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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510–6250

April 30, 2015

Eugene H. Schied
Assistant Commissioner
Office of Administration
U.S. Customs and Border Protection
1300 Pennsylvania Ave., NW
Washington, DC 20229

Dear Mr. Schied:

We are writing to you regarding oversight by U.S. Customs and Border Protection (CBP) of its multiple contracts to provide maintenance for equipment used to screen cargo at points of entry to the United States.

On March 25, 2015, the Department of Homeland Security Office of Inspector General released a report finding that CBP failed to adequately oversee equipment maintenance contracts under the Non-Intrusive Inspection (NII) program, which allows CBP to screen cargo and vehicles entering the United States without physically opening them. In 2014, these contracts were valued at over $90 million. According to the Inspector General, CBP relies solely on contractor self-reporting on their own performance. CBP does not verify whether the maintenance is done according to manufacturers' specifications or whether it is done at all. As a result, the NII program could be operating with equipment that is not fully functional and CBP cannot ensure that contract requirements have been met.[1]

The Inspector General also found that CBP's failure to ensure that its equipment was adequately maintained had resulted in some machines being used beyond their estimated useful life while other machines were taken out of operation before reaching that estimated useful life. For example, of 326 large-scale systems in CBP's inventory, 108 surpassed the manufacturers' estimated 10-year useful life and 18 were taken out of operation before reaching the estimated useful life expectancy. However, we understand that CBP claims that there is no exact useful life expectancy for the equipment. It is unclear whether CBP disputes the manufacturers' claims or whether it has another method to judge the effectiveness of the equipment.[2]

To remedy this lack of oversight, the Inspector General has recommended that CBP develop a methodology and implement a plan for monitoring and reviewing contractor performance, and that CBP verify and validate contractor-submitted data. We request that you

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[1] Department of Homeland Security Office of Inspector General, *CBP's Oversight of Its Non-Intrusive Inspection Equipment Maintenance Contracts Needs Improvement* (OIG-15-53) (Mar. 25, 2015).

[2] *Id.*

provide specific information on how CBP plans to implement this recommendation. In addition, we ask that you provide information on how CBP determines whether equipment used in the NII program is still effective if the life expectancy is unknown. We request that you respond on or before May 21, 2015.

Please contact Sarah Garcia with Senator McCaskill's Subcommittee staff at (202) 224-9505 or Jack Thorlin with Senator Portman's Subcommittee staff at (202) 224-3721 with any questions. Please send any official correspondence relating to this request to Kelsey_Stroud@hsgac.senate.gov.

Sincerely,

Claire McCaskill
Ranking Member
Permanent Subcommittee on Investigations

Rob Portman
Chairman
Permanent Subcommittee on Investigations