

## Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) requires recipients to report, among other things, project descriptions on [Recovery.gov](#), the federal Recovery Act Web site. Within the Department of Homeland Security, the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate administers the Port Security Grant Program (PSGP) to strengthen ports against risks from terrorist attacks. FEMA received and obligated \$150 million in Recovery Act PSGP funds in 2009, and, as of September 2010, recipients have drawn down over \$10 million. To facilitate recipient reporting, FEMA must consider the need both for transparency and for protection of Sensitive Security Information (SSI), which could be detrimental to transportation security if disclosed. As requested, GAO assessed FEMA's: (1) controls to ensure Recovery Act PSGP staff consistently follow SSI policies, and (2) steps to ensure PSGP recipients have not disclosed SSI on [Recovery.gov](#). GAO reviewed relevant laws, regulations, guidance, and a random sample of PSGP Recovery Act recipient reports available as of February 2010, and interviewed agency officials.

## What GAO Recommends

GAO recommends that FEMA improve SSI training, ensure proper marking of SSI, enhance recipient report review controls, and instruct recipients on safeguarding SSI while reporting on funded activities and expected outcomes in a transparent manner. FEMA concurred.

View [GAO-11-88](#) or key components. For more information, contact David C. Maurer at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov).

## RECOVERY ACT

### FEMA Could Take Steps to Protect Sensitive Port Security Grant Details and Improve Recipient Reporting Instructions

#### What GAO Found

FEMA has taken steps to ensure Recovery Act PSGP staff consistently follow the Department of Homeland Security's SSI policies and processes, but key actions have not been taken. For instance, FEMA has appointed an SSI Program Manager—responsible for FEMA-wide SSI oversight—and an SSI Coordinator to facilitate the Grant Programs Directorate's use of SSI. Also, the SSI Program Manager provided SSI training to FEMA's Grant Programs Directorate staff; however, the training did not include FEMA-specific examples to illustrate the application of SSI, which the staff requested. GAO has previously reported that, when assessing training, managers should consider whether the training includes both the theoretical basis of the material—such as context and principles—and the practical application of the issues. Including FEMA-specific examples could help FEMA ensure Recovery Act PSGP staff have the necessary knowledge to handle and safeguard SSI. In addition, the SSI Coordinator has not assessed whether SSI documents have been appropriately labeled, in accordance with SSI regulations. For example, FEMA has determined that certain materials grant recipients submit to FEMA during the application process to describe how their projects will address current gaps and deficiencies are SSI, but has not marked them as such. While these documents have not been posted to [Recovery.gov](#), immediately reviewing and marking them as SSI could improve safeguards and help prevent the information contained therein from inadvertent disclosure.

FEMA has taken steps to develop a quarterly review process for Recovery Act PSGP recipient reports—prior to their public release on [Recovery.gov](#)—but does not have key controls to help prevent public disclosure of SSI. For instance, FEMA staff drafted a procedure for reviewing recipient reports, but FEMA management has not approved it and the draft does not include a procedure to verify the reviews' accuracy. Further, while GAO found that SSI had not been disclosed in Recovery Act recipient reports posted on [Recovery.gov](#) for the single reporting period GAO reviewed—with data publicly available as of February 2010—FEMA lacks a process for comparing recipient reports to SSI criteria, and a protocol that informs recipients when FEMA determines that their reports contain SSI. Introducing these measures could help Grant Programs Directorate staff consistently review reports, identify when they contain SSI, reduce the risk of SSI disclosure on [Recovery.gov](#), and reinforce recipients' obligations to safeguard SSI. In addition, GAO found wide variation in the level of detail about the awards' descriptions among the recipient reports sampled from [Recovery.gov](#) as of February 2010, although the majority provided minimal detail. According to FEMA, the sensitive nature of PSGP information affects the transparency of PSGP recipient reporting. By providing instruction to recipients on what should and should not be reported due to SSI requirements, FEMA could help recipients report project details in a transparent manner on the expenditure of Recovery Act funds while protecting information that could otherwise jeopardize transportation security if released.