



# Department of Homeland Security Office of Inspector General

## **DHS Efforts To Address Lessons Learned in the Aftermath of Top Officials Exercises**





Homeland  
Security

April 10, 2009

Preface

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

This report addresses the strengths and weaknesses of DHS' process to determine, formulate, and address lessons learned and corrective needs identified during the Top Officials full-scale exercise series. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, quantitative analysis, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner  
Inspector General

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## Abbreviations

AAR	after-action report
CAP	Corrective Action Program
DHS	Department of Homeland Security
ESC	Executive Steering Committee
FEMA	Federal Emergency Management Agency
FOUO	For Official Use Only
HSAS	Homeland Security Advisory System
HSEEP	Homeland Security Exercise and Evaluation Program
HSC	Homeland Security Council
HSPD	Homeland Security Presidential Directive
LLIS	Lessons Learned Information Sharing
NED	National Exercise Division
NEP	National Exercise Program
NIMS	National Incident Management System
NRP	National Response Plan
Sub-IPC	Sub-Interagency Policy Committee
TOPOFF	Top Officials

# OIG

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*Department of Homeland Security*  
*Office of Inspector General*

## **Executive Summary**

The Top Officials exercises test how key government officials respond to simulated terrorist attacks. The exercises are intended to strengthen the Nation's capacity to prepare for, prevent, respond to, and recover from large-scale terrorist acts. Our review examined the Department of Homeland Security's process to determine, formulate, and address lessons learned and corrective needs identified during Top Officials exercises.

Since the first Top Officials exercises in 2000, neither a process for tracking weaknesses and how those weaknesses were resolved, nor a method for identifying and analyzing trends in corrective actions or significant lessons learned has been established. As a result, federal, state, local, and territorial agencies were unclear regarding the implementation of suggested improvements following preparedness exercises.

In 2007, the Federal Emergency Management Agency instituted a federal interagency corrective action program to address these problems. This program established an interagency process for corrective action implementation and validation after Top Officials exercises. However, the corrective action process has not been fully implemented. The Federal Emergency Management Agency also established a National Exercise Program and standardized the terrorism exercise process. However, the Department of Homeland Security has not secured adequate participation and support from other federal departments and agencies; state, territorial, and local entities; or the private sector in planning, implementing, and evaluating exercises or in the corrective action processes. In addition, after-action reports, best practices, and lessons learned from Top Officials exercises have not been disseminated to a broad national audience.

We are recommending that the Department of Homeland Security seek assistance from high-level agency and interagency committees, and amend National Exercise Program guidance, as needed, to (1) fully implement the corrective action program; (2) increase the level of participation by top officials in all phases of the exercise; and (3) disseminate after-action reports, best practices, and lessons learned to a broad national audience. Federal Emergency Management Agency officials generally agreed with our findings and will provide a detailed corrective action plan for implementation in their 90-day letter.

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## Background

### History of the TOPOFF Exercise Series

In 1998, Congress provided funding for a national terrorism preparedness exercise to assess the nation's crisis and consequence management capability by applying plans, policies, procedures, systems, and facilities through federal, state, and local responses to terrorist threats and acts. Recognizing that top departmental and agency officials rarely participated fully in such exercises, Congress required "the participation of all key personnel who would participate in the consequence management of such an actual terrorist event."<sup>1</sup> In May 2000, the Department of Justice led the first in a series of national preparedness exercises called Top Officials (TOPOFF) 2000.

TOPOFF 2000 simulated a pneumonic plague outbreak in Denver, Colorado, and a mustard gas attack in Portsmouth, New Hampshire. More than 6,500 federal, state, and local personnel, including top officials, responded to these simulated attacks. Important objectives of the exercise were to examine the interfaces between participating agencies and officials to identify seams, gaps, and redundancies that affect decision-making, and to identify subsequent actions to resolve consequence management issues.

To build on TOPOFF 2000, Congress mandated the formation of the TOPOFF exercise series and the development of a continuous exercise cycle using seminars, tabletop exercises, and command post exercises that culminate in a biennial, national, full-scale TOPOFF exercise. Each exercise series would involve a 2-year cycle of seminars, planning events, and exercises, and would culminate in a full-scale assessment of the Nation's capacity to prevent, prepare for, respond to, and recover from large-scale terrorist attacks.

In May 2003, the Department of Justice and the Federal Emergency Management Agency (FEMA) jointly sponsored TOPOFF 2, the second in the series of exercises, using the scenarios of a radiological dispersal device in Seattle, Washington, and pneumonic plague in Chicago, Illinois. TOPOFF 2 was designed to identify vulnerabilities in the domestic incident management capability by exercising against a series of integrated terrorist threats and acts. The exercise engaged 8,500 responders and top officials from the United States and Canada—the first international partner to participate.

Because TOPOFF 2 was in its final planning stages when DHS was established, TOPOFF 3, the third exercise of the series, was the first exercise in which DHS maintained full responsibility for planning, conducting, and after-action reporting. Conducted in April 2005, TOPOFF 3 was designed to identify vulnerabilities in the Nation's domestic incident management capability. This exercise simulated

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<sup>1</sup> Senate Report 105-235, July 2, 1998.

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pneumonic plague attacks in Union and Middlesex counties, New Jersey, and a mustard gas release in New London, Connecticut. TOPOFF 3 included more than 10,000 participants, with international exercise play in the United Kingdom and Canada as part of a partnership intended to strengthen security, communication, and information sharing among the three nations.

During TOPOFF 3, federal departments and agencies had their first opportunity to use the National Response Plan (NRP). The NRP was designed to link national-level, hazard-specific contingency plans that could be implemented independently during localized incidents or concurrently during incidents of national significance.<sup>2</sup> The foundation for the NRP was the National Incident Management System (NIMS), which provides a consistent national doctrinal framework for incident management at all jurisdictional levels, regardless of the cause, size, or complexity of the incident.

During 2005, DHS developed a Universal Task List and Target Capabilities List to continue to define homeland security tasks, provide a framework to assess preparedness, and identify required resources. The Universal Task List describes incident management tasks to be performed, and provides a standardized reference for all levels of government and the private sector. The Target Capabilities List contains capabilities that various levels of government need to develop and maintain to prevent, respond to, and recover from a terrorist attack or major disaster. The Universal Task List and Target Capabilities List were still in the developmental stages during the TOPOFF 3 planning process and were subsequently integrated into the TOPOFF 4 exercise design, planning, evaluation, and improvement planning considerations.

### **Homeland Security Exercise and Evaluation Program Policy and Guidance**

The purpose of the Homeland Security Exercise and Evaluation Program (HSEEP) is to provide common exercise policy and program guidance that constitutes a national standard for exercises.<sup>3</sup> Prior to 2007, HSEEP did not fully address exercise planning, evaluation, after-action implementation planning, or the corrective action process. In response to NRP and NIMS goals to standardize preparedness exercise design, development, and evaluation, DHS updated and expanded HSEEP guidelines for intra-agency exercises in Volume III, Exercise Evaluation and Improvement Planning, dated February 2007. Specifically, the updated 2007 HSEEP guidelines required that the TOPOFF 4 exercise include:

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<sup>2</sup> The NRP was in effect for the TOPOFF 3 and TOPOFF 4 exercises but was replaced by the National Response Framework in January 2008.

<sup>3</sup> HSEEP policy and guidance is contained in five volumes: Volume I: Overview and Exercise Program Management; Volume II Exercise Planning and Conduct; Volume III: Exercise Evaluation and Improvement Planning; Volume IV: Sample Exercise Documents and Formats and Volume V: Prevention Exercises (Draft).

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- Capabilities-based objectives in exercise design;
  - Data collected and analyzed according to HSEEP guidelines;
  - Exercise controller/evaluator training and briefings at exercise venues;
  - An after-action conference to discuss policy observations identified during the exercise;
  - A final after-action report (AAR) that includes an Improvement Plan;
  - Adherence to HSEEP security guidance regarding AAR and Improvement Plan distribution; and
  - Tracking and implementing of corrective actions through the Corrective Action Program (CAP).

Following Homeland Security Council (HSC) guidance and HSEEP guidelines to plan exercises according to capabilities-based objectives, the October 2007 TOPOFF 4 exercise employed a radiological dispersal device scenario that involved coordinated terrorist attacks in Portland, Oregon; Phoenix, Arizona; and the U.S territory of Guam.

### **Formation of the National Exercise Program**

In the December 2003, Homeland Security Presidential Directive (HSPD)-8: National Preparedness, the President directed the Secretary of DHS “in coordination with other appropriate Federal departments and agencies, [to] establish a national program and a multi-year planning system to conduct homeland security preparedness-related exercises that reinforce training standards, provide for evaluation readiness, and support the national preparedness goal.” Under HSPD-8, federal agencies were directed to participate in a collaborative, interagency process to design preparedness exercises on a consensus basis, and create a master exercise calendar.

The HSC, created in October 2001 by HSPD-1: Organization and Operation of the HSC, is located in the Executive Office of the President. The HSC reports on matters related to homeland security and combating terrorism, and consists of cabinet secretaries and White House senior officials whose responsibility includes a principal interest in homeland security policymaking. The HSC maintains a policy coordination and advisory role that functions across all levels of the federal government and answers directly to the President.

In 2006, the HSC established the National Exercise Program (NEP), and approved its charter, implementation plan, and 5-year national exercise schedule in January 2007. The NEP requires that HSEEP methodology and guidelines be incorporated into TOPOFF exercise design, evaluation, and documentation activities. The NEP charter addresses White House recommendations contained in the *Katrina Report*, a comprehensive



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assessment of the response and recovery efforts as a result of Hurricane Katrina, and provides a framework for federal interagency exercise coordination.

FEMA's National Exercise Division (NED) is the executive agent for the NEP. The NEP categorizes exercise activities into four tiers. These tiers reflect the relative priority for interagency participation, with Tier I as the most important and Tier IV being the least:

- Tier I: White House-directed exercises with U.S. Government-wide strategy, policy focus, and participation;
- Tier II: U.S. Government-wide priorities, federal strategies and policy focus, and significant exercise simulation;
- Tier III: other federal exercises that have an operational, tactical, or organizational focus, and include simulation; and,
- Tier IV: state, territorial, local, tribal, or private sector exercises.

The NEP chairs the Executive Steering Committee (ESC), which defines the exercise schedule, supports coordination of exercises, and ensures that exercises are conducted. The ESC coordinates departmental and agency roles and responsibilities, and reports to the HSC's Exercise and Evaluation Sub-Interagency Policy Committee (Sub-IPC). The Sub-IPC recommends exercise priorities, goals, objectives, schedules, and corrective action issues to the HSC Deputies Committee, which is composed of deputy cabinet secretaries of the relevant federal agencies. The ESC comprises eight departments and agencies:

- Department of Defense
  - Office of the Secretary of Defense/Homeland Defense
  - Joint Staff – J7
- Department of Homeland Security
- Department of Energy
- Department of Health and Human Services
- Department of Justice
  - Federal Bureau of Investigation
- Department of Transportation
- Office of the Director of National Intelligence
- Federal Bureau of Investigation

The ESC may also contain up to two rotating members who serve 1-year terms. In addition to their program responsibilities, the NED and NEP are responsible for the following:

- HSEEP, which develops policy and guidance on all aspects of preparedness exercises;

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- The National Exercise Schedule, which encompasses federal, state, territorial, local, tribal, or private sector Tier I through Tier IV exercises;
  - The CAP system, which provides an interdepartmental system to develop, prioritize, and track corrective actions following exercises and real-world events;
  - The Lessons Learned Information Sharing (LLIS) System, a web-based national network of lessons learned and best practices for the emergency response and homeland security community;
  - The Regional Exercise Support Program, which supports regionally coordinated exercises through assistance in the design, development, conduct, and evaluation of preparedness exercises;
  - The Terrorism Prevention Exercise Program, which conducts exercises and supports activities that increase awareness, cooperation, and information sharing among homeland security and law enforcement officials at all levels of government; and
  - The Senior Official Exercise, which supports the design, development, conduct, and evaluation of principal level and intra-DHS exercises.

## **Results of Review**

### **TOPOFF Exercises Did Not Include a Requirement for Corrective Action Planning Prior to 2007**

Past TOPOFF exercises and actual disasters such as Hurricane Katrina have uncovered gaps in the Nation's preparedness. Federal, state, territorial, and local response organizations have recognized the importance of promoting best practices and identifying areas for improvement to produce a more effective response to acts and threats, as well as natural disasters. However, a process to prioritize, track, and validate corrective actions taken to mitigate weaknesses identified in exercise planning, development, and execution was not established until 2007.

Prior to 2007, HSEEP's exercise planning, evaluation, after-action implementation planning, and a corrective action process were incomplete. During TOPOFF 2 in May 2003, attendees and exercise participants identified several lessons learned relating to exercise design and conduct. However, exercise evaluation and improvement planning was not performed, as these actions were not included as part of the initial HSEEP guidance.

TOPOFF 3, in 2005, was the first exercise that DHS sponsored with full responsibilities for exercise planning, conduct, and after-action activities. The exercise results identified operational shortfalls in terrorism prevention, response,

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and recovery. The TOPOFF 3 after-action process followed 2003 HSEEP principles, which focused on determining why a particular event or response occurred, and provided participants with information that could be used to improve response and recovery efforts. However, improvement planning to address remedial needs and corrective action procedures was not a part of HSEEP. Therefore, the final AAR recommendations only informed participating departments and agencies of existing problems, and encouraged improvements in agency prevention, response, and recovery capabilities.

In the absence of a process to identify and implement corrective actions, problem areas identified during and even prior to the TOPOFF 3 exercise recurred during the response to Hurricane Katrina in 2005, and again in the 2007 TOPOFF 4 exercise.

## **A Corrective Action Program Has Not Been Fully Implemented**

Previous preparedness exercises and real-world incidents did not result in the development of corrective action plans or the assignment of responsibility for corrective actions to resolve cross-cutting issues, because no department or agency had authority to direct the actions of another. Participating agencies developed internal corrective action plans, but without a coordinated interagency process, issues involving multiple federal entities remained unresolved.

In February 2007, HSEEP updated the evaluation and improvement planning section to include (1) more details on improvement planning, and (2) the requirement for a corrective action planning system. In addition, the NEP requires the development of a corrective action process to ensure that lessons from exercises are either sustained or improved as appropriate.

The CAP provides the basis for systematically developing, prioritizing, and tracking corrective actions following exercises, real-world events, and policy discussions. Established as part of the NEP Implementation Plan, the CAP represents an improvement toward interagency coordination and accountability for corrective action after TOPOFF and other exercises. It requires that all departments and agencies maintain a corrective action program that can generate data for, and track assignments from, the NEP CAP for unclassified issues. Appendix C provides a diagram of the CAP process.

The full implementation of a CAP system involves the coordination of activities between the HSC, ESC, NEP, and participating departments and agencies. The HSC maintains a policy coordination and advisory role that functions across all levels of the federal government, and answers directly to the President. The HSC also maintains responsibility for corrective action issues and communicating the overall direction of CAP to department and agency top officials. The ESC coordinates departmental and agency roles and responsibilities, and reports to the

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HSC's Exercise and Evaluation Sub-IPC. The NEP is responsible for incorporating HSEEP guidelines into TOPOFF exercise design and evaluation.

The TOPOFF 4 AAR, which has not been approved or released by DHS, concludes that NEP has established a process for tracking and monitoring the implementation of corrective actions. In June 2008, the ESC met to prioritize corrective actions identified in the March 2008 AAR Implementation Plan. An NEP official informed that in September 2008, the Sub-IPC reviewed the corrective actions identified in the AAR Implementation Plan and transmitted them to the HSC Domestic Readiness Group for approval. Subsequently, the HSC-approved corrective actions were assigned to individual departments and agencies for remediation. The official added that NED entered the corrective actions into the CAP system and initiated training to ensure that action officers can enter information on the status of assigned tasks. However, as of March 2009, the CAP system does not include corrective action updates and has not produced required progress reports to validate completion of any corrective actions.

In an August 2007 memorandum to cabinet and agency heads, the Secretary of DHS emphasized the NEP Implementation Plan requirement for adherence to a disciplined CAP that outlines the process by which shortfalls are identified, tasked for action, and tracked to resolution. NEP managers said that generating full support and participation for the CAP system from department and agency officials is a significant challenge. The support and active participation of the Sub-IPC and HSC Deputies Committee are also critical to ensuring that corrective actions are assigned, tracked, and validated.

## **Recommendations**

We recommend that the Administrator, Federal Emergency Management Agency:

**Recommendation #1:** Provide the interagency Policy Coordinating Committees and the HSC with detailed information regarding challenges faced and actions that need to occur for complete implementation of the CAP system.

**Recommendation #2:** Request that the Sub-IPC and the HSC use the information provided to clarify and communicate to federal agencies and departments their responsibilities for corrective action assignments, tracking, and validation.

**Recommendation #3:** Revise the current NEP Implementation Plan by including specific program control objectives and procedures that will provide management reasonable assurance on CAP implementation.

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## Management Comments and OIG Analysis

**FEMA Response to Recommendation #1:** FEMA agreed with our recommendation and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

**FEMA Response to Recommendation #2:** FEMA agreed with our recommendation and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

**FEMA Response to Recommendation #3:** FEMA agreed with our recommendation and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

## Recurring Themes Identified in Previous Exercises and Real-World Events Have Not Been Resolved

According to the April 2007, National Exercise Program Implementation Plan,

*“The perennial lament of exercise planners and participants is exercise fatigue, when multiple exercises require recurring application of a department or agency’s limited time and resources. This fatigue factor is exacerbated by frustrations that occur when exercise activities do not lead to appreciable improvements in policies, plans, or performance.”*

The TOPOFF 4 AAR concluded that the exercise identified (1) where the Nation's preparedness has improved, and (2) areas that need further improvement. The areas that need further improvement include recurring themes that have been identified in previous exercises and real-world events, and several new areas.

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The Homeland Security Advisory System (HSAS) provides an example of a policy issue repeatedly identified during TOPOFF exercises that has not been resolved. The HSAS was designed to guide protective measures when specific threat information from a particular sector or geographic region is received. It combines threat information with vulnerability assessments, and provides pertinent information to public safety officials and the public. Following TOPOFF 2, the AAR reported uncertainty regarding protective actions to be taken for each HSAS threat level. Specifically, the purpose, definitions, and consequences of the HSAS threat levels were not clear. In addition, coordination of actions taken by other agencies or jurisdictions under HSAS was also unclear. Participants at all levels of government, as well as international participants, have raised questions about the meaning and implications of HSAS level changes.

In the aftermath of TOPOFF 3, the AAR concluded that the HSAS system was still not understood or systematically used by exercise participants. However, no corrective actions were included in the AAR, since this was not required by the exercise evaluation and improvement process. After TOPOFF 4, the AAR concluded again that the purpose, definitions, and consequences of HSAS threat levels remain unclear.

Regarding the reoccurrence of HSAS issues in successive TOPOFF exercises, NEP program managers said that actions to address HSAS issues required correcting unresolved policy issues beyond the scope and authority of their office. Following TOPOFF 4, NEP officials reported that the HSC had prioritized HSAS issues for immediate attention. However, a decision has not been made whether actions to address HSAS would be included and tracked under the CAP, or managed and monitored directly by the HSC. The HSC, through its Domestic Readiness Group and Sub-IPC, can prioritize and assign action under CAP.

## **Recommendations**

We recommend that the Administrator, Federal Emergency Management Agency:

**Recommendation #4:** Request that the HSC clarify and document their determination whether issues prioritized by the Sub-IPC for immediate action after TOPOFF exercises will be included and tracked under the CAP.

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## Management Comments and OIG Analysis

**FEMA Response to Recommendation #4:** FEMA agreed with our recommendation and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

### Participation and Support in TOPOFF Planning and Implementation Needs To Be Increased

The participation of top officials responsible for response and consequence management is critical to the success of TOPOFF exercises. Based on the April 2007 NEP Implementation Plan, all departments and agencies must budget for support to NEP Tier I exercises and be prepared to provide Principal- or Deputy-level support. However, FEMA officials said that not all federal departments and agencies have (1) established their participation on committees and working groups, (2) accounted for the costs associated with participation, and (3) committed sufficient resources for TOPOFF exercises.

For private sector participation, the TOPOFF 4 AAR concludes that exercises offer the private sector an opportunity to collaborate with the government and test plans for disaster response and recovery. However, planners said that to create strong linkages, the private sector needed to be engaged earlier in the planning cycle with their federal agency counterparts.

#### Federal Participation

Recognizing that top officials rarely participated in national-level preparedness exercises, Congress required that top officials and key staff participate fully in exercise planning, implementation, and after-action exercise activities. At the federal level, NEP engaged more than 40 departments, agencies, and offices in its TOPOFF 4 interagency planning process. However, all agencies did not commit the required personnel or resources to accomplish TOPOFF exercise activities, which affected the extent of their participation in the planning, implementing, and evaluating processes.

In August 2007, 10 weeks prior to the start of TOPOFF 4, Secretary Chertoff distributed a memorandum for cabinet and agency heads requesting those who had not assigned an executive to the ESC to do so. However, by the conclusion of the TOPOFF 4 exercise in October 2007, not all federal departments and agencies had designated representatives to

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the ESC or made budgetary decisions to ensure the availability of resources to plan and participate in the exercise. NEP officials said that at the conclusion of TOPOFF 4, departmental and agency participation was not at the level expected for robust interagency planning and participation. As a result, many of the TOPOFF 4 planning and scenario design activities did not have a broad representation of exercise planners.

Although TOPOFF objectives are expected to reflect U.S. Government-wide priorities, some exercise objects were not emphasized because of the need for more inclusive participation in exercise plan, design, or after-action analysis. In the exercise after-action discussions, ESC members said that the need for information and participation by departments and agencies has created a perception that the TOPOFF exercise program is overly focused on DHS objectives and is of minimal value.

NEP managers described securing sufficient federal support for TOPOFF as a primary challenge to establishing a national exercise program. The TOPOFF 4 AAR suggests that HSEEP policy and guidance be amended to emphasize the requirements for TOPOFF participation at the highest levels. Achieving early and active engagement of all concerned parties will help ensure that TOPOFF exercises reflect federal government-wide, state, territorial, local, and private sector priorities. FEMA will need the support and assistance of federal interagency committees and the HSC to achieve this goal.

### **Participation at the State, Territorial, Local, and Private Sector Levels**

State, territorial, and local officials responsible for TOPOFF 4 planning and implementation commented that they:

- Were not engaged early enough in the exercise planning process;
- Were not given clear benchmarks and guidelines for participation; and
- Would benefit from more support and mentoring from state-level counterparts from previous TOPOFF exercises, which was a part of the TOPOFF 3 preparation process.

NED supported and managed the needs of the private sector working group for the TOPOFF 3 exercise. This responsibility was not clearly delineated for TOPOFF 4. According to a FEMA official, the NEP did not plan or budget for the necessary recruitment and engagement efforts of the private sector in TOPOFF 4.

TOPOFF 4 private sector participants included a broad range of representatives from the critical infrastructure/key resources sector, large



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corporations, nongovernmental and service organizations, and others. Their participation in TOPOFF helped to identify areas where they could contribute during or after an actual terrorism event or a major natural disaster, and how national-level policies could be integrated into their operations.

Following TOPOFF 4, private sector participants provided the following assessments:

- Exercise planners needed to distinguish the levels of participation of each type of private sector organization and clarify the objectives and requirements of participation for each organizational type; and
- Private sector participants needed to be recruited earlier in the exercise design and plan cycle.

During TOPOFF 4, there was confusion within the private sector about specific roles and defined expectations during the exercise. In the absence of a clear delineation of duties and specific roles, private sector entities developed expectations that did not coincide with those of the federal government.

## Recommendations

We recommend that the Administrator, Federal Emergency Management Agency:

**Recommendation #5:** Task FEMA’s Private Sector Office to co-chair a working group with DHS private sector entities to identify the requirements for private sector TOPOFF participation, and establish a plan to support their participation.

**Recommendation #6:** Develop and implement a plan to secure the full participation and required resources of federal departments and agencies, and state, local, and territorial entities to design, plan, and conduct the TOPOFF exercise program.

**Recommendation #7:** Amend National Exercise Program guidance to ensure that it addresses and supports the appropriate level of federal departments and agencies, and state, local, and territorial participation expected in the TOPOFF exercise program.

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## Management Comments and OIG Analysis

**FEMA Response to Recommendation #5:** FEMA agreed with our recommendation, and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

**FEMA Response to Recommendation #6:** FEMA agreed with our recommendation, and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

**FEMA Response to Recommendation #7:** FEMA agreed with our recommendation, and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

## Evaluator Selection and Training Needs Improvements

The TOPOFF 4 Evaluator Handbook outlines evaluator responsibilities that include recording observations of player actions and managing data collection at all exercise sites. Data collected by evaluators during the TOPOFF 4 exercise supported the post-exercise reconstruction and analysis process, the development of observations, lessons learned, and the recommendations contained in the TOPOFF 4 AAR. More than 650 evaluators participated in the TOPOFF 4 exercise.

The TOPOFF 4 Evaluator Handbook requires evaluators to be familiar with the roles and responsibilities of the players they observe. NED relied on departments and agencies to identify and assign individuals with appropriate agency-specific knowledge to perform data collection at key locations during the exercise. However, some departments, agencies, and DHS components did not assign evaluators to support the evaluation methodology until just before the full-scale exercise. Therefore, all evaluators did not complete the NED evaluator training, or familiarize themselves with the exercise plan, scenario, missions, policies, and procedures specific to their assigned location.

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TOPOFF 4 evaluators were offered a training session conducted by NED in advance of the exercise. Agency personnel selected as evaluators were expected to:

- Review the exercise plan and scenario, the master scenario events list, evaluation plan, and control staff instructions;
- Complete evaluator training requirements;
- Familiarize themselves with the missions, plans, policies, procedures, and processes applicable to their assigned location;
- Familiarize themselves with data collection forms and exercise evaluation guides for their assigned location; and
- Attend the controller/evaluator briefings at their assigned location.

Some of the evaluators said that they were selected by their departments and agencies to serve as evaluators shortly before the start of the TOPOFF 4 exercise. Therefore, they were unable to complete the full training program conducted by NED. They participated in an abbreviated training session offered the day before the exercise started, and did not have the opportunity to review the master scenario events list, evaluation plan, or control staff instructions before assuming their evaluator duties. This resulted in reduced assurance that evaluators were able to obtain the necessary knowledge, skills, and abilities to record required data during the exercise.

Evaluators without sufficient knowledge of the exercise plan, scenario, agency plans, policies, and procedures were not as effective in performing their assigned duties during the exercise. For example, evaluators collecting data at the Portland Joint Information Center and the Joint Federal Office said that they did not have a good grasp of the evaluation objectives for their assigned locations, but were making their best effort to collect data and record what they observed.

The TOPOFF 4 AAR Annex 1 includes comments and recommendations for improvements from the exercise working groups. The working groups acknowledged in their comments that the complexity and specific requirements of TOPOFF created a need for more extensive evaluator training tailored to the requirements of each exercise venue. They also proposed that evaluators be identified earlier in the exercise planning process, and that the training schedule be integrated into venue and interagency group meetings.

## **Recommendations**

We recommend that the Administrator, Federal Emergency Management Agency:

**Recommendation #8:** In response to TOPOFF 4 AAR Annex 1 recommendations, develop and implement a plan to identify, train, and

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support department and agency officials and staff who will control, evaluate, or participate in TOPOFF exercise programs.

## **Management Comments and OIG Analysis**

**FEMA Response to Recommendation #8:** FEMA agreed with our recommendation, and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

## **Dissemination of TOPOFF AARs, Lessons Learned, and Best Practices**

According to HSEEP guidelines, the overarching TOPOFF exercise objectives are (1) the identification and dissemination of lessons learned, and (2) the promotion of best practices to the national community of first responders and emergency managers. In addition, HSPD-8: Terrorism Preparedness mandates that DHS "develop and maintain a system to collect, analyze, and disseminate lessons learned, best practices, and information from exercises, training events, research, and other sources." DHS has not yet developed an effective process to disseminate TOPOFF AARs, lessons learned, and best practices to a broad national audience.

### **Distribution of TOPOFF AARs**

For the TOPOFF 4 exercises ending in November 2007, NEP finalized and submitted the AAR to the HSC Sub-IPC for review in March 2008. In June 2008, the report was transmitted to FEMA officials for a security review and classification. In November 2008, FEMA transmitted the AAR to DHS headquarters for final approval and distribution. However, as of March 2009, DHS had not approved the TOPOFF 4 AAR for release to participating agencies and other interested parties.

An NEP official said that the current HSEEP timeline requires an AAR to be produced 60 days after the exercise. Based on feedback received from federal, state, and local officials, the 60-day requirement will be changed to 90 days. Also, taking into account the additional interagency coordination, the NEP official recommended the following timeframe:

- (1) draft interagency report is created within 120 days after the exercise;
- (2) FEMA approves the report within 150 days after the exercise; and
- (3) DHS approves the report within 180 days after the exercise.

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To date, TOPOFF AARs have had restricted distribution to a limited number of federal, state, territorial, and local departments and agencies on a loan basis because DHS considers that the reports may contain sensitive information. All TOPOFF AARs have been designated For Official Use Only (FOUO), which precludes their dissemination to a broad national audience.

### **Distribution of TOPOFF Lessons Learned**

The Lessons Learned Information Sharing (LLIS) website is DHS' online repository for information dedicated to the emergency response and homeland security communities. NEP managers describe the LLIS website as the primary method to disseminate TOPOFF exercise lessons learned and best practices.

The TOPOFF 4 exercise plan did not encompass specific activities or a budget to disseminate lessons learned immediately following the exercise. However, to bring the results of the exercise to a wider national audience, senior FEMA officials directed the NED to conduct a 1-day National After-Action Conference for state homeland security advisors and emergency management directors. NED invited officials from 56 states and territories to attend the March 2007 event in Oklahoma City, Oklahoma. The conference goals were to report on the TOPOFF 4 exercise, present lessons learned, and describe the new CAP process. The TOPOFF 4 National After-Action Conference attracted 142 participants from federal, state, and territorial agencies; 47 attended in person and 95 participated via a webcast of the conference. Conference participants represented 26 states and territories.

The conference included a 30-minute presentation and a FOUO document that described lessons learned from the TOPOFF 4 exercise. NED officials said that while participation was less than envisioned, the conference achieved its goals, and was an effective way to disseminate TOPOFF lessons learned to a national audience of state homeland security officials.

According to the GAO *Standards for Internal Control in the Federal Government*, information should be communicated to management and others who need it within a timeframe that enables them to carry out their responsibilities. NED managers said that the process to disseminate TOPOFF AARs and lessons learned is evolving, and progress will be made as HSEEP-directed exercise evaluation and improvement planning becomes more standardized under the NEP and CAP.

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## Recommendations

We recommend that the Administrator, Federal Emergency Management Agency:

**Recommendation #9:** With assistance from DHS senior officials and offices, develop and implement a process and timeframe to distribute final TOPOFF AARs.

**Recommendation #10:** To communicate information to a national audience of first responders and emergency management officials, develop and implement a process and timeframe to populate LLIS.gov with TOPOFF exercise lessons learned and best practices.

## Management Comments and OIG Analysis

**FEMA Response to Recommendation #9:** FEMA agreed with our recommendation, and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

**FEMA Response to Recommendation #10:** FEMA agreed with our recommendation, and will provide a detailed corrective action plan for implementation in their 90-day letter following the issuance of our final report. FEMA noted in their response memorandum that at the conclusion of TOPOFF 4, DHS/FEMA produced and disseminated three Quick Look reports for participating departments and agencies and the response community, as well as a public version.

**OIG Analysis:** This recommendation is resolved and open pending our receipt of FEMA's 90-day letter.

## Appendix A

### Purpose, Scope, and Methodology

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Our objective was to determine whether the DHS is achieving its goals to identify, distribute, and address lessons learned and corrective needs that surfaced during the biennial national TOPOFF terrorism preparedness exercises. We examined these processes in relation to the TOPOFF 3 and TOPOFF 4 exercises.

We conducted interviews with DHS/FEMA National Preparedness Directorate staff who manage the TOPOFF exercise series. We interviewed other DHS officials, managers, and staff; personnel from other federal departments and agencies; and state, local, and private sector exercise participants who played an instrumental role in TOPOFF exercise design, planning, and evaluation. We collected, reviewed, and analyzed documents related to exercise planning, training, evaluation, after-action process, and the corrective action program.

We observed and collected data during the TOPOFF 4 exercise in Phoenix, Arizona, and Portland, Oregon; and at the exercise master control cell established in Northern Virginia. We observed the TOPOFF 4 exercise after-action briefings (hot washes) conducted in Phoenix and Portland, and in Virginia; the December 2007 Long-term Recovery Table Top Exercise; the January 2008 After-Action Conference; and the April 2008 National After-Action Conference in Oklahoma City, Oklahoma.

We conducted our review between October 2007 and August 2008 under the authority of the *Inspector General Act of 1978*, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

## Appendix B Management Response to the Draft Report

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U.S. Department of Homeland Security  
Washington, DC 20472



# FEMA

March 20, 2009

MEMORANDUM FOR: Richard L. Skinner  
Inspector General

FROM: Robert A. Farmer   
Acting Director  
Office of Policy & Program Analysis

SUBJECT: Comments on OIG Draft Report, *DHS Efforts to Address Lessons Learned in the Aftermath of Top Officials Exercises*

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG's) subject draft audit report. We have provided technical comments under separate cover. As the Federal Emergency Management Agency (FEMA) works toward refining its programs, the OIG's independent analysis of program performance greatly benefits our ability to continuously improve our activities.

FEMA concurs with the draft report's ten recommendations. However, regarding the recommendation that FEMA develop and implement a process and timeframe to populate LLIS.gov with TOPOFF exercise lessons learned and best practices, we note that at the conclusion of TOPOFF 4, DHS/FEMA produced and disseminated three Quick Look reports, Participating Departments and Agencies, Response Community, and a Public Version. We will continue to enhance this process through the maturation of the National Exercise Program. In our 90-day letter following the issuance of your final report, we will provide a detailed corrective action plan for implementation of each of the report's ten recommendations.

We also wish to point out that while the draft report mentions TOPOFF exercises from 2000 until 2007, the TOPOFF program was originally housed within the U.S. Department of Justice, then the Department of Homeland Security. FEMA did not inherit responsibility for TOPOFF until 2006, with the passage of the Post-Katrina Emergency Management Reform Act of 2006.

The draft report also states that best practices and lessons learned as a result of TOPOFF exercises have not been disseminated. We have provided detail on how these lessons learned have been disseminated on LLIS.gov to include Quick Look Reports and exercise summaries for all four TOPOFF exercises.

Finally, the draft report states that the TOPOFF 4 exercise plan did not encompass specific activities or a budget to disseminate lessons learned immediately following the exercise. We note however, that the TOPOFF 4 Control and Evaluation Working Group had a comprehensive After Action Report process which included the development and dissemination of three Quick Look Reports.

[www.fema.gov](http://www.fema.gov)



## **Appendix B**

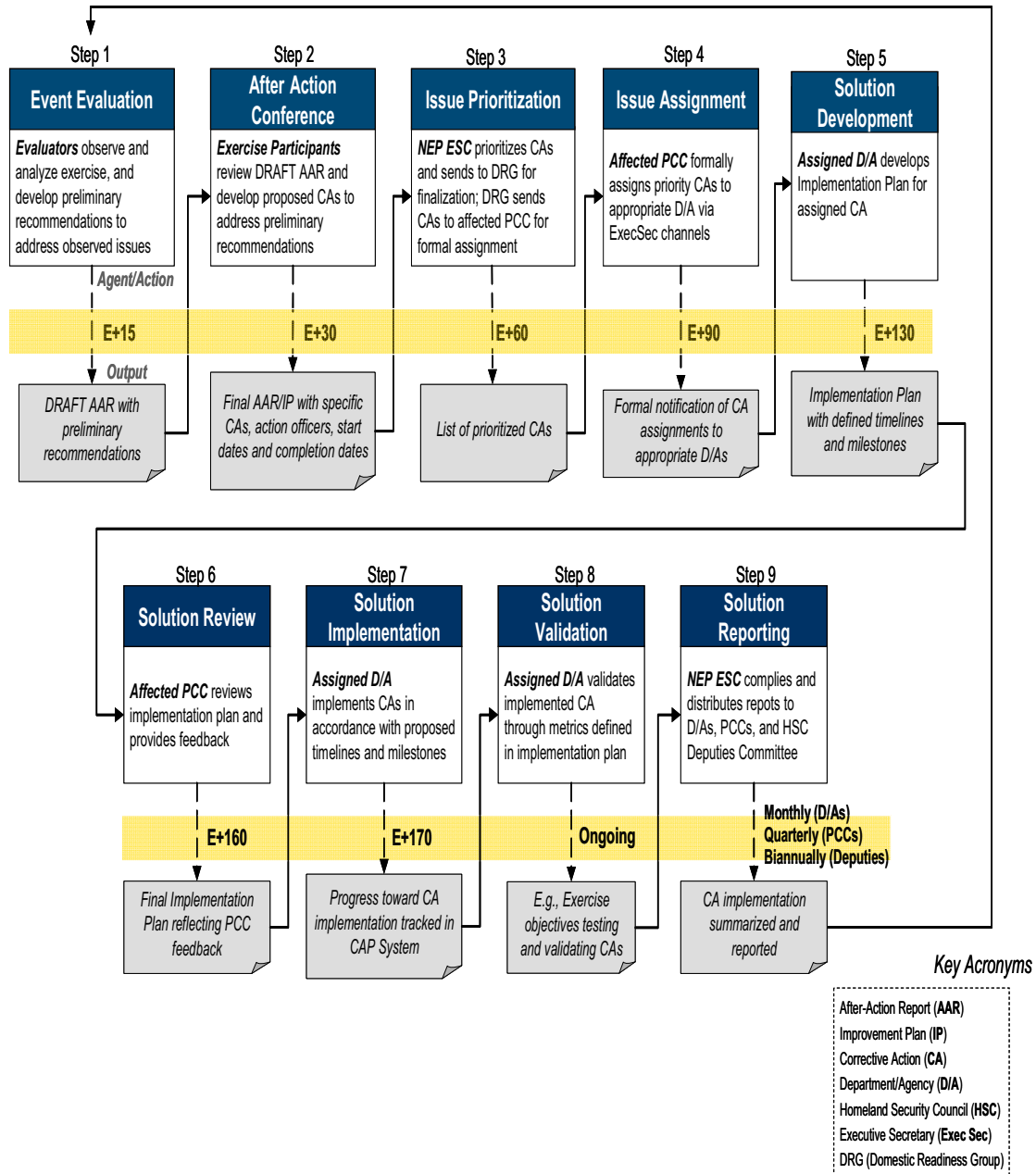
### **Management Response to the Draft Report**

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Thank you again for the opportunity to comment on this draft report and we look forward to working with you on other issues as we both strive to make FEMA the nation's Preeminent Emergency Management and Preparedness Agency.

# Appendix C

## The Corrective Action Program Process



**Appendix D**  
**Major Contributors to This Report**

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## **Appendix E**

### **Report Distribution**

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#### **Department of Homeland Security**

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Administrator, Federal Emergency Management Administration  
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#### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

#### **Congress**

Congressional Oversight and Appropriations Committees, as appropriate



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