.

- The department did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by the review.

- Although EyakTek is an Alaska Native Corporation, that status is irrelevant since FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Larry

From: Zuchowski, Laura B [redacted] (b)(6)
Sent: Monday, August 09, 2010 10:55 AM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C

Subject: RE: Washington Post inquiry

Larry,

Our office sent SBA two letters on 9/26/2008 and 10/1/2008 regarding a size protest filed by Wildflower on an award that we made on 9/15/2008 via FirstSource to Multimax Array. The information in the letters to SBA were required under the FAR when a small business size protest is filed in order for SBA to review and make a decision. In this protest the awardee, Mutlimax Array chose not to submit any documentation to support their size representation on the specific award/order. Therefore, SBA ruled in favor of the Protestor, Wildflower, and we took corrective action and reopened to evaluation process. Subsequent award was made to Wildflower and the contract is active today. Please let me know if you require any further information.

Laura

Laura B. Zuchowski
Chief, USCIS Contracting Office
USCIS Office of Administration
(b)(6)

From: Thoreen, William (b)(6)
Sent: Friday, August 06, 2010 2:01 PM
To: Orluskie, Larry; Correa, Soraya; Boshears, Kevin; Zuchowski, Laura B
Cc: Drew, Purnell; Kim, Mae C
Subject: RE: Washington Post inquiry

Larry,

This probably doesn't answer the mail for what you need but here is our attempt. I am copying Laura Zuchowski from our USCIS procurement office since she might respond to the question about letters to SBA on Wildflower.

Purnell Drew updated the FirstSource informational paper which has facts about the contract and the three or four companies that have had the most interest. He also provides facts about the lawsuit and the protests. The paper is not suitable for release but it may give you background info.

You indicated that his article is about Native American companies and he mentioned EG Solutions in his call to you. EG Solutions is a joint venture (using a Mentor-Protégé Agreement) comprised of EyakTek (the protégé and an Alaska Native Corporation) and GTSI (the mentor). That relationship has now changed to GTSI being a subcontractor. Although EyakTek is an Alaska Native Corporation, that status is irrelevant to us since the FirstSource contracts were not set-aside for Alaska Native Corporations but simply small business.

Here are the relevant points in response to your email below:

1. *Someone fed him several emails.* The US courts have a website

(www.pacer.gov) where anyone can pay 8 cents per page and download documents from the court. In this case, Purnell himself went and tried it and was able to see the emails in question, for 8 cents per page.

2. *Clarification of the department's roles and actions in the various filed protests and lawsuits.* The DHS role in the filed protests would be limited to preparing an official response to GAO in accordance with the procedural requirements of the FAR and subsequently taking either proactive or reactive corrective action. The DHS response would be based upon the propriety of the conduct of the procurement and at no time would DHS directly support a specific contractor. As it relates to the lawsuits, DHS was in no way involved.
3. *Copies of letters we supposedly sent to SBA on Wildflower*. Laura will have to let you know about this item.
4. *How do we validate that a company is a small business?* As Kevin stated, the answer is:

   For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. There have been too many competing priorities this week.

From: Orluskie, Larry [redacted] (b)(6)
Sent: Monday, August 02, 2010 8:48 AM
To: Correa, Soraya; Thoreen, William; McLaughlin, Daniel; Boshears, Kevin; Gunderson, Richard; Armstrong, Chris
Subject: RE: Washington Post inquiry

Soraya / All –

I talked to the reporter late Friday. His story is all about Native American companies. His twist with DHS is on the GTSI, EG Solutions, Multimax Array debacle. Apparently, someone has fed him several e-mail trails and a lot of information (*accurate or not*).

He is looking for clarification on the department's roles and actions in the various filed protests and lawsuits. One allegation is that we specifically told GTSI what to do to win their protest and lawsuit. He asked for copies of letters we supposedly sent to SBA on Wildflower (*I can have him FOIA that, but that may be like swatting at the bee)*.

He wants to do an interview – if we do, I want to make sure we are absolutely solid in our responses. I guarantee it won't be the typical interviews I like to do. (b) (6) likes to dig for facts in his stories. If there is a clear – short and simple, 3 or 4 sentences – statement we can give, I'm good with that. But it has to address his specific questions.

I have some time this afternoon if we need to discuss.

Larry

From: Correa, Soraya (b)(6)
Sent: Tuesday, July 27, 2010 6:48 PM
To: Thoreen, William; Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: RE: Washington Post inquiry

Please refer him back to Larry Orluskie.

From: Thoreen, William (b)(6)
Sent: Tuesday, July 27, 2010 6:16 PM
To: Orluskie, Larry; Correa, Soraya; McLaughlin, Daniel
Subject: Washington Post inquiry

Mae Kim got a call from a Post reporter today. Purnell Drew also had a voice message from him.

From: Kim, Mae C
To: Thoreen, William
Sent: Tue Jul 27 15:27:19 2010
Subject: RE: FirstSource Point Paper

Bill,

Just for your information. I got a call from (b) (6) Washington post report this morning regarding the same question. Mae

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From: Thoreen, William
Sent: Tuesday, July 06, 2010 8:32 AM
To: Kim, Mae C; Musgrove, Brenda
Subject: FW: FirstSource Point Paper

FYI

From: Gunderson, Richard (b)(6)]
Sent: Friday, July 02, 2010 3:19 PM
To: Boshears, Kevin; Orluskie, Larry; Correa, Soraya
Cc: Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

On a related note, I think there is a hearing in mid-July that will include FEMA about a firm that mis-represented itself (and what did DHS do in response). They did terminate the contract, but

nothing further.

From: Boshears, Kevin (b)(6)
Sent: Friday, July 02, 2010 3:11 PM
To: Orluskie, Larry; Correa, Soraya
Cc: Gunderson, Richard; Thoreen, William; McLaughlin, Daniel
Subject: RE: FirstSource Point Paper

Hi Everyone,

Let me try to help on this question.

How do we validate that a company is a small business?

For small business set-asides (FAR 19.5), the firms (bidders) self-represent that they meet the definition of small when they submit their offers. The Contracting Officer (CO) must accept that representation unless another bidder challenges it or the CO has a reason to question the representation. In the event of any type of size challenge, the CO refers the matter to SBA and SBA determines the size. In the case of FirstSource, other bidders challenged the size of 3 joint ventures (Multimax Array, EG Solutions, and ST Net Apptis). These 3 joint ventures were all participating in the *SBA* mentor-protégé program. DHS referred the matter to SBA, and SBA said that all three were small. These types of joint ventures are allowed under SBA rules and the SBA mentor-protégé program.

I hope this helps. Regards, -Kevin

From: Orluskie, Larry
Sent: Friday, July 02, 2010 1:34 PM
To: Correa, Soraya
Cc: 'Gunderson, Richard'; Boshears, Kevin; 'Thoreen, William'; 'McLaughlin, Daniel'
Subject: RE: FirstSource Point Paper

Soraya –

(b) (6) from the Post called me back on this.
We say:

> FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees.

His follow-up question is this:

> How do we vaildate that a company is a small business?

My guess is; in 2007, we checked with SBA to see if they were registered as a small business. Do we do more?

Larry

From: Correa, Soraya
Sent: Monday, May 24, 2010 1:37 PM
To: Orluskie, Larry

Cc: Gunderson, Richard; Boshears, Kevin; Thoreen, William; McLaughlin, Daniel
Subject: FW: FirstSource Point Paper

Larry,

Per our conversation last week, attached is a paper on FirstSource. It provides basic talking points about FirstSource for your use when speaking with the Washington Post reporter that approached you via email last week. The paper also discusses the issues we have reviewed and how they have been resolved. Our staff believes that the Post may be doing an article on the issues/problems with the "Join Venture" program. We certainly are aware of several disputes/issues among the FirstSource vendors that does not impact us directly.

For your convenience, I have reprinted the body of the paper below:

FirstSource is a DHS-wide multiple-award, indefinite delivery/indefinite quantity (ID/IQ) contract vehicle, specifically designed as the preferred source to acquire information technology (IT) commodity products (equipment and supplies and associated services) within DHS. FirstSource is part of the DHS Strategic Sourcing program.

FirstSource allows DHS to:

- Leverage its significant buying power to provide the best possible prices
- Facilitate implementation of DHS IT Architecture Standards
- Provide a fast and flexible mechanism for Components, EAGLE and other DHS contractors to acquire IT commodities
- Facilitate asset and spend management.

FirstSource is considered "mandatory for consideration" and uses the concept of "fair opportunity" for conducting delivery order competitions.

FirstSource is a 100% small business set-aside based on North American Industry Classification System (NAICS) code 541519, Other Computer Related Services, with a size standard of 150 employees. FirstSource contractors are considered Value-Added Resellers.

FirstSource was awarded to eleven small business contractors in February 2007.

All Points Logistics	Multimax Array JV
Computer World Services	Net Direct Systems
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Government Acquisitions	ST-Net Apptis JV
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FirstSource has a term of five years and will expire in February 2012

As of March 2010, DHS has issued 9,607 orders with a cumulative value of $1,344,287,062.

Issues on FirstSource

1. The OPO contract management team did a comprehensive review of joint-venture prime contractors prior to exercising options in February. We ensured that all prime contractors were properly performing their role on the contracts. No offerors were adversely affected by

the review.

2. There has been a long-running dispute between several FirstSource-related companies. Wildflower is a FirstSource prime. GTSI is a subcontractor to another FirstSource prime. Other companies involved in various aspects of the dispute include Government Acquisitions, Inc (GAI) and Multimax Array FirstSource, both FirstSource prime contracts. Over the last two years, these companies have filed protests and lawsuits against each other. The litigation and disputes have not been about FirstSource but rather the eligibility of the contractors and various company-to-company issues. At present, we believe all protests and litigation has been resolved. We understand that the Post may be planning an article on abuses of the small business joint venture programs. It is possible that the dispute between these companies may be mentioned. Additional background information is available from William Thoreen (b)(6) [redacted] or Purnell Drew ([redacted] (b)(6) [redacted].

Information about FirstSource can be obtained from Duane Johnson, PM/COTR at [redacted] (b)(6) **or Mae Kim, Contracting Officer at** [redacted] (b)(6)

Thank You,
Soraya Correa
Executive Director
Office of Procurement Operations
Department of Homeland Security
[redacted] (b)(6)

From:	Harper, DJ
To:	Wilson, Daniel; Roat, Maria; Chang, Caroline; Marcott, Stacy; Armstrong, Chris; Marshall, Gregory; Micone, Vincent
Cc:	Spano, Robyn; Warner, Wayde; Savoy, Linda; Richardson, Jill; Brocenos, Peter; Orndorff, Rhonda; (b) (6) [redacted] Davidson, Jeffrey; Posato, Joseph; O"Connor, Daniel; McCollim, Janis; Bertucci, Nicole M; Kennedy, Lyn; Harrell, Sean; Reig, Jorge; Thomas, Kellie; Vuxton, Christopher; Orluskie, Larry
Subject:	Telework Exercise Update & Plan Review Requested - DUE October 27
Date:	Sunday, October 24, 2010 1:21:57 PM
Attachments:	Telework EXPLAN v4.docx

CXO COS:

At the last meeting of the MGMT Chiefs of Staff, we discussed an upcoming Telework Exercise. Since then, the MGMT COOP Working Group has been working to define an appropriate scope and exercise objectives. Based on that work attached is Version 4 of the Telework Exercise Plan.

The Plan contemplates a two-tiered telework exercise during the week of November 15th, so please let me know ASAP if there are any show-stopping issues that week that make the execution of this plan unworkable.

Please review and get back with me with comments by COB on October 27. The plan itself is only two pages (with several appendices), so that shouldn't be a heavy lift. I would like to have a final plan, incorporating your edits, to the USM on Friday.

I'll be updating the CXOs at tomorrows staff meeting, but I won't go into too much detail until I've heard back from y'all. Here are my talking points for them:

1. We're doing a telework exercise. The proposed timing is the week of Novebmer 15.
2. The exercise it meant to test the abilities of our ERG to telework simultaneously, and all employees generally.
3. The ERG will all work from home on November 18. Lines of business are encouraged to have everyone telework that day. If that is not feasible, please make sure every elligible (non-ERG) employee teleworks at least one day during that week.

COOP POCs – Thank you for your reviews of this document. I've copied you for your situational awareness.

Best wishes,

DJ

DJ Harper
Advisor
Under Secretary for Management
Department of Homeland Security
(b)(6)

From: Thoreen, William
To: Orluskie, Larry; (b) (6) McLaughlin, Daniel
Subject: Washington Post inquiry
Date: Tuesday, July 27, 2010 6:15:41 PM

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Office of Procurement Operations
Department of Homeland Security
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