

**FY 2017 Accounting
of Drug Control Funds
and Performance Summary**

Office of National Drug Control Policy

FY 2017 Accounting of Drug Control Funds and Performance Summary

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Executive Summary

Background

This Summary presents for Congress the *Fiscal Year 2017 Accounting of Drug Control Funds and Performance Summary*. Pursuant to 21 U.S.C. § 1703(b)(13)(A)-(B) the Director of the Office of National Drug Control Policy (ONDCP) shall, “(A) require the National Drug Control Program agencies to submit to the Director not later than February 1 of each year a detailed accounting of all funds expended by the agencies for National Drug Control Program activities during the previous fiscal year, and require such accounting to be authenticated by the Inspector General for each agency prior to submission to the Director; and (B) submit to Congress not later than April 1 of each year the information submitted to the Director under subparagraph (A).” The Director of National Drug Control Policy is also authorized under 21 U.S.C. § 1703(d)(7) to, “monitor implementation of the National Drug Control Program, including – (A) conducting program and performance audits and evaluations; and (B) requesting assistance of the Inspector General of the relevant agency in such audits and evaluations....” These provisions were not changed by the *Office of National Drug Control Policy Reauthorization Act of 2006* (Pub. L. No. 109-469).

In compliance with these statutory provisions, ONDCP issued a Circular, *Accounting of Drug Control Funding and Performance Summary* (dated January 18, 2013) to all National Drug Control Program agencies defining the requirements for annual accounting and performance summary submissions. The Circular specifies in part, “Each report...shall be provided to the agency’s Inspector General (IG) for the purpose of expressing a conclusion about the reliability of each assertion made in the report.”

In assessing reliability, ONDCP anticipates each IG will conduct an attestation review consistent with the *Statements for Standards of Attestation Engagements*, promulgated by the American Institute of Certified Public Accountants. An attestation review is more limited in scope than a standard financial audit, the purpose of which is to express an opinion on management’s assertions. The objective of an attestation review is to evaluate an entity’s financial reporting and to provide negative assurance. Negative assurance, based on the criteria established by the ONDCP Circular, indicates that nothing came to the attention of the IG that would cause them to believe an agency’s submission was presented other than fairly in all material respects.

However, under Section 9 of the above mentioned ONDCP Circular, entitled “Unreasonable Burden Exception,” an agency or bureau included in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may submit an alternative report that includes the report and assertions and accompanied by statements from an accountable senior executive, attesting that full compliance with the ONDCP Circular would constitute an unreasonable reporting burden. In this instance, obligations reported under this section will be considered as constituting the statutorily required detailed accounting. ONDCP may request an OIG attestation from agencies falling below the \$50 million threshold; however, the exception to the attestation requirement is generally upheld. In FY 2017, for all instances where an exception was requested it was granted.

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Department Compliance and Attestation Reviews

With the exception of the Department of Agriculture, Department of Defense Health Programs, and Department of State/United States Agency for International Development, all of the National Drug Control Program agencies complied with the provisions of the Circular. The Department of Housing and Urban Development complied with the provisions of the Circular, but their reports were submitted after the deadline, delayed by late reporting of program performance data. Agencies' compliance is delineated, along with whether an agency passed or failed the required attestation review, in the table below. For the purpose of this report, "pass" indicates an agency's Office of Inspector General (OIG) was able to complete their review and provide negative assurance. Conversely, "fail" indicates that an agency's assertions regarding its FY 2017 drug control obligations were not reviewable. Details on each agency's report are provided below.

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	Accounting Report			Performance Summary Report		
	Compliance with ONDCP Circular (Yes/No)	OIG/ Indep. Auditor Attestation Review (Pass/Fail)	Material Weakness Identified (Yes/No)	Compliance with ONDCP Circular (Yes/No)	OIG/Indep. Auditor Attestation Review (Pass/Fail)	Provided Signed Management Assertions (Yes/No)
Agriculture						
United States Forest Service	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Court Services and Offender Supervision Agency						
Community Supervision and Pretrial Services	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Defense						
Drug Interdiction and Counterdrug Activities	Yes	Pass	No	Yes	Pass	Yes
Health Affairs	No	-	-	No	-	-
Education						
Office of Safe and Drug-Free Schools	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Health and Human Services						
Administration for Children and Families	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Centers for Disease Control and Prevention	Yes	Pass	No	Yes	Pass	Yes
Health Resources Service Administration	Yes	Pass	No	Yes	Pass	Yes
Indian Health Service	Yes	Pass	No	Yes	Pass	Yes
National Institute on Alcohol Abuse and Alcoholism	Yes	Pass	No	Yes	Pass	Yes
National Institute on Drug Abuse	Yes	Pass	No	Yes	Pass	Yes
Substance Abuse and Mental Health Services Administration	Yes	Pass	No	Yes	Pass	Yes
Homeland Security						
Customs and Border Protection	Yes	Pass	Yes	Yes	Pass	Yes
Federal Law Enforcement Training Center	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Immigration and Customs Enforcement	Yes	Pass	Yes	Yes	Pass	Yes
United States Coast Guard	Yes	Pass	Yes	Yes	Pass	Yes
Housing and Urban Development						
Office of Special Needs Assistance Programs	Yes	Pass	No	Yes	Pass	Yes
Interior						
Bureau of Indian Affairs	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Bureau of Land Management	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
National Park Service	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
Justice						
Asset Forfeiture Fund	Yes	Pass	No	Yes	Pass	Yes
Criminal Division	Yes	Pass	No	Yes	Pass	Yes
Drug Enforcement Administration	Yes	Pass	No	Yes	Pass	Yes
Federal Bureau of Prisons	Yes	Pass	No	Yes	Pass	Yes
Office of Justice Programs	Yes	Pass	No	Yes	Pass	Yes
Offices of the United States Attorneys	Yes	Pass	No	Yes	Pass	Yes
Organized Crime Drug Enforcement Task Force	Yes	Pass	No	Yes	Pass	Yes
United States Marshals Service	Yes	Pass	No	Yes	Pass	Yes
Labor						
Employment and Training Administration	Yes	N.A. ¹	N.A. ¹	Yes	N.A. ¹	N.A. ¹
State						
International Narcotics and Law Enforcement Affairs	Yes	Pass	No	Yes	Pass	Yes
United States Agency for International Development	No	-	-	No	-	-
Transportation						
Federal Aviation Administration	Yes	Pass	No	Yes	Pass	Yes
National Highway Traffic Safety Administration	Yes	Pass	No	Yes	Pass	Yes
Treasury						
Internal Revenue Service	Yes	Pass	No	Yes	Pass	Yes
Veterans Affairs						
Veterans Health Administration	Yes	Pass	Yes	Yes	Pass	Yes

¹ In compliance with the ONDCP Circular, the Agency submitted an alternative report because the requirements created an unreasonable burden.

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Summary of Agency Reports

Department of Agriculture

The Department of Agriculture's (USDA) accounting of FY 2017 drug control obligations (Tab A) satisfies requirements established by the ONDCP circular *Accounting of Drug Control Funding and Performance Summary* (dated January 18, 2013). USDA fell below the \$50 million threshold for FY 2017 and has been given a waiver for OIG review.

Court Services and Offender Supervision Agency

The Court Services and Offender Supervision Agency (CSOSA) FY 2017 accounting and performance summary submissions (Tab B) requested an exception from certain provisions relating to review of their report by an IG as required under 21 U.S.C. § 1703(d)(7)(B) because CSOSA does not have an IG component or function to review and express a conclusion on the reliability of the accounting and performance assertions made in its report. ONDCP granted CSOSA's exception request for the FY 2017 reporting period, but notes that CSOSA's total funding exceeds the \$50 million threshold under which CSOSA can request an exception. The agency's reports include a table of FY 2017 obligations and relevant performance information. CSOSA was assessed as being in compliance with the ONDCP circular *Accounting of Drug Control Funding and Performance Summary* (dated January 18, 2013). ONDCP will work with CSOSA to determine if there is an alternative method to an IG review of their future management assertions considering they do not have IG component within the agency.

Department of Defense

The Department of Defense's (DoD) accounting of FY 2017 drug control obligations (Tab C) satisfies requirements established by ONDCP's Circular. The DoD OIG stated that nothing came to their attention that caused them to believe the submission was presented inaccurately in all material aspects. DoD was assessed a rating of "pass."

For Drug Interdiction and Counterdrug Activities, DoD submitted a Performance Summary Report (Tab C). The IG noted that for the exception of the use of percentages to calculate the obligations presented by functional area, nothing came to the IG's attention that indicate that the DoD data and information was not presented fairly, in all material aspects, in conformity with the Circular.

DoD Health Affairs did not submit an attestation as required by the ONDCP Circular, and is working to develop appropriate performance measures.

Department of Education

The Department of Education's (Education) accounting of FY 2017 drug control obligations (Tab D) satisfies requirements established by ONDCP's Circular. Education fell below the \$50 million threshold for FY 2017, and has been given a waiver for OIG review.

Education submitted a performance report on its School Climate Transformation grants in compliance with the ONDCP Circular. The Department provided performance information for

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the past years and the measures that will be used going forward. Although a change in reporting mechanism has made it more likely that grantees will aggregate data related to alcohol and other drug use, Education continues to encourage separate reporting to identify school safety/discipline issues tied to drug use.

Department of Health and Human Services

The Department of Health and Human Services' (HHS) FY 2017 drug control obligations accounting submission (Tab E) includes separate reports for the Administration for Children and Families (ACF), Centers for Disease Control and Prevention (CDC), the Health Resources and Services Administration (HRSA), the Indian Health Service (IHS), the National Institutes of Health's (NIH) National Institute on Drug Abuse (NIDA) and National Institute on Alcohol Abuse and Alcoholism (NIAAA), and the Substance Abuse and Mental Health Services Administration (SAMHSA). The Centers for Medicare & Medicaid Services (CMS) Grants to States for Medicaid and Medicare programs are not included; CMS reports actuarial outlay estimates for this mandatory spending program rather than budget authority and therefore expenditures are calculated under a different time schedule than discretionary funding. ONDCP is working with CMS to develop an appropriate reporting mechanism.

ACF: ACF's accounting of FY 2017 drug control obligations satisfies requirements established by ONDCP's Circular. ACF fell below the \$50 million threshold for FY 2017, and has been given a waiver for OIG review. ACF submitted a performance report on its Regional Partnership grants in compliance with the ONDCP Circular. Though ACF did not meet its intended target for the most recent reporting period, the results did demonstrate improvement and they have set appropriate targets for moving forward.

CDC: The OIG attested that the CDC submission and management assertions complied with the ONDCP Drug Control Accounting Circular and no material weaknesses were found, and CDC was assessed a rating of "pass." CDC continues to track the rate of opioid overdose death in its performance summary report. Relevant data were not available at the time the OIG review was conducted, but the OIG found nothing to indicate CDC's management assertions were not fairly stated in all material respects, in accordance with the ONDCP circular.

HRSA: The OIG attested that the HRSA submission and management assertions complied with the ONDCP Drug Control Accounting Circular and no material weaknesses were found. HRSA was assessed a rating of "pass." HRSA also submitted a performance report, which included the required performance measures, targets, results, and management attestations. Based on their review, nothing came to the attention of the OIG that caused them to believe that management's assertions contained in the Performance Summary Report were not fairly stated in all material respects.

IHS: The OIG attested that the IHS Accounting and Performance Summary Report submissions complied with the ONDCP Drug Control Accounting Circular and no material weaknesses were found. IHS was assessed a rating of "pass." IHS is changing its performance measurement system, including significant changes to the number of patients who are

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captured by each measure. The measures themselves remain the same but the actuals are not available in most cases and the targets have been modified to reflect the changes in the denominator in each calculation. Nonetheless, IHS report included the required performance measures, targets, results, and management attestations.

NIAAA: The OIG attested that the NIH-NIAAA submission and management assertion complied with the ONDCP Drug Control Accounting Circular and no material weaknesses were found. NIH-NIAAA was assessed a rating of “pass.”

NIDA: The OIG attested that the NIH-NIDA submission and management assertion complied with the ONDCP Drug Control Accounting Circular and no material weaknesses were found. NIH-NIDA was assessed a rating of “pass.”

The National Institutes of Health (NIH) complied with the requirements of the ONDCP Circular by submitting a combined report for **NIAAA** and **NIDA**. The NIH Performance Summary Report included performance measures, targets, results, and management attestations. The OIG authenticated the report, affirming that nothing came to their attention that caused them to believe that NIH's Performance Summary Report and management's assertions were not fairly stated, in all material respects, based on the ONDCP Circular.

SAMHSA: The OIG attested that the SAMHSA submission and management assertions complied with the ONDCP Drug Control Accounting Circular and no material weaknesses were found. SAMHSA was assessed a rating of “pass.” SAMHSA also submitted a Performance Summary Report, the management assertions in which were authenticated by the OIG as having complied with the Circular.

Department of Homeland Security

The Department of Homeland Security's (DHS) accounting submission (Tab F) includes separate reports for Customs and Border Protection (CBP), Federal Law Enforcement Training Center (FLETC), Immigration and Customs Enforcement (ICE), and the United States Coast Guard (USCG).

CBP: CBP satisfies the accounting attestation requirements established by ONDCP's Circular. In its assertions, CBP noted that it contributed to the weaknesses in the areas Information Technology Controls and Financial System Functionality and Financial Reporting. The attestation by CBP noted that the weaknesses did not impair its ability to report complete and accurate obligation data. However, the DHS OIG report notes that CBP management was unable to provide supporting documentation for the drug control methodology used for estimating the percentages of obligations allocated between interdiction and intelligence. As a result, they were unable to complete review procedures related to assessing the reasonableness and accuracy of the methodologies used. ONDCP will work with CBP and the DHS OIG to ensure the DHS OIG is able to complete the review procedures related to assessing the reasonableness and accuracy of CBP methodologies used to calculate drug control funding levels. Based upon the OIG's review, nothing came to their attention that

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caused them to believe that the Performance Summary Report for the year ended September 30, 2017, is not presented, in all material respects, in conformity with the criteria set forth in the ONDCP Circular.

FLETC: FLETC's FY 2017 drug-related obligations fall below the reporting threshold of \$50 million; therefore, the submission consists of a limited report that includes a table of FY 2017 drug-related obligations. The submission satisfies all requirements established by ONDCP's Circular.

ICE: ICE satisfies the accounting attestation requirements established by ONDCP's Circular. In its assertions, ICE noted that it contributed to the weaknesses in the areas Information Technology Controls and Financial System Functionality and Financial Reporting. The attestation by ICE noted that the weaknesses did not impair its ability to report complete and accurate obligation data. Based upon the OIG's review, nothing came to their attention that caused them to believe that the detailed accounting submission for the year ended September 30, 2017, is not presented, in all material respects, in conformity with the criteria set forth in the ONDCP Circular. ICE was assessed a rating of "pass." Based on the OIG's review, nothing came to their attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2017, was not presented, in all material respects, in conformity with the criteria set forth in the ONDCP Circular.

USCG: The USCG has met accounting attestation requirements established by ONDCP's Circular. In its assertions, the USCG noted that it contributed to the weaknesses in the areas Information Technology Controls and Financial System Functionality and Financial Reporting. The attestation by the USCG noted that the weaknesses did not impair its ability to report complete and accurate obligation data. Based upon the OIG's review, nothing came to their attention that caused them to believe that the detailed accounting submission for the year ended September 30, 2017, is not presented, in all material respects, in conformity with the criteria set forth in the ONDCP Circular. The USCG was assessed a rating of "pass." Regarding USCG's Performance Summary Report, nothing came to the OIG's attention that caused them to believe that the report for the year ended September 30, 2017, was not presented, in all material respects, in conformity with the criteria in the ONDCP Circular.

Department of Housing and Urban Development

The Department of Housing and Urban Development's (HUD's) Office of Special Needs Assistance met both accounting and performance summary reporting requirements established by ONDCP's Circular, and the HUD OIG "passed" the program under their assessment. However, as is noted in the OIG's assessment, the program office did not submit timely reports to the OIG, and the OIG was unable to complete their review of the reports and accompanying assertions in the timeframe established by the Congress. Because the reports were ultimately submitted before the publication of this report, they have been included here. ONDCP will work with HUD on its reporting schedules so that all reviews may be completed prior to future Congressional deadlines.

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Department of the Interior

The Department of the Interior's (DOI) accounting submission (Tab G) includes separate reports for the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), and National Park Service (NPS). The funding level for all three bureaus' FY 2017 drug-related activities fall below the reporting threshold of \$50 million; therefore, the submissions consist of a limited report that includes a table of FY 2017 drug-related obligations. The submissions satisfy all requirements established by the ONDCP Circular.

BIA: BIA fully complied with the requirements of the ONDCP Circular. BIA submitted an alternative report since its prior year obligations for drug control activities fall below the ONDCP Circular's threshold of \$50 million. As such, an OIG authentication was not required.

BLM: BLM fully complied with the requirements of the ONDCP Circular. BLM submitted an alternative report since its prior year obligations for drug control activities fall below the ONDCP Circular's threshold of \$50 million. As such, an OIG authentication was not required.

NPS: NPS fully complied with the requirements of the ONDCP Circular. NPS submitted an alternative report since its prior year obligations for drug control activities fall below the ONDCP Circular's threshold of \$50 million. As such, an OIG authentication was not required.

The DOI, for this reporting period, submitted Performance Summary Reports for BIA, BLM, and NPS. The submissions satisfy all requirements established by the ONDCP Circular.

Department of Justice

The Department of Justice's (DOJ) accounting submission (Tab H) includes separate reports for the Assets Forfeiture Fund (AFF), Criminal Division (CRM), Drug Enforcement Administration (DEA), Federal Bureau of Prisons (BOP), Office of Justice Programs (OJP), Offices of the United States Attorneys (USA), Organized Crime Drug Enforcement Task Forces (OCDETF), and United States Marshals Service (USMS).

AFF: In its Detailed Accounting Submission, the Asset Forfeiture Management Staff noted the FY 2017 Accounting Report satisfies all requirements established by ONDCP's Circular and received an unmodified audit opinion. In its disclosures, AFF noted the FY 2017 Financial Statements Audit, the Assets Forfeiture Fund (AFF)/Seized Asset Deposit Fund (SADF) received an unmodified audit opinion. The *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* noted a significant deficiency related to internal control over financial reporting. To mitigate this finding, new reconciliation procedures have been implemented. This finding, while not a material weakness is being reported by the AFF as an "other finding" because it has an undetermined impact on the presentation of drug related obligations. Based on the OIG review, they are not aware of any material modifications that should be made to the Detailed Accounting Submission in order for the AFF to comply with the Circular. AFF was assessed a rating of "pass." Based on the OIG review, they are not

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aware of any material modifications that should be made to the Performance Summary Report in order for the AFF to comply with the Circular. AFF was assessed a rating of “pass.”

CRM: The FY 2017 Accounting Report satisfies all requirements established by ONDCP’s Circular. The DOJ OIG did not identify any findings which may materially affect the presentation of prior year drug-related obligations data. Based on the OIG’s review, nothing came to their attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2017, was not presented, in all material respects, in conformity with the criteria set forth in the ONDCP Circular. CRM was assessed a rating of “pass.”

DEA: The FY 2017 Accounting Report satisfies all requirements established by ONDCP’s Circular. DOJ’s assessment of risk and internal control in FY 2017 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data. The DOJ OIG’s review concluded that the Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects. DEA was assessed a rating of “pass.”

BOP: The DOJ OIG identified no material weaknesses in the Accounting Report or the Performance Summary Report for the fiscal year ended September 30, 2017 and found them to satisfy all requirements established by ONDCP’s Circular. BOP was assessed a rating of “pass.”

OJP: The FY 2017 Accounting Report and Performance Summary Reports for the fiscal year ended September 30, 2017 satisfies all requirements established by ONDCP’s Circular. The DOJ OIG identified no material weaknesses. OJP was assessed a rating of “pass.”

USA: The DOJ OIG identified no material weaknesses in the Accounting Report or the Performance Summary Report for the fiscal year ended September 30, 2017 and found them to satisfy all requirements established by ONDCP’s Circular. USA was assessed a rating of “pass.”

OCEDTF: The FY 2017 Accounting and Performance Reports satisfy all requirements established by ONDCP’s Circular. The DOJ OIG did not identify any material weaknesses in the Accounting Report or Performance Report. OCEDTF was assessed a rating of “pass.” Of note, OCEDTF has a system to capture performance information accurately and that system was properly applied to generate performance data. However, in FY 2017 due to changes in DEA’s reporting protocols and systems, the performance information for the performance measure *Consolidated Priority Organization Target – Linked Drug Trafficking Organization Disrupted and Dismantled* was not available for FY 2017. ONDCP granted OCEDTF an exemption for this measure for FY 2017.

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USMS: The FY 2017 Accounting Report and Performance Summary Reports for the fiscal year ended September 30, 2017 satisfies all requirements established by ONDCP's Circular. The DOJ OIG identified no material weaknesses. OJP was assessed a rating of "pass."

Department of Labor

The Department of Labor (DOL) FY 2017 Accounting report (Tab I) was submitted for the Employment and Training Administration (ETA). The funding level for its FY 2017 drug-related activities falls below the reporting threshold of \$50 million; therefore, the submission consists of a limited report that identifies its FY 2017 drug-related obligations. DOL also submitted an abbreviated Performance Summary Report; the report documents the agency's drug control related performance measures, targets, and supporting data systems. DOL has reported on its previous measures and identified a new outcome measure for the Job Corps program that the Department will baseline in the current reporting period. ONDCP will work with DOL to ensure proper targets are established to meet the requirements of the Circular in the coming year.

Department of State and Other International Programs

The Department of State's (State) Accounting submission includes separate reports (Tab J) for the Bureau of International Narcotics and Law Enforcement Affairs (INL) and U.S. Agency for International Development (USAID).

INL: The FY 2017 Drug Control Accounting submission satisfies all requirements established by the ONDCP Circular. An independent auditor identified no material weaknesses. INL was assessed a rating of "pass." Based on the OIG's review, nothing came to their attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2017, was not presented, in all material respects, in conformity with the criteria set forth in the ONDCP Circular.

USAID: The FY 2017 Drug Control Accounting submission was not submitted and was still under development when this report was due to Congress. When ONDCP receives this submission, the report will be provided to Congress as an addendum. ONDCP will work with USAID to ensure timely reporting in the future.

Department of Transportation

The Department of Transportation's submission includes separate reports (Tab K) for the Federal Aviation Administration (FAA) and the National Highway Traffic Safety Administration (NHTSA).

FAA: The OIG attested that the FAA submission and management assertions complied with the ONDCP Drug Control Accounting Circular. No material weaknesses were found. FAA was assessed a rating of "pass." FAA also submitted a performance report, which included the required performance measures, targets, results, and management attestations. Based on their review, nothing came to the attention of the OIG that caused them to believe that management's assertions contained in the Performance Summary Report were not fairly stated in all material respects.

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NHTSA: The OIG attested that the NHTSA submission and management assertions complied with the ONDCP Drug Control Accounting Circular. No material weaknesses were found. NHTSA was assessed a rating of “pass.” NHTSA also submitted a performance report, which included the required performance measures, targets, results, and management attestations. Based on their review, nothing came to the attention of the OIG that caused them to believe that management’s assertions contained in the Performance Summary Report were not fairly stated in all material respects.

Department of the Treasury

The FY 2017 Accounting Report of drug control obligations for the Department of the Treasury (Tab L) is presented in accordance with all requirements established by ONDCP’s Circular, including the rendering of a negative assurance by the Treasury Inspector General for Tax Administration (TIGTA). No material weaknesses were identified. The Department was assessed a rating of “pass.”

In the Performance Summary Report, the Department of the Treasury documents the performance measures, targets, and data system of the Internal Revenue Service’s (IRS) Criminal Investigation narcotics-related program. Management assertions about the validity and soundness of IRS’ performance measures, targets, and data system were reviewed by the TIGTA. No material weaknesses were identified.

TIGTA previously recommended that the IRS set performance goals that are consistent with its documented methodology and are clearly explained. TIGTA found that the IRS addressed this recommendation for the FY 2018 performance goals reported in the FY 2017 submission. However, the TIGTA noted that the Fiscal Year 2017 performance goals that were first reported the FY 2016 submission were not updated. In response the IRS noted that updating the previously reported FY 2017 goals was not feasible.

Otherwise, based on their review, TIGTA concluded that nothing came to their attention that caused them to believe that the assertions in IRS’ Detailed Accounting Report and Performance Summary Report were not fairly reported in all material respects in accordance with the ONDCP’s established criteria.

Department of Veterans Affairs

The Department of Veterans Affairs (VA), Veterans Health Administration’s (VHA) Accounting of FY 2017 drug control obligations (Tab M) satisfies all requirements established by ONDCP’s Circular. The IG did not identify any material weaknesses specific to the accounting of drug control funds, but did note significant material weaknesses with VHA’s overall financial systems. The OIG’s report, Audit of VA’s Financial Statements for Fiscal Years 2017 and 2016 (Report No. 17-01219-24, dated November 15, 2017) included six material weaknesses, five of which were repeat weaknesses from the FY 2016 audit, plus one that was elevated from a significant deficiency:

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- information technology security controls;
- compensation, pension, burial, and education actuarial estimates;
- community care obligations, reconciliations, and accrued expenses;
- financial reporting;
- Chief Financial Officer organizational structure; and
- loan guarantee liability; this was elevated to a material weakness from a significant deficiency in the prior fiscal year audit report.

However, the OIG still passed VHA, noting there was no evidence drug control obligations were affected by these material weaknesses. ONDCP will continue to work with VA to ensure accuracy of financial reporting in the drug control budget as they work to shore up the integrity of their financial systems internally.

The VA Performance Summary Report focuses on Continuity of Care and Research & Development in the Veterans Health Administration. Based on its review and the ONDCP Circular, the OIG concluded that VA has a system in place to capture performance information accurately and the system was properly applied to generate the performance data reported in the Performance Summary Report in all material respects. VA did not reach its target for its Patient Reported Abstinence measure (Target: 88%; Actual: 80%), but VHA is refining its performance measures and data collection. The OIG anticipates improvements in the measures as a result of VHA's efforts.

Tab A

Performance Summary Review

Drug Resources by Function	FY2015	FY2016	FY2017
Investigations	\$11.400	\$11.400	\$11.300
Intelligence	0.200	0.200	0.200
State and Local Assistance	0.600	0.600	0.600
Research and Development	0.000	0.000	0.000
Prosecution	0.200	0.200	0.200
Prevention	0.000	0.000	0.000
Total	\$12.400	\$12.400	\$12.300
Drug Resources by Decision Unit			
Detection & Monitoring	0.000	0.000	0.000
Law Enforcement Agency Support	\$11.400	\$12.400	\$12.300
Demand Reduction	0.000	0.000	0.000
Total	\$11.400	\$12.400	\$12.300
Drug Resources Personnel Summary			
Total FTEs	58	58	56
Information			
Total Agency Budget	\$4,770.6	\$5,073.2	\$5,600
Drug Percentage	0.3%	0.3%	0.2%

Budget Authority in Millions

Performance Introduction

In 2017, the Department of Agriculture, Forest Service (FS) has continued to experience a variety of drug activities on lands under its jurisdiction. The information in this summary report reflects data and outcomes based on analysis of drug enforcement and investigation activities of the Forest Service Law Enforcement and Investigation (LEI) component. The estimation of funds allocated for drug enforcement activities are based on an analysis of LEI workload that takes into account all law enforcement responsibilities related to the mission of the FS. The FS added three additional informational measures for FY 2016 - the number of marijuana plants eradicated, the number of marijuana cultivation sites dismantled, and the percentage of drug related incidents per 100,000 forest visitors. These additional measures provide a broader means of assessing performance related to specific drug control activities conducted by the FS. This report includes performance measures, targets, and achievements for the years indicated and only where data or analysis is available. The data was gathered and reported using the Law Enforcement and Investigations Management Attainment Reporting System (LEIMARS), internal evaluations, and other agency information.

Performance Measure: Drug Cases Referred for Adjudication

Percent of Drug Cases Referred for Adjudication			
Fiscal Year	2015	2016	2017
Target	28.0	29.0	30.0
Actual	37.9	30.2	34.9

1.) Description

The measure quantifies the percentage of assigned drug cases referred for adjudication that resulted in negative consequences. The outcome serves as an indicator of successful investigative activities and reflects significant enforcement and investigative efforts conducted by LEI to combat drug production on public lands. The cultivation of marijuana and production of other controlled substances on National Forest System (NFS) lands continues to be a significant problem. These activities increase the risks to the health and safety of the visiting public and employees and the continued viability of the nation’s natural resources. Efforts and initiatives to *Eradicate Marijuana Cultivation* are a central priority of the *Disrupt Domestic Drug Trafficking and Production* section of the 2017 National Drug Control Strategy.

2.) FY 17 Actual Performance Results

In FY 2017, 34.9 percent of assigned drug cases referred for adjudication resulted in negative consequences. The identified target for FY 2017 was 30.0%. Due to limited prior year performance data for comparison, it is unclear what specific factors may be contributing to the percentage increase from FY 2016.

Marijuana Plants Eradicated

Marijuana Plants Eradicated			
Fiscal Year	2015	2016	2017
Actual	872,986	1,172,696	1,487,509

In FY 2017, 1,487,509 marijuana plants were eradicated from NFS lands compared to 1,172,696 plants eradicated in FY 2016, 872,986 in FY 2015, and 655,055 plants in FY 2014. This represents a 27% increase in the number of plants eradicated from the prior year and a 127% increase since FY 2014. The Forest Service believes that several factors have contributed to the

increase. Illegal growers continue to move back onto public land from private land due to increased law enforcement pressure and a change in local laws that prohibit grows in some counties and municipalities. Another factor is the lessening drought conditions in California. The increased water resources have opened up additional growing areas on public lands. Also, with marijuana legalization in California and other States, the market and demand for marijuana continues to increase. Legalization or decriminalizing the use and possession of marijuana has affected Forest Service’s ability to address illegal marijuana cultivation on NFS lands. Many State and local cooperators are reducing or even eliminating the resources that typically assist Forest Service with counter marijuana cultivation operations on public lands. These resources are now often committed to addressing regulatory concerns or crimes related to “legal” growing activities on private lands. In recent years, Forest Service law enforcement resources available for counterdrug activities have also decreased due to emergency wildland fire activities and other emergency incidents. Last year, it is estimated that 200,000-300,000 additional marijuana plants from known grow sites were not eradicated due to other emergency commitments.

Marijuana Cultivation Sites Dismantled

Marijuana Cultivation Sites Dismantled			
Fiscal Year	2015	2016	2017
Actual	311	261	293

In FY 2017, 293 marijuana cultivation sites were dismantled on NFS lands compared to 261 in FY 2016. The increase in sites dismantled is attributable to the increased number of illegal grow operations. However, in many sites with significant hazardous materials, only plant eradication and necessary evidence processing is performed to reduce potential exposure. Infrastructure and trash is often left on site for removal after hazard assessment.

Percent of Drug Related Incidents on NFS Lands per 100,000 Visitors

Percent of Drug Related Incidents on NFS Lands			
Fiscal Year	2015	2016	2017
Actual	0.033	0.033	0.019

In FY 2017, there were 0.019 percent drug related incidents on NFS lands per 100,000 forest visitors compared to 0.033 percent in FY 2016. Due to limited prior year performance data for comparison, it is not clear what specific factors contributed to the decrease.

3.) FY 17 Performance Targets

The Performance target for assigned drug cases referred for adjudication resulted in negative consequences for FY 2017 was 30%. Performance targets established for future reporting periods are based on prior year activity and performance to reflect an initial baseline for performance. The target for FY 2018 is 31% and 32% for FY 2019.

4.) Quality of Performance Data

The performance data is derived from the Law Enforcement and Investigations Management Attainment Reporting System (LEIMARS). The LEIMARS system encompasses data provided by field agents and cooperators and produces quantitative reports from case information entered into the case tracking system and controlled substance activity report section. LEI conducts multiple samples and maintains strict reporting requirements to ensure the data is reliable and accurate.

5.) Additional Information

The Forest Service, in partnership with many other Federal, State, and local agencies, has long employed methods in support of the *National Drug Control's Strategy* to identify, investigate, disrupt, prosecute, and ultimately dismantle drug trafficking organizations involved in marijuana cultivation on NFS and other public lands. Forest Service also dismantles and reclaims grow sites to mitigate the dangerous and far-reaching adverse environmental effects and deny continued use by illegal cultivators. Forest Service will continue to partner with Federal, State, and local "cooperators" (law enforcement agencies) to address illegal cultivation on NFS, public, and other adjacent lands.

In FY 2017, there was an alarming increase in the amount of illegal or restricted chemicals found in marijuana grow sites in California. Illegal or restricted chemicals were found in an estimated 75 percent of marijuana grow sites in FY 2017 compared to 25 percent of marijuana grow sites in FY 2016. This significant increase poses an even greater risk to the public, employees and the environment.

In FY 2017, Forest Service participated in multiple operations in partnership with other Federal, State, and local partners. Major operations in California through the Campaign Against

Marijuana Planting (CAMP), a multi-agency law enforcement task force, focused primarily on public lands but also included adjacent private lands. Teams consisting of Federal, State, and local law enforcement officers eradicated 1,264,715 marijuana plants in 323 grow sites. These efforts also resulted in the seizure of over 8,696 pounds of processed marijuana, 35 firearms, and 35 arrests. Reclamation and cleanup efforts included the removal of over 30 tons of infrastructure; 655 miles of irrigation pipe; 22.1 tons of fertilizers; 16,347 ounces of pesticides; and 1,806 ounces of restricted or banned use poisons. These poisons indiscriminately kill wildlife, and pose a significant threat to the safety of law enforcement and other personnel at grow sites. Also during these operations, 211 man-made dams/reservoirs were dismantled and 296 propane tanks and 57 car batteries were removed.

The above data represents a significant and measurable impact Forest Service enforcement operations and investigations and our cooperators have had on illegal drug activities on NFS, public, and other adjacent lands. Forest Service will continue to provide the personnel, support, and leadership necessary to protect natural resources from the harmful effects of drug production and trafficking on public lands. In support of the *National Drug Control's Strategy*, and as stewards of the land, it is vital that Forest Service protect these lands for current users and for future generations.

Management Assertions

1. Performance reporting system is appropriate and applied.

The LEI LEIMARS system captures performance information accurately and the system was applied properly to generate the performance data.

2. Explanations for not meeting performance targets are reasonable.

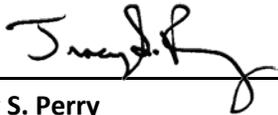
The performance target for LEI in FY 2017 was exceeded.

3. Methodology to establish performance targets is reasonable and applied.

The methodology described to establish current and future performance targets is reasonable.

4. Adequate performance measures exist for all significant drug control activities.

Additional performance measures have been established. These additional measures provide a broader means of assessing performance related to all significant drug control activities conducted by the FS



1/29/18

Tracy S. Perry

Date

Director

U.S. Forest Service

Law Enforcement & Investigations

Tab B



Court Services and Offender Supervision Agency

Office of the Director

February 1, 2018

Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

The Court Services and Offender Supervision Agency (CSOSA) is required by Office of National Drug Control Policy (ONDCP) Circular 'Accounting of Drug Control Funding and Performance Summary', dated January 18, 2013, to present assertions concerning the accounting of all FY 2017 funds expended on ONDCP activities and performance associated with these activities.

CSOSA is a relatively small Federal Agency comprised of two components: the Community Supervision Program (CSP) and the Pretrial Services Agency for the District of Columbia (PSA). CSOSA plays a unique, front-line role in the day-to-day public safety of everyone who lives, visits or works in the District of Columbia. CSP is responsible for supervision of offenders on probation, parole or supervised release, as well as monitoring Civil Protection Orders and deferred sentencing agreements; PSA is responsible for supervising pretrial defendants. CSOSA appropriated resources support ONDCP Prevention and Treatment drug control functions through our offender and defendant drug testing and substance abuse treatment activities.

The purpose of this report is to present CSP and PSA assertions concerning drug resource accounting and related performance information and my qualified authentication of these assertions. CSOSA does not have an Inspector General (IG) component or function to review and express a conclusion on the reliability of the accounting and performance assertions made in this report. Therefore, CSOSA requests a waiver for the IG authentication requirements outlined in the Circular.

To the best of my knowledge the FY 2017 accounting and performance assertions presented by CSOSA are accurate and complete.

Sincerely,

James Berry
Acting Director

Enclosures

CSOSA Community Supervision Program Accounting Submission / Assertions; dated January 29, 2018

CSOSA Community Supervision Program Performance Reporting Submission / Assertions; dated January 31, 2018

CSOSA Pretrial Services Agency for the District of Columbia Accounting and Performance Reporting Submission / Assertions; dated February 1, 2018



Court Services and Offender Supervision Agency

January 29, 2018

Richard J. Baum
Acting Director, Office of Policy, Research and Budget
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular *Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the annual accounting of drug control resources for the Court Services and Offender Supervision Agency's (CSOSA's) Community Supervision Program (CSP) for the previous fiscal year (FY 2017). CSP is one of two programs (Decision Units) within the CSOSA appropriation.

FY 2017 Drug Control Obligations by Budget Decision Unit and Function:

I assert that drug budget obligations reported by CSP are the actual obligations from CSP's accounting system of record (Oracle Federal Financials), consistent with the drug budget methodology discussed below.

Drug Resources Function:	FY 2017 Actual (Millions)
Prevention	\$11.219
Treatment	\$27.253
Total Drug Resources by Function	\$38.472

Note that resources reported above do not include ONDCP High Intensity Drug Trafficking Area (HIDTA) grant funding received by CSP on a cost reimbursable basis.

Drug Control Methodology:

The CSOSA appropriation does not have specific line items or programs for drug control activities. CSP's offender drug testing and treatment support activities correlate with ONDCP's Prevention and Treatment functions, respectively.

I assert that the drug methodology used to calculate obligations of prior year (FY 2017) budgetary resources by function was reasonable and accurate in accordance with the criteria listed in Section 6a(1) of the Circular. In accordance with these criteria, I have documented/identified data which support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial system supporting the drug methodology yield data that present fairly, in all material respect, aggregate obligations from which drug-related obligation estimates are derived.

CSP allocates resources (actual and planned obligations) to six Strategic Objectives based on our FY 2014 – 2018 Strategic Plan framework. These six Strategic Objectives define the key activities through which our three Agency performance goals of Public Safety, Successful Re-Integration and Fair Administration of Justice will be achieved.

Strategic Objective 1.1: Risk and Needs Assessment – Assess an offender’s risk and needs in a timely and effective manner to determine appropriate levels of supervision and the need for treatment and support services;

Strategic Objective 1.2: Close Supervision – Provide close supervision of assessed offenders through effective case management practices including incentives for compliance, immediate graduated sanctions for violations of release conditions and ongoing drug testing and monitoring;

Strategic Objective 1.3: Law Enforcement Partnerships – Establish partnerships with public safety agencies to facilitate close supervision of offenders in the community;

Strategic Objective 2.1: Treatment and Support Services – Provide appropriate treatment and support services as determined by the risk and needs assessment to assist offenders in maintaining compliance and reintegrating into the community;

Strategic Objective 2.2: Community Partnerships – Establish partnerships with faith institutions and community organizations to facilitate the delivery of reintegration services to offenders in the community; and

Strategic Objective 3.1: Timely and Accurate Information – Provide timely and accurate information with meaningful recommendations to criminal justice decision-makers so they may determine the appropriate release conditions and/or disposition of cases.

Resources are allocated using actual and planned obligations posted to specific accounting parameters in the Agency’s financial management system, Oracle Federal Financials. Resources are allocated using a cost allocation methodology including both direct (e.g., direct staff, direct contracts) and indirect (e.g., rent, management) methods. Indirect resources are allocated based on direct labor.

For the FY 2019 budget cycle CSP used the following resource methodology to derive ONDCP Drug Budget resources. CSP has identified two Strategic Objectives that support ONDCP's Prevention and Treatment functions. CSP's ONDCP Drug Budget methodology is unchanged from that used for the FY 2017 budget cycle.

Prevention (Drug Testing):

Strategic Objective 1.2: Close Supervision

- 20 percent of actual/planned resources allocated to Close Supervision (1.2) to account for offender Drug Testing (Prevention) resources.
 - Rationale: CSP estimates that 20 percent of resources allocated to Close Supervision are related to obtaining and testing offender drug samples.

Treatment:

Strategic Objective 2.1: Treatment and Support Services

- 50 percent of actual/planned resources allocated to Treatment and Support Services (2.1) to account for offender substance abuse **Treatment** resources.
 - Rationale: CSP uses approximately 50 percent of our Treatment budget to support contract substance abuse treatment; the remaining 50 percent supports contract transitional housing, halfway back sanctions, cognitive behavior programming and sex offender treatment.

CSP Strategic Objective	Total FY 2017 Strategic Objective Resources [Actual Obligations]	FY 2017 ONDCP Drug Budget Resources (Millions)	ONDCP Function
1.2: Close Supervision	\$56.095	\$11.219	Prevention/Drug Testing
2.1: Treatment and Support Services	\$54.505	\$27.253	Treatment
Total CSP FY 2017 Drug Resources		\$38.472	

Material Weaknesses and Other Findings:

CSOSA received an “unmodified” (clean) opinion on the FY 2017 consolidated financial statements by our independent auditing firm Williams, Adley, and Company LLP-DC.

Re-programmings or Transfers:

CSOSA's FY 2017 Enacted (P.L 115-31 dated 5/5/2017) contains re-programming criteria and thresholds outlined in Division E, Title VIII, Section 803. In FY 2017, there were no re-programmings or transfers that met or exceeded those contained in FY 2017 Enacted or affected ONDCP Prevention or Treatment resources.

CSP did not reprogram or transfer resources from our FY 2017 offender Treatment, Halfway Back Sanctions and Transitional Housing budget; all appropriated funds were used for these programs. Similarly, CSP did not re-program or transfer offender drug testing resources.

Please let me know if you need additional information.

Sincerely,

PAUL GIRARDO

Digitally signed by PAUL GIRARDO
DN: c=US, o=U.S. Government, ou=Court
Services and Offender Supervision Agency,
cn=PAUL GIRARDO,
0.9.2342.19200300.100.1.1=95941001155922
Date: 2018.01.29 08:11:26 -05'00'

Paul Girardo
Chief Financial Officer



**Court Services and Offender Supervision Agency
for the District of Columbia**

*Office of the Director
Office of Research and Evaluation*

MEMORANDUM

TO: Richard J. Baum
Acting Director
Office of National Drug Control Policy

THRU: Paul Girardo
Associate Director, Office of Financial Management
Court Services and Offender Supervision Agency

FROM: David Huffer, PhD DAVID HUFFER Digitally signed by David Huffer, DN: cn=David Huffer, o=Court Services and Offender Supervision Agency, ou=Office of Research and Evaluation, email=dhuffer@csosa.gov, c=US
Associate Director, Office of Research and Evaluation
Court Services and Offender Supervision Agency

DATE: January 31, 2018

SUBJECT: CSP Performance Summary Report and Assertions

The mission of the Court Services and Offender Supervision Agency for the District of Columbia (CSOSA) is to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in close collaboration with the District of Columbia community. The CSOSA appropriation comprises two components: the Community Supervision Program (CSP) and the Pretrial Services Agency for the District of Columbia (PSA).

CSOSA's CSP supervises individuals released by the U.S. Parole Commission on parole or supervised release, those sentenced to probation by the Superior Court of the District of Columbia, as well as a small set of deferred sentence agreement and civil protection order cases.

The CSP strategy emphasizes public safety, successful reentry of offenders into the community, and effective supervision through an integrated system of comprehensive risk and needs assessment, close supervision, routine drug testing, treatment and support services, and graduated sanctions and incentives. CSP also develops and provides the Courts and the U.S. Parole Commission with critical and timely information for probation and parole decisions.

Many CSP clients are a high risk to public safety, have significant needs, and face many challenges to successfully completing supervision. Among these challenges is illicit substance use. In FY 2017, approximately 83 percent of the offenders beginning CSP supervision self-reported a history of illicit substance use. Further, of the 4,327 offenders tested for illicit substances in September 2017, 46 percent tested positive for one or more of 11 tested substances.¹

¹ The Pretrial Services Agency (PSA) tests samples obtained by CSP from offenders. Each sample may be tested for up to eleven substances [Marijuana, PCP, Opiates, Methadone, Cocaine, Amphetamines, Alcohol, Creatinine, Heroin, Ethyl Glucuronide (Etg), and Synthetic Cannabinoids].

Drug testing and treatment are at the core of CSP’s approach to addressing client needs regarding illicit substance use, and several performance goals have been set forth in CSOSA’s FY 2014 – 2018 Strategic Plan to address these items. Figure 1 shows CSP’s progress towards achieving these goals during FYs 2015 through 2017. The blue bars depict progress on the targets for each goal in relation to the red target line. The shades of gray represent areas of low, medium and high performance.

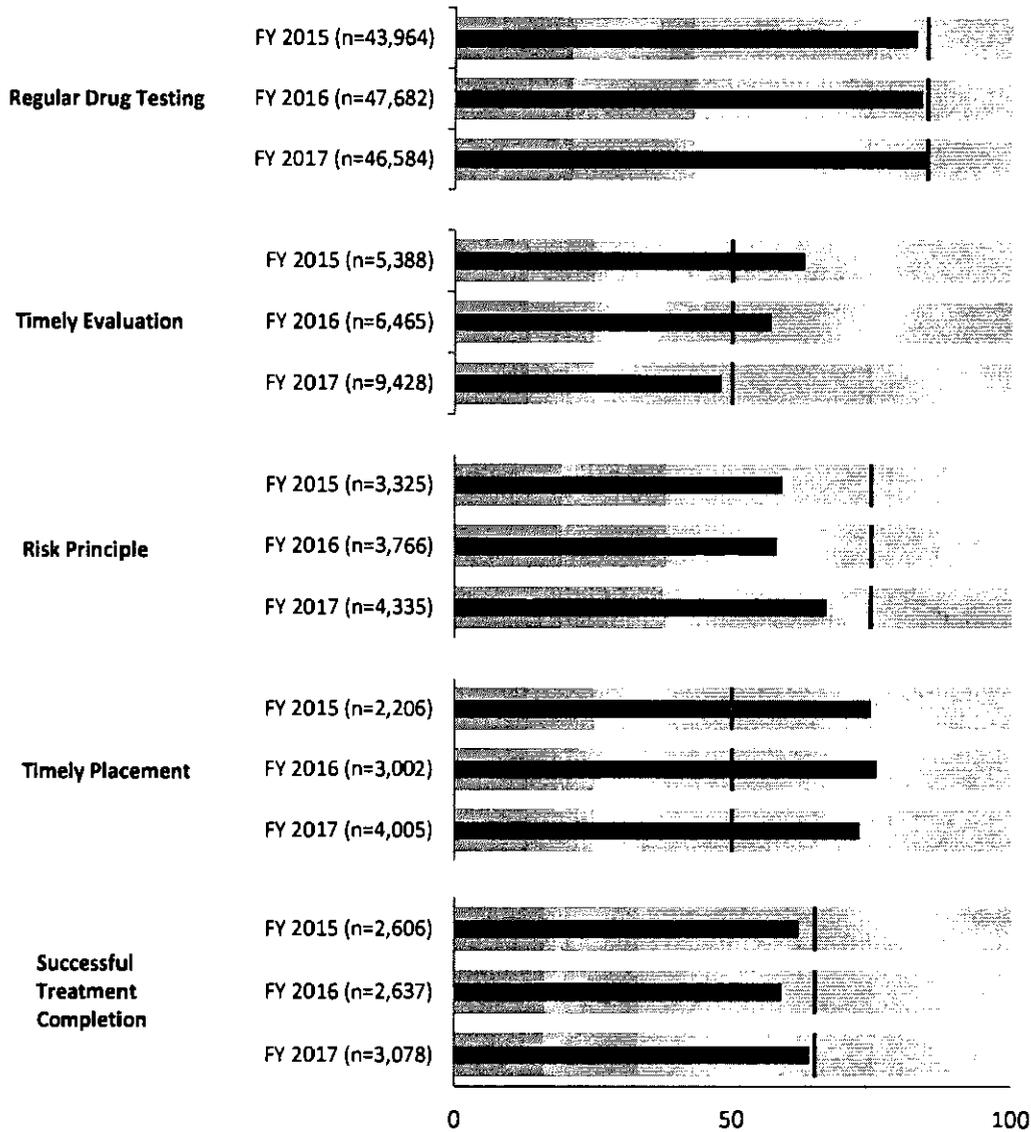


Figure 1. CSP performance on goals related to drug testing and treatment, FYs 2015–2017

CSP monitors offender compliance with requirements set by the releasing authority to abstain from drug use and assesses offender need for substance abuse treatment. CSP policy also defines the schedule under which eligible offenders are drug-tested. Offenders can become ineligible for testing (other than initial testing at intake) for a variety of administrative reasons, including a change from active to warrant status, case transfer from DC to another jurisdiction, rearrests, and admission to substance abuse treatment. The policy includes spot testing for offenders who are on minimum supervision, as well as those who do not have histories of drug use and have established a record of negative tests.

CSP places substance abusing offenders into residential treatment. For those offenders who started substance abuse treatment or treatment readiness programs, 60 percent satisfactorily completed their programs in FY 2017 (see Appendix A, Figure 2, Successful Treatment Completion). CSOSA's Re-entry and Sanctions Center (RSC) provides high-risk offenders and pretrial defendants with a 28-day intensive assessment and treatment readiness program (42 days for women) in a residential setting. The RSC program is specifically tailored for offenders/defendants with persistent substance abuse, long periods of incarceration and little outside support. Of the high-risk offenders who were discharged from the RSC in FY 2017, 67 percent satisfactorily completed the program² (see Appendix A, Figure 2, Successful Treatment Completion). Relatively low treatment completion rates for offenders participating in aftercare, transitional housing and outpatient treatment contributed to CSP not meeting its FY 2017 performance target (see Appendix A, Figure 2, Successful Treatment Completion [SA Tx modality]). CSP is currently evaluating both the RSC and our substance abuse treatment programs to improve program quality and effectiveness.

Once offenders are referred for substance abuse treatment or treatment readiness by their community supervision officers, they are evaluated by treatment staff to determine programming [or placement] appropriateness. If deemed appropriate for intervention, it is also imperative that offenders are placed in treatment and support services in a timely manner. Two new performance goals were developed and set forth in CSOSA's FY 2014 – 2018 Strategic Plan to address the timeliness in which evaluations and treatment placements occurred. In FY 2017, 54 percent of offenders referred to substance abuse treatment or treatment readiness programs received a formal evaluation of need in a timely manner, and 74 percent of treatment placements were made in a timely fashion (see Appendix A, Figure 2, Timely Evaluation and Timely Placement).

Additionally, due to limited resources, CSP attempts to focus its programs on the highest-need and highest-risk offenders. In FY 2017, 65 percent of substance abuse treatment and treatment readiness placements were made for offenders supervised at the highest risk levels (maximum and intensive; see Appendix A, Figure 2, Risk Principle).

² Pretrial defendants excluded from reporting

Assertions

I make the following assertions regarding the Performance Summary Report for the Court Services and Offender Supervision Agency (CSOSA):

Performance reporting system is appropriate and applied

I assert the CSOSA has a system to capture performance information accurately and that system was properly applied to generate the performance data in accordance with the criteria listed in Section 7c of the Circular.

Explanations for not meeting performance targets are reasonable

I assert the explanation provided for failing to meet the performance target and the recommendations concerning plans and schedules for meeting future targets or for revising targets or eliminating performance measures are reasonable in accordance with the criteria in Section 7c of the Circular.

Methodology to establish performance targets is reasonable and consistently applied

I assert the methodology described above to establish performance targets for the current year is reasonable and consistently applied given past performance and available resources in accordance with Section 7c of the Circular.

Adequate performance measures exist for all significant drug control activities

I assert that the CSOSA has established at least one acceptable performance measure for each Drug Control Budget Decision Unit identified in reports required by section 6a(1)(A) and that each performance measure reflects the intended purpose of the relevant National Drug Control Program activity.

APPENDIX A

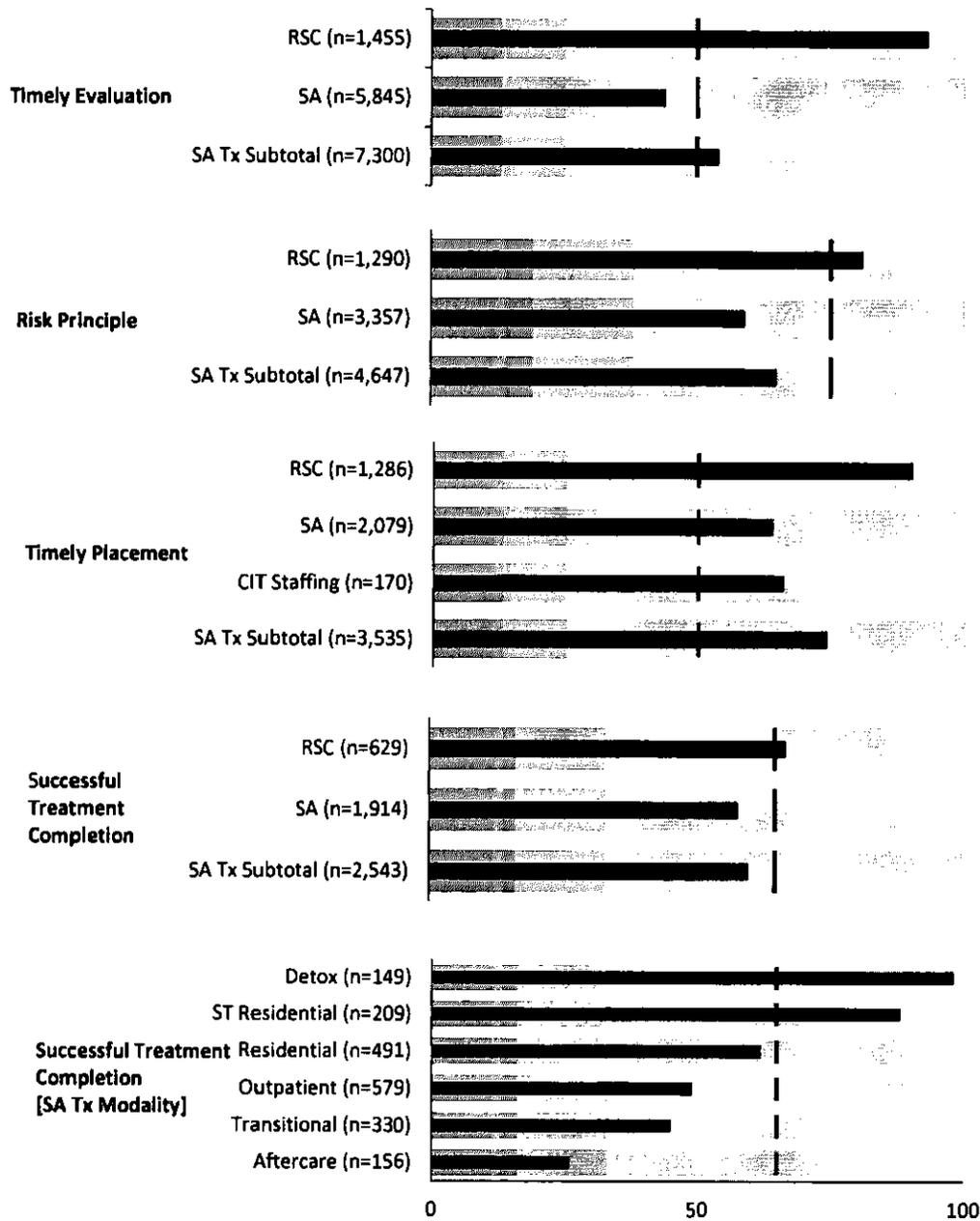


Figure 2. CSP performance on goals related to drug testing and treatment, by treatment type and drug treatment modality, FY 2017



PRETRIAL SERVICES AGENCY *for the* DISTRICT OF COLUMBIA
OFFICE OF FINANCE AND ADMINISTRATION

February 1, 2018

Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular *Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the annual accounting of drug control resources and the Performance Summary Report for the Court Services and Offender Supervision Agency (CSOSA), Pretrial Services Agency for the District of Columbia (PSA) for fiscal year 2017. Full compliance with this Circular constitutes an unreasonable reporting burden for PSA.

PSA is an independent agency within CSOSA and is one of two programs (Decision Units) within the CSOSA appropriation.

PSA assists judicial officers in both the Superior Court of the District of Columbia and the United States District Court for the District of Columbia by conducting a risk assessment for every arrested person who will be presented in court and formulating release or detention recommendations based upon the arrestee's demographic information, criminal history, and substance use and/or mental health information. For defendants who are placed on conditional release pending trial, PSA provides supervision and treatment services that reasonably assure that they return to court and do not engage in criminal activity pending their trial and/or sentencing.

In 2017, PSA celebrated 50 years of service to the Nation's Capital, during which time it has earned a national reputation as a leader in the pretrial justice field. PSA employs proven, evidence-based practices to help judicial officers in the city's local and Federal courts make appropriate and effective bail decisions. The result for the District of Columbia community is smarter use of jail resources, enhanced public safety, and a fairer and more effective system of release and detention.

WENDY MILLER, *Director*
633 INDIANA AVENUE, NW, SUITE 1120, WASHINGTON, DC 20004
Wendy.Miller@psa.gov
(202) 220-5680

DETAILED ACCOUNTING SUBMISSION

Table of Prior Year Drug Control Obligations

PSA has two program areas related to its drug control mission - drug testing and substance use disorder¹ treatment. PSA's Drug Testing and Compliance Unit (DTCU) is responsible for the collection of urine and oral fluid samples and the Office of Forensic Toxicology Services (OFTS) provides forensic toxicology drug testing and analysis. Treatment services are provided by, or coordinated through PSA's Treatment Program.

The CSOSA appropriation does not have specific line items or programs for drug control activities. PSA's drug testing and treatment activities correlate with ONDCP's prevention and treatment drug control functions, respectively. The following table highlights the FY 2017 drug control budgetary resources by drug control function.

	FY 2017 Actuals (in millions)
Drug Resources by Drug Control Function	
Prevention	\$12.801
Treatment	\$6.140
Total Drug Resources by Function	\$18.941
Drug Resources Personnel Summary	
Total FTEs (direct only)	113

Substance use disorders must be addressed to mitigate risk to public safety in the District of Columbia and to the personal safety of the defendants. Drug testing provides vital data used to form judiciary release decisions and PSA supervision approaches. Additionally, drug use testing assists in monitoring compliance with court-ordered release conditions, preventing drug use, measuring the success of substance use disorder treatment, and predicting future criminality.

PSA is committed to reducing drug-involved defendant re-arrest and failure-to-appear rates through four core activities: identifying and addressing illicit drug use, problematic alcohol use, and other criminogenic needs; delivering and facilitating evidence-based substance use disorder treatment; using motivational strategies and program incentives to encourage treatment initiation, engagement and retention; and establishing swift and certain consequences for continued drug use.

PSA's Treatment Program includes the Superior Court Drug Intervention Program (Drug Court), the Specialized Supervision Unit (SSU), the Sanction Based Treatment Track (SBTT) and the Social Services and Assessment Center (SSAC). PSA's specialized treatment and supervision units offer defendants access to various levels of care, modalities, and interventions. Each unit provides centralized case management for defendants, with Drug Court also providing direct

¹American Psychiatric Association. (2013). *Diagnostic and Statistical Manual of Mental Disorders (DSM-5)*. Substance use disorder in DSM-5 combines DSM-IV categories of substance abuse and substance dependence into a single disorder measured on a continuum from mild to severe. www.dsm5.org.

treatment services. This organizational structure facilitates specialized supervision practices and consistent responses to positive and problem behaviors, which lead to better interim outcomes for defendants.

PSA responds to drug use by referring defendants to appropriate internal or external treatment services. For certain categories of defendants, PSA provides both close supervision and in-house treatment. For others, PSA refers and places defendants in sanction-based residential treatment via contract-funded providers while continuing to provide supervision. If sanction-based treatment is not available or is not ordered by the Court, PSA provides supervision and refers defendants to community-based providers, as available. Community services are limited, however, and are not optimal for higher risk defendants who require close monitoring.

Drug Methodology

The major cost elements for the drug testing program include labor expenses for DTCU and OFTS staff, recurring expenses for reagents and other laboratory supplies and materials, rent expenses for the OFTS, and the purchase and maintenance of lab equipment. Other overhead and agency administrative expenses are not included. PSA provides drug testing services for other Federal and non-Federal agencies on a limited reimbursable basis. Revenues from other agencies are netted against gross costs. The major cost elements for the Treatment Program include direct labor expenses and contracted drug treatment services.

The basis for allocating PSA's budgetary resources is derived from PSA's Strategic Plan framework reported in the performance budget. PSA drug control resources are allocated based on percentage of time spent performing activities associated with the following FY 2017 Strategic Objectives:

Strategic Objective 1: Risk Assessment. PSA promotes informed and effective release determinations by utilizing a scientifically validated tool and relevant drug testing data to accurately and fairly assess the risk of each defendant's likelihood of failure to appear for required court appearances and rearrest during the pretrial period and formulate appropriate recommendations to the court.

Strategic Objective 2: Risk-based Supervision. PSA provides appropriate supervision — consistent with the court-ordered release conditions and based on assessed risk — to promote court appearance and public safety.

Strategic Objective 3: Appropriate Treatment. PSA mitigates the risk of pretrial misconduct by providing appropriate substance use disorder, mental health, and social services interventions through direct care or referral to external providers.

Material Weaknesses or Other Findings

CSOSA received an unmodified (clean) opinion on the FY 2017 financial statements. The independent auditing firm of Williams, Adley & Company-DC, LLP, found two material

weaknesses and one significant deficiency on the CSOSA/PSA combined statements. PSA has developed/executed a plan of action to resolve issues specific to its financial records.

Assertions

The obligations reported are the actual obligations from the Agency's accounting system of record consistent with the methodology discussed above.

The drug methodology used to calculate FY 2017 obligations is reasonable and accurate.

PERFORMANCE SUMMARY REPORT

Performance Reporting

Drug use is a proven contributor to pretrial misconduct. For example, in FY 2017, the rearrest rate for drug-using defendants was more than double those of non-users (23% vs. 10%). Defendants with substance use disorders pose even greater risk of criminality. Targeting drug-use reduction has been a successful strategy in minimizing risk within this population.

PSA remains at the forefront of trend analysis and identification of emerging drugs of abuse within the DC criminal justice population. As the patterns of substance use within the testing population have changed, PSA's testing program has evolved to keep pace with emerging trends. PSA continues to identify and appropriately respond to the use of synthetic cannabinoids² and synthetic cathinones³ within the District of Columbia. The DC Courts, city officials, local law enforcement partners, and the Office of National Drug Control Policy have supported PSA's effort to implement a comprehensive drug testing program to address the use of synthetic drugs. PSA has conducted extensive scientific research to develop strategies to meet this challenge.

Since late FY 2015, PSA has allocated financial resources to purchase K2-2 reagent kits, and the OFTS began large scale screening of all incoming specimens for synthetic cannabinoids (SCs) beginning October 1, 2015. In fiscal years 2016 and 2017, PSA conducted research on the detection of newer varieties of SCs using the third generation screening reagent (K2-3) in response to a decline in the rate of positive tests using the K2-2 screening reagent (less than 1 percent). On May 1, 2017, PSA fully integrated K2-3 into the routine screening of all incoming specimens for SCs and the rate of positive tests for SCs increased to approximately 4 percent. The results indicate that defendants are still using SCs but shifting to different varieties.

Additionally, PSA is studying the trend in positive rates and prevalence of fentanyl use within the DC criminal justice population. PSA will use the results of the ongoing research to develop a plan for routine testing of fentanyl in the populations supervised and provide avenues to respond to the opioid epidemic. PSA also plans to determine the specific type(s) of fentanyl analogue that is in use by these groups.

² Synthetic cannabinoids are a new class of synthetic designer drugs that are being used as popular substitutes for marijuana. They mimic some of the effects of marijuana but, even at low doses, may result in serious adverse effects on users. They are referred to by a variety of names, including "Black Mamba," "K2" and "Spice."

³ Synthetic cathinones are a class of drugs containing an amphetamine-like stimulant that naturally occurs in the khat plant. Synthetic cathinones are known by a number of aliases, including "bath salts."

Metric: Percentage of defendants who have a reduction in drug usage following placement in a sanction-based treatment program.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target
85%	91%	84%	85%	74%

FY 2017 Actual Performance Results

The final performance result for the metric in FY 2017 was 85%, exceeding the 74% performance target.

Quality of Performance Data

Drug test data are recorded in PSA's *Pretrial Real-time Information System Manager* (PRISM) client/case management system and extracted from the Agency's *Performance Improvement Center* data warehouse. PSA's Office of Policy, Planning and Analysis validates the programming language and coding used to extract and transfer PRISM information to the data warehouse each fiscal year and PSA management approves the performance.

Assertions

The methodology used to establish the performance target for the current year is reasonable given past performance and available resources.

PSA has established at least one acceptable performance measure for which a significant amount of obligations were incurred in FY 2017.

If you have any questions concerning this report, please contact me at wendy.miller@psa.gov or 202-220-5680.

Sincerely,

Wendy L. Miller

Digitally signed by Wendy L. Miller
DN: cn=Wendy L. Miller, o=Office of
Finance and Administration, ou,
email=wendy.miller@psa.gov, c=US
Date: 2018.01.29 09:07:31 -05'00'

Wendy L. Miller

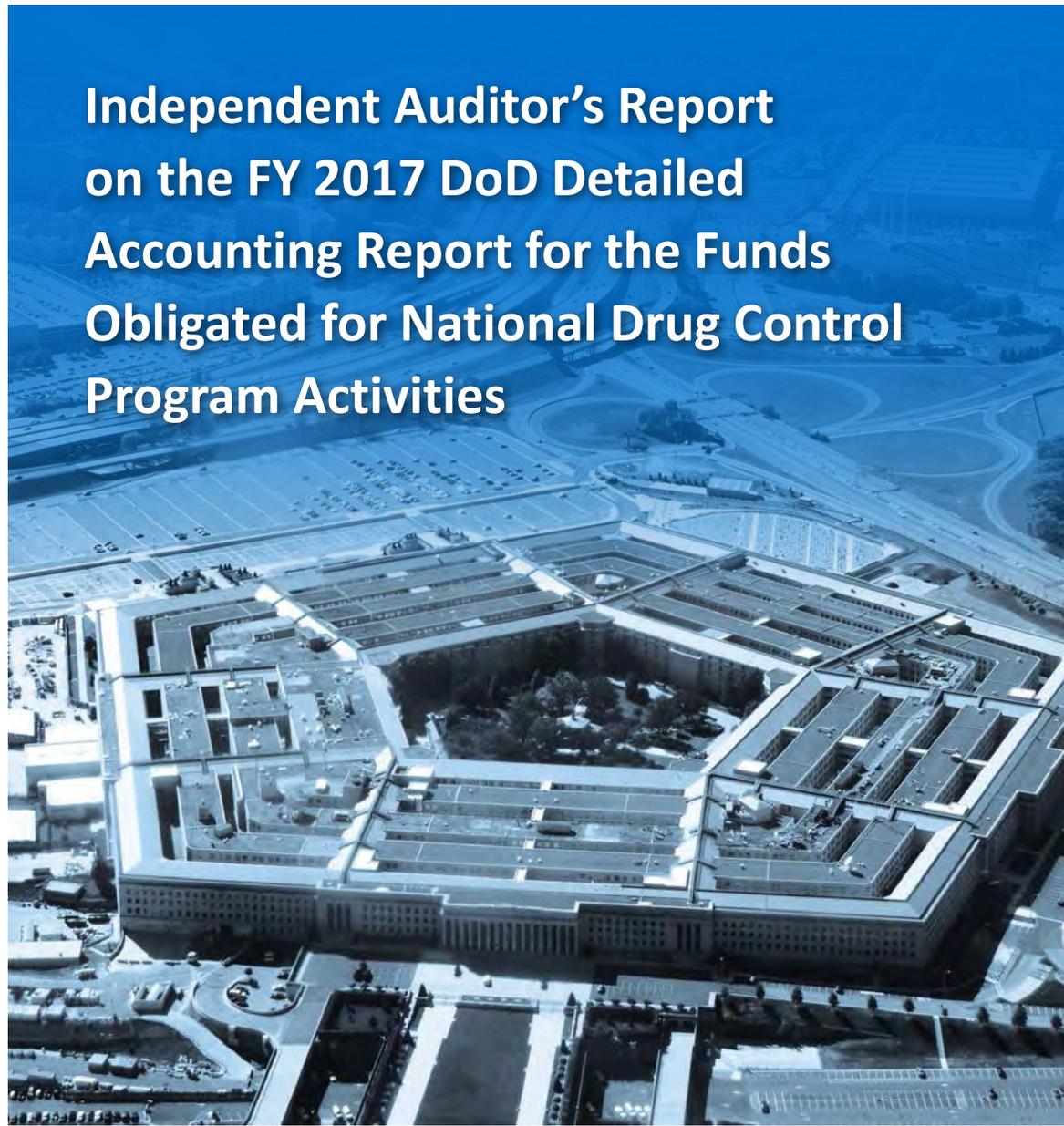
Tab C



INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 31, 2018



Independent Auditor's Report on the FY 2017 DoD Detailed Accounting Report for the Funds Obligated for National Drug Control Program Activities

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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Mission

Our mission is to provide independent, relevant, and timely oversight of the Department of Defense that supports the warfighter; promotes accountability, integrity, and efficiency; advises the Secretary of Defense and Congress; and informs the public.

Vision

Our vision is to be a model oversight organization in the Federal Government by leading change, speaking truth, and promoting excellence—a diverse organization, working together as one professional team, recognized as leaders in our field.



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**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

January 31, 2018

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER, DOD
DEPUTY ASSISTANT SECRETARY OF DEFENSE (COUNTERNARCOTICS
AND GLOBAL THREATS)**

**SUBJECT: Independent Auditor's Report on the FY 2017 DoD Detailed Accounting Report for
the Funds Obligated for National Drug Control Program Activities
(Project No. D2018-D000FT-0036.000, Report No. DODIG-2018-065)**

Public Law 105-277, title VII, "Office of National Drug Control Policy Reauthorization Act of 1998" (the Act), October 21, 1998, requires the DoD to submit a detailed report (the Report) each year to the Director, Office of National Drug Control Policy (ONDCP). The Report accounts for all funds the DoD expended for National Drug Control Program activities during the previous fiscal year. The Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD[CN>]) compiles and transmits the Report. The Act also requires the DoD Office of Inspector General to authenticate the Report before it is submitted to the ONDCP Director (section 1704[d], title 21, United States Code).

The ONDCP Circular, "Accounting of Drug Control Funding and Performance Summary," January 18, 2013, (the Circular) provides the policies and procedures the DoD must use to prepare the Report and authenticate the DoD funds expended on National Drug Control Program activities. The Circular specifies that the Report must contain a table of prior-year drug-control obligations, listed by functional area, and must include assertions relating to the obligation data presented in the table. The assertions are:

- use of actual obligations from accounting systems of record,
- reasonable and accurate drug methodology to calculate obligations by functional area,
- disclosure of actual drug methodology used,
- association with a financial plan, and
- compliance with Fund Control Notices issued by the ONDCP Director.

We performed this review-level attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Report to ensure compliance with the Circular. A review-level attestation is substantially less in scope than an examination done to express an opinion on the subject matter. Accordingly, we do not express an opinion. We believe that our review provided a reasonable basis for our conclusions.

We reviewed four DoD reprogramming actions that allocated \$1.21 billion among the Military Departments, the National Guard, and Defense agencies. We reviewed the yearend obligation report and determined that the DASD(CN>) allocated the funds to appropriations and project codes intended for the DoD Counterdrug Program.

The DASD(CN>) provided us the Report, dated November 28, 2017, which we reviewed to determine compliance with the Circular. The detailed accounting indicated that during FY 2017, the DoD obligated \$1.12 billion of the \$1.21 billion allocated to the Counterdrug Program functional areas. The DASD(CN>) compiled the Report from data submitted by the Military Departments and other DoD Components. The Report is attached.

Based on our review, we are not aware of any material modifications that should be made to the Report in order for it to be in accordance with the Circular.



Lorin T. Venable, CPA
Assistant Inspector General
Financial Management and Reporting

Attachment:
As stated

Attachment

DoD FY 2017 Counternarcotics Detailed Accounting Submission



SPECIAL OPERATIONS /
LOW-INTENSITY CONFLICT

OFFICE OF ASSISTANT SECRETARY OF DEFENSE

2500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2500

NOV 28 2017

Mr. Scott Chronister
Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, NW
Room 535
Washington, DC 20503

Dear Mr. Chronister:

This is the Department of Defense's (DoD) Detailed Accounting Submission for Fiscal Year 2017. The aggregate prior year drug control obligations data is at Tab A; the data was derived from actual obligations reports generated by the various accounting systems of record within DoD. The methodology used to generate all obligations data by drug control function is reasonable and accurate; the methodology used is enclosed at Tab B. The obligations data is associated with a financial plan that properly reflects all changes made during the fiscal year; ONDCP did not issue us any Fund Control Notices. My point of contact for this action is [REDACTED]

A handwritten signature in blue ink, appearing to be "T. Alexander".

Thomas A. Alexander
Deputy Assistant Secretary of Defense
Counternarcotics and Global Threats

Enclosures:
As stated

CF:
DODIG

DoD FY 2017 Counternarcotics Detailed Accounting Submission (cont'd)

UNCLASSIFIED

Counternarcotics Central Transfer Account Obligations (\$ 000)

ONDCP Resource Categories	FY-17
Intelligence: Dom Law Enforcement	12,666
Intelligence: Interdiction	40,195
Intelligence: International	51,135
Interdiction	281,393
International	394,736
Prevention	106,460
State and Local Assistance	233,592
TOTAL	1,120,177 *

* This amount includes a 0.97% obligation rate for MILPERS and a 0.96% obligation rate for O&M. Investment appropriations, which are multi-year, are currently obligated at 0.47%.

DRUG RESOURCES PERSONNEL SUMMARY

Total FTEs	1.552
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UNCLASSIFIED

1

Tab A

DoD FY 2017 Counternarcotics Detailed Accounting Submission (cont'd)

DRUG METHODOLOGY

Drug Interdiction and Counterdrug Activities, Defense

The purpose of this document is to explain the methodology used to express funding levels and calculate obligations of prior year budgetary resources in Department of Defense's (DoD) budget for counterdrug activities in terms of the drug control functions in the National Drug Control Budget. As background, DoD's dedicated budget for counterdrug activities is a transfer account titled Drug Interdiction and Counterdrug Activities. Congress appropriates funds into this account, and the funds are subsequently transferred to the various Military Departments and select Defense Agencies for execution. As designed, the transfer account serves to provide centralized management and decentralized execution.

The account is structured into various project codes, each designed to either provide a discrete function, or to isolate similar functions by the various geographic combatant commands; however, although the account's entire funding levels are drug-related, it is not structured by the drug control functions of the National Drug Control Budget. In order to reasonably and fairly quantify the account's financial commitment in terms of the drug control functions, each project code is cross-walked to the drug control functions, either in its entirety or proportionally, using an interactive database for financial management. This methodology provides a reasonable basis for consistently estimating and translating our funding levels into the drug control functions.

The separate Military Departments and Defense Agencies use their own accounting systems of record for tracking obligations of funds transferred from the Drug Interdiction and Counterdrug Activities appropriations. These distinct accounting systems do not interface directly with the counterdrug financial management database; the Military Departments and Defense Agencies manually enter obligations by project code to this database on a quarterly basis. At the end of each fiscal, the Military Departments and Defense Agencies submit transaction listings of actual obligations data, which are compared to the aggregate data in the database. The aggregate data is compiled into a single obligations report by drug control functions, using the project code-to-drug control function cross-walk described above; the report further informs the Detailed Accounting Submission and Annual Statement of Assurance to the Office of National Drug Control Policy.

Tab B



Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

The Whistleblower Protection Ombudsman's role is to educate agency employees about prohibitions on retaliation and employees' rights and remedies available for reprisal. The DoD Hotline Director is the designated ombudsman. For more information, please visit the Whistleblower webpage at www.dodig.mil/Components/Administrative-Investigations/DoD-Hotline/.

For more information about DoD OIG reports or activities, please contact us:

Congressional Liaison

703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324

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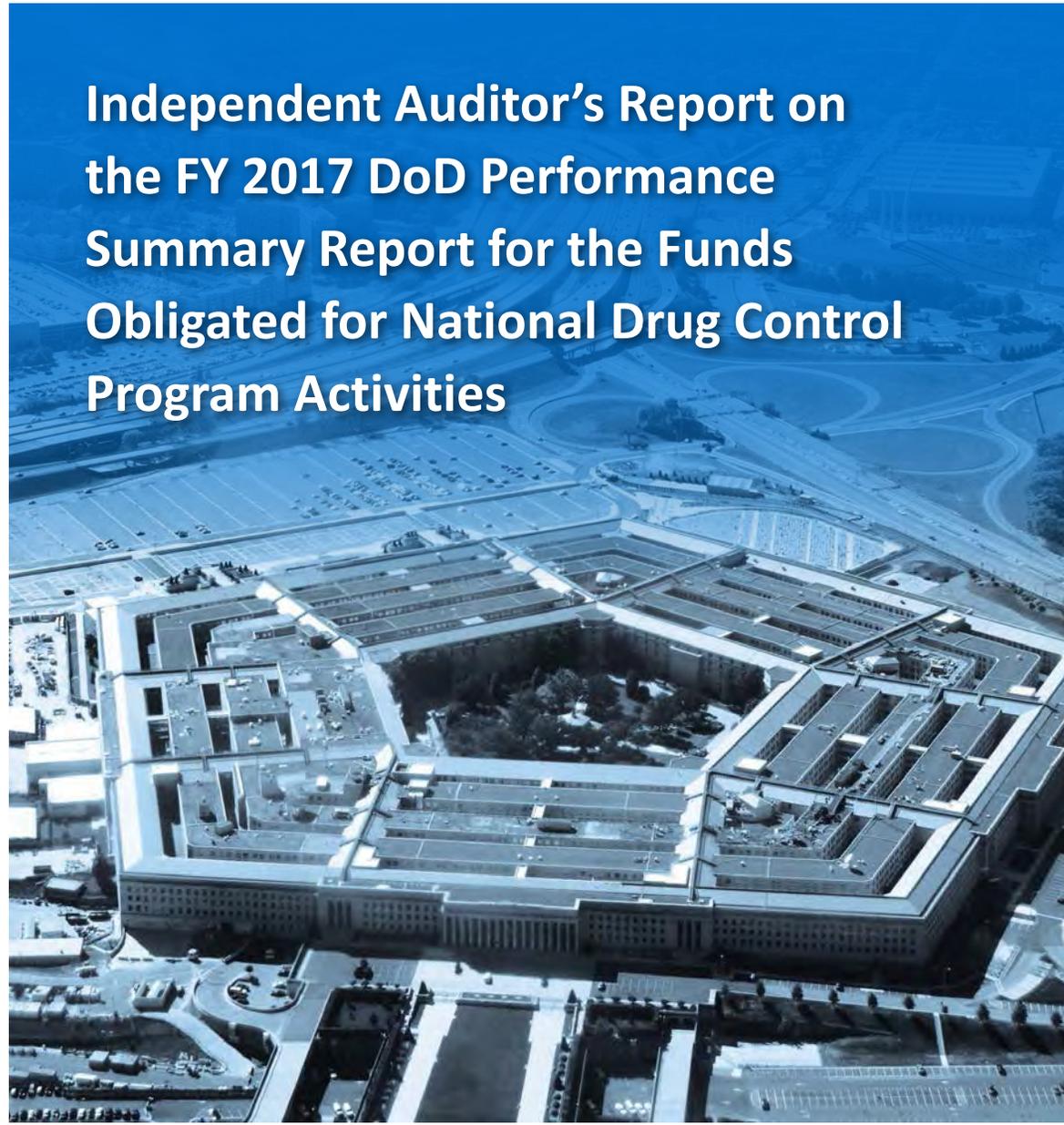




INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 31, 2018



Independent Auditor's Report on the FY 2017 DoD Performance Summary Report for the Funds Obligated for National Drug Control Program Activities

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
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January 31, 2018

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER, DOD
DEPUTY ASSISTANT SECRETARY OF DEFENSE (COUNTERNARCOTICS
AND GLOBAL THREATS)**

**SUBJECT: Independent Auditor's Report on the FY 2017 DoD Performance Summary Report for
the Funds Obligated for National Drug Control Program Activities
(Project No. D2018-D000FT-0037.000, Report No. DODIG-2018-066)**

The Office of National Drug Control Policy (ONDCP) Circular, "Accounting of Drug Control Funding and Performance Summary," January 18, 2013, (the Circular) requires the DoD to provide a performance summary report (the Report) to the Director, Office of National Drug Control Policy by February 1st of each year. The Circular requires the DoD Office of Inspector General to review the Report and express a conclusion on the reliability of each assertion made in the Report.

The Circular outlines four performance-related components of the information that the Office of the Deputy Assistant Secretary of Defense, Counternarcotic & Global Threats (DASD[CN>]) must include in its Report. The components are:

- performance measures,
- prior-year performance targets and results,
- current year performance targets, and
- quality of performance data.

The Circular also requires the DASD(CN>) to make four assertions about the information presented in the Report. The assertions are:

- an appropriate performance reporting system,
- reasonable explanations for not meeting performance targets,
- a consistent and reliable methodology for performance targets, and
- adequate performance measures for all significant drug activities.

The DASD(CN>) compiles and transmits the Report. We reviewed the Report in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance

about whether any material modifications should be made to the Report to ensure compliance with the Circular. We performed a review-level attestation, which is substantially less in scope than an examination done to express an opinion on the subject matter. Accordingly, we do not express an opinion. We believe that our review provided a reasonable basis for our conclusions.

The DASD(CN>) provided us the Report, dated January 8, 2018, which we reviewed to determine compliance with the Circular. In FY 2017, DoD executed \$1.12 billion for the counternarcotics program. The Report described how the DoD executed these funds in accordance with the DoD Counternarcotics Global Threat Strategy. The DASD(CN>) reported on the DoD Drug Demand Reduction Program and the Counternarcotics and Global Threats activities for FY 2017. The DASD(CN>) also reported information pertaining to three strategic goals and performance measures related to those strategic goals. Please see the attachment for more information about the strategic goals and performance measures.

Based on our review, we are not aware of any material modifications that should be made to the Report in order for it to be in accordance with the Circular.



Lorin T. Venable, CPA
Assistant Inspector General
Financial Management and Reporting

Attachment:
As stated

Attachment

DoD FY 2017 Counternarcotics Performance Summary Report



SPECIAL OPERATIONS /
LOW INTENSITY CONFLICT

ASSISTANT SECRETARY OF DEFENSE
2500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2500

Mr. Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

On behalf of the Department of Defense (DoD), I am pleased to submit the attached DoD FY2017 Counterdrug Performance Summary Report. As required by the Office of National Drug Control Policy Circular: Drug Control Accounting dated January 18, 2013, I assert that:

- Our performance reporting system is appropriate and properly applied to generate performance data.
- Current performance results for each strategic goal are reasonably explained and include plans for meeting future performance targets.
- The methodology used to establish performance targets is reasonable given past performance and available resources.
- Acceptable performance measures exist for all of our significant drug control activities.

I anticipate that your office will provide valuable feedback regarding our performance accounting, and your inputs will help us improve the effectiveness of our contributions to the President's National Drug Control Strategy. My point of contact for this action is [REDACTED]

A handwritten signature in blue ink, appearing to read "T. Alexander".

Thomas A. Alexander
Deputy Assistant Secretary of Defense
Counternarcotics and Global Threats

Attachment:
As stated



DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)



FY 2017 Counterdrug Performance Summary Report

U.S. Department of Defense

UNCLASSIFIED
January 8, 2018

DISTRIBUTION STATEMENT A. Approved for public release; distribution is unlimited.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

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DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

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Measuring Performance	6
Performance Results and Discussion	8

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

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DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

EXECUTIVE SUMMARY

In accordance with the Department of Defense (DoD) Counternarcotics and Global Threats Strategy, dated April 27, 2011, DoD commits resources in support of an integrated counterdrug program designed to combat drug trafficking and related forms of transnational organized crime. DoD's counterdrug program supports the National Drug Control Strategy and the National Strategy to Combat Transnational Organized Crime.

The international security environment has changed considerably since the DoD Counternarcotics and Global Threats Strategy was first published in 2011. DoD has been developing a follow-on strategy to guide the synchronization of military assets and civilian law enforcement for countering drug trafficking and illicit threat networks. It is anticipated that this new strategy will be issued in FY18, aligned with the new National Security Strategy released in December 2017, and having revised strategic goals and objectives that will be reflected in the FY18 Performance Summary Report.

During FY17, DoD executed its counterdrug program in accordance with the following established strategic goals:

- *Strategic Goal 1.* To disrupt and, to the degree possible disable, not only the nexus of actors and activities but also the individual activities of trafficking, insurgency, corruption, threat finance, terrorism, and distribution of precursor chemicals in Afghanistan/Pakistan such that material support for the insurgency and terrorists is significantly reduced, the Afghan National Police and other law enforcement agencies are strengthened, and the governments of Afghanistan and Pakistan are reinforced.
- *Strategic Goal 2.* Illicit drug and drug precursor trafficking and related transnational organized criminal threats to U.S. national security interests in the Western Hemisphere – particularly in Mexico, Central America, Colombia, and Peru – are reduced sharply in a manner sustained by partner nations.
- *Strategic Goal 3.* The size, scope, and influence of targeted Transnational Criminal Organizations (TCOs) and trafficking networks are mitigated such that these groups pose only limited, isolated threats to U.S. national security and international security. The United States and partner nations have developed layered and coordinated approaches that regularly disrupt the operations of these organizations and networks, limit their access to funding, reduce their assets, and raise their costs of doing business.

Through these strategic goals, DoD continued to provide detection and monitoring, capacity building, and operational and analytical support to U.S. and partner nation law enforcement entities. This performance summary of selected qualitative and quantitative program performance results is provided to communicate progress on these strategic goals and operational objectives.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

MEASURING PERFORMANCE

The Department of Defense delivers global support to the nation's counterdrug and countering transnational organized crime efforts through detection and monitoring, information sharing, and building partner nation capacity. Performance metrics, in support of these efforts, are used to:

- Observe progress and measure actual results for comparison to expected results and operational objectives.
- Guide the allocation of counterdrug and countering transnational organized crime budgetary resources during the annual planning, programming, budgeting, and execution process.
- Provide management and oversight of DoD counterdrug and countering transnational organized crime programs.
- Facilitate communications and engagements with internal and external stakeholders.

DEFINING MEASURES OF SUCCESS

DoD's performance metrics program ensures component and subcomponent goals, objectives, programs, and activities align with and support this strategy as well as the following strategic and program management imperatives:

Align programs and initiatives with strategic goals and objectives: Geographic Combatant Commands, Military Departments, and Defense Agencies are responsible for developing, managing and reporting on their Counternarcotics Central Transfer Account-funded programs through an established metrics program. These performance metrics capture and measure the major cause and effect linkages among existing and proposed activities and the objectives of this strategy.

Link program performance to management and resource decision-making: Performance metrics provide stakeholders with key output and outcome data which is used to evaluate the performance of programs and supporting organizations. By accurately measuring performance, leaders and managers can make more informed program and resource decisions.

Identify opportunities for improvement: Performance metrics help identify performance gaps between program expectations and results.

Frame stakeholder expectations: DoD counterdrug and related counter-illicit trafficking programs often support and enable related missions performed by U.S. interagency and international partners. Performance metrics help DoD to frame expectations for the execution of programs and activities in support of common strategic objectives.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

SUPPORTING PROGRAM MANAGEMENT

When successfully implemented, the performance metrics program ensures component and subcomponent goals, objectives, programs, and activities align with and support DoD's strategy, while also giving insight and traceability to the following management imperatives:

Mission Execution: Effective metrics support mission execution by defining the parameters of mission success and by measuring progress toward objectives. Once programs reach the execution stage, properly developed output and outcome metrics will help keep programs on course to achieve desired end states.

Strategic Integration: In addition to supporting mission execution at the tactical and operation levels, performance metrics support the objectives of this strategy as well as objectives identified in component Theater Campaign Plans (TCP) and similar operational-level documents.

Operational Efficiency: Metrics support program efficiency by helping identify initiatives and activities with the highest return on investment (most effective at achieving program objectives at lowest cost). Components employ metrics to inform program reviews, guide procurement decisions, and identify opportunities for process improvement.

Reporting: DoD employs metrics to catalogue and report component performance toward the achievement of strategic goals and objectives identified in this document.

PERFORMANCE TARGETS

Target setting is a DoD management process delegated to counterdrug program managers who are knowledgeable about specific counternarcotics activities and associated performance information. Obtaining performance targets from those who are most closely involved with the counternarcotics activity leads to more informed and realistic targets. Once targets are set, they are not changed for a period of time but remain flexible as more information is received and as circumstances change. When setting performance targets, DoD reviews trends and history and considers variations in performance, peaks, troughs, and seasonal, economic, and political factors. Other factors considered include changing political leadership as well as new authorities and modifications of existing authorities.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

PERFORMANCE RESULTS AND DISCUSSION

STRATEGIC GOAL 1

Measure 1: Heroin Removal in the Indian Ocean Transit Zone by Combined Task Force-150 [1]

Heroin Removal by Combined Task Force -150	FY 2014	FY 2015	FY 2016	FY 2017T	FY 2017	FY 2018 T
Indian Ocean Transit Zone	4,687 kg	2,531 kg	2,165 kg	N/A	1,542 kg	2,000 kg

[1] Fiscal year Consolidated Counter Drug Database (CCDB) RNIFC case number data reported by Defense Intelligence Agency. (T = FY17/18 target).

Co-located with USCENTCOM's Navy component in Bahrain, the Regional Narcotics Interagency Fusion Cell (RNIFC) analyzes, fuses, develops and disseminates all-source military intelligence and law enforcement information to assist in targeting drug trafficking, transnational criminal organization networks, and other transnational threats emanating from the illicit drug trade in Afghanistan. The rapid development of the RNIFC as a trusted regional partner was recently demonstrated by the seizure of the fishing vessel (F/V) Ammaar by Tanzanian law enforcement officials.

The F/V Ammaar was developed as a contact of interest by RNIFC personnel, who then provided the information to Coalition Maritime Forces. On 21 October 2017, Her Majesty's Australian Ship (HMAS) Newcastle, operating as a member of Combined Task Force 150, conducted a flag verification boarding of the F/V Ammaar. The resulting search found no illicit goods aboard and the Ammaar was released to continue its journey. Based on historic movements of the F/V Ammaar, RNIFC analysts developed a series of predictive products on the likely destination of the fishing vessel and passed the information to the United Kingdom's National Crime Agency (NCA). With a likely landing in Tanzania, NCA contacted its vetted partner unit in Tanzania law enforcement and secured support from the Tanzanian Peoples Defense Force (TPDF) to use two offshore patrol vessels to intercept the F/V Ammaar once it entered Tanzanian territorial waters. NCA advisors with their Tanzanian law enforcement partners deployed aboard the TPDF vessels and on 24 October 2017, after being cued by information provided by RNIFC, intercepted the F/V Ammaar once again. This time, after using real-time information provided by RNIFC law enforcement partners, the Tanzanians found and seized more than 111 kilograms of heroin, arrested the 12 person crew, and confiscated the dhow. This marked the largest seizure of heroin by the Tanzanian Drug Control Enforcement Agency.

The interdiction of the F/V Ammaar by law enforcement and security elements of the Government of Tanzania demonstrates the complex environment RNIFC operates in and the significant regional coordination required to affect an interdiction. It reveals the maturity of its regional partnerships and a level of trust that has developed through RNIFC's willingness to share timely information. Finally, this operation highlighted the value of fused intelligence and information gathered from multiple international civilian, military, and law enforcement organizations in a common location that provides improved opportunities to collaborate, coordinate, and share information.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

The FY18 target amount was developed in coordination with the U.S. Drug Enforcement Administration (DEA) law enforcement co-director. Of the four years of data (FY14 - FY17) considered, FY14 data was an anomaly based on a unique set of circumstances with the Coalition Maritime Forces that operate out of Manama, Bahrain and was not used in the calculations. An average of the FY15 through FY17 heroin removals equals 2,079 kilograms. Based on FY17 heroin removals (1,542 kilograms) and drug traffickers change in techniques, tactics, and procedures to offset the increased pressure by Coalition Maritime Forces and regional law enforcement partners, a target of 2,000 kilograms is set for FY18.

STRATEGIC GOAL 2

Measure 1: Percentage of total global illicit trafficking events, as estimated by interagency and international intelligence activities, detected and successfully handed-off to interdiction and apprehension assets by Joint Interagency Task Force South (JIATF-S).

JIATF-S Interdiction Continuum Data

JIATF-S data derived from a combination of JIATF-S HELIOS database and the Consolidated Counter Drug Database (CCDB).

JIATF-S Interdiction Continuum Data	FY 2013	FY 2014	FY 2015 T	FY 2015	FY 2016 T	FY 2016	FY 2017 T	FY 2017	FY 2018 T
Critical Movement Alerts (CMA) [1]	4,033	4,486	N/A	5,879	N/A	8,008	N/A	7,859	N/A
Drug Movement Alerts (DMA) [2]	2,999	3,453	N/A	4,294	N/A	6,489	N/A	7,646	N/A
CCDB Events [3]	1,482	1,397	N/A	2,218	N/A	4,575	N/A	4,251	N/A
Targeted CCDB Events [4]	340	383	N/A	526	N/A	1,186	N/A	1,071	N/A
Detected CCDB Events [5]	125	171	N/A	246	N/A	451	N/A	410	N/A
Seized or Disrupted CCDB Events	93	135	N/A	192	N/A	322	N/A	309	N/A
Percentage of Detected Events Successfully Handed-off to Interdiction and Apprehension Resources	74%	79%	90%	78%	80%	71%	80%	75%	80%

[1] CMAs comprised of initial intelligence submissions through JIATF-S tactical analyst teams or liaison officers and include DMAs and other illicit trafficking events. [Data source: JIATF-S HELIOS]

[2] DMAs capture impending or ongoing drug trafficking movements (conveyance, location, drug type, date and time). [Data source: JIATF-S HELIOS]

[3] CCDB events are those JIATF-S DMAs that meet interagency agreed upon criteria in CCDB User's Manual. [Data source: CCDB]

[4] Illicit trafficking events targeted by JIATF-S aviation and maritime resources. [Data source: CCDB]

[5] Illicit trafficking events detected by JIATF-S aviation and maritime resources. [Data source: CCDB]

DoD is the single lead agency for detection and monitoring of aerial and maritime transit of illicit drugs into the United States. Through cued intelligence and other sources, JIATF-S detects, monitors, and hands-off illicit targets to U.S. and international law enforcement agencies that possess the authorities to conduct the interdiction and apprehension (I&A) phase of the interdiction continuum. Beginning in FY10, JIATF-S developed drug interdiction continuum indicators to assess its caseload, operational efficacy and utilization of detection and monitoring (D&M) resources. During FY 15, JIATF-S refined and realigned its drug interdiction continuum metrics to reflect updated Consolidated Counterdrug Database (CCDB) event criteria.

JIATF-S, interagency and international data entered into the CCDB is reviewed through a quarterly, interagency vetting process that validates each event. The CCDB event-based estimates are the best available authoritative source for estimating known illicit drug flow through the Transit Zone. All event data contained in the CCDB is deemed to be *high confidence* (accurate, complete and unbiased in presentation and substance as possible).

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

In FY17, JIATF-S logged 7,859 Critical Movement Alerts (CMAs) comprised of initial intelligence submissions, of which 7,646 were Drug Movement Alerts (DMAs), a subset of CMAs that capture an impending or ongoing illicit drug movement. During the quarterly CCDB vetting conferences, this vetting process led to the designation of 4,251 JIATF-S CCDB validated events for FY17.

Of the 4,251 JIATF-S CCDB events, JIATF-S was able to *target* 1,071 events (25%) with JIATF-S controlled resources such as aircraft, ships, helicopters, etc. The remaining 3,180 events (75%) were not targeted primarily due to the lack of allocated air and maritime resources.

Of the 1,071 targeted events, 410 (38%) were *detected* (eyes on the illicit conveyance) by U.S. or partner nation D&M assets. Of the 410 detected cases, 309 were successfully handed-off to U.S. or partner nation (PN) law enforcement Interdiction and Apprehension (I&A) assets achieving a success rate of 75% for seizures or disruptions. This overall hand-off rate of 75% falls short of the FY17 target of 80%. The ultimate hand-off percentage is driven by many factors, to include a lack of JIATF-S air and maritime resources (only 20% of JIATF-S flight hour requirement and 31% of JIATF-S ship day requirement were sourced by U.S. and PNs in FY17). The FY18 target of 80% of *Detected Events Successfully Handed-off to Interdiction and Apprehension Resources* was set as an incremental increase towards the goal of 100%. There are many variables that effect the actual hand-off percentage, but each year U.S. Government and PNs strive to become more efficient and effective by increasing capabilities, capacities and competencies with assets and resources, command and control, information sharing, and technological advancements to enable better “detection” to “hand-off” successes.

JIATF-S is a critical force multiplier for U.S. and PN law enforcement agencies for evidence collection, grand jury proceedings, indictments, extraditions leading to the interdiction or arrests of key Drug Trafficking Organizations (DTO) members, Consolidated Priority Organization Targets (CPOT) and ultimately the dismantlement of drug trafficking networks. Below are JIATF-S FY17 seizure statistics compared to previous year:

- Arrests/Detainees: 894, increased by 14%
- Conveyances (vessels and aircraft): 252, increased by 1%
- Cocaine: 283MT, increased by 1MT (\$5.7B loss to traffickers)
- Marijuana: 12MT, decreased by 60% (\$25.4M loss to traffickers)
- Heroin: 5KG, decreased by 75% (\$440K loss to traffickers)

STRATEGIC GOAL 3

Measure 1: Total U.S. dollar currency seizures by U.S. local, state, and federal law enforcement agencies where DoD counterdrug funded National Guard Programs provided support (Western Hemisphere), (T = FY17/FY18 target)

National Guard data derived from its Full Time Support Management Control System (FTSMCS) for all Project Codes.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017T	FY 2017	FY 2018 T
\$227.5M	\$275M	\$221M	\$234M	\$230M	\$844M	\$247M

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

In FY17, National Guard Counterdrug Programs supported law enforcement interdiction of greater than \$11 billion in illicit assets. \$844 million of the \$11 billion were U.S. dollar seizures.

The National Guard Counterdrug Program supported 260 Federal, State, Local, Tribal, and Territorial law enforcement agencies across all 54 states and territories. Support categories included: Linguist and Translation Support, Investigative Case Support, Criminal Analysis Support, Counter Threat Finance Analysis Support, Transportation Support, and Ground and Aerial Reconnaissance Support.

DoD counterdrug funded National Guard Criminal Analysts and Counter Threat Finance Analysts produced more than 175,000 analytical products in support of 20,000 U.S. law enforcement agency counterdrug investigations. National Guard support directly contributed to disruption or dismantlement of over 1,000 CPOT-linked DTOs, and the dismantlement of five money laundering targets in excess of \$5 Million.

FY18 target methodology is based on a four-year moving average of past seizures and assumes constant resourcing and threat interdiction processes. One FY 2017 currency seizure within the South Florida High Intensity Drug Trafficking Area in the amount of \$586M is considered an anomaly and therefore is excluded from the calculation for the FY 2018 target.

DRUG DEMAND REDUCTION

The DoD Drug Demand Reduction Program (DDRP) was mandated in 1981 and given the mission to deter DoD personnel from abusing illicit drugs or misusing prescription drugs. The program components include compulsory random drug testing with punitive consequences and anti-drug education and outreach programs. The effectiveness of this program is measured by monitoring the prevalence of drug use from drug testing statistics published annually with a 2% or less urine drug positive rate for military personnel, and a 1% urine drug positive rate for DoD civilians in Testing Designated Positions. These goals were established as Well-Being of the Force Indicators in 2008¹. An additional source of determining the effectiveness of the DDRP is the DoD Survey of Health Related Behaviors. The DoD survey is conducted every three years as an additional measure of effectiveness because it is independent from the drug testing program. The specific metric from the survey monitored is self-reported use of illicit drugs and misuse of prescription drugs within the past 30 days.

DoD is on track to keep the illicit drug positive rate below 2% showing a downward trend for both active duty personnel and DoD civilian personnel, in spite of expanding the drug testing panel to include commonly-abused prescription drugs and synthetic marijuana (aka Spice). DoD policy is to ensure 100% random urine drug testing for all active, reserve, and National Guard. Given the success of the Defense civilian drug testing program, the DoD random testing rate for civilians in testing designated positions will be 50% of the workforce per year.

¹ Established in response to OUSD (P&R) Memorandum, "Well-Being of the Force Indicators," dated 3 March 2008. Goals were set at values substantially lower than what was reported in DoD Surveys of Health Related Behavior Among Military Personnel.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

Measure 1: Total DoD military personnel testing positive for drug use. (T = FY17/FY18 target)

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 T	FY 2017	FY 2018 T
0.93%	0.90%	0.84%	0.85%	<2%	0.94 %	< 2%
FY17 Unique military members testing positive [1]					16,070	
FY17 Unique military members tested [1]					1,715,745	

Source: Defense Manpower Data Center FY17 Drug Testing Metrics; U.S. Army Medical Information Technology Center. [1] FY17 annual estimate based on increased 4th quarter testing. FY 2013-2016 data is based on finalized annual data.

Measure 2: DoD civilian personnel testing positive for drug use. (T = FY17/FY18 target)

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 T	FY 2017	FY 2018 T
0.38%	0.36%	0.34%	0.30%	<1%	0.33%	<1%
FY17 Unique civilian members testing positive [2]					391	
FY17 Unique civilian members tested [2]					120,119	

Source: Defense Manpower Data Center FY17 Drug Testing Metrics; U.S. Army Medical Information Technology Center; Pembroke Occupational Health, Inc. [2] FY17 DoD Civilian Drug Positive Rate Actual. FY 2013-2016 data is based on finalized annual data.

TABLE OF DEVIATIONS

DoD provides the following Table of Deviations for its FY 2017 Performance Summary Report submission. This table addresses deviations from requirements of the Office of National Drug Control Policy Circular: Drug Control Accounting, dated January 18, 2013.

DEVIATION FROM CIRCULAR	EXPLANATION
One acceptable performance measure for each Drug Control Budget Decision Unit, as defined in 7b (4).	Although the annual Drug Interdiction and Counterdrug Activities, Defense appropriation is apportioned along budget decision unit lines (i.e., military personnel; operation and maintenance; procurement; and research, development, test and evaluation), DoD counterdrug program metrics are based on the strategic goals outlined in the DoD Counternarcotics and Global Threats Strategy dated April 27, 2011. DoD presents at least one acceptable performance measure per strategic goals 1-3.
Strategic Goal 1: Lack of target data as defined in Section 7a (3).	With the Regional Narcotics Interagency Fusion Cell's (RNIFC) newly designated status as a formal program of record and the absence of four years of CCDB RNIFC case event data, there was neither sufficient conveyance trend, nor interdiction cueing and interdiction data to substantiate a FY17 performance target.

DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)

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DoD FY 2017 Counternarcotics Performance Summary Report (cont'd)





Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

The Whistleblower Protection Ombudsman's role is to educate agency employees about prohibitions on retaliation and employees' rights and remedies available for reprisal. The DoD Hotline Director is the designated ombudsman. For more information, please visit the Whistleblower webpage at www.dodig.mil/Components/Administrative-Investigations/DoD-Hotline/.

For more information about DoD OIG reports or activities, please contact us:

Congressional Liaison

703.604.8324

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Tab D

U.S. Department of Education



Performance Summary Report

Fiscal Year 2017

In Support of the

National Drug Control Strategy

February 8, 2018

U.S. Department of Education
Performance Summary Report for Fiscal Year 2017

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

February 8, 2018

Terry Zobeck
Executive Office of the President
Office of National Drug Control Policy
Washington, DC

Dear Terry:

As required by Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, enclosed please find detailed information about performance-related measures for a key drug control program administered by the U.S. Department of Education, in accordance with the guidelines in the circular dated January 18, 2013. This information covers the School Safety National Activities program, which is the Drug Control Budget Decision Unit under which budgetary resources for the Department of Education (ED) are included in the *National Drug Control Budget*.

In Fiscal Year (FY) 2010 ED awarded the first round of awards under the Safe and Supportive Schools (S3) grant program. No subsequent cohorts of S3 grants were awarded under the program. No performance information is included for S3 in this 2017 Performance Summary Report because the grants were closed in 2016, and the Department provided the final year of performance information on them in the 2016 Performance Summary Report. In previous reports, we also included an attestation letter from the ED Office of the Inspector General. Such a letter is not included along with this report as the total FY 2017 obligations for ED drug control programs was under the threshold for which this is required.

Please do not hesitate to contact me if you have any questions about the enclosed information.

Sincerely,

A handwritten signature in black ink, appearing to read "David Esquith".

David Esquith
Director, Office of Safe and Healthy Students

FY 2017 Performance Summary Information

School Climate Transformation Grant – Local Educational Agency Grants Program

In FY 2014 the Department made the first round of awards under the School Climate Transformation Grant – Local Educational Agency (LEA) Grants program to 71 school districts in 23 states, Washington, D.C., and the U.S. Virgin Islands. The funds are being used to develop, enhance, and expand systems of support for implementing evidence-based, multi-tiered behavioral frameworks for improving behavioral outcomes and learning conditions for students. The goals of the program are to connect children, youths, and families to appropriate services and supports; improve conditions for learning and behavioral outcomes for school-aged youths; and increase awareness of and the ability to respond to mental-health issues among school-aged youths.

The grants provide funding for up to five years, for a total of nearly \$180 million. Year four continuation awards were made to these grantees in FY 2017. Drug prevention is an allowable activity. Indeed, grantees are encouraged, as part of their local needs assessment, to measure student drug use along with other relevant issues and problems. This local needs assessment is also being used by grantees to help identify and select the most appropriate evidence-based practices. If the needs assessment indicates that drug abuse is an issue for students, drug abuse prevention should be addressed as part of implementation of a multi-tiered behavioral framework.

The Department has developed a variety of measures to assess the performance of the School Climate Transformation Grants, including (1) measures related to increasing the capacity of LEAs to implement a multi-tiered, decision-making framework to improve behavioral and learning outcomes and (2) measures to demonstrate the progress of LEAs in achieving these outcomes as evidenced by decreasing student disciplinary actions and increased student attendance. Among those measures, the two discussed below are the most directly related to the drug prevention function of this program.

Measure 1: The number and percentage of schools that report an annual decrease in suspensions and expulsions, including those related to possession or use of drugs or alcohol.

Table 1:

Year	Number Target	Number Actual	Percentage Target	Percentage Actual
2014	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a
2016		524		51%
2017	540	698	53%	59%
2018	719		61%	

The Measure. ED established several GPRA performance measures for assessing the effectiveness of the School Climate Transformation Grant – Local Educational Agency Grants program. Two measures were related to addressing the goals of the National Drug Control Strategy. This measure was one of the two selected for that purpose.

It is expected that grantees may show progress in meeting this measure due to an improved school climate that results in a decrease in actual student use of drugs or alcohol, and as a result these students do not face disciplinary action for such use. Alternatively, grantees may show progress because they change their disciplinary approach to student drug or alcohol use, employing approaches like providing appropriate interventions, counseling, or referrals to address the behavior, rather than relying on more punitive measures like suspensions and expulsions.

FY 2017 Performance Results. The number of schools that report an annual decrease in suspensions and expulsions, including those related to possession or use of drugs or alcohol, increased from 524 to 698 between 2016 and 2017. The target set for 2017 was 53 percent and this goal was exceeded. The actual number of schools reporting decreases was 59 percent. This indicates a promising trend that is supported and documented in correspondence and other evidence we receive from grantees.

FY 2018 Performance Target. FY 2018 performance targets reflect a 3 percent increase from FY 2017 actuals.

Methodology. These measures constitute the Department's indicators of success for the School Climate Transformation Grant – Local Educational Agency Grants program. We advised applicants for a grant under this program to give careful consideration to these measures in conceptualizing the approach and evaluation for their proposed program. Each grantee is required to provide data about progress in meeting these measures in its annual performance and final report.

To receive funds after the initial year of a multiyear award, grantees must submit an annual continuation performance report that describes the progress the project has made toward meeting the predefined benchmarks and milestones. This performance report also provides program staff with data related to the GPRA measures established for the program.

Grantees are not required to collect and report to the Department disaggregated data corresponding to such suspensions and expulsions that are related to possession or use of alcohol or drugs only, but some grantees do and the Department encourages the remaining grantees to do so as well. Accordingly, beginning with the 2016 baseline data available for this performance measure, for grantees that provide the additional data the Department is reporting the number and percentage of schools that report an annual decrease in suspensions and expulsions related to possession or use of alcohol (only), and the number and percentage of schools that report an annual decrease in suspensions and expulsions related to possession or use of other drugs (only).

However in FY 2017 many more grantees collected and reported data for suspensions and expulsions related to possession or use of alcohol and/or other drugs than they did separately for alcohol (only) or other drugs (only). So in this report, we have added an additional table below to report this composite information. This change was because many grantees began using specific software packages for collecting data that asked the question in the combined manner. We expect to report this "combined data" in the FY 2018 performance report as well. However, we will continue to encourage grantees to disaggregate this data so that we can report an annual decrease in suspensions and expulsions related to possession or use of alcohol only, as well as an annual decrease in suspensions and expulsions related to possession or use of other drugs only.

NOTE: As grantees are not required to collect this data, nor do all grantees collect it, no targets are set.

Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of their knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and will not conduct further reviews unless data quality concerns arise.

The ED-funded Technical Assistance Center on Positive Behavioral Interventions and Supports (www.pbis.org) is providing training and technical assistance to grantees on data collection.

Table 2: Number and percentage of schools that report an annual decrease in suspensions and expulsions related to possession or use of alcohol only (out of a total of 70 grantees, 31 reported these data for 2016, and 6 reported for 2017).

FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual
n/a	n/a	184 40%	17 41%

Table 3: Number and percentage of schools that report an annual decrease in suspensions and expulsions related to possession or use of other drugs only (out of a total of 70 grantees, 32 reported these data for 2016, and 8 reported for 2017).

FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual
n/a	n/a	204 41%	19 20%

Table 4: Number and percentage of schools that report an annual decrease in suspensions and expulsions related to possession or use of alcohol and/or other drugs (out of a total of 70 grantees, 21 reported these data in 2017).

FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual
n/a	n/a	n/a	201 46%

Measure 2: The number and percentage of schools annually that are implementing the multi-tiered behavioral framework (MTBF) with fidelity.

Table 5:

Year	Number Target	Number Actual	Percentage Target	Percentage Actual
2014	n/a	n/a	n/a	n/a
2015	n/a	512	n/a	45%
2016	589	584	52%	55%
2017	677	814	60%	65%
2018	936		69%	

The Measure. ED established several GPRA performance measures for assessing the effectiveness of the School Climate Transformation Grant – Local Educational Agency Grants program. Two measures were related to addressing the goals of the National Drug Control Strategy. This measure was one of the two selected for that purpose.

Although schools have long attempted to address issues of student disruptive and problem behavior (including substance use, violence, and bullying), the vast majority of our Nation's schools have not implemented comprehensive, effective supports that address the full range of students' social, emotional, and behavioral needs. Research demonstrates that the implementation of an evidence-based, multi-tiered behavioral framework, such as Positive Behavioral Interventions and Supports (PBIS), can help improve overall school climate and safety. A key aspect of this multi-tiered approach is providing differing levels of support and interventions to students based on their needs. Certain supports involve the whole school (e.g., consistent rules, consequences, and reinforcement of appropriate behavior), with more intensive supports for groups of students exhibiting at-risk behavior, and individualized services for students who continue to exhibit troubling behavior.

This second measure supports the drug prevention function of this program because a school that is implementing a multi-tiered behavioral framework with fidelity can be expected to be a school where any prevention program(s) – including drug prevention program(s) – selected for implementation is (1) an evidence-based program and (2) has an improved chance of being implemented more effectively. This measure is designed to inform whether the LEA School Climate Transformation Grants result in such increased capacity.

FY 2017 Performance Results. FY 2017 performance data were received and aggregated. The actuals for both number and percentage exceeded the targets on this measure in 2017.

FY 2018 Performance Targets. The FY 2018 performance targets for the number and percentage of schools annually that are implementing the multi-tiered behavioral framework with fidelity are set at 936 and 69 percent, respectively. The 2018 number target represents a 15 percent increase from the 2017 actual. The 2018 percentage target represents an annual increase of 15 percent from the 2015 baseline.

Methodology. These measures constitute the Department's indicators of success for the School Climate Transformation Grant – Local Educational Agency Grants program. Consequently, we advised applicants for a grant under this program to give careful consideration to these measures in conceptualizing the approach and evaluation for its proposed program. Each grantee will be required to

provide, in its annual performance and final reports, data about its progress in meeting these measures.

To receive funds after the initial year of a multiyear award, grantees must submit an annual continuation performance report that describes the progress the project has made toward meeting the predefined benchmarks and milestones. This performance report also provides program staff with data related to the GPRA measures established for the program.

Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of the signer's knowledge and belief, all data in the performance report were true and correct and that the report fully disclosed all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and will not conduct further reviews, unless data quality concerns arise. The ED-funded Technical Assistance Center on Positive Behavioral Interventions and Supports (www.pbis.org) is providing training and technical assistance to grantees on data collection.

Assertions

Performance Reporting System

The Department of Education has a system in place to capture performance information accurately and that system was properly applied to generate the performance data in this report. In instances in which data are supplied by grantees as part of required periodic performance reports, the data that are supplied are accurately reflected in this report.

Data related to the drug control programs included in this Performance Summary Report for Fiscal Year 2017 are recorded in the Department of Education's software for recording performance data and are an integral part of our budget and management processes.

Explanations for Not Meeting Performance Targets

Not Applicable since FY 2017 performance exceeded all of the targets.

Methodology for Establishing Performance Targets

The methodology described in the Performance Summary Report for Fiscal Year 2017 to establish performance targets for the current year is reasonable given past performance and available resources.

Performance Measures for Significant Drug Control Activities

The Department of Education has established at least one acceptable performance measure for the Drug Control Decision Unit identified in its Detailed Accounting of Fiscal Year 2017 Drug Control Funds.

Criteria for Assertions

Data

No workload or participant data support the assertions provided in this report. Sources of quantitative data used in the report are well documented. These data are the most recently available and are identified by the year in which the data was collected.

Other Estimation Methods

No estimation methods other than professional judgment were used to make the required assertions. When professional judgment was used, the objectivity and strength of those judgments were explained and documented. Professional judgment was used to establish targets for programs until data from at least one grant cohort were available to provide additional information needed to set more accurate targets. We routinely re-evaluate targets set using professional judgment as additional information about actual performance on measures becomes available.

Reporting Systems

Reporting systems that support the above assertions are current, reliable, and an integral part of the Department of Education's budget and management processes. Data collected and reported for the measures discussed in this report are stored, or will be stored, in the Department of Education's MAX-PPI (Program Performance Information) system. Data from MAX-PPI are used in developing annual budget requests and justifications.

Tab E



ADMINISTRATION FOR
CHILDREN & FAMILIES

330 C Street, S.W., Washington, DC 20201 | www.acf.hhs.gov

MEMORANDUM TO: Associate Director for Performance and Budget
Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary of Finance and
Deputy Chief Financial Officer
Department of Health and Human Services

FROM: Naomi Goldstein
Deputy Assistant Secretary for Planning, Research, and Evaluation

SUBJECT: Administration for Children and Families Annual Accounting of
Drug Control Funds and Performance Summary Report

DATE: 8 November 2017

In accordance with the Office of National Drug Control Policy Circular: Accounting of Drug Control Funding and Performance Summary issued January 18, 2013, the Administration for Children and Families (ACF) Fiscal Year 2016 Performance Summary Report is enclosed. Since ACF's obligations for drug-related activities fall below the reporting threshold of \$50 million, we attest that full compliance with the ONDCP Circular would constitute an unreasonable reporting burden.

**Department of Health and Human Services
Administration for Children and Families
Performance Summary Report**

Within the Promoting Safe and Stable Families (PSSF) program, the Regional Partnership Grants are competitive grants for regional organizational partnerships to provide services and activities to children and families impacted by a parent’s or caretaker’s substance abuse. Since the grants account for a small portion of the overall PSSF funds, the Administration for Children and Families (ACF) considers those activities as part of the larger PSSF goals, which includes the following performance measure.

Measure	FY	Target	Result
<i>7P1: Of all children who exit foster care in less than 24 months, maintain the percentage who exit to permanency (reunification, living with relative, guardianship or adoption). (PSSF, Guardianship Assistance) (Outcome)</i>	2018	Prior Result +0.2PP	Oct-19
	2017	92.2% (Prior Result +0.2PP)	Oct-18
	2016	92.1% (Prior Result +0.2PP)	92.0% (Improved, but Target Not Met)
	2015	91.8% (Prior Result +0.2PP)	91.9% (Target Exceeded)
	2014	92.4% (Prior Result +0.2PP)	91.6% (Target Not Met)
	2013	91.7%	92.2% (Target Exceeded)
	2012	91.7%	91.5% (Historical Actual)
	2011	N/A	91.7% (Historical Actual)
	2010	N/A	91.5% (Historical Actual)
	2009	Set baseline	91.3% (Baseline)

This performance measure is a proxy for performance in this area. Due to the relative small size of the Regional Partnership Grants (\$19M, less than 5 percent, out of \$380M total for PSSF in fiscal years 2016 and 2017), it is not possible to provide performance measures specific to that population without creating undue burden.

The calculation for the key PSSF performance measure noted above is as follows: the number of children who exited foster care to a permanent placement and who had been in care for 24 months or less (n=164,401 children in FY 2016) *divided by* the total number of children who exited foster care (for any reason) and who had been in care for 24 months or less (n=178,746 children in FY 2016).

Procedures used to ensure quality of performance data:

States report child welfare data to ACF through the Adoption and Foster Care Analysis and Reporting System (AFCARS). All state semi-annual AFCARS data submissions undergo edit-

checks for validity. The results of the AFCARS edit-checks for each of the six-month data submissions are automatically generated and sent back to each state, to help the state to improve data quality. Many states submit revised data to ensure that accurate data are submitted, often for more than one prior submission period. The Children's Bureau has conducted AFCARS compliance reviews in each state, resulting in a comprehensive AFCARS Improvement Plan (AIP) for each state to complete. Reviewers are highly skilled, trained and experienced with the foster care program and related IT practices.

To speed improvement in these data, the agency provides technical assistance to states to improve reporting to AFCARS, improve statewide information systems, and to make better use of their data. All of these activities should continue to generate additional improvements in the data over the next few years.

AFCARS collects case-level information from state and tribal IV-E agencies on all children in foster care and those who have been adopted with title IV-E agency involvement. Title IV-E agencies are required to submitted AFCARS data twice a year. Examples of data reported in AFCARS include demographic information on the foster child as well as the foster and adoptive parents, the number of removal episodes a child has experienced, the number of placements in the current removal episode, and the current placement setting.



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 11 2018

TO: Debra Houry, M.D., M.P.H.
Director, National Center for Injury Prevention and Control
Centers for Disease Control and Prevention

Christa Capozzola
Chief Financial Officer
Centers for Disease Control and Prevention

FROM:

Gloria L. Jarmon

Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Centers for Disease Control and Prevention
Fiscal Year 2017 Detailed Accounting Submission and Performance Summary
Report for National Drug Control Activities and Accompanying Required
Assertions (A-03-18-00355)

This report provides the results of our review of the attached Centers for Disease Control and Prevention (CDC) detailed accounting submission, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2017. We also reviewed the Performance Summary Report, which includes management's assertions and related performance information for the fiscal year ended September 30, 2017. CDC management is responsible for, and prepared, the detailed accounting submission and Performance Summary Report to comply with the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the ONDCP Circular).

We performed this review as required by 21 U.S.C. § 1704(d)(A) and as authorized by 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular.

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that CDC's detailed accounting submission and Performance Summary Report for fiscal year 2017 were not fairly stated, in all material respects, based on the ONDCP Circular.

CDC's detailed accounting submission and Performance Summary Report are included as Attachments A and B.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and CDC. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Amy J. Frontz, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Amy.Frontz@oig.hhs.gov. Please refer to report number A-03-18-00355 in all correspondence.

Attachments



Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

To: Director
Office of National Drug Control Policy

Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services

From: Chief Financial Officer
Centers for Disease Control and Prevention (CDC)

Date: November 29, 2017

Subject: Assertions Concerning Drug Control Methodology

In accordance with the requirements of the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the attached annual accounting of drug control funds for the Centers for Disease Control and Prevention (CDC):

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from CDC's accounting systems of record (UFMS) for these budget decision units.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources by function for CDC was reasonable and accurate in accordance with the criteria listed in Section 6b(2) of the Circular. In accordance with these criteria, I have documented/identified data that support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived (see Exhibit A).

The CDC methodology for determining the drug control budget was established using the amounts appropriated for the Prescription Drug Overdose (PDO) and Illicit Opioid Use Risk Factors programs appropriated under P.L. 115-31, Consolidated Appropriations Act, 2017.

CDC is committed to an approach that protects the public's health and prevents opioid overdose deaths. CDC is fighting the opioid overdose epidemic through improving data quality and surveillance to monitor and respond to the epidemic, strengthening state efforts by scaling up effective public health interventions, and supplying health care providers with the data, tools, and guidance needed to improve the safety of their patients.

Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6a of the Circular.



Reprogramming or Transfers

I assert that the obligations data presented are associated with budget activity lines defined in the FY 2017 Conference Report. CDC did not reprogram any FY 2017 appropriated funds included in its drug control budget. CDC did transfer \$177K in FY 2017 appropriated funds included in its drug control budget according to the November 9, 2016 Secretary's Transfer notification to Congress, which detailed the Departments plan to support efforts of the Office of Refugee Resettlement within the Administration for Children and Families. Prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were reallocated in support of the Prescription Drug Overdose (PDQ) program.

Funds Control Notices

I assert that CDC was not issued any Fund Control Notices by the Director under 21 U.S.C. 1703 (f) and Section 9 of the ONDCP Circular, Budget Execution, dated January 18, 2013.

A handwritten signature in blue ink, appearing to read "CCPZ", written in a cursive style.

Christa Capozzola
Chief Financial Officer

Centers for Disease Control and Prevention



Drug Resources by Decision Unit Table

FY 2017 Drug Resources by Decision Unit	FY 2017 Enacted	FY 2017 Obligations
Prescription Drug Overdose (PDO) - Budget Authority	\$112,000,000	\$111,827,028
Illicit Opioid Risk Use Factors - Budget Authority	\$13,579,000	\$13,565,931
Prescription Drug Overdose (PDO) - PPHF prior year balances ¹	N/A	\$260,254
Total	\$125,579,000	\$125,653,213

¹ In FY2016, Prevention and Public Health Fund (PPHF) prior year balances from FY 2010-2013 were reallocated to support the PDO Program. In FY17, the carryover amount of these balances remained available for obligation.

Drug Resources Table by Function Table

FY 2017 Drug Resources by Budget Function	FY 2017 Enacted	FY 2017 Obligations
Prevention ¹	\$125,579,000	\$125,653,213
Total Drug Resources by Function	\$125,579,000	\$125,653,213

¹ In FY2016, Prevention and Public Health Fund (PPHF) prior year balances from FY 2010-2013 were reallocated to support the PDO Program. In FY17, the carryover amount of these balances remained available for obligation.



Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333
Atlanta GA 30333

Exhibit A - Drug Methodology

- (1) **Drug methodology-Actual** obligations of prior year drug control budgetary resources are derived from the CDC Unified Financial Management System (UFMS).
 - a. **Obligations by Budget Decision Unit**- CDC's budget decision units have been defined by ONDCP Circular, Budget Formulation, dated January 18th, 2013. CDC reports its entire drug control budget to ONDCP. This unit is referred to as:
National Center for Injury Prevention and Control (NCIPC)
 1. Prescription Drug Overdose (PDO) - Budget Authority
 2. Illicit Opioid Risk Use Factors
 3. Prescription Drug Overdose (PDO) - PPHF Prior Year Balances
 - b. **Obligations by Drug Control Function** - CDC drug control funding serves one function, Prevention.
- (2) **Methodology Modifications** - none
- (3) **Material Weaknesses or Other Findings**- none
- (4) **Reprogrammings or Transfers** - The obligations data presented are associated with budget activity lines defined in the FY 2017 Conference Report. CDC did not reprogram any FY 2017 appropriated funds included in its drug control budget. CDC did transfer \$177K in FY 2017 appropriated funds included in its drug control budget according to the November 9, 2016 Secretary's Transfer notification to Congress, which detailed the Departments plan to support efforts of the Office of Refugee Resettlement within the Administration for Children and Families. Prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were reallocated in support of the Prescription Drug Overdose (PDO) program.
- (S) **Other Disclosures** - none



Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

TO: Director
Office of National Drug Control Policy

THROUGH: Norris Cochran
Deputy Assistant Secretary, Budget
Department of Health and Human Services

FROM: Director, National Center for Injury Prevention and Control
Centers for Disease Control and Prevention

DATE: November 29, 2017

SUBJECT: Assertions Concerning Performance Summary Report

In accordance with the requirements of the Office of National Drug Control Policy Circular Accounting of Drug Control Funding and Performance Summary, dated January 18, 2013, I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting System

For the data reported in the 2017 Performance Summary Report, I assert that CDC has systems to capture performance information accurately and that these systems were properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

Not applicable.

Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in the attached report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that performance measures exist for all significant drug control activities.

A handwritten signature in black ink, appearing to read "Debra Houry".

Debra Houry, MD, MPH
Director
National Center for Injury Prevention and Control

FY 2017 Performance Summary Report for National Drug Control Activities

Decision Unit 1: Prescription Drug Overdose

Reduce the age-adjusted annual rate of overdose deaths involving opioids per 100,000 population among the 29 states funded through Prescription Drug Overdose: Prevention for States (PFS) program.

2013 ¹ Historical Actual	2014 ¹ Historical Actual	2015 ^{2, 3} Baseline	2016 Target	2016 Actual	2017 Target	2018 Target
12.5 per 100,000 residents	13.3 per 100,000 residents	11.8 per 100,000 residents	11.8 per 100,000 residents	Data available Dec. 2017 or Jan. 2018	11.8 per 100,000 residents	10.8 per 100,000 residents

¹2013 and 2014 data were calculated based on data from five states (KY, OK, UT, WV, and TN) funded under a previous CDC program (Prescription Drug Overdose: Prevention Boost) and reflect age-adjusted rates of overdose deaths involving all opioid analgesics per 100,000 residents.

² FY 2015, CDC initiated a new program—Prevention for States (PFS), which currently funds a total of 29 state health departments. The baseline using 2015 was generated using the 29 PFS states as the denominator and the 2016 Actual and Target Measures for outlying years will all be calculated using the 29 PFS states, as opposed to the 5 states used in years prior.

³ A new baseline and subsequent years' targets will be calculated using an increased number of opioid multiple cause of death categories to better represent the opioids recently associated with drug overdose mortality (including prescription, illicit, and semi-synthetic/synthetic) in recognition of the evolving nature of the opioid overdose epidemic in the U.S..

Performance Measures—The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

The performance measure is to reduce the age-adjusted annual rate of overdose deaths involving opioids per 100,000 population among the 29 states. This measure reflects the health impact of CDC programs to prevent opioid overdose. Responding to this crisis, in FY 2014, CDC initiated direct funding in a modest amount to five states at the intersection of high public health burden and demonstrated readiness to implement prevention activities.

In FY 2015, CDC initiated its Overdose Prevention in States (OPIS) effort, which is comprised of three state programs that together provide funding and scientific support to 45 states and Washington, D.C.. The overarching aim of OPIS is to strengthen the public health response to the epidemic by shoring up greater expertise at the state level with regard to overdose surveillance and other prevention strategies to inform a comprehensive response to save lives and reduce injuries. Funds are invested in states across three distinct programs: the Prevention for States (PFS) program, the Data-Driven Initiative (DDPI), and the Enhanced State Opioid Overdose Surveillance (ESOOS) program.

Beginning in FY 2015, the PFS program funded an initial 16 states. With additional appropriations received in FY 2016, the program was scaled up and now funds a total of 29 states to conduct activities that contribute to the *National Drug Control Strategy* to “prevent drug use in our communities.” The 29 PFS states are funded to implement activities within the following four categories:

- Enhancing PDMPs and leveraging them as public health and clinical decision making tools
- Improving health system and insurer practices to improve opioid prescribing
- Evaluating state policies in place to address the epidemic
- Implementing rapid response projects to allow states heightened flexibility in using dollars to address opioid overdose as it manifests within their borders

These strategies are being implemented by state health departments under PFS to improve patient care and safety and reduce high-risk prescribing as a key driver of the opioid overdose epidemic.

Also in FY 2016, DDPI funded a total of 13 states and Washington, D.C. to build and support the infrastructure, collaboration, and data capacity necessary to address and prevent opioid overdoses within their borders.

Lastly, CDC funded an initial 12 states in FY 2016 under its ESOOS program to increase the timeliness of nonfatal and fatal opioid-involved overdose reporting, identify associated risk factors with fatal overdoses, and to disseminate surveillance findings to key stakeholders to inform the public health response. With the increase in appropriations received in FY 2017, CDC scaled up the ESOOS program, which now funds a total of 32 states and Washington, D.C.

Agency management uses this performance measure as a tool to monitor the effectiveness of these strategies in addressing prescription drug overdose. For example, these data are discussed in leadership meetings reviewing injury prevention goals, strategies, and planned activities.

Prior Years Performance Targets and Results—For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

CDC has established a new measure for reducing overdose, focusing on the 29 states supported through CDC's primary opioid overdose prevention program—PFS. The baseline was derived using 2015 data from these 29 states for overdose deaths involving opioid analgesics. The data were made publicly available in December 2016. Given the initiation of the PFS program in FY 2015, using 2015 mortality data is an appropriate means to establish a baseline from which new target metrics for 2016 and beyond will be established to measure programmatic progress across the 29 PFS-funded states.

Current Year Performance Targets—Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.

CDC used 2015 mortality data to establish a new baseline from which targets for 2016, 2017 and 2018 were derived. Targets were set based upon an understanding of scientific findings and current and planned CDC-funded state-level activities to address and prevent opioid overdoses across the 29 PFS-funded states.

Quality of Performance Data—The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.

These data are from CDC's National Center for Health Statistics [National Vital Statistics System](#) (NVSS). NVSS data are provided through contracts between NCHS and vital registration systems operated in the various jurisdictions legally responsible for the registration of vital events including deaths.

The age-adjusted rates of overdose deaths involving opioid analgesics per 100,000 are based on death certificate data captured in NVSS.

- Numerator=Annual number of drug poisoning deaths involving opioid analgesics among Prescription Drug Overdose Prevention for State (PFS) funded states
- Denominator=Bridged-race population estimates for states funded through PFS (produced by U.S. Census Bureau in collaboration with NCHS)



DEPARTMENT OF HEALTH AND HUMAN SERVICES

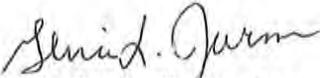
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 11 2018

TO: Elizabeth DeVoss
Acting Chief Financial Officer
Health Resources and Services Administration

FROM: Gloria L. Jarmon 
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Health Resources and Services Administration
Fiscal Year 2017 Detailed Accounting Submission and Performance Summary
Report for National Drug Control Activities and Accompanying Required
Assertions (A-03-18-00354)

This report provides the results of our review of the attached Health Resources and Services Administration (HRSA) detailed accounting submission, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2017. We also reviewed the Performance Summary Report, which includes management's assertions and related performance information for the fiscal year ended September 30, 2017. HRSA management is responsible for, and prepared, the detailed accounting submission and Performance Summary Report to comply with the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the ONDCP Circular).

We performed this review as required by 21 U.S.C. § 1704(d)(A) and as authorized by 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular.

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that HRSA's detailed accounting submission and Performance Summary Report for fiscal year 2017 were not fairly stated, in all material respects, based on the ONDCP Circular.

HRSA's detailed accounting submission and Performance Summary Report are included as Attachments A and B.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and HRSA. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Amy J. Frontz, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Amy.Frontz@oig.hhs.gov. Please refer to report number A-03-18-00354 in all correspondence.

Attachments

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary of Finance
Department of Health and Human Services

FROM: Elizabeth DeVoss
Acting Chief Financial Officer
Health Resources and Services Administration 

DATE: 11/6/2017

SUBJECT: Health Resources and Services Administration Drug Control
Accounting for Fiscal Year 2017

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Health Resources and Services Administration's (HRSA) Fiscal Year 2017 Drug Control Obligation Summary is enclosed. I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are actual obligations from HRSA's financial accounting system for this budget decision unit.

Drug Methodology

I assert that the drug methodology used to calculate obligations of budget resources was reasonable and accurate in accordance with the criteria listed in Section 6b(2) of the Circular. In accordance with these criteria, I have documented data, which support the drug methodology, explained and documented estimation methods and determined that the financial and programmatic systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

Application of Drug Methodology:

I assert that the drug methodology disclosed in this report was the actual methodology used to generate the table required by Section 6a of the Circular.

Reprogrammings or Transfers:

I assert that the data presented are associated with obligations against HRSA's financial plan. HRSA had no reportable reprogrammings or transfers in FY 2017 related to drug control obligations.

Fund Control Notices:

I assert that the data presented are associated with obligations against HRSA's operating plan, which complied fully with all ONDCP Budget Circulars.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Health Resources and Services Administration

Resource Summary	Dollars in Millions
	FY 2017 Obligated
Drug Resources by Function	
Prevention	\$20
Treatment	\$153
Total Drug Resources by Function	\$173
Drug Resources by Decision Unit	
Bureau of Primary Health Care	\$173
Total Drug Resources by Decision Unit	\$173

- 1. Methodology:** The Health Center Program Uniform Data System (UDS) tracks a variety of information, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues. UDS data are collected annually from grantees and reported at the grantee, state, and national levels. The UDS reporting provides a reasonable basis for estimating the share of the Health Center Program grant funding used for substance abuse treatment by health centers. Using the data reflected in the most current UDS at the time estimates are made (2016 UDS), total costs of substance abuse services is divided by total costs of all services to obtain a substance abuse percentage (SA%).

In FY 2016, the Health Center Program awarded \$94 million for a targeted supplemental funding opportunity for substance abuse service expansion in existing health centers. These awards were provided as ongoing supplemental funding, to be included in health centers' base continuation funding.

In FY 2017, the Health Center Program awarded an additional \$50 million for a targeted supplemental funding opportunity for substance abuse services in existing health centers. These awards were also provided as ongoing supplemental funding, to be included in health centers' base continuation funding.

The funding estimates in the table above were computed as described below:

FY 2017 Obligated Level: \$173 million

\$29 million SA% (.65%) x FY 2017 Health Center Program grants awarded for health center services – net of targeted SA funding (\$4.5 billion); and,

\$94 million A total of \$94 million in targeted SA funding awarded to health centers in FY 2016.

\$50 million A total of \$50 million in targeted SA funding awarded to health centers in FY 2017

Obligations by Drug Control Function – HRSA estimates a distribution of drug control funding into two functions, prevention, and treatment.

The percentage of drug control funding expended by health centers on prevention services is estimated using UDS data and funding opportunity parameters. The percentage of all health center visits attributed to prevention services is approximately 20%, and this percentage is applied to the estimate of health center drug control funding from non-targeted obligations (FY 2017: \$29 million). Additionally, due to the FY 2016 and FY 2017 SA funding focus on treatment services, it is estimated that the percentage of drug control funding from targeted obligations (\$144 million) spent on prevention services is approximately 10% of total targeted SA funding. The estimates for the breakout of prevention and treatment services are calculated as follows:

Total Prevention Funding: \$20 million

- Non-targeted SA funding: \$29 million x 20% = approximately \$6 million.
- Targeted SA funding: \$144 million x 10% = approximately \$14 million.

2. **Methodology Modification:** None.
3. **Material Weaknesses or Other Findings:** None
4. **Reprogrammings or Transfers:** None
5. **Other Disclosures:** None



MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Norris Cochran
Deputy Assistant Secretary, Budget
Department of Health and Human Services

FROM: Elizabeth DeVoss
Acting Chief Financial Officer 
Health Resources and Services Administration

DATE: 12/5/2017

SUBJECT: Health Resources and Services Administration Performance
Summary Report for Fiscal Year 2017

In accordance with the requirements of the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting System

For the data reported in the 2017 Performance Summary Report, I assert that HRSA has systems to capture performance information accurately and that these systems were properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

I assert that all targets were met and that this section is not applicable.

Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in this report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.

FY2017 Performance Summary Report for National Drug Control Activities**Decision Unit: Bureau for Primary Health Care****Table 1: Measure 1**

Performance Measures	CY 2016 Target	CY 2016 Results	CY 2017 Target	CY 2017 Results	CY 2018 Target	Data Source
Percentage of Health Center grantees providing substance abuse counseling and treatment services.	300 Health Centers	401	425 Health Centers	Available Aug. 1, 2018	425 Health Centers	Uniform Data System

The Health Center Program Uniform Data System (UDS) tracks a variety of information, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues. UDS data are collected annually from grantees and reported at the grantee, state, and national levels. In the annual UDS report (Table 5 – Staffing and Utilization), each health center reports on the number of FTEs, patients and patient visits supported by their Health Center Program grant, separated into clinical service categories, including substance abuse services. A total of 1,367 health centers reported in the 2016 UDS. In a query of the 2016 UDS, a total of 401 health centers reported FTEs, patients, and/or patient visits in the substance abuse category, exceeding the program target.

The performance targets for 2017 and 2018 were set using a methodology based on the number of health centers providing substance abuse services. The targets were set at 425 health centers for each of the respective years, and are increases from the number reported in 2016, reflecting known Health Center Program awards for substance abuse services in FY 2017 and the current level of program appropriations projected in FY 2018.

Procedures used to ensure quality of performance data – UDS

BPHC requires that grantees submit an annual UDS Report on a standardized (calendar) year. Because of the importance of accuracy in these data, all reports are subjected to an intensive editing process. This process, conducted under contract, involves substantial computer editing plus the use of highly skilled, highly experienced, reviewers who are familiar with health center operations, and business and IT practices. Reviewers receive annual training.

Editing takes place at three distinct points in the overall process:

1. **At grantee, prior to submission.** As the grantees enter data into the EHB, they are informed prior to their submission of the data to BPHC, of any of slightly over 1,000 errors, which might be detected. This process generally results in all of the mathematical errors and most of the logical errors being corrected prior to submission. In addition, EHB system will check to determine that all required information has been submitted. Missing tables and, especially, missing sub-tables relating to individual programs, are identified and grantees are contacted to obtain the missing information. These submissions are held until complete.
2. **By reviewers.** Once submitted, the EHB system will forward the reports to reviewers for actual review, and correction (as needed).
3. **Quality Control.** After reviewers completed reviewing the report, the reports will then forward to the Quality Control reviewer for quality assurance review as the final step.



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

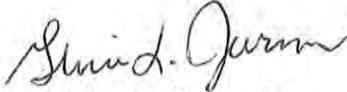
WASHINGTON, DC 20201



JAN 11 2018

TO: RADM Michael Toedt, M.D., F.A.A.F.P.
Chief Medical Officer
Indian Health Service

Ann M. Church
Acting Chief Financial Officer
Indian Health Service

FROM: Gloria L. Jarmon 
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Indian Health Service Fiscal Year 2017 Detailed Accounting Submission and Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions (A-03-18-00351)

This report provides the results of our review of the attached Indian Health Service (IHS) detailed accounting submission, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2017. We also reviewed the Performance Summary Report, which includes management's assertions and related performance information for the fiscal year ended September 30, 2017. IHS management is responsible for, and prepared, the detailed accounting submission and Performance Summary Report to comply with the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the ONDCP Circular).

We performed this review as required by 21 U.S.C. § 1704(d)(A) and as authorized by 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular.

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that IHS's detailed accounting submission and Performance Summary Report for fiscal year 2017 were not fairly stated, in all material respects, based on the ONDCP Circular.

IHS's detailed accounting submission and Performance Summary Report are included as Attachments A and B.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and IHS. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Amy J. Frontz, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Amy.Frontz@oig.hhs.gov. Please refer to report number A-03-18-00351 in all correspondence.

Attachments



NOV 09 2017

TO: Director
Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary of Finance
Department of Health and Human Services

FROM: Ann M. Church
Acting Chief Financial Officer
Indian Health Service

SUBJECT: FY 2017 Assertions Concerning Drug Control Accounting

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the attached annual accounting of drug control funds for the Indian Health Service (IHS):

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from the agency's accounting system of record for these budget decision units, consistent with the drug budget methodology discussed below.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources by function for the agency was reasonable and accurate in accordance with the criteria listed in Section 6b(2) of the Circular. In accordance with these criteria, I have documented/identified data which support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respect, aggregate obligations from which drug-related obligation estimates are derived.

The IHS methodology for estimating the drug control budget was established using the amounts appropriated for the Alcohol and Substance Abuse Prevention programs authorized under Public Law (P.L.) 102-573, the Indian Health Amendments of 1992. See attached table "Alcoholism and Substance Abuse Treatment and Prevention Program Authorized Under P.L. 102-573" for

Page 2 – Director, Office of National Drug Control Policy

the list of programs. This table reflects estimated amounts. When originally authorized and appropriated, the funds were allocated to Tribes through their Indian Self-Determination and Education Assistance Act (ISDEAA) contracts and compacts by specific programs. However, when the programs were reauthorized and captured under P.L. 102-573, some IHS Area offices allocated the funds in lump sum while others maintained the specific program breakout. Therefore, at the current time precise amounts of funding for each program are not available. The table is maintained to estimate current funding level and is the basis of the drug budget control methodology. Excluded is the amount for the Adult Treatment programs, which represents the original authorization for IHS to provide alcohol treatment services. The focus on alcoholism treatment is the reason for the exclusion.

Drug Resources by Decision Unit¹: The IHS drug control funds are appropriated in two budget line items: 1) Alcohol and Substance Abuse (ASA) and 2) Urban Indian Health Programs (UIHP). The ASA funds are primarily allocated to Tribes under their ISDEAA contracts and compacts, where they manage the programs and have authority to reallocate funds to address local priorities. The portion of the alcohol fund included in the drug control budget methodology is as described above, i.e., the entire budget excluding the amount for Adult Treatment. The UIHP funds are allocated through contracts and grants to 501(c)(3) organizations. The portion of UIHP funds included in the drug control budget methodology is for the National Institute on Alcohol Abuse and Alcoholism programs transferred to the IHS under the UIHP budget.

Drug Resources by Function: Under the methodology, two programs through FY 2007 were identified as Prevention programs, Community Education and Training and Wellness Beyond Abstinence. In FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide Prevention and Treatment were also included in the Prevention function. The Treatment function comprises the remaining program excluding Adult Treatment. In addition, the amount of UIHP funds is included under the Treatment function.

Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6a of the Circular.

Reprogramming or Transfers

IHS did not reprogram or transfer any funds included in its drug control budget.

¹ In FY 2017, funding was allocated for the Prescription Drug Monitoring Program under the Hospitals & Health Clinics line item. These funds are not considered part of the drug control budget, but the agency is reviewing these funds and may propose inclusion in the drug control budget for the FY 2019 budget process.

Page 3 – Director, Office of National Drug Control Policy

Funds Control Notices

IHS was not issued any Fund Control Notices by the Director under 21 U.S.C. 1703 (f) and Section 9 of the ONDCP Circular, *Budget Execution*, dated January 18, 2013.



Ann M. Church

Attachments:²

1. Table – Alcoholism and Substance Abuse Treatment and Prevention Program Authorized Under P.L. 102-573
2. Table – FY 2017 Drug Control Obligations

²The first table attached to this report is necessary for understanding the IHS drug control budget methodology. The table titled “Alcoholism and Substance Abuse Treatment and Prevention Program Authorized Under P.L. 102-573” shows the ASA budget line item broken out by the activities originally authorized in P.L. 100-690 and later included under P.L. 102-573. This table also includes the funding within the UIHP budget line item that supports alcohol and substance abuse treatment services. Funds under ASA and UIHP are not appropriated or accounted for by the specific categories shown, but rather as the lump sum funds of ASA and UIHP. The second table shows the obligations of these funds as required by the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*.

Indian Health Service
Alcoholism and Substance Abuse Treatment
and Prevention Program

Authorized Under P.L. 102-573
(Dollars in Thousands)

Amount of Funds	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	Drug Control & Moyer Reports
ALCOHOL & SUBSTANCE ABUSE (ASA)						
Adult Treatment.....	\$97,926	\$98,633	\$101,312	\$103,807	\$107,587	Excluded*
Regional Treatment Centers	\$20,223	\$20,369	\$20,922	\$21,438	\$22,218	Treatment
Community Education & Training.....	\$9,094	\$9,159	\$9,408	\$9,640	\$9,991	Prevention
Community Rehabilitation/ Aftercare.....	\$29,539	\$29,752	\$30,560	\$31,313	\$32,453	Treatment
Gila River.....	\$226	\$228	\$234	\$240	\$248	Treatment
Contract Health Service.....	\$10,398	\$10,473	\$10,758	\$11,023	\$11,424	Treatment
Navajo Rehab. Program.....	\$400	\$403	\$414	\$424	\$440	Treatment
Urban Clinical Services.....	\$852	\$859	\$882	\$904	\$937	Treatment
Wellness Beyond						
Abstinence.....	\$982	\$989	\$1,016	\$1,041	\$1,079	Prevention
Meth Prev & Treatment.....	\$15,513	\$15,513	\$15,475	\$25,475	\$31,975	50/50 Trtmt & Prev
Total.....	\$185,154	\$186,378	\$190,981	\$205,305	\$218,353	
URBAN INDIAN HEALTH PROGRAM (UIHP) 1/						
Amount of Funds	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	
Expand Urban Programs.....	\$4,403	\$4,492	\$4,492	\$3,211	\$3,604	Treatment
HEALTH CARE FACILITIES CONSTRUCTION (HCFC) 2/						
Amount of Funds	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	
Construction.....	\$0	\$15,500	\$17,161	\$0	\$0	
ASA	\$185,154	\$186,378	\$190,982	\$205,305	\$218,353	
UIHP	\$4,403	\$4,492	\$4,492	\$3,211	\$3,604	
HCFC	\$0	\$15,500	\$17,161	\$0	\$0	
GRAND TOTAL.....	\$189,557	\$625,681	\$212,635	\$208,516	\$221,957	

1/ The Urban Program was funded under P.L. 100-690 and is now funded under P.L. 102-573.

2/ HCFC funds are appropriated under the Indian Health Facilities appropriation and included in the Outpatient sub-sub-activity .

*Adult Treatment funds are excluded from the ONDCP Drug Control Budget and Moyer Anti-Drug Abuse methodologies because this program reflects the original authorized program for IHS with the sole focus of alcoholism treatment services for adults. This determination was made in consultation with ONDCP when the drug control budget was initially developed in the early 1990s.

INDIAN HEALTH SERVICE
FY 2017 Drug Control Obligations
(in thousands)

	<u>Enacted</u>	<u>Obligated</u>
Drug Resources by Function		
Prevention	\$27,057	\$24,763
Treatment	\$87,312	\$82,772
	<u>\$114,369</u>	<u>\$107,536</u>
 Drug Resources by Decision Unit		
Alcohol and Substance Abuse	\$110,765	\$103,931
Urban Indian Health Program	\$3,604	\$3,604
	<u>\$114,369</u>	<u>\$107,536</u>



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

DEC 01 2017

Indian Health Service
Rockville, MD 20857

TO: Director
Office of National Drug Control Policy

THROUGH: Norris Cochran
Deputy Assistant Secretary, Budget

FROM: RADM Michael E. Toedt, MD
Chief Medical Officer

SUBJECT: Assertions Concerning FY 2017 Performance Summary Report

In accordance with the requirements of the Office of National Drug Control Policy circular "Accounting of Drug Control Funding and Performance Summary," I make the following assertions regarding the attached FY2017 Performance Summary Report for National Drug Control Activities:

Performance Reporting System

I assert that the Indian Health Service (IHS) has a system to capture performance information accurately and that this system was properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

I assert that the explanations offered in the attached report for failing to meet a performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revision or eliminating performance targets are reasonable.

Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in the attached report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.


Michael E. Toedt, M.D., F.A.A.F.P.

FY 2017 Performance Summary Report National Drug Control Activities – Indian Health Service (IHS)

Decision Unit 1: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

Measure 1: Improvement/Accreditation: Accreditation Rate for Youth Regional Treatment Centers (YRTC) in operation 18 months or more.

YRTC Accreditation Table 1: Measure 1						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
90%	90%	90%	100%	100%	100%	100%

- (1) Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (1): The YRTC Accreditation measures reflects an evaluation of the quality of care associated with accreditation status by either the Joint Commission or the Commission on Accreditation of Rehabilitation Facilities (CARF). This is accomplished in part by working to ensure that 100 percent of YRTCs achieve and maintain accreditation status. Accreditation status serves as evidence that the centers commit to quality improvement, monitor the results of services, and meet rigorous person-centered standards that emphasize an integrated and individualized approach to services provided to American Indian and Alaska Native (AI/AN) youth who enter residential treatment for alcohol and substance abuse. Agency management uses the performance measure as a tool to monitor the commitment to quality services provided by the centers.

- (2) Prior Years Performance Targets and Results -** For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

The 100 percent accreditation performance measure was met in FY 2017.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The FY 2018 performance target for the YRTC's remains unchanged at 100 percent for accreditation status. The methodology used to establish the fiscal year target is 100 percent of YRTC's achieving and maintaining accreditation as a reflection of the quality of care associated with accreditation status. The methodology used to determine the actual results at the end of the fiscal year is the number of accredited YRTC's as the numerator and the total number of YRTC's used as the denominator. In FY 2017, the number of eligible facilities representing the numerator and denominator was 10.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

On an annual basis, the IHS Office of Clinical and Preventive Services (OCPS), Division of Behavioral Health (DBH) requires all YRTC's to verify their current accreditation certification status by forwarding a copy of this documentation to Agency Headquarters in Rockville, Maryland. Using verified program documents, this methodology ensures that standards for continued accreditation are continually being met and deficiencies are addressed. To ensure data for this performance measure are accurate, complete, and unbiased, the IHS DBH collects, evaluates, and monitors individual program files for each YRTC.

Decision Unit 2: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

Measure 2: Universal Alcohol Screening: 12 through 75 years of age

Universal Alcohol Screening Table 2: Measure 2						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	Baseline	68.0%	Retired*

*Measure retired due to changes to the logic and reporting from a new system (the Integrated Data Collection System Data Mart, IDCS DM).

Universal Alcohol Screening Table 2: Measure 2						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	N/A	Baseline	37.0%**

**Reflects measure logic change to screen patients 9 through 75 years and reporting from the IDCS DM.

- (1) Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (2): The FY 2017 measure, Universal Alcohol Screening, reports alcohol screening among patients ages 12 through 75 years of age. In FY 2018, this measure will change to expand screening among patients age 9 through 75 years, in effort to align ages with measure No. (3) Screening, Brief Intervention, and Referral to Treatment (SBIRT). Screening is an effective tool in identifying risky alcohol use and the updated screening criteria and measures will have a far-reaching positive impact on the overall health of AI/AN communities.

- (2) Prior Years Performance Targets and Results -** For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve

the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

The performance target for FY 2017 is from IHS's Resource and Patient Management System's (RPMS) Clinical Reporting System (CRS) with a final result of 68.0 percent.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The FY 2018 target for Universal Alcohol Screening is set at 37.0 percent and reported from the IHS national performance data mart, the Integrated Data Collection System Data Mart (IDCS DM). The FY 2018 target was established by taking baseline data from FY 2017 IDCS DM result and bringing it forward as the FY 2018 target. This is how IHS historically establishes the second year target of a new measure.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

Clinical Reporting System (CRS) Documentation:

Data Collection

IHS relies on the Resource and Patient Management System (RPMS) to track and manage data at facilities and clinical sites. The RPMS CRS software automates the data extraction process using data from patient records in the IHS health information system (RPMS) at the individual clinic level. The CRS is updated annually to reflect changes in clinical guidelines for existing and new measures to reflect new healthcare priorities. Software versions are tested first on developmental servers on large data bases and then are beta tested at facilities, before submission to IHS Software Quality Assurance, which conducts a thorough review prior to national release. The new version of the application is released as Class 1 software throughout IHS. In 2005, the Healthcare Information and Management System Society selected the CRS for the Davies Award of Excellence in public health information technology.

Completeness

After local sites submit their data, IHS Area coordinators use CRS to create Area level reports, which are forwarded to the national data support team for a second review and final aggregation. CRS software automatically creates a special file format of Area data for use in national aggregation, which eliminates potential errors that could occur if manual data extraction were required. These national aggregations are thoroughly reviewed for quality and accuracy before final submission. Specific instructions for running quarterly reports are available for both local facilities and each IHS Area.

CRS generated data reports are comprehensive representations of patient data and clinical performance for those facilities that participate and include data from 100 percent of all IHS direct facilities. Tribes have the option to voluntarily participate, thus, results include data from those Tribal clinics and hospitals that utilize RPMS. At this time, not all Tribes have elected to participate in the data-sharing process using RPMS.

Reliability

Electronic collection, using CRS, ensures that performance data is comparable across all facilities and is based on a review of 100 percent of all patient records rather than a sample. Facility reports are submitted on a quarterly and annual basis to the Government Performance and Results Act (GPRA) coordinator for their Area, who is responsible for quality reviews of the data before forwarding reports for national aggregation. Because the measure logic and reporting criteria are hard coded in the CRS software, these checks are primarily limited to assuring all communities assigned to a site are included in the report and to identifying measure results that are anomalous, which may indicate data entry or technical issues at the local level. Comprehensive information about CRS software and logic is at <https://www.ihs.gov/crs/>.

Decision Unit 3: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

Measure 3: Screening, Brief Intervention, and Referral to Treatment (SBIRT)

SBIRT Table 3: Measure 3						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	Baseline	3.0%	Retired*

*Measure retired due to a change in reporting system (the Integrated Data Collection System Data Mart, IDCS DM).

SBIRT Table 3: Measure 3						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	N/A	N/A	8.9%**

**Reflects reporting from a new system, the IDCS DM.

- (1) Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (3): Baseline data for the new SBIRT screening measure was established in FY 2017. The SBIRT measure will assess patient for risky alcohol use and the level of intervention type needed. Interventions will include either a brief intervention/brief negotiated interview or a referral for brief treatment or more intensive treatment among patients ages 9 through 75 years of age. Screenings will be documented in the EHR. The SBIRT model will be used in primary care and emergency departments as a way to integrate behavioral health into care. Research shows that early intervention among risky alcohol drinking patterns can deter more significant issues later in life. By identifying risky drinking patterns early on, IHS will be able to provide services that will reduce the long term effects of alcohol use and associated medical complications for the AI/AN population.

- (2) Prior Years Performance Targets and Results -** For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why

that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

The FY 2017 SBIRT final RPMS CRS result is 3.0 percent.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The target goal for the new SBIRT was based on data from the IDCS DM in FY 2017. The FY 2018 target was established at 8.9 percent by taking the FY 2017 IDCS DM result and bringing it forward as the FY 2018 target. This is how IHS historically establishes the second year target of a new measure.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

As a clinical measure, the SBIRT measure is subject to the same processes described for the Universal Alcohol screening measure using the CRS. Please refer to Universal Alcohol screening measure Quality of Performance Data section 4 (page 4) for further detail.

Decision Unit 4: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

Measure 4: Domestic Violence (Intimate Partner) Screening: Proportion of women who are screened for domestic violence at health care facilities.

Domestic Violence Table 4: Measure 4					
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target
62.4%	63.5%	63.6%	Retire*	N/A	N/A

*Measure was retired after FY 2015 and replaced with a new measure of the same name in FY 2016 to denote the change in the denominator.

Domestic Violence Table 4: Measure 4						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	65.3%	65.3%	66.6%	Retired*

*Measure retired due to a change in reporting system (the Integrated Data Collection System Data Mart, IDCS DM).

Domestic Violence Table 4: Measure 4						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	N/A	N/A	41.6%**

**Reflects reporting from a new system, the IDCS DM.

- (1) **Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (4): The Domestic Violence (Intimate Partner) Screening measure was retired after 2015 and replaced with a new measure with the same name in FY 2016 to denote the denominator logic change based on age range. The FY 2017 result for this measure was calculated from the Clinical Reporting System. In FY 2018 this measure will be reported from the Integrated Data Collection System Data Mart (IDCS DM). IHS tracks the percentage of women age 14 to 46 who have been screened for domestic violence/intimate

partner violence during the reporting period. This measure is designed to identify and assist AI/AN women who experience domestic violence. Screening identifies women at risk of domestic violence so that these individuals can be referred for services aimed at reducing the prevalence and impact of domestic violence. Research suggests that alcohol and drug use can worsen and, in some cases, accelerate domestic violence situations. By identifying victims of domestic violence, the Agency has the opportunity to identify substance abuse issues that may be occurring in the home. Agency management uses this performance measure as a tool to assist in protecting the safety of the victim and family, to improve quality of life, and provide access to advocacy, legal system, healthcare, and social services.

- (2) Prior Years Performance Targets and Results - For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.**

The FY 2017 CRS screening result for this measure was 66.6 percent.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The performance target for FY 2018 is 41.6 percent. The FY 2018 target was established by taking the FY 2017 IDCS DM result and bringing it forward as the FY 2018 target. This is how IHS historically establishes the second year target of a new measure.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

As a clinical measure, the SBIRT measure is subject to the same processes described for the Universal Alcohol screening measure using the CRS. Please refer to Universal Alcohol screening measure Quality of Performance Data section 4 (page 4) for further detail.

Decision Unit 5: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

Measure 5: Behavioral Health: Proportion of American Indian and Alaska Native adults 18 and over who are screened for depression.

Depression Screening Table 5: Measure 5						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
65.1%	66.0%	67.4%	67.9%	70.0%	69.4%	Retired*

*Measure retired due to a change in reporting system (the Integrated Data Collection System Data Mart, IDCS DM).

Depression Screening Table 5: Measure 5						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	N/A	N/A	42.2%**

**Reflects reporting from a new system, the IDCS DM.

- (1) Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (5): The measure reporting the proportion of AI/AN adults 18 and over who are screened for depression reflects the proportion of patients that received a standardized screening assessment for depression. Depression is often an underlying component contributing to suicide, accidents, domestic violence, and alcohol and substance use. For patients, who have co-occurring substance use disorders and mood disorders, such as depression, this measure is used by the Agency to identify individuals who require intervention, treatment, and referral to appropriate services.

- (2) Prior Years Performance Targets and Results -** For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting

future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

The FY 2017 target for the proportion of AI/AN adults 18 and over who are screened for depression was 70 percent and the final CRS result was 69.4 percent. IHS missed its target by 0.6 percent. To increase depression screenings, online trainings focused on depression, screening, documentation, and treatment will be developed and implemented across IHS facilities. Training will be provided to primary staff implementing this measure including nursing and primary care support staff.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The performance target for depression screening in FY 2018 is 42.2 percent for AI/AN aged 18 years and over. The FY 2018 target was established by taking the FY 2017 IDCS DM result and bringing it forward as the FY 2018 target. This is how IHS historically establishes the second year target of a new measure.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

As a clinical GPRA measure, the depression screening measure is subject to the same processes described for the Universal Alcohol screening measure using the CRS. Please refer to Universal Alcohol screening measure Quality of Performance Data section 4 (page 4) for further detail.

Decision Unit 6: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

Measure 6: Behavioral Health: Depression Screening of American Indian and Alaska Native youth ages 12-17.

Depression Screening Table 6: Measure 6						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	Baseline	50.1%	Retired*

*Measure retired due to a change in reporting system (the Integrated Data Collection System Data Mart, IDCS DM).

Depression Screening Table 6: Measure 6						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
N/A	N/A	N/A	N/A	N/A	N/A	27.6%**

**Reflects reporting from a new system, the IDCS DM.

- (1) Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (6): The Depression Screening of AI/AN youth ages 12-17 measure reflects the fact that while depression can begin at any age, often the first episode of major depressive disorder (MDD) occurs during childhood or adolescence. The linkage between suicide deaths and longer-term MDD among adolescents warrants widespread depression screening in the Indian health system given the high rates of suicide among AI/AN youth. Additionally, research in depression in ages 12 to 17 youth has shown risks of difficulty in carrying out daily activities and higher risk of depression and other mental health problems as adults. For patients who have co-occurring substance use disorders and mood disorders, such as depression, this measure is used by the Agency to identify individuals who require intervention, treatment, and referral to appropriate services.

- (2) Prior Years Performance Targets and Results -** For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for

the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

The CRS result for the FY 2017 depression screening of AI/AN youth ages 12-17 measure was 50.1 percent.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The performance target for FY 2018 is 27.6 percent. The FY 2018 target was established by taking the FY 2017 IDCS DM result and bringing it forward as the FY 2018 target. This is how IHS historically establishes the second year target of a new measure.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

As a clinical GPRA measure, the depression screening measure is subject to the same processes described for the Universal Alcohol screening measure using the CRS. Please refer to Universal Alcohol screening measure Quality of Performance Data section 4 (page 4) for further detail.

Measure 7: Suicide Surveillance: Increase the incidence of suicidal behavior reporting by health care (or mental health) professionals

Suicide Report Form Table 7: Measure 7						
FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
1,438	1,766	2,346	2109	2,536	*N/A	2,561

* Please note FY 2017 final results will be available in March 2018

- (1) **Performance Measures-** The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

Measure No. (7): The Suicide Surveillance measure reflects the number of Suicide Report Forms (SRF) completed throughout the Indian health system. The SRF captures data related to specific incidents of suicide, such as data and location of act, method, contributing factors, and other useful epidemiologic information. SRFs are documented at the point of care by health care (or mental health) professions. The Agency uses this measure as a management tool to gather information about the incidence of suicidal ideations, attempts, and completions to guide policy and program decisions. Unfortunately, suicide is often the result of underlying issues such as depression, domestic violence, and alcohol and substance abuse.

- (2) **Prior Years Performance Targets and Results -** For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

The final SRF data for FY 2017 will be available March 2018.

To increase utilization of the SRF among tribal communities, IHS will provide trainings to increase awareness of the form and the importance of suicide surveillance activities among providers, facility and Area managers, and administrators. Similarly, RPMS site managers

and EHR clinical application coordinators will be made aware of the SRF and the appropriate application set-up and exporting processes.

- (3) Current Year Performance Targets - Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.**

The FY 2018 target is 2,561 completed forms. The targets are determined by an analysis of the previous measure results.

- (4) Quality of Performance Data- The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.**

The logic for reporting the suicide surveillance measure utilizes SRF data entered into RPMS Behavioral Health export package by providers at the point of care. Once entered into the database, the SRF information is then electronically exported from the documenting site to a national suicide database in Albuquerque, New Mexico. Processes are in place to accurately document receipt of the electronic file(s), notifying the exporting site that the file(s) have been received by providing electronic file name(s) and record counts. Once received, the national suicide database is automatically updated with the new information. Sites must initiate the electronic export process for data to be included in the performance measurement report. The source system is the RPMS SRF data entered at the point of care and the national suicide database maintained by IHS. The SRF was designed by clinical, epidemiology, and informatics subject matter experts.

Future Changes for IHS Performance Measures

The IHS reports drug control performance summary data that includes mental health and violence screening data that supports the *National Drug Control Strategy* but are not reported as a part of the annual drug budget. Beginning in FY 2018, the IHS will adjust its performance-related data for this attestation to align with appropriated drug control budget resources by removing the following measures: Domestic Violence/Intimate Partner Violence; Depression Screening (both measures); and Suicide Surveillance.



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201

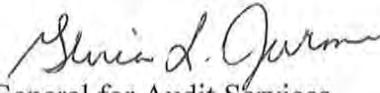


JAN 11 2018

TO: James M. Anderson, M.D., Ph.D.
Director
Division of Program Coordination, Planning, and Strategic Initiatives
National Institutes of Health

Donna Jones
Chief Financial Officer
National Institute on Drug Abuse
National Institutes of Health

Judit O'Connor
Chief Financial Officer
National Institute on Alcohol Abuse and Alcoholism
National Institutes of Health

FROM: Gloria L. Jarmon 
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: National Institutes of Health Fiscal Year 2017
Detailed Accounting Submissions and Performance Summary Report for National
Drug Control Activities and Accompanying Required Assertions
(A-03-18-00352)

This report provides the results of our review of the attached National Institutes of Health (NIH) submissions as follows:

- detailed accounting submissions, which include the tables of Fiscal Year 2017 Actual Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2017, submitted by NIH's National Institute on Drug Abuse (NIDA) and National Institute on Alcohol Abuse and Alcoholism (NIAAA), respectively, and
- the Performance Summary Report for National Drug Control Activities and management's assertions for the fiscal year ended September 30, 2017, submitted by NIH for NIDA and NIAAA, collectively.

NIH management is responsible for, and prepared, the detailed accounting submissions and Performance Summary Report to comply with the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the ONDCP Circular).

We performed this review as required by 21 U.S.C. § 1704(d)(A) and as authorized by 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular.

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that NIH's detailed accounting submissions and Performance Summary Report for fiscal year 2017 were not fairly stated, in all material respects, based on the ONDCP Circular.

NIDA's and NIAAA's detailed accounting submissions and NIH's combined Performance Summary Report are included as Attachments A, B, and C, respectively.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and NIH. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Amy J. Frontz, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Amy.Frontz@oig.hhs.gov. Please refer to report number A-03-18-00352 in all correspondence.

Attachments



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
National Institute on Drug Abuse
Bethesda, Maryland 20892

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary of Finance
Department of Health and Human Services

FROM: Donna Jones *Donna M Jones 11/2/17*
Chief Financial Officer
National Institute on Drug Abuse

SUBJECT: Assertions Concerning Drug Control Accounting

In accordance with the requirements of the Office of National Drug Control Policy Circular "Accounting of Drug Control Funding and Performance Summary," I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from the NIH financial accounting system for this budget decision unit after using NIDA's internal system to reconcile the NIH accounting system during the year.

Drug Methodology

I assert that the drug methodology used to calculate obligations of Prior year budget resources by function for the institute was reasonable and accurate in accordance with the criteria listed in Section 6b(2) of the Circular. In accordance with these criteria, I have documented data which support the drug methodology, explained and documented other estimation methods (the assumptions for which are subject to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived (See Exhibit A).

Obligations of prior year drug control budgetary resources are calculated as follows:

FY 2017 actual obligations were determined by identifying NIDA support for projects that address drug prevention and treatment. Projects for inclusion in the ONDCP budget are identified from the NIDA coding system and database known as the "NEPS" system (NIDA Extramural Project System). Data are entered into this system by program staff. NIDA does not need to make any assumptions or estimates to isolate its total drug control obligations as the total appropriation is drug control.

As the supporter of most of the world's research on drug abuse and addiction, the National

Institute on Drug Abuse (NIDA) provides a strong science base for our Nation's efforts to reduce the abuse of drugs and their consequences. NIDA's comprehensive research portfolio addresses a broad range of drug abuse and addiction issues, ranging from the support of fundamental neurobiology to community-based research. As our Nation looks for science-based approaches to enhance its prevention and treatment efforts, NIDA's broad portfolio and its continuing efforts to work with other Agencies and NIH Institutes on a variety of transdisciplinary issues will provide the tools necessary to move these efforts forward. Research serves as the cornerstone of NIDA's efforts to disseminate research information and educate health professionals and the public, especially our Nation's youth, about the factors influencing drug use, its consequences, and about science-based and tested treatment and prevention techniques. These research and dissemination efforts to develop, test, and disseminate information on the basis of addiction, its consequences, and enhanced therapeutic techniques support the ONDCP Goal 3 (treatment). Efforts to enhance the science base and disseminate information on the factors that inhibit and facilitate drug use and its progression to addiction and other health consequences, and on science-based approaches for prevention interventions support the ONDCP Goal 1 (prevention).

NIDA obligations are allocated between prevention and treatment research based on the professional judgment of scientific program officials on specific grant and contract projects. These scientists review the grant application, project purpose and methodology, and/or progress report to determine whether the project meets NIDA's criteria for categorization as prevention or as treatment research. Projects are coded and entered into the NEPS system prior to funding.

NIDA's FY 2017 Annualized CR budget from the FY 2018 President's Budget (PB) was \$1,075,440,000. In May of 2017, NIDA received the FY 2017 Enacted budget of \$1,090,853,000, which was an additional \$15,413,000 above the Annualized CR level. There was a Permissive Transfer in the amount of \$2,474,000 and an HIV/AIDS transfer in the amount of \$17,533,000. NIDA obligated \$1,070,812,670 and \$33,330 lapsed.

Application of Methodology

I assert that the drug methodology described in the preceding section was the actual methodology used to generate the table required by Section 6a. NIDA has not modified its drug methodology from the previous year. The difference between NIDA's actual obligations and the National Drug Control Strategy Budget summary number for FY 2017 are for the same reasons described above for the FY 2017 column of the FY 2018 PB.

Reprogrammings or Transfers

I assert that the obligation data presented are associated against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP's approval of reprogrammings or transfers affecting drug-related resources in excess of \$1 million that occurred during the fiscal year.

Fund Control Notices

I assert that the obligation data presented are associated against a financial plan that complied fully with all Fund Control Notices issued by the Director under 21 U.S.C. 1703(f) and with section 9 of the ONDCP Circular *Budget Execution*, dated January 18, 2013.

ATTACHMENT

Exhibit A

- (1) **Drug Methodology** – Actual obligations of prior year drug control budgetary resources are derived from the NIDA Extramural Project System (NEPS) and the NIH nVision Balance of Accounts Report.
 - (a) **Obligations by Budget Decision Unit** – NIDA’s budget decision units have been defined by ONDCP Circular, Budget Formulation, dated January 18th, 2013. NIDA reports its entire budget to ONDCP. This unit is referred to as:
 - National Institute on Drug Abuse
 - (b) **Obligations by Drug Control Function** – NIDA distributes drug control funding into two functions, prevention and treatment:
 - Research and Development Prevention
 - Research and Development Treatment
- (2) **Methodology Modifications** – none
- (3) **Material Weaknesses or Other Findings** – none
- (4) **Reprogrammings or Transfers** - The obligation data presented are associated against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP’s approval of reprogrammings or transfers affecting drug-related resources in excess of \$1 million that occurred during the fiscal year.
- (5) **Other Disclosures** - none

**NATIONAL INSTITUTES OF HEALTH
NATIONAL INSTITUTE ON DRUG ABUSE
FY 2017 Actual Obligations
(Dollars in Thousands)**

I. RESOURCE SUMMARY

	FY 2017 Actual
Drug Resources by Decision Unit:	
National Institute on Drug Abuse	1,070,813
Total	1,070,813
Drug Resources by Function:	
Research and Development Prevention	380,513
Research and Development Treatment	690,300
Total	1,070,813

**Difference Between the FY 17 Annualized CR column of the FY 18 PB
and the National Drug Control Strategy Budget Summary and the
Actual NIDA Obligations
(Dollars in Thousands)**

FY 17 Annualized CR column of the FY 2018 PB; National Drug Control Strategy	1,075,440
Increase over FY 2017 Annualized CR level	15,413
Permissive Transfer	-2,474
HIV/AIDS Transfer	-17,533
Lapse of Funds	-33
Total Actual Obligations	1,070,813



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service
National Institutes of Health

National Institute on Alcohol
Abuse and Alcoholism 5635
Fishers Lane
Bethesda, MD 20892-9304

November 14, 2017

MEMORANDUM TO: Director Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary of Finance
Department of Health and Human Services

FROM: Judit O'Connor
Chief, Financial Management
Judit O'Connor -S
National Institute on Alcohol Abuse and Alcoholism

Digitally signed by Judit O'Connor -S
DN: c=US, o=U.S. Government, ou=HHS,
ou=NIH, ou=People, cn=Judit O'Connor
-S,
0.9.2342.19200300.100.1.1=0013363641
Date: 2017.11.14 14:19:01 -05'00'

SUBJECT: Assertions Concerning Drug Control Accounting

In accordance with the requirements of the Office of National Drug Control Policy Circular "Accounting of Drug Control Funding and Performance Summary," I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from the National Institutes of Health (NIH) financial accounting system for this budget decision unit after using the National Institute on Alcohol Abuse and Alcoholism's (NIAAA) internal system to reconcile the NIH accounting system during the year.

Methodology

I assert that the methodology used to calculate obligations of prior year budgetary resources by function for the institute was reasonable and accurate in accordance with the criteria listed in Section 6b(2) of the Circular. Obligations of prior year underage drinking control budgetary resources are calculated as follows:

The NIAAA prevention and treatment components of its underage drinking research are included in the ONDCP drug control budget. Underage drinking research is defined as research that focuses on alcohol use, abuse and dependence in minors (children under the legal drinking age of 21). It includes all alcohol related research in minors, including behavioral research, screening and intervention studies and longitudinal studies with the exception of research on fetal alcohol spectrum disorders resulting from alcohol use by the mother during pregnancy. Beginning with

the reporting of FY 2010 actual obligations, NIAAA’s methodology for developing budget numbers uses the NIH research categorization and disease coding (RCDC) fingerprint for underage drinking that allows for an automated categorization process based on electronic text mining to make this determination. Once all underage drinking projects and associated amounts are determined using this methodology, NIAAA conducts a manual review and identifies just those projects and amounts relating to prevention and treatment. Contract expenditures supporting underage prevention activities are also included. This subset makes up the NIAAA ONDCP drug control budget. Prior to FY 2010, there was no validated fingerprint for underage drinking, and the NIAAA methodology was completely dependent upon a manual review by program officers.

Application of Methodology

I assert that the drug methodology described in this section was the actual methodology used to generate the table required by Section 6a of the Circular.

Reprogramming or Transfers

I assert that NIAAA did not reprogram or transfer any funds included in its drug control budget.

Fund Control Notices

I assert that the obligation data presented are associated against a financial plan that complied fully with all Fund Control Notices issued by the Director under 21 U.S.C. 1703(f) and with ONDCP Circular *Budget Execution*, dated January 18, 2013.

**NATIONAL INSTITUTES OF HEALTH
NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM
FY 2017 ACTUAL OBLIGATIONS
(Dollars in Thousands)**

FY 2017 Actuals	
Drug Resources by Decision Unit:	
National Institute on Alcohol Abuse and Alcoholism	\$50,639
Total Drug Resources by Decision Unit	\$50,639
Drug Resources by Function:	
Research and Development: Prevention	\$45,504
Research and Development: Treatment	\$5,134
Total Drug Resources by Function	\$50,639

ATTACHMENT

Exhibit A

- (1) **Drug Methodology** – Actual obligations of prior year drug control budgetary resources are derived from the NIH research categorization and disease coding (RCDC) fingerprint for underage drinking and a manual review to identify projects related to prevention and treatment.
 - (a) **Obligations by Budget Decision Unit** – NIAAA’s budget decision units have been defined by ONDCP Circular, Budget Formulation, dated January 18th, 2013. NIAAA reports only a portion of the budget dedicated to treatment and prevention to ONDCP. This unit is referred to as:
 - National Institute on Alcohol Abuse and Alcoholism
 - (b) **Obligations by Drug Control Function** – NIAAA distributes drug control funding into two functions, prevention and treatment:
 - Research and Development Prevention
 - Research and Development Treatment
- (2) **Methodology Modifications** – none
- (3) **Material Weaknesses or Other Findings** – none
- (4) **Reprogrammings or Transfers** - none
- (5) **Other Disclosures** - none



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
Bethesda, Maryland 20892

DATE: November 13, 2017

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Norris Cochran
Deputy Assistant Secretary, Office of Budget, HHS

FROM: Director, Division of Program Coordination,
Planning, and Strategic Initiatives (DPCPSI), NIH

SUBJECT: Assertions Concerning Performance Summary Report

In accordance with the requirements of the Office of National Drug Control Policy circular "Accounting of Drug Control Funding and Performance Summary," I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting System

I assert that NIH has a system to capture performance information accurately and that this system was properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

I assert that the explanations offered in the attached report for failing to meet a performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in the attached report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.

A handwritten signature in black ink, appearing to read "James M. Anderson".

James M. Anderson, MD, PhD
Director, DPCPSI

FY 2017 Performance Summary Report for National Drug Control Activities

Decision Unit 1: NIDA

Prevention

Measure SRO-5.15: By 2018, develop, refine, and evaluate evidence-based intervention strategies and promote their use to prevent substance misuse and substance use disorders and their consequences in underage populations.

Table 1: NIDA Annual Targets

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
NIH-funded research tested multiple interventions to prevent drug use, drug use problems, and drug-related risky behaviors including HIV risk behaviors.	NIH-funded research tested over twenty strategies for improving the dissemination and implementation of evidence-based interventions to prevent drug use, drug use problems, and drug-related risky behaviors including HIV risk behaviors.	41 research articles were published examining the efficacy of a variety of prevention interventions to protect youths from initiation or escalation of substance use and associated negative health outcomes.	Assess the efficacy or effectiveness of at least two indicated/selective interventions to prevent substance use and other risk behaviors in "high risk" youth and young adult populations.	The efficacy or effectiveness of three interventions to prevent substance use and other risk behaviors in "high risk" youth and young adult populations was tested.	Assess the efficacy or effectiveness of at least two strategies or interventions to prevent prescription drug abuse in youth and young adult populations.

Note: SRO-5.15 began reporting in FY 2014.

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency’s drug control activities.

NIH’s growing knowledge about substance use and addiction (including tobacco, alcohol, illicit, and nonmedical prescription drug use) is helping to inform the development of prevention strategies that are evidence-based and rooted in a growing understanding of the biological (e.g., genetics, neurobiology), psychosocial (e.g., support systems, stress resilience), and environmental (e.g., socioeconomic, cultural) factors that influence risk for substance use and related disorders. NIH-supported research is building the scientific knowledge base to advance the development of effective, tailored prevention strategies for youth.

NIH’s prevention portfolio encompasses a broad range of research to increase our understanding of the factors that enhance or mitigate an individual’s propensity to initiate drug use or to escalate from use to substance use disorders across different developmental stages.

Understanding the mechanisms through which these factors influence substance use and addiction across individuals is critical for designing more effective prevention strategies.

Measure SRO-5.15 focuses on developing, refining, evaluating, and disseminating evidence-based intervention strategies to prevent substance misuse and substance use disorders and

their consequences in underage populations and contributes to the 2016 National Drug Control Strategy Goal of Strengthening Efforts to Prevent Drug Use in Our Communities (Chapter 1).

The efficacy and cost-effectiveness of primary prevention programs—designed to prevent substance use before it starts, or prevent escalation to substance use disorders—can be enhanced by targeting prevention efforts toward populations with specific vulnerabilities (genetic, psychosocial, or environmental) that affect their likelihood of taking drugs or becoming addicted.^{1,2,3} For example, prevention programs designed for sensation-seeking youth are effective for these youth, but not for their peers who do not demonstrate a high level of sensation seeking.⁴ High levels of sensation-seeking, and other traits known to be risk factors for substance misuse—such as high impulsivity or early aggressive behavior—may be identified early using genetic markers.

It is estimated that genetic factors account for approximately half of the risk for addiction.⁵ A number of genetic markers have been identified that influence risk for addiction and recent research has shown that genetic risk factors can influence the effectiveness of school-based prevention interventions.⁶ This information can be harnessed for improving prevention by personalizing interventions for optimal benefit. Such strategies would enable substance use prevention programs to target programs more precisely based on individual or group vulnerability, ultimately increasing their impact and cost-effectiveness. Combined with improved educational efforts to increase an individual's awareness of his or her personal risk, this preemptive prevention approach can empower people to make decisions that ultimately prevent substance use from starting or escalating.

The information gained from research on the factors that influence risk and resilience to substance use disorders will lay the foundation for improved and tailored prevention efforts in the future. As personalized risk (or protective) factors for substance use and addiction vulnerability are identified, NIH will encourage researchers to use that information to better understand how biological factors, combined with environmental ones, contribute to substance use disorder vulnerability, thereby enhancing its prevention portfolio. NIH will also encourage the scientific community to use this knowledge to develop and test targeted prevention interventions for populations with differing vulnerabilities to improve our Nation's intervention efforts, similar to the strategy now being used to prevent substance use in high sensation-seeking youth.

(2) Provide narrative that examines the FY 2017 actual performance results with the FY 2017 target, as well as prior year actuals. If the performance target was not achieved for FY 2017, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.

The performance target for SRO-5.15 was met for FY 2017. The efficacy or effectiveness of three interventions to prevent substance use and other risk behaviors in “high risk” youth and young adult populations was tested. Prevention of the initiation of drug use and escalation to addiction continues to be one of NIDA's primary strategic goals (see [NIDA's Strategic Plan](#)).

NIDA continues to fund a robust prevention portfolio that builds upon solid epidemiological findings and insights from genetics and neuroscience research, applying this knowledge to develop effective strategies to prevent initiation of drug use and escalation of use to addiction among youth.

Substance use problems are highly prevalent among youth in foster care. Such problems in adolescence have long-lasting implications for subsequent adjustment throughout adulthood and even across generations. Although several programs have demonstrated positive results in reducing substance use in at-risk youth, few studies have systemically examined how such programs work for foster youth and whether they are effective for both genders. A NIDA-funded study examined the efficacy of KEEP SAFE, a family-based and skill-focused program designed to prevent substance use and other related health risking behaviors among youth in foster care. The authors hypothesized that improving the caregiver-youth relationship would lead to later reductions in youths' involvement with deviant peers, which subsequently would lead to less substance use, and that this mechanism would work comparably for both genders. 259 youth (105 boys and 154 girls, age range = 11-17) in foster care and their caregivers participated in a randomized controlled trial and were followed for 18 months post-baseline. Results indicated that the intervention significantly reduced substance use in foster youth at 18 months post-baseline and that the intervention influenced substance use through two processes: youths' improved quality of relationships with caregivers at 6 months post-baseline and fewer associations with deviant peers at 12 months post-baseline. This suggests that these two processes may be fruitful immediate targets in substance use prevention programs for foster youth. The authors also found little gender differences in the effects of the intervention, suggesting KEEP SAFE may be effective for both genders in foster care.⁷

Another NIDA-funded study evaluated the effectiveness of an evidence-based, parent-centered intervention called Familias Unidas. The intervention aimed to prevent substance use (alcohol, illicit drugs) and sex without a condom among Hispanic adolescents. School personnel, including social workers and mental health counselors, were trained to deliver the evidence-based intervention. A randomized controlled trial (n = 746) evaluated the effectiveness of Familias Unidas among Hispanic eighth graders (age range = 12-16), relative to prevention as usual, within a public school system. (Prevention as usual was defined as a six-lesson HIV risk reduction educational unit provided by science teachers in the classroom setting.) Familias Unidas was effective in preventing drug use from increasing and prevented greater increases in sex without a condom 30 months after baseline, relative to prevention as usual. Familias Unidas also had a positive impact on family functioning and parental monitoring of peers at six months after baseline. The study demonstrated the effectiveness of a parent-centered preventive intervention program in preventing risky behaviors among Hispanic youths. Findings highlight the feasibility of training community members to effectively deliver a manualized intervention in a real-world setting.⁸

Another study examined an intervention for disruptive behavior. Prior research suggests that under some conditions, interventions that aggregate high-risk youth may be ineffective, or at worst, may even exacerbate risk. However, group formats have considerable practical utility for delivery of preventive interventions, and thus it is crucial to understand child and therapist factors that predict which children who demonstrate increased aggressive behaviors benefit from

group intervention and which do not. To address these questions, researchers video-recorded group Coping Power intervention sessions (938 sessions) and analyzed both therapists' and children's behaviors in the sessions that predicted changes in teacher and parent reports of problem behavior at one-year follow up. The sample included 180 high-risk children (69% male) who received intervention in 30 separate Coping Power intervention groups (six children assigned per group). The evidence-based Coping Power prevention program consists of 32 sessions delivered during the 4th and 5th grade years. The behavioral coding system used in the analyses included two clusters of behaviors for children (positive; negative) and two for the primary therapists (group management; clinical skills). The analyses suggest that high levels of children's negative behaviors usually predicted increases in teacher and parent rated aggressive and conduct problem behaviors during the follow-up period. Therapist use of clinical skills (e.g., warmth, nonreactive) predicted less increase in children's teacher-rated conduct problems. These findings suggest the importance of clinical training in the effective delivery of evidence-based practices, particularly when working with high-risk youth in groups.⁹

(3) The agency should describe the performance target for FY 2018 and how the agency plans to meet this target. If the target in FY 2017 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2018.

The FY 2018 target is to assess the efficacy or effectiveness of at least two strategies or interventions to prevent prescription drug abuse in youth and young adult populations. Prevention of the initiation of drug use and the escalation to substance use disorders in those who have already initiated use is one of NIDA's primary strategic goals (see [NIDA's Strategic Plan](#)). To address this goal, NIDA funds a robust prevention portfolio to identify the characteristics and patterns of drug use; understand how biology, environment, behavior, and development influence the risk and protective factors for drug use; and to apply this knowledge towards the development and dissemination of more effective strategies to identify populations at "high risk" and prevent them from initiating drug use and from progressing to substance use disorders if they do. NIDA's Division of Epidemiology, Services, and Prevention Research also makes a significant investment in implementation science research to better understand the factors that influence successful dissemination and implementation of tested, effective interventions in real world settings. This implementation science research will be used to achieve this target.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

Data Accuracy, Completeness and Unbiased Presentation

The research field is guided by standard scientific methodologies, policies, and protocols. Any variation from these proven methodologies generates criticism that negates findings. The scientific process also has several benchmarks within it to ensure scientific integrity. For instance, research designs, such as qualitative, quantitative, and mixed methods, have each been tested, with evidence-based strategies established to guide the implementation of all scientific

research studies. In these processes, data collection, security, management, and structures are clearly defined to ensure optimum analyses.

Data analyses are guided by statistical methodologies, a mathematical science used to test assumptions. In addition, NIH has incorporated standardized policies and procedures for making funding announcements, assessing meritorious science, monitoring progress of grantees and scientists in achieving the expected outcomes, and assessing performance at the project's conclusion. Researchers are also expected to publish findings in peer-reviewed journals, which offer another layer of assessment and validation of the findings. In addition, all studies involving human subjects must receive Institutional Review Board (IRB) clearance, yet another form of review that ensures the relevance of the study and the safety of the subjects. NIH's research activities implement and practice all scientifically relevant procedures to ensure data quality and to substantiate findings.

In implementing scientific research, NIH uses established tools to develop and oversee programs and improve their performance, proactively monitoring grants, contracts, and cooperative agreements and assess their performance. The following briefly describes the NIH scientific process, which has been assessed by outside entities and is regarded as premier.

Assessment to fund meritorious science (peer review). NIH uses state-of-the-art assessment to determine scientific merit and make funding decisions based on the best science. In general, project plans presented in competing grant applications and contract proposals are subject to three levels of review focused on the strength and innovation of the proposed research, the qualifications of the investigator(s), and the adequacy of the applicant's resources:

- The first level of review, called peer review, ensures that the most meritorious science, as determined by the scientific field's experts, is identified for funding. NIH has over 11,000 external experts participating in peer review panels, each of whom is nationally recognized for his or her area of expertise. The applications are systematically reviewed and scored to inform funding decisions. NIH is one of the few Federal agencies with a legislative requirement for peer review.
- The second level of review is by the Institute's National Advisory Council, which is comprised of eminent scientists along with members of the general public. The Council serves as a useful resource to keep each Institute abreast of emerging research needs and opportunities, and to advise the Institute on the overall merit and priority of grant applications in advancing the research. All members of Council are appointed by the HHS Secretary.
- The third level of review is by the Institute Director, with input from Institute staff who have relevant expertise. The Director makes the final decision on whether an application will receive funding.

These layers of expert review assessing scientific methodologies and relevance to the field enable funding of the most promising research to advance the field. Consequently, funding decisions made at the agency level are conducted in a consistent, merit-based fashion, guided by scientific methodologies and relevance.

Performance monitoring of grants and contracts. Once an award is made, additional NIH policies and guidelines are implemented to ensure oversight of the proposed project aims and program goals. The NIH Grants Policy Statement (available at <https://grants.nih.gov/policy/nihgps/index.htm>) provides the standardized protocols for monitoring performance-based grants and contracts. Although there are many procedures, a few significant items include the timely submission of progress and final reports. These are assessed by NIH project officers and grants management staff to determine adherence to the approved scientific research plan and to appropriate cost principles and legislative compliance. Project officers may work closely with principal investigators to facilitate adherence, address barriers, and ensure quality programmatic achievements.

As a standard performance-based practice, the approved scientific aims and objectives formulate the terms and conditions of each grant award and become the focus of scientific monitoring. The NIH Grants Policy Statement, referenced as a term of every award, states the specific administrative requirements for project monitoring and enforcement actions when a grantee fails to comply with the terms and conditions of the award. NIH staff monitor scientific progress against the approved aims and scope of the project, as well as administrative and fiscal compliance through review of periodic progress reports, publications, correspondence, conference calls, site visits, expenditure data, audit reports (both annual institutional financial reports and project-specific reports), and conference proceedings. When a grantee fails to comply with the terms and conditions of an award, enforcement actions are applied. These may include modification to the terms of award, suspension, withholding support, and termination.

A further checkpoint for programmatic assessment occurs when the applicant requests renewal support of continuation research. A peer review group again assesses the merits of future research plans in light of the progress made during the previous project period, and any problems in grantee performance are addressed and resolved prior to further funding. This process further demonstrates use of assessments to improve performance.

Review of manuscripts. Ultimately, the outcomes of any scientific research are judged based on published results in a peer-reviewed journal. The peer-review publication process is another point in which the quality and innovation of the science undergoes a rigorous evaluation. For most scientific journals, submitted manuscripts are assigned to a staff editor with knowledge of the field discussed in the manuscript. The editor or an editorial board will determine whether the manuscript is of sufficient quality to disseminate for external review and whether it would be of interest to their readership. Research papers that are selected for in-depth review are evaluated by at least two outside referees with knowledge in the relevant field. Papers generally cannot be resubmitted over a disagreement on novelty, interest, or relative merit. If a paper is rejected on the basis of serious reviewer error, the journal may consider a resubmission.

Additional controls specific for genetics projects. For all genetics projects (i.e., both contracts and grants), a three-tier system ensures data accuracy. This system is based on sound, proven scientific methodology internally governed by the larger scientific research community (as described above). First, gene expression levels are validated using highly quantitative methods to measure ribonucleic acid (RNA) levels. Second, each study builds in a replication design using subsets of the study population or, sometimes, different study populations. Third, the

information gleaned from these studies is compared against previously collected data or, if not available, replicated and validated in models suited to evaluate the implications of the genetic findings.

Every effort is made to acquire complete data sets; however, several factors can limit a researcher's ability to do so. These factors are either intrinsic to the type of data being collected (inability to collect from all drug users, all ethnic minorities, every developmental stage, every comorbid association, etc.) or linked to the incompleteness of genetic information databases (considerable gaps in SNP collections, many genes yet unidentified or without known function, etc.). Some level of data incompleteness mires all human genomic programs in which population sampling, limited by cost considerations, must be used. These obstacles, however, do not necessarily jeopardize data quality, since many powerful post-hoc standard protocols are available and being deployed to clean the data sets and ensure accuracy and replicability.

Methodology Used to Establish Targets/Actuals

The targets are established based on the state of the science in a particular field and knowledge of the scientific process by which advances are made. NIDA supports a robust portfolio on implementation science research to better understand the factors that influence successful dissemination and implementation of tested and efficacious interventions in real world settings. The targets are established based on where the field stands in this process and on the next logical scientific step for moving the field forward

Data Sources

As described above, each grantee provides an annual progress report that outlines past-year project accomplishments, including information on patients recruited, providers trained, patents filed, manuscripts published, and other supporting documentation, depending on the goals of the study. This information allows NIH to evaluate progress achieved or to make course corrections as needed.

Treatment

Measure SRO-7.3: By 2020, develop and/or evaluate two treatment interventions using health information technology (HIT) to improve patient identification, treatment delivery and adherence for substance use disorders and related health consequences.

Table 2: NIDA Annual Targets

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
Research tested feasibility and efficacy of technology-based treatments, and measurement of real-time contextual feedback, and mobile-technology-based interactions in drug addiction; development of other approaches in the use of mobile technology continues.	Studies examined the efficacy of mobile technology-based treatments to enhance treatment for patients with mental illness, and for interactive treatment of patients with drug addiction; and the feasibility of improving HIV antiretroviral treatment adherence with cell phone reminders, counseling, and two-way personalized text messaging.	Five interventions utilizing HIT, including mobile health technology, addressing five research priority areas were developed. All interventions were found to be feasible and will undergo additional revision and efficacy testing in preparation for broad dissemination and implementation.	Continue to test and/or deploy technology-enabled strategies to improve substance use disorder treatment or medication adherence interventions; implement substance use disorder treatment or medication adherence interventions using mobile technology at 1-2 service delivery settings.	Research testing the feasibility and efficacy of 3 technology-based strategies to improve substance use disorder treatments and adherence was conducted, including research in 2 different care delivery settings.	Develop and/or test 1-2 technology-based treatments for substance use disorders and common comorbidities.

Note: SRO-7.3 began reporting in FY 2014.

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency’s drug control activities.

Addiction is a complex but treatable disorder that affects brain function and behavior. However, we have a significant and ongoing treatment gap in our Nation. Among those who need treatment for a substance use disorder (SUD), only about 10 percent receive specialty care.¹⁰ Further, many treatment programs do not deliver current evidence-based practices –for example, less than fifty percent provide access to medications approved for the treatment of opioid use disorder¹¹, and they typically do not coordinate care with the patient’s general health care providers. In addition, patients receiving treatment for SUD or related health conditions – such as HIV or mental health disorders – often do not fully adhere to the treatment plan recommended by their doctor. NIDA is committed to supporting health services and implementation research to develop and test technologies that aim to reduce these gaps.

An unacceptable gap also separates scientific discoveries from their implementation into community health care settings. A scientific approach is needed to develop and test implementation strategies to improve the reach of evidence-based treatments. Ultimately, NIH

strives to make research-based treatments user friendly, cost effective, and available to a broad range of practitioners and their patients. Health information technology (HIT) tools, including mobile technologies, represent one promising mechanism to achieve this goal.

The last few years have seen tremendous advances in the development and implementation of HIT tools that have great promise for improving the efficiency and quality of health care delivery for substance use disorders – ranging from electronic health records, telehealth, wearable sensors, and mobile health technologies.¹² These advances are revolutionizing health services research and presenting new opportunities to deliver innovative treatment and recovery interventions. HIT has the power to drive new treatment delivery models by supporting more effective integration of care, extending the reach of the SUD treatment workforce, enabling real-time patient monitoring and support, and engaging patients who are hesitant to participate in traditional behavioral health treatment systems. NIH-supported research is exploring how technology can best be leveraged to increase access to and quality of care to improve patient outcomes.

SRO-7.3 is focused on developing and testing treatment interventions using HIT tools to improve patient identification, treatment delivery, or adherence to treatment for substance use disorders and related health problems. This goal contributes to NIDA's long-term strategy for improving drug use disorder treatment nationwide, thereby contributing to the *2016 National Drug Control Strategy's Goals of: Seeking Early Intervention Opportunities in Health Care (Chapter 2)* by supporting screening for substance use and substance use disorders in healthcare settings using mobile technologies; *and Increasing Access to Treatment and Supporting Long Term Recovery (Chapter 3)* by supporting innovative research to develop and test mobile technologies to support the delivery of treatment and recovery services.

NIH's health services research portfolio encompasses a broad array of studies exploring the use of HIT tools to deliver evidence-based treatments, support coordination of care, improve the organization and delivery of treatment services, educate patients to prevent common comorbidities such as HIV or Hepatitis C, improve adherence to treatment for both substance use disorders and comorbid health conditions, increase treatment engagement, and provide recovery support. Research in this area will lay the foundation for leveraging technology to improve health outcomes related to substance use and substance use disorders. As these technologies advance, NIH will continue to encourage innovative research to determine how they can best be applied to address gaps in access to and quality of care as well as treatment engagement to improve individual and public health.

(2) Provide narrative that examines the FY 2017 actual performance results with the FY 2017 target, as well as prior year actuals. If the performance target was not achieved for FY 2017, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.

The FY 2017 target for SRO-7.3 was met. NIDA funds a broad portfolio of research on the potential of HIT tools to improve health care delivery and health outcomes related to SUDs. In FY 2017, research testing the feasibility and efficacy of three technology-based strategies to

improve substance use disorder treatments and adherence was conducted, including research in two different care delivery settings. Research findings leveraging HIT to address NIDA research priority areas include:

Approval of the ReSET mobile application for SUD Treatment – A major development in mHealth in 2017 was the FDA approval of the reSET mobile app. ReSET – previously known as the Therapeutic Education System (TES) – is a mobile app that is approved for use in outpatient treatment for substance use disorders related to cocaine, other stimulants, cannabis, and alcohol. The mobile app delivers cognitive behavioral therapy, which aims to change behavior by changing an individual’s cognitive processes. The app rewards users for continuing with therapy with various incentives, which can improve adherence. When adopted widely, evidence-based advances in digital therapeutics will broaden the spectrum of substance use disorder treatment options, particularly in rural and underserved communities.

This treatment tool was created through NIDA’s behavior-therapy development program and validated through a major nationwide multi-site trial conducted in the NIDA Clinical Trials Network (CTN) program. In the clinical trial, the 12-week abstinence rate from drugs and alcohol for users of the app, 40 percent, was more than twice the abstinence rate for individuals who received standard care (18 percent). Pear Therapeutics, Inc. acquired the right to rebrand TES as reSET and used the CTN trial results as pivotal evidence to gain approval from the Food and Drug Administration as the first prescription digital therapeutic to improve clinical outcomes in a disease. The reSET app is not approved for treating opioid use disorder, but with a Small Business Innovation Research grant from NIDA, a new version of the app called reSET-O is currently being developed.

Implementation of Evidence-Based HIT Tools – A recent study by NIDA explored strategies to support the implementation of a combination of evidence-based technologies in the primary care setting – including both reSET and a mobile application that provides SUD recovery support (ACHESS). When these combined technologies, branded Seva, were pilot tested using proven implementation strategies (informed by quality improvement), researchers found that they supported patients’ sustained, positive use of Seva.¹³

My Mobile Advice Program (MyMAP) – Other NIDA-funded research is exploring a mobile optimized website accessed via smartphone to improve medication adherence and provide tailored advice to manage symptoms to help users quit smoking. An initial pilot study in a large health system determined that MyMAP is a feasible, acceptable, and potentially effective means to support varenicline use to quit smoking.¹⁴ Future studies are planned to determine the efficacy of this intervention for smoking cessation.

(3) The agency should describe the performance target for FY 2018 and how the agency plans to meet this target. If the target in FY 2017 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2018.

The FY 2018 target is to develop and/or test 1-2 technology-based treatments for substance use disorders and common comorbidities. HIT is a rapidly advancing field that is poised to significantly improve the efficiency and efficacy of healthcare delivery. Based on the research

of relevance to SRO-7.3, along with other advances in HIT, NIDA recognizes the potential of an array of technologies to transform patient care through the secure sharing and use of health information. Through SRO-7.3 NIDA will support the development and evaluation of interventions that use HIT (e.g., mobile health tools, web applications, telehealth, and electronic health records) to improve patient identification, treatment delivery, or adherence for substance use disorders and related health consequences. To address this target, NIDA funds a significant research portfolio to examine the feasibility and efficacy of technology-based treatments for patients with SUDs. NIDA's ongoing efforts related to HIT will be used to achieve the FY 2018 target.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

Data Accuracy, Completeness, and Unbiased Presentation

As described above, the research field (including health services research) is guided by standard scientific methodologies, policies, and protocols to ensure the validity of its research results. NIH uses these established tools for program development; for actively monitoring grants, contracts, and cooperative agreements; and for assessing performance of grants and contracts in order to oversee the program and improve performance. These tools have been described in response to question 4 above.

For the SRO-7.3 FY 2017 target, NIDA relied on annual progress reports provided by each grantee that outline past-year project accomplishments, including information on patients recruited, providers trained, patents filed, manuscripts published, and other supporting documentation. This information allows NIH to evaluate progress achieved and to make course corrections as needed.

Decision Unit 2: NIAAA

Prevention

Measure SRO-5.15: By 2018, develop, refine and evaluate evidence-based intervention strategies and promote their use to prevent substance misuse and substance use disorders and their consequences in underage populations.

Table 1: NIAAA Annual Targets

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
NIAAA developed the College Alcohol Intervention Matrix (<i>CollegeAIM</i>), a decision tool to help colleges and universities select appropriate strategies to meet their alcohol intervention goals. <i>College- AIM</i> is being finalized and will be released in 2015.	NIAAA supported six studies to evaluate the effectiveness of the youth guide for alcohol screening and brief intervention in a variety of settings.	NIAAA promoted and disseminated the College Alcohol Intervention Matrix (<i>CollegeAIM</i>), and disseminated the youth screening guide through print and electronic media.	Continue to promote the College Alcohol Intervention Matrix (<i>CollegeAIM</i>).	NIAAA promoted and disseminated <i>CollegeAIM</i> and initiated efforts to update <i>CollegeAIM</i> to reflect the latest evidence-based alcohol interventions.	Develop and/or implement additional preventive interventions to address underage alcohol use among specific underserved populations (i.e., American Indian, Alaska Native).

Note: SRO-5.15 began reporting in FY 2014.

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency’s drug control activities.

Adolescence is the stage of life during which most people begin drinking, and it is also a time of considerable social, psychological, and physiological change. The brain, particularly the frontal cortex, continues to develop throughout adolescence and does not fully mature until early adulthood. Adolescents are particularly vulnerable to the adverse consequences of alcohol misuse. Adolescent alcohol exposure can affect normal brain development, compromise short- and long-term cognitive functioning, and increase the likelihood of developing alcohol-related problems during adolescence and later in life. Adolescent alcohol misuse also increases the risk for other adverse outcomes such as blackouts, physical and sexual assault, risky sexual behavior, alcohol overdose, injuries, and death. Given the pervasive use of alcohol among young people, the potential impact on their developmental trajectories, and the increased risk for alcohol use disorder (AUD) and other harmful consequences, effective strategies are needed to prevent the initiation and escalation of youth alcohol use and the associated adverse outcomes.

SRO-5.15 is focused on developing, evaluating, and promoting evidence-based intervention strategies to prevent substance misuse and substance use disorders and their consequences in underage populations, thereby contributing to the *2016 National Drug Control Strategy Goal of*

Strengthening Efforts to Prevent Drug Use in Our Communities (Chapter 1). NIAAA supports research on preventing and reducing alcohol misuse, including underage alcohol use, as well as preventing and treating AUD and other alcohol-related problems. NIAAA's underage alcohol prevention efforts focus on risk assessment and screening, universal and selective prevention, early intervention (i.e., before problems escalate and/or become chronic), and timely treatment as appropriate. NIAAA supports a range of interventions designed for multiple levels (e.g., individual, school/college, family, and community) in support of this goal.

(2) Provide narrative that examines the FY 2017 actual performance results with the FY 2017 target, as well as prior year actuals. If the performance target was not achieved for FY 2017, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.

The target for FY 2017 was met. In September 2015, NIAAA released the *College Alcohol Intervention Matrix (CollegeAIM)* guide and website, important new resources to help colleges address harmful and underage student drinking. Developed with input from researchers and college staff, *CollegeAIM* is an easy-to-use and comprehensive tool to help colleges and universities identify evidence-based alcohol interventions. *CollegeAIM* rates nearly 60 alcohol interventions in terms of effectiveness, costs, and other factors, and presents the information in a user-friendly and accessible way. With this tool, school officials can use research-based information to choose wisely among the many potential interventions to address student drinking.

With the release of *CollegeAIM*, NIAAA embarked on a multifaceted promotion and dissemination effort to introduce college and university officials to this new resource. NIAAA senior staff and selected researchers from the *CollegeAIM* development team made numerous presentations, including at national higher education conferences and regional workshops, to demonstrate how to use the guide and website. For example, in FY 2017, NIH staff presented *CollegeAIM* at a special workshop of the New Jersey Higher Education Consortium on Alcohol and Other Drug Prevention at Rutgers University and at the Substance Abuse and Mental Health Services Administration Prevention Day, which was held at the Community Anti-Drug Coalitions of America (CADCA) National Leadership Forum. NIAAA also continued to promote *CollegeAIM* through its communication outlets, including Twitter and the NIAAA website. Since its launch in 2015, the *CollegeAIM* website has received over 47,000 visitors (16,146 in FY 2017), the digital *CollegeAIM* booklet was downloaded more than 8,000 times (2,275 in FY 2017), and NIAAA distributed more than 14,000 print copies of the booklet (2,824 in FY 2017). NIAAA is also in the process of updating *CollegeAIM* to ensure that it reflects the latest research on evidence-based alcohol interventions for college-age individuals. The Institute reconvened the original group of developers to begin working on the updated *CollegeAIM*, which is scheduled to be completed in 2018.

(3) The agency should describe the performance target for FY 2018 and how the agency plans to meet this target. If the target in FY 2017 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2018.

The FY 2018 target is to develop and/or implement additional preventive interventions to address underage alcohol use among specific underserved populations (i.e., American Indian, Alaska Native). NIAAA is currently supporting several studies to develop culturally-tailored interventions for preventing or reducing alcohol use and adverse alcohol-related consequences among underserved youth. Ongoing studies include culturally-tailored, family-based interventions for Latino emerging adults and rural African American youth transitioning to middle and high school.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

Data Accuracy, Completeness and Unbiased Presentation

To promote the use of evidence-based intervention strategies for harmful and underage college student drinking, NIAAA engaged a team of premier researchers with expertise in college drinking interventions to assess the state of the science on the effectiveness, cost, and barriers to implementation of existing interventions. This process informed the development of *CollegeAIM*, a decision tool designed to help college and university administrators more easily navigate and select alcohol interventions for their campuses.

The team first searched the research literature through 2012 to find studies and reviews for each strategy. Seminal studies from 2013 were added following the first round of reviews. Researchers used quantitative methods to estimate the effectiveness and amount of research for individual-level strategies, as well as the amount and quality of research for the environmental-level strategies. For estimated effectiveness for the environmental strategies, as well as estimated costs and barriers for all strategies, they used a qualitative process of assigning rating codes independently – based on literature reviews, direct knowledge of strategies in practice, or both – then resolving discrepancies through discussion and referral to the literature to reach a consensus. Once the *CollegeAIM* analysis was completed, an additional group of prominent college drinking researchers served as peer reviewers for the data analysis underlying the decision tool. Analyses of the data underlying *CollegeAIM* are guided by statistical methodologies, a mathematical science used to test assumptions.

To ensure the accuracy of reporting on *CollegeAIM* promotion and dissemination efforts, NIAAA conducted a comprehensive search for relevant activities conducted throughout FY 2017, including *CollegeAIM* presentations delivered by NIAAA staff and posts on the NIAAA Twitter feed and website. NIAAA has awarded contracts for the management of its website and print publications, and the Institute receives regular reports from its contactors on the number visitors to the *CollegeAIM* website and the number of times the digital *CollegeAIM* booklet was downloaded. These figures are calculated using Google Analytics software. NIAAA contractors also report on the number of print copies of the *CollegeAIM* booklet that have been distributed.

Performance monitoring of support contracts. As with NIH research and development contracts, once a support contract award is made, NIH policies and guidelines are implemented to ensure

oversight of the proposed project aims and program goals. The Federal Acquisition Regulation provides the standardized protocols for monitoring performance-based grants and contracts. Although there are many procedures, a few significant items include the timely submission of progress and final reports. These are assessed by NIH program officials and contracting staff to determine adherence to the approved statement of work. Program officials may work closely with contractors to facilitate adherence, address barriers, and ensure quality programmatic progress.

As a standard performance-based practice, the approved statement of work formulates the requirements of each contact award. The products outlined in the statement of work comprise the deliverables to be provided by the contractor, which are reviewed by NIH contracts staff. The Federal Acquisition Regulation state the specific administrative requirements for project monitoring and enforcement actions when a contractor fails to comply with the requirements of the award. NIH staff monitor progress against the approved statement of work for the project, as well as administrative and fiscal compliance through review of periodic progress reports, publications, correspondence, conference calls, site visits, expenditure data, audit reports (both annual institutional financial reports and project specific reports), and conference proceedings. When a contractor fails to comply with the terms and conditions of an award, enforcement actions are applied. These may include modification to the terms of award, suspension, withholding of support, and termination.

Methodology Used to Establish Targets/Actuals

The targets are established based on the state of the science and public health needs in a particular field. As a result, a target may represent the next logical step for advancing a particular scientific field or initiative, or fulfilling a public health or research need.

Data Sources

Progress reports that outline project accomplishments allow NIH to evaluate progress achieved and/or to make course corrections as needed. NIAAA contractors provide monthly and annual Web metrics reports that document web traffic and downloads, as well as a monthly report documenting the distribution of NIAAA print publications. NIAAA's Twitter feed and website provide records of NIAAA distribution activities through those particular channels. In addition, NIAAA staff conduct searches of their email and calendar entries for relevant talks and presentations they may have given related to the performance targets.

Treatment

Measure SRO-8.7: By 2018, identify three effective system interventions generating the implementation, sustainability and ongoing improvement of research-tested interventions across health systems.

Table 2: NIAAA Annual Targets

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
NIAAA supported two additional studies to evaluate its youth alcohol screening guide and developed continuing medical education (CME) training through Medscape for physicians, nurses and physicians' assistants.	NIAAA continued to support research to evaluate the underage drinking screening guide in emergency department, juvenile justice, school, and primary care settings, and for youth with chronic conditions.	NIAAA promoted alcohol screening and brief intervention in primary care by offering online continuing medical education (CME) on the underage guide to primary care providers, and by collaborating with federal and non-federal stakeholders to facilitate integration of prevention and early intervention of alcohol misuse in primary care training and practice.	NIAAA encouraged youth alcohol screening and referral to treatment by supporting and promoting continuing medical education training on the use of the guide, organizing or participating in symposia addressing youth alcohol screening, and supporting studies to evaluate the youth screening guide in various settings and populations.	Continue to support studies evaluating screening and brief alcohol interventions in underage or young adult populations.	NIAAA supported a multi-site, school-based study to evaluate NIAAA's <i>Alcohol Screening and Brief Intervention for Youth: A Practitioner's Guide</i> , and another study to evaluate a brief alcohol intervention for adolescents hospitalized for a suicide plan or attempt who report co-occurring alcohol use.	Disseminate findings from studies evaluating the effectiveness of alcohol screening and brief intervention.

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency's drug control activities.

NIAAA has a strong focus on preventing and reducing underage drinking, recognizing the pervasive use of alcohol among young people and the association between early initiation of alcohol use and future alcohol problems. A major focus is to integrate alcohol screening and brief intervention for youth into healthcare practice. Research shows that while many youth are willing to discuss alcohol use with their doctors when assured of confidentiality, too few clinicians follow professional guidelines to screen their young patients. Clinicians often cite insufficient time, unfamiliarity with screening tools, the need to triage competing problems, and uncertainty about how to manage a positive screen, as barriers to alcohol screening. As a result, they may miss the opportunity to express concern about early alcohol use, allow their young

patients to ask questions about alcohol use, and intervene before or after drinking starts or problems develop. NIAAA's *Alcohol Screening and Brief Intervention for Youth: A Practitioner's Guide* was devised to help health care providers identify risk for alcohol use, current alcohol use, and alcohol use disorder (AUD) in children and adolescents. It includes a brief two-question screener and support materials about brief intervention and referral to treatment that are designed to help surmount common obstacles to youth alcohol screening in primary care. This tool was developed for use in the primary care setting, and NIAAA is supporting research to evaluate its use in primary care and other settings. Recognizing the importance of training health care providers in identifying, preventing, and addressing youth alcohol misuse and the associated consequences, NIAAA partnered with Medscape to develop an online training course based on the guide to familiarize clinicians with the screening and brief intervention process and increase their skill and comfort level with it.

SRO-8.7 is focused on identifying the key factors influencing the scaling up of research-tested interventions across large networks of services systems such as primary care, specialty care and community practice. SRO-8.7 represents NIAAA's long-term strategy for improving AUD treatment nationwide, thereby contributing to the *2016 National Drug Control Strategy's Goal of: Seek Early Intervention Opportunities in Health Care (Chapter 2) by Evaluating Screening for Substance Use in Healthcare Settings and Enhancing Healthcare Providers' Skills in Screening and Brief Intervention*.

(2) Provide narrative that examines the FY 2017 actual performance results with the FY 2017 target, as well as prior year actuals. If the performance target was not achieved for FY 2017, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.

The target for FY 2017 was met. NIAAA continued to support studies evaluating screening and brief alcohol interventions in underage populations. In one ongoing study, researchers are performing a multisite, school-based evaluation of *NIAAA's Alcohol Screening and Brief Intervention for Youth: A Practitioner's Guide*. The evaluation is designed to assess the extent to which the questions in NIAAA's youth screening guide predict current and subsequent alcohol use, alcohol-related problems, and AUD, as well as illicit drug use, sexual risk behavior, and problem behaviors (e.g., aggression, rule breaking), in a diverse sample of 6th, 8th, and 10th graders attending public schools in Miami-Dade County, Florida and the Maryland suburbs of Washington, D.C. The study will also examine the extent to which the validity of the screening tool varies based on contextual factors, such as the density of alcohol outlets near participants' homes and schools, neighborhood socioeconomic factors, family characteristics, as well as the gender and ethnicity of participants.

NIAAA is also supporting the development of a brief alcohol intervention, iASIST (integrated Alcohol and Suicide Intervention for Suicidal Teens), for adolescents hospitalized for a suicide plan or attempt who report co-occurring alcohol use. Alcohol can play a significant role in suicidal ideation and attempts as disinhibition caused by alcohol can increase the likelihood of acting on suicidal thoughts. The iASIST emphasizes the assessment and initial treatment of alcohol use in adolescent inpatient psychiatric settings and involves three components: 1) an

individual intervention with the adolescent using motivational enhancement techniques to explore alcohol use as a risk factor for continued suicide-related thoughts and behaviors, build his or her motivation to reduce or stop drinking, and create a complementary change plan; 2) a family intervention to facilitate a discussion between the adolescent and parent about the change plan and strengthen the adolescent's commitment to the plan and the parent's ability to support the adolescent in their plan; and 3) a post-discharge mobile health "booster" intervention to strengthen the child's commitment to the plan and the parent's ability to support him or her. The investigators are planning to conduct a randomized trial with 50 adolescents and their parents to test the feasibility and acceptability of iASIST, as well as alcohol- and suicide-related outcomes among adolescents three months after discharge from the hospital.

(3) The agency should describe the performance target for FY 2018 and how the agency plans to meet this target. If the target in FY 2017 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2018.

The FY 2018 target is to disseminate findings from studies evaluating the effectiveness of alcohol screening and brief intervention. NIAAA has funded six studies to evaluate its youth alcohol screening guide, and the last of those studies are expected to conclude in FY 2018. NIAAA will work with the researchers leading these and other NIAAA-funded youth screening and brief intervention projects to disseminate the results of these studies to the scientific and public health communities. NIAAA has multiple mechanisms for promoting research findings, including through news releases and scientific presentations at national conferences and workshops, and through engagement with relevant stakeholder groups. For example, NIAAA has an ongoing effort to encourage the integration of addiction medicine into medical care. As part of this effort, NIAAA will continue to work with medical education groups to raise awareness about the effectiveness of alcohol screening and brief intervention and encourage the adoption of evidence-based practices in healthcare settings.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

Data Accuracy, Completeness and Unbiased Presentation

The research field (including health services research) is guided by standard scientific methodologies, policies, and protocols to ensure the validity of its research results. Moreover, NIH has incorporated standardized policies and procedures for making funding announcements, identifying meritorious science, monitoring progress of grantees and scientists in achieving the expected outcomes, and assessing performance at the project's conclusion. Researchers are also expected to publish findings in peer-reviewed journals, which offer another layer of assessment and validation of the findings. In addition, all studies involving human subjects must receive Institutional Review Board (IRB) clearance, yet another form of assessment that ensures the relevance of the study and the safety of the subjects. NIH's research activities implement and practice all scientifically relevant procedures to ensure data quality and to substantiate findings.

In implementing scientific research, NIH uses established tools to develop and oversee programs and improve their performance, proactively monitoring grants, contracts, and cooperative agreements and assessing their individual performance. The following briefly describes the NIH scientific process, which has been assessed by outside entities and is regarded as premier.

Assessment to fund meritorious science (peer review). NIH uses state-of-the-art assessment to determine scientific merit and make funding decisions based on the best science. In general, project plans presented in competing grant applications and contract proposals are subject to three levels of review focused on the strength and innovation of the proposed research, the qualifications of the investigator(s), and the adequacy of the applicant's resources:

- The first level of review, called peer review, ensures that the most meritorious science, as determined by the scientific field's experts, is identified for funding. NIH has over 11,000 external experts participating in peer review panels, each of whom is nationally recognized for his or her area of expertise. The applications are systematically reviewed and scored to inform funding decisions. NIH is one of the few Federal agencies with a legislative requirement for peer review.
- The second level of review is by the Institute's National Advisory Council, which comprises eminent scientists along with members of the general public. The Council serves as a useful resource to keep each Institute abreast of emerging research needs and opportunities, and to advise the Institute on the overall merit and priority of grant applications in advancing the research. All members of Council are appointed by the HHS Secretary.
- The third level of review is by the Institute Director, with input from Institute staff who have relevant expertise. The Director makes the final decision on whether an application will receive funding.

These layers of expert review assessing scientific methodologies and relevance to the field enable funding of the most promising research to advance the field. Consequently, funding decisions made at the agency level are conducted in a consistent, merit-based fashion, guided by scientific methodologies and relevance.

Performance monitoring of research and development grants and contracts. Once an award is made, additional NIH policies and guidelines are implemented to ensure oversight of the proposed project aims and program goals. The NIH Grants Policy Statement (<https://grants.nih.gov/policy/nihgps/index.htm>) provides the standardized protocols for monitoring performance-based grants and contracts. Although there are many procedures, a few significant items include the timely submission of progress and final reports. These are assessed by NIH program officials and grants management staff to determine adherence to the approved scientific research plan, appropriate cost principles, and legislative requirements. Program officials may work closely with principal investigators to facilitate adherence, address barriers, and ensure quality programmatic progress.

As a standard performance-based practice, the approved scientific aims and objectives formulate the terms and conditions of each grant award and become the focus of scientific monitoring. The NIH Grants Policy Statement, referenced as a term of every award, states the specific

administrative requirements for project monitoring and enforcement actions when a grantee fails to comply with the terms and conditions of the award. NIH staff monitor scientific progress against the approved aims and scope of the project, as well as administrative and fiscal compliance through review of periodic progress reports, publications, correspondence, conference calls, site visits, expenditure data, audit reports (both annual institutional financial reports and project specific reports), and conference proceedings. When a grantee fails to comply with the terms and conditions of an award, enforcement actions are applied. These may include modification to the terms of award, suspension, withholding of support, and termination.

A further checkpoint for programmatic assessment occurs when the applicant requests renewal support to continue a project. A peer review group again assesses the merits of future research plans in light of the progress made during the previous project period, and any problems in grantee performance are addressed and resolved prior to further funding. This process further demonstrates use of assessments to improve performance.

Review of manuscripts. Ultimately, the outcomes of any scientific research are judged based on published results in a peer-reviewed journal. The peer-review publication process is another point in which the quality and innovation of the science undergoes a rigorous evaluation. For most scientific journals, submitted manuscripts are assigned to a staff editor with knowledge of the field discussed in the manuscript. The editor or an editorial board will determine whether the manuscript is of sufficient quality to disseminate for external review and whether it would be of interest to their readership. Research papers that are selected for in-depth review are evaluated by at least two outside referees with knowledge in the relevant field.

Methodology Used to Establish Targets/Actuals

The targets have been established based on the existing protocols. As discussed above, these protocols undergo a rigorous review process to determine which research areas hold the most promise for filling gaps and should therefore be prioritized for testing. The target values are based on sound methodological procedures and related timelines set for each protocol. While these methodologies cannot precisely predict the course of a study, the likely path of implementation and timing is based on knowledge gained from earlier research and will be used to generate the targets for this measure.

Data Sources

Progress reports that outline project accomplishments allow NIH to evaluate progress achieved and/or to make course corrections as needed.

Endnotes Related to Decision Unit 1: NIDA

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¹² Knickman, J., R. Krishnan, and H. Pincus, *Improving Access to Effective Care for People With Mental Health and Substance Use Disorders*. JAMA, 2016. **316**(16): p. 1647-1648.

¹³ Mares, M.L., et al., *Implementing an mHealth system for substance use disorders in primary care: a mixed methods study of clinicians' initial expectations and first year experiences*. BMC Med Inform DECIS Mac, 2016. 16:126.

¹⁴ McClure, J.B., et al., *Evaluating an Adaptive and Interactive mHealth Smoking Cessation and Medication Adherence Program: A Randomized Pilot Feasibility Study*. JMIR Mhealth Uhealth, 2016. 4(3): p. e94.



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 11 2018

TO: Daryl W. Kade
Director
Center for Behavioral Health Statistics and Quality
Substance Abuse and Mental Health Services Administration

Deepa Avula
Chief Financial Officer
Substance Abuse and Mental Health Services Administration

FROM:

Gloria L. Jarmon
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Substance Abuse and Mental Health Services Administration Fiscal Year 2017 Detailed Accounting Submission and Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions (A-03-18-00353)

This report provides the results of our review of the attached Substance Abuse and Mental Health Services Administration (SAMHSA) detailed accounting submission, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2017. We also reviewed the Performance Summary Report, which includes management's assertions and related performance information for the fiscal year ended September 30, 2017. SAMHSA management is responsible for, and prepared, the detailed accounting submission and Performance Summary Report to comply with the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the ONDCP Circular).

We performed this review as required by 21 U.S.C. § 1704(d)(A) and as authorized by 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular.

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the

objective of which is to express an opinion on management's assertions contained in its report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that SAMHSA's detailed accounting submission and Performance Summary Report for fiscal year 2017 were not fairly stated, in all material respects, based on the ONDCP Circular.

SAMHSA's detailed accounting submission and Performance Summary Report are included as Attachments A and B.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and SAMHSA. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Amy J. Frontz, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Amy.Frontz@oig.hhs.gov. Please refer to report number A-03-18-00353 in all correspondence.

Attachments



NOV 17 2017

To: Director
Office of National Drug Control Policy

Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services

From: Chief Financial Officer
Substance Abuse and Mental Health Services Administration

Subject: Assertions Concerning Drug Control Accounting

In accordance with the requirements of the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from SAMHSA's accounting system of record for these budget decision units.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior-year budgetary resources by function for SAMHSA was reasonable and accurate in accordance with the criteria listed in Section 6b (2) of the Circular. In accordance with these criteria, I have documented/identified data which support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived. (See Exhibit A)

Application of Drug Methodology

I assert that the drug methodology disclosed in Exhibit A was the actual methodology used to generate the table required by Section 6a.

Reprogrammings or Transfers

I assert that the data presented are associated with obligations against a SAMHSA's financial plan to include funds received from ONDCP in support of the Drug Free Communities Program. SAMHSA had no reportable reprogrammings or transfers in FY 2017.

Fund Control Notices

I assert that the data presented are associated with obligations against SAMHSA's operating plan, which complied fully with all ONDCP Budget Circulars.



Deepa Avula
Chief Financial Officer

Attachments

- FY 2017 Drug Control Obligations
- FY2017 Exhibit A – Drug Control Methodology

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

FY 2017 Drug Control Obligations
(Dollars in millions)

Drug Resources by Decision Unit and Function

Programs of Regional and National Significance (PRNS)	
Prevention ¹	\$221.9
Treatment ¹	848.0
Total, PRNS.....	\$1,069.9
Substance Abuse Prevention and Treatment Block Grant	
Prevention ²	371.6
Treatment ²	1,486.4
Total, Substance Abuse Prevention and Treatment Block Grant.....	\$1,858.0
Health Surveillance and Program Support	
Prevention (Non-add) ³	20.1
Treatment (Non-add) ³	80.5
Total, Health Surveillance and Program Support.....	\$100.6
Total Funding.....	\$3,028.5

Drug Resources Personnel Summary

Total FTEs ⁴	420
Drug Resources as a Percent of Budget	
Total Agency Budget ⁵ (in billions).....	\$4.3
Drug Resources Percentage	71.2%
Drug Free Communities Program⁶	\$94.8
Total with Drug Free Communities	\$3,123.3

Footnotes:

¹ PRNS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. Substance Abuse Treatment PRNS obligations include funds provided to SAMHSA from the PHS evaluation fund. Treatment includes State Targeted Response Opioid Crisis Grants.

² Substance Abuse Prevention and Treatment Block Grant obligations include funds provided to SAMHSA from the PHS evaluation fund.

³ HSPS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. HSPS obligations include funds provided to SAMHSA from the PHS evaluation fund.

⁴ SAMSHA's FY 2017 final FTE (590) * Drug Resources Percentage (71.2%) = 420 Drug Resources FTE.

⁵ Total Agency Budget does not include Drug Free Communities Program funding.

⁶ Drug Free Communities Program funding was provided to SAMHSA/CSAP via Interagency Agreements.

Exhibit A

1) **Drug Methodology** - Actual obligations of prior year drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), PSC Status of Funds by Allotment and Allowance Report.

a. **Obligations by Budget Decision Unit** - SAMHSA's budget decision units have been defined by ONDCP Circular, *Budget Formulation*, dated January 18th, 2013.

These units are:

- Programs of Regional and National Significance (PRNS)-Prevention (CSAP);
- Programs of Regional and National Significance (PRNS)-Treatment (CSAT);
- Substance Abuse Prevention and Treatment Block Grant-(CSAT/CSAP); and
- Health Surveillance and Program Support¹ - SAMHSA.

In addition to the above, the Drug Free Communities Program funds provided by ONDCP through Interagency Agreements with SAMHSA are included as a separate line item on the Table of Prior Year Drug Control Obligations.

Included in this Drug Control Accounting report for FY 2017 are 100 percent of the actual obligations for these five budget decision units, minus reimbursements. Obligations against funds provided to SAMHSA from the PHS evaluation fund are included. Actual obligations of prior year drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), PSC Status of Funds by Allotment and Allowance Report.

b. **Obligation by Drug Control Function** - SAMHSA distributes drug control funding into two functions, prevention and treatment:

Prevention: This total reflects the sum of the actual obligations for:

- CSAP's Programs of Regional and National Significance (PRNS) direct funds, excluding reimbursable authority obligations;
- 20 percent of the actual obligations of the Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds, including obligations related to receipt of PHS evaluation funds;
- Drug Free Community Program funds provided by Interagency Agreements with ONDCP²; and,
- Of the portion from SAMHSA Health Surveillance and Program Support funds, including obligations related to receipt of PHS evaluation funds and Prevention and Public Health Funds, the assumptions are as follows:

¹ The Health Surveillance and Program Support Appropriation funded activities are split between Mental Health and Substance Abuse as follows: Program Support, Health Surveillance and PQIS are split the same percentage split as between MH/SA appropriations. PAS and Agency-wide are split 50/50 between MH/SA. The subsequent Substance Abuse amounts are then divided into 20 percent for Prevention and 80 percent for Treatment.

² The Drug Free Community Program is considered part of Prevention, but is reflected as a separate line item on the Table of Prior Year Drug Control Obligations as it is a reimbursable funding amount and not part of direct funding.

- Public Awareness and Support (PAS) funds were split 50/50 between Substance Abuse (SA) and Mental Health (MH) and 20 percent of the SA portion is considered Prevention;
- Performance and Quality Information Systems (PQIS) funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 20 percent of the SA portion is considered Prevention;
- Program Support funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 20 percent of the SA portion is considered Prevention;
- Health Surveillance funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 20 percent of the SA portion is considered Prevention.

Treatment: This total reflects the sum of the actual obligations for:

- CSAT's Programs of Regional and National Significance (PRNS) direct funds, excluding reimbursable authority obligations, but including obligations related to receipt of PHS Evaluation funds;
 - 80 percent of the actual obligations of the Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds, including obligations related to receipt of PHS Evaluation funds; and,
 - Of the portion from SAMHSA Health Surveillance and Program Support funds, including obligations related to receipt of PHS evaluation funds and Prevention and Public Health Funds, the assumptions are as follows:
 - Public Awareness and Support (PAS) funds were split 50/50 between Substance Abuse (SA) and Mental Health (MH) and 80 percent of the SA portion is considered Treatment;
 - Performance and Quality Information Systems (PQIS) funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 80 percent of the SA portion is considered Treatment;
 - Program Support funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 80 percent of the SA portion is considered Treatment;
 - Health Surveillance funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 80 percent of the SA portion is considered Treatment.
- 2) **Methodology Modifications** – None.
- 3) **Reprogrammings or Transfers** – SAMHSA had no reportable reprogrammings or transfers in FY 2017.
- 4) **Other Disclosures** – None.



DEC 18 2017

TO: Director, Office of National Drug Control Policy

FROM: Chief Financial Officer, Substance Abuse and Mental Health Services Administration

SUBJECT: Assertions Concerning Performance Summary Report

Information regarding SAMHSA's drug control performance efforts is based on data collected as part of agency GPRAMA Modernization Act (GPRAMA) reporting requirements and other information that measures the agency's contribution to the Strategy. When possible, analyses integrate performance data with evaluation findings and other evidence. The tables in the summary reports include performance measures the latest year for which data are available.

In collaboration with state agencies, SAMHSA defined a core set of standardized National Outcome Measures (NOMs) that are monitored across SAMHSA programs. NOMs have been identified for both treatment and prevention programs. NOMs share common methodologies for data collection and analysis. SAMHSA continues to use online data collection and reporting systems.

In addition to centralized GPRAMA reporting at the agency level, each SAMHSA's program centers currently operate their own data management system. Each system includes methodologies for ensuring the reliability and validity of the data for measures reported. In order to effectively manage SAMHSA's grant portfolio and provide timely, accurate information to stakeholders and to Congress, SAMHSA will begin utilizing a unified data collection reporting system, otherwise known as the SAMHSA Performance Accountability Reporting System (SPARS) in February 2017. SPARS is intended to provide a unified data entry, data validation and verification, data management, data utilization, data analysis support, and automated reporting for discretionary grants.

In accordance with the requirements of the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18th, 2013, consistent with the assertions made by Center for Substance Abuse and Treatment and Center for Substance Abuse and Prevention to Center for Behavioral Health, Statistics and Quality, I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting Systems

I assert that SAMHSA has systems to capture performance information accurately and that these systems were properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

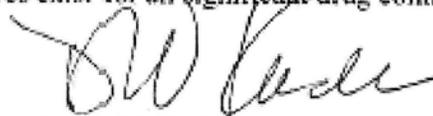
I assert that the explanations offered in the attached report for failing to meet a performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in the attached report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.



Darryl W. Kade
Director,
Center For Behavioral Health Statistics and Quality

Attachment:
FY 2017 Performance Summary Report for National Drug Control Activities

FY 2017 Performance Summary Report for National Drug Control Activities

Decision Unit 1: Substance Abuse Prevention and Treatment Block Grant (SAPTBG)

Measure 1: Percent of clients reporting no drug use in the past month at discharge

Table 1: Measure 1

FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
74%	72.9%	74%	69.6%	74%	TBR 11/2018	74%	TBR 11/2019

- (1) Measure 1 is the percent of clients in public substance abuse treatment programs who report no illegal drug use in the past month at discharge. The measure links directly to a key goal of the SAPTBG Program, which is to assist clients in achieving abstinence through effective substance abuse treatment. This measure reflects the program’s emphasis on reducing demand for illicit drugs by targeting chronic users. Project Officers monitor targets and data on a regular basis, which serves as a focus of discussion with the states, and aids in the management of the program.
- (2) The target for FY 2015 was not met by a small amount. The results are being monitored closely to provide necessary technical assistance to states and jurisdictions as the impact of national policy changes is better understood. The target for FY 2012 was exceeded with 73.4 percent reporting no drug use at discharge. The target for FY 2013 was also exceeded with 74.6 percent. Because of the lag in the reporting system, actual data for FY 2016 will not be available until November 2018.
- (3) The performance targets for FY 2016 and FY 2017 were set at 74 percent, which is an increase from the (exceeded) FY 2012 target. SAMHSA uses results from previous years as one factor in setting future targets. Changing economic conditions, the implementation of the Affordable Care Act, as well as Medicaid expansion may impact substance abuse treatment programs throughout the country. Fluctuations in outcomes and outputs are expected and SAMHSA continues to work with states to monitor progress and adapt to the needs of targeted groups. Technical assistance is provided as needed.
- (4) The data source for this measure is the **Treatment Episode Data Set (TEDS)** as collected by the Center for Behavioral Health Statistics and Quality. States are responsible for ensuring that each record contains the required key fields, that all fields contain valid codes, and that no duplicate records are submitted. States cross-check data for consistency across data fields. The internal control program includes a rigorous quality control examination of the data as received from states. Data are examined to detect values that fall out of the expected range, based on the state’s historical trends. If outlier values are detected, the state is contacted and asked to validate the value or correct the error. Detailed instructions governing data collection, review, and cleaning are available at the following links:

https://www.dasis.samhsa.gov/dasis2/manuals/combined_mh_teds_manual_v4.2.1.pdf
and https://www.dasis.samhsa.gov/dasis2/manuals/dss_manual_v2.1.pdf

Decision Unit 2: Substance Abuse Prevention and Treatment Block Grant (SAPTBG)

Measure 2: Percent of states showing an increase in state-level estimates of survey respondents who rate the risk of substance abuse as moderate or great (age 12-17)

Table 2: Measure 2

FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
47.1%	35.3%	19%	Data not available b/c of break in trend	No target: New Baseline	TBR in 2018 (new baseline)	TBR 2018	TBR 2019

(1) Measure 2, for Decision Unit 1 reflects the primary goal of the 20% Prevention Set-Aside of the SAPTBG grant program and supports the first goal of the National Drug Control Strategy: reducing the prevalence of drug use among 12-17 year olds. This measure represents the percentage of states and the District of Columbia that report improved rates for perceived risk, aggregated for alcohol, cigarettes, and marijuana from the National Survey on Drug Use and Health. The measure of “perceived risk of harm from substance use” has been used to inform prevention policy and programming since the 1960s,¹ as it remains a significant predictor of substance use behaviors² For example, “Monitoring the Future, 2008” tracks the trends in perceived risk with substance use since the 1970s³. This depicts a consistent pattern of a leading indicator. In addition, a longitudinal study conducted in Iceland found that levels of perceived risk of harm measured at age 14 significantly predicted substance use behaviors at ages 15, 17, and 22⁴. In brief, tracking and monitoring levels of “perceived risk of harm” remains important for informing prevention policy and

¹ Morgan, M., Hibell, B., Andersson, B., Bjarnasson, T., Kokkevi, A., & Narusk, A. (1999). The ESPAD Study: Implications for prevention. *Drugs: Education and Policy*, 6, No. 2.

² Elekes, Z., Miller, P., Chomynova, P. & Beck, F. (2009). Changes in perceived risk of different substance use by ranking order of drug attitudes in different ESPAD-countries. *Journal of Substance Use*, 14:197-210.

³ Johnson, L.D., O’Malley, P.M., Bachman, J.G. and Schulenberg, J.E. (2009) *Monitoring the Future national results of adolescent drug use: Overview of key findings 2008* (NIH Publication No. 09-7401), Bethesda MD: National Institute on Drug Abuse; p.12.

⁴ Adalbjarnardottir, S., Dofradottir, A. G., Thorolfsson, T. R., Gardarsdottir, K. L. (2003). Substance use and attitudes: A Longitudinal Study of Young People in Reykjavik from Age 14 to Age 22. Reykjavík: F’elagsvísindastofnun Háskóla Íslands.

programming as it can assist with understanding and predicting changes in the prevalence of substance use behaviors nationwide.

- (2) In FY 2014, 35.3 percent of states reported increased rates of moderate or great perceived risk in two or more substances. Although the actual did not meet the target in FY 2014, the percentage of perceived risk (actual) is higher than FY2012 or FY2013.

Note: FY2015 data are not available because of the NSDUH redesign, which created a break in trend. SAMHSA will have 2016 data (new baseline) available in Dec. 2017/January 2018. We will provide updated information in next year's report

The existing data trends for this measure are best understood by examining the measure definition. This measure is not the same as the average rate in those states and the District of Columbia. Rather, it is the *percentage of states* that improved from the previous year (using the composite perceived risk rate). A state is categorized as improved if it increases its rate of perceived risk on at least two of the three substances targeted (alcohol, cigarettes, marijuana). If a state's rate of moderate or great perceived risk increased for only one of the substances, it is *not* counted as improved. For example, if a state's rate of perceived risk improved for cigarettes and alcohol, it would be counted as improved. Alternatively, if only one or none of the perceived risk rates increased, the state or District of Columbia would not be counted as improved, even if all the rates were stable.

Another consideration is that state estimates are based on two years of pooled data. For example, the 2013 estimate is pooled 2013-2014 data. There is a one year overlap which decreases the ability to reflect annual change. Data for a particular fiscal year are reported in the following year. State estimates based on the National Survey on Drug Use and Health (NSDUH) results are reported annually during December. Therefore, the FY 2016 historical actual results for this measure are not yet available. During analysis, one must consider recent contextual factors, such as changes in marijuana laws.

- (3) **Data for levels of perceived risk of harm from substance use are obtained annually from National Survey on Drug Use and Health (NSDUH).** The NSDUH survey is sponsored by SAMHSA and serves as the primary source of information on the prevalence and incidence of illicit drug, alcohol, and tobacco use among individuals age 12 or older in the United States⁵. For purposes of measuring SAPTBG performance, a state has improved if levels of perceived risk of harm increase for at least two of the following substances: binge

⁵ Information on the data collection and validation methods for the NSDUH can be found at <http://www.samhsa.gov/data/sites/default/files/NSDUH-RedesignChanges-2015.pdf>

drinking, regular cigarette use, and/or regular marijuana use. Annual performance results are derived by using the following formula:

$$\frac{\text{Number of SAPTBG grantees improved}}{\text{Total Number of SAPTBG grantees}} = \text{Performance Result}$$

Decision Unit 3: Center for Substance Abuse Treatment (CSAT) Programs of Regional and National Significance (PRNS)

Measure 3: Percent of adults receiving services who had no involvement with the criminal justice system (no past month arrests)

Table 3: Measure 3

FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
93%	96.5% ⁶	93%	96.7%	93%	97.9%	93%	TBR 10/2018

- (1) Measure 3 is the percent of clients served by the capacity portion of the PRNS portfolio⁷ who report no past month arrests. The programs are designed to help clients receive a comprehensive array of services which promote improved quality of life. This measure reflects success in increasing productivity and remaining free from criminal involvement. This measure relates directly to and supports the national drug control strategy. The results are monitored routinely throughout the period of performance.
- (2) The targets for both FY 2015 and FY 2016 were exceeded with data indicating that 96.7 percent and 97.9 percent respectively of adults receiving services had no involvement with the criminal justice system.
- (3) The targets for FY 2015, FY 2016, and FY 2017 are 93 percent, which is a slight decrease from the FY 2013 target. The target reduction reflects previous performance and anticipated funding levels. As this decision unit incorporates several different program activities, and

⁶ Revised from what was previously reported as all follow-up data was received and verified.

⁷ PRNS capacity programs: HIV/AIDS Outreach, Pregnant Postpartum Women, Recovery Community Services Program - Services, Recovery-Oriented Systems of Care, SAT-ED, TCE/HIV, Targeted Capacity Expansion, Targeted Capacity Expansion- Health Information Technology, Targeted Capacity Expansion- Peer to Peer, Targeted Capacity Expansion- Technology Assisted Care, and Crisis Support programs.

because the mix of programs and grantees varies from year to year, adjustments are made accordingly and designed to promote performance improvement over time.

- (4) CSAT anticipates that data for FY 2017 will be available starting in October 2018 for reporting actual results.
- (5) CSAT is able to ensure the accuracy and completeness of this measure as all data are submitted via the **SAMHSA Performance Accountability and Reporting System (SPARS)**, a web-based data entry and reporting system. The system has automated built-in checks designed to assure data quality. The SPARS online data entry system uses pre-programmed validation checks to make sure that data skip patterns on the paper collection tool are followed. These validation checks ensure that data reported through the online reports are reliable, clean, and free from errors. These processes reduce burden for data processing tasks associated with analytic datasets since the data being entered have already followed pre-defined validation checks.

Decision Unit 4: Center for Substance Abuse Prevention (CSAP) Programs of Regional and National Significations (PRNS)

Measure 4: Percent of program participants that rate the risk of harm from substance abuse as great (all ages)

Table 4: Measure 4

FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
88%	87.3%	88%	90.6%	88%	89.4%	88%	TBR October 2018	88%

- (1) Measure 4 for Decision Unit 3 reflects the goals of CSAP’s PRNS, as well as the National Drug Strategy. CSAP PRNS constitutes a number of discretionary grant programs, such as the Strategic Prevention Framework State Incentive Grants (SPF SIG), the Minority AIDS

Initiative (MAI), the STOP Act grant program, and others. For this decision unit, performance on levels of perceived risk was selected to represent CSAP PRNS. The measure of “perceived risk of harm from substance use” has been used to inform prevention policy and programming since the 1960s,⁸ as it remains a significant predictor of substance use behaviors¹. For example, “Monitoring the Future, 2008” tracks the trends in perceived risk with substance use since the 1970s⁹. This depicts a consistent pattern of a leading indicator. In addition, a longitudinal study conducted in Iceland found that levels of perceived risk of harm measured at age 14 significantly predicted substance use behaviors at ages 15, 17, and 22¹⁰. Because it can assist in understanding and predicting changes in the prevalence of substance use behaviors nationwide, tracking and monitoring levels of “perceived risk of harm” remains important. It informs prevention policy and programming. Measure 4 has been revised to be consistent with the program’s current performance measurement efforts. It combines all ages and reports only those respondents perceiving great risk of harm. This measure does not specifically address criminal justice involvement.

In FY 2014, 87.3 percent of program participants rated the risk of substance abuse as great. This is a slight but not significant decrease from the 2014 target of 88%. One possible explanation for the slight reduction in FY 2014 is the changing laws around marijuana use, which may be decreasing perceived risk. However, the FY 2015 and FY2016 actuals we slightly exceed the targets showing the perceived risk is more in alignment with earlier years in terms of meeting targets. The increased perceived risk may be associated with stronger prevention efforts to demonstrate the risk of substance misuse.

Previously, SAMHSA reported the percent of program participants (age 18 and up) that rate the risk of substance abuse as moderate or great, which measures increased levels of perceived moderate or great risk of harm from substance use. The percentage of MAI program participants perceiving moderate or great risk of harm from cigarette, alcohol, and marijuana use increased (among those with matched baseline and exit data) by almost ten percentage points between FY 2010 and FY 2013. Because this finding remained so high over three years, SAMHSA changed the measure and now reports only perceived great risk of harm. It is believed that this change addresses the ceiling effect and provides more meaningful feedback.

- (2) It is no longer among the measures reported to Congress as part of SAMHSA’s budget justification. However, CSAP has continued to track the measure and report annual updates to ONDCP. The performance targets for FY 2016 and FY 2017 were set at 88% for each year.

⁸ Bjamason, T. & Jonsson, S. (2005). Contrast Effects in Perceived Risk of Substance Use. *Substance Use & Misuse*, 40:1733–1748.

⁹ Johnson, L.D., O’Malley, P.M., Bachman, J.G. and Schulenberg, J.E. (2009) Monitoring the Future national results of adolescent drug use: Overview of key findings 2008 (NIH Publication No. 09-7401), Bethesda MD: National Institute on Drug Abuse; p.12.

¹⁰ Adalbjarnardottir, S., Dofradottir, A. G., Thorolfsson, T. R., Gardarsdottir, K. L. (2003). Substance use and attitudes: A Longitudinal Study of Young People in Reykjavik from Age 14 to Age 22. Reykjavík: F’elagsv’isindastofnun H’ask’ola ‘Islands.

Performance targets were set using analysis of the results from previous years combined with expected resources.

- (3) Data for MAI are collected by the grantees through OMB approved survey instruments. Measures used include items from other validated instruments, such as Monitoring the Future and NSDUH. Grantees collect and then entered, processed, cleaned, analyzed and reported under the **Program Evaluation for Prevention Contract (PEP-C)**. Data are checked for completeness and accuracy using a set of uniform cleaning rules. Information about any data problems or questions is transmitted to the Contracting Officer's Representative and task lead, who work with the program Government Project Officers and grantees on a resolution. Grantees also receive instructions on the data collection protocols at grantee meetings and through survey administration guides. Other performance results reflect the proportion of matched baseline-exit surveys that show an increase in levels of perceived risk-of-harm for those engaging in at least one of the following behaviors: binge drinking, regular cigarette use and regular marijuana use.

Tab F



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Kevin K. McAleenan
Acting Commissioner
U.S. Customs and Border Protection

FROM: John V. Kelly 
Acting Inspector General

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal
Year 2017 Detailed Accounting Submission for Drug
Control Funds*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds*. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact John E. McCoy II, Assistant Inspector General for Audits, at (202) 254-4100.

Attachment

OFFICE OF INSPECTOR GENERAL

**Review of U.S. Customs and
Border Protection's
Fiscal Year 2017 Detailed
Accounting Submission for
Drug Control Funds**



Homeland
Security

January 30, 2018
OIG-18-48



DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds

January 30, 2018

What We Found

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY).

The Office of Inspector General (OIG) is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report.

Williams Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on U.S. Customs and Border Protection's (CBP) Detailed Accounting Submission (DAS). CBP's management prepared the Table of FY 2017 Drug Control Obligations and related disclosures in accordance with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). CBP's management was unable to provide supporting documentation for the drug control methodology used for estimating the percentages of obligations allocated between interdiction and intelligence. These percentages are used to derive the dollar-value of obligations reported as Drug Resources by Budget Decision Unit and Drug Control Function in the Table of FY 2017 Drug Control Obligations presented in the DAS. As a result, Williams Adley was unable to complete review procedures related to assessing the reasonableness and accuracy of the methodologies used.

Except as noted above, nothing came to Williams Adley's attention that caused it to believe that the FY 2017 Detailed Accounting Submission is not presented in conformity with the criteria in the ONDCP Circular.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Samuel D. Grable
Chief Financial Officer
U.S. Customs and Border Protection

FROM: John E. McCoy II *John E. McCoy II*
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds*. U.S. Customs and Border Protection's (CBP) management prepared the Table of FY 2017 Drug Control Obligations and related disclosures to comply with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm Williams, Adley & Company -DC, LLP (Williams Adley) to review CBP's Detailed Accounting Submission. Williams Adley is responsible for the attached Independent Accountants' Report, dated January 16, 2018, and the conclusions expressed in it. The report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Inspector General
United States Department of Homeland Security

We have reviewed management's assertions related to the Detailed Accounting Submission (DAS) of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2017. CBP management is responsible for the preparation of the DAS in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). Our responsibility is to express a conclusion about management's assertions.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAS or DAS assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

ONDCP Circular: Budget Formulation requires CBP to utilize a drug control methodology for presenting their National Drug Control Budget by drug control functions. This Circular also states that the methodology must provide a reasonable basis for consistent estimation. Based on our testing, we noted that CBP Management was unable to provide supporting documentation for the drug control methodology used for estimating the percentages of obligations allocated between interdiction and intelligence. These percentages are used to derive the dollar-value of obligations reported as Drug Resources by Budget Decision Unit and Drug Control Function in the Table of FY 2017 Drug Control Obligations presented in the DAS.

As a result, we were not able to complete our review procedures related to assessing the reasonableness and accuracy of the methodologies used.

Based on our review, except for the matter described above, we are not aware of any material modifications that should be made to the DAS or the DAS assertions for the year ended September 30, 2017 in order for them to be in conformity with the requirements set forth in the Circular.

Williams, Adley & Company-DC, LLP
Washington, District of Columbia
January 16, 2018

1300 Pennsylvania Avenue NW
Washington, DC 20229



**U.S. Customs and
Border Protection**

Mr. Richard J. Baum
Acting Director, Office of National Drug Control Policy
Executive Office of the President
Office of National Drug Control Policy
Washington, DC 20503

Dear Mr. Baum:

Enclosed is the U.S. Customs and Border Protection (CBP) Fiscal Year (FY) 2017 Detailed Accounting Submission on National Drug Control Funding. In FY 2017, CBP reported direct obligations of approximately \$2,581.790 million.

If you have any questions or would like additional information, please contact me at (202) 325-2254.

A handwritten signature in cursive script, appearing to read "Samuel D. Grable".

for
Samuel D. Grable
Chief Financial Officer
U.S. Customs and Border Protection
Department of Homeland Security

Enclosure

**U.S. DEPARTMENT OF HOMELAND SECURITY
U.S. CUSTOMS AND BORDER PROTECTION
Detailed Accounting Submission of Fiscal Year 2017 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2017 Drug Control Obligations

Drug Resources by Budget Decision Unit	FY 2017 Final (In Millions)
Operations and Support (O&S)	\$2,460.250
Procurement, Construction, and Improvements (PC&I)	\$121.540
Total Resources by Drug Control Unit	\$2,581.790
Drug Resources by Drug Control Function	
Intelligence	
United States Border Patrol	\$19.551
Office of Field Operations	\$242.621
Office of Information and Technology	\$9.217
Office of Training and Development	\$1.026
Air and Marine Operations	\$147.283
Intelligence - Total	\$419.698
Interdiction	
United States Border Patrol	\$554.614
Office of Field Operations	\$1,061.353
Office of Information and Technology	\$5.859
Office of Training and Development	\$30.916
Office of Acquisition	\$8.380
Air and Marine Operations	\$500.970
Interdiction - Total	\$2,162.092
Total Resources by Drug Control Function	\$2,581.790
Total Obligations	\$2,581.790
High Intensity Drug Trafficking Area (HIDTA)	\$0.157

Note: Drug resources broken down by unit and function as reflected in the budget structure enacted in the FY 2017 Department of Homeland Security (DHS) appropriation bill.

1. Drug Methodology

U.S. Customs and Border Protection (CBP) is a multi-mission agency that calculates obligations by budget decision unit and drug control function, pursuant to an approved drug control funds calculation methodology. There are six program offices within CBP that are tasked with drug-control responsibilities: the United States Border Patrol (USBP), the Offices of Field Operations (OFO), Information and Technology (OIT), Training and Development (OTD), Acquisition (OA), and Air and Marine (AMO)). In conformity with the requirements of ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, each program office has developed a drug

methodology to estimate the percentage of its obligations related to drug enforcement. USBP, OFO, OIT, and AMO attribute their resources to both intelligence and interdiction functions while OTD and OA attribute their resources solely to interdiction.

The Drug Control Obligations table is based on actual obligations for each decision unit and program office named above for FY 2017. The obligation reports are generated by data reported in CBP's Systems, Applications, and Products in Data Processing (SAP) system, which is a DHS-approved accounting system. SAP is a fully integrated Enterprise Resource Planning (ERP) system that CBP uses to record and report obligations. Each program office multiplies its drug control obligation percentages by its actual total obligations per SAP to estimate obligations related to drug enforcement activities. The drug methodology developed and applied by each program office is described below:

UNITED STATES BORDER PATROL (USBP)

The USBP is responsible for controlling almost 6,000 miles of land and water borders between ports of entry with Canada and Mexico, and nearly 2,100 miles of coastal waters surrounding the Florida Peninsula, Puerto Rico, and the United States Virgin Islands. There were 19,437 Border Patrol agents, as of September 30, 2017, assigned to the mission of detecting and apprehending illegal entrants between the ports-of-entry. These illegal entries include aliens, drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry due to their undocumented status. It has been determined that 15 percent of USBP's activities are related to drug activities. This percentage was determined based on a historical study of the hours worked by agents, canine officers, and core personnel at various border check-points with narcotic-intensive activities. Resources for USBP come from the Operations and Support (O&S); and Procurement, Construction, and Improvements (PC&I) appropriations. Within those appropriations, the resources for USBP come from the Border Security and Control between the Ports of Entry Program, Project, and Activity (PPA). A PPA is an element within a budget account.

Of the 15 percent of Fund 17,500 obligations related to drug enforcement activities, USBP determined through the historical study referred to in the above paragraph that 3.5 percent of agents' efforts are related to intelligence and 96.5 percent are related to drug interdiction. Also, historically, the 15 percent of Fund 17,530/17,560 obligations are related to drug interdiction only. These activities include staffing permanent border traffic checkpoints nationwide, including 900 canine units trained in the detection of humans and certain illegal drugs that are concealed within cargo containers, truck trailers, passenger vehicles, and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States.

This data comes from a historical study performed by USBP, which provides reliable source data for the drug methodology described above.

CBP is the lead agency within DHS for the development and deployment of border technology and tactical infrastructure to secure America's borders. The Border Security Fencing, Infrastructure, and Technology (BSFIT) prior year appropriation provided multi-year funding for the CBP program office, USBP, tasked with developing and installing technology and tactical infrastructure solutions, enabling a more effective and efficient method for controlling border security.

CBP initially anticipated receiving the BSFIT appropriation in FY 2017, however with a change to the Common Appropriations Structure (CAS), BSFIT was not appropriated. Therefore, there has been a drastic reduction in anticipated BSFIT dollars being used for ONDCP. The CAS structure replaced BSFIT and all anticipated and actual obligations for ONDCP will now be accounted for under the US Border Patrol. FY 2017 BSFIT Interdiction obligations were captured using the standard 15% against all BSFIT obligations.

OFFICE OF FIELD OPERATIONS (OFO)

OFO estimates there were 3,333 CBP officer (CBPO) full-time equivalents related to drug enforcement on enforcement teams in FY 2017. Anti-Terrorism Contraband Enforcement Teams (A-TCET) work closely with the Passenger Enforcement Rover Team (PERT) and Passenger Analytical Unit (PAU) teams to coordinate all enforcement activities. Although the primary mission of A-TCET teams is anti-terrorism, they also focus on all types of contraband, including narcotics. CBP estimates that 69 percent of the A-TCET is devoted to drug enforcement. The smuggling methodologies and their indicators are similar for both narcotics and anti-terrorism activities. Of the funding that is devoted to enforcement teams, OFO estimates that 85 percent is dedicated to interdiction with 15 percent dedicated to intelligence.

OFO had 22,901 CBPOs in FY 2017, who, in addition to the interdiction of contraband and illegal drugs, enforce hundreds of laws and regulations on behalf of many other Federal government agencies. The other Federal agencies include, for example, the U.S. Fish and Wildlife Service, Bureau of Alcohol, Tobacco, Firearms, and Explosives, and Bureau of Export Administration, among many others. CBP subject matter experts estimate that approximately 30 percent of these officers' time is devoted to drug-related activities. Of the funding that is devoted to general officer duties, OFO estimates that 80 percent is dedicated to interdiction with 20 percent dedicated to intelligence.

CBP uses a variety of Non-Intrusive Inspection (NII) systems and Radiation Detection Equipment (RDE) systems as part of its layered inspection strategy to achieve its primary mission of securing the Nation's borders and protecting America from the entry of dangerous people and goods. These systems are also used to facilitate the flow of legitimate trade and travel across U.S. borders. It is estimated that 77 percent of the funding for NII is associated with general contraband detection, which would include narcotics. Of the total funding that is devoted to NII, OFO estimates that 70 percent is dedicated to interdiction with 30 percent dedicated to intelligence.

Multiple types of NII and RDE systems are used to thoroughly and quickly inspect sea containers, rail cars, trucks, automobiles, pallets, and various packages and parcels for the presence of contraband without damaging the conveyance or its contents. These systems keep CBP officials from resorting to more intrusive and time-consuming manual inspections, such as unloading, drilling and dismantling.

On October 26, 2017, the Administration announced a National Health Emergency to combat the Opioid crisis. Seizures of illicit fentanyl have risen substantially in the last 3 years. Despite

increased enforcement actions, there has been a dramatic and disturbing increase in overdose deaths attributable to illicit fentanyl and other synthetic drugs. In response to this rise, OFO has begun to procure, deploy, and train employees in an effort to improve the agency's capability to detect and interdict fentanyl and other opioids. Those resources were accounted for in this analysis. CBP has a limited number of narcotic detection devices deployed to its largest POE along the Southwest Border.

CBP also uses three types of canine teams: narcotics/human, drug, and currency. CBP has 520 canine officers in the field. Of the funding devoted to these canine teams, 100 percent of their time is devoted to drug interdiction. CBP has established and deployed a world-class detector dog program to augment existing technology while establishing cutting edge detection capabilities. CBPOs use specially trained detector dogs in interdiction and to support specialized programs aimed at combating the terrorist threat at the Nation's borders, international airports, and seaports.

This data comes from the Cost Management Information System (CMIS) and an internal CBP Canine Tracking System (Canine TS), which provide reliable source data for the drug methodology described above.

OFFICE OF INFORMATION AND TECHNOLOGY (OIT)

OIT's budget supports the drug enforcement mission through the acquisition, support, and maintenance of technology, and mission critical targeting application systems. Of OIT's spending, it is estimated that 10 percent of Automated Targeting Systems software application costs; TECS; and data center operations costs are in support of the drug mission. Of OIT's funding, it is estimated 38.9 percent is spent on drug interdiction and 61.1 percent is devoted to intelligence. The determinations surrounding the percentage of OIT spending that related to drug enforcement activities, specifically interdiction and intelligence, was determined through professional judgment, which provides reliable source data for the drug methodology described above.

OFFICE OF TRAINING AND DEVELOPMENT (OTD)

OTD calculates the portion of their budget attributable to drug control funding by issuing an annual data call for all projected National Training Plan (NTP) funded training courses to assess if courses contain any items related to drug enforcement material and activities. The curriculum of each course is reviewed and subject matter experts determine course hours delivered related to drug enforcement for this task. If specific courses offered through the NTP contain drug enforcement related material, a specific percentage for that course is defined (hours related to drug enforcement training divided by the total number of course hours). Specific training programs identified include the canine training programs and basic, specialized, and advanced training for CBP officers and agents. OTD's day-to-day operational resources are attributed to drug enforcement activities at the same rate as the NTP course delivery which is 19.61% for interdiction and .65% for intelligence for FY 2017. These percentages are applied to OTD's overall operating budgets and payroll to identify the projected amounts attributable to drug enforcement activities for both interdiction and intelligence. These percentages vary during the year of execution depending upon actual course delivery obligation rates.

OFFICE OF ACQUISITION (OA)

All funds associated with border security technology programs, with the exception of the support contracts, belong with USBP. OA currently uses support contracts to assist in the development, deployment, operations, and maintenance of border technology which is part of an SLA providing support to the Program Management Office during the two-year transition phase to US Border Patrol. OA applies a 15 percent ratio to this funding, which matches the USBP counter narcotics methodology.

AIR & MARINE OPERATIONS

AMO's core competencies are air and marine interdiction, air and marine law enforcement, and air domain security. In this capacity, AMO targets the conveyances that illegally transport narcotics, arms, and aliens across our borders and in the Source, Transit, and Arrival Zones. In FY 2017, AMO P-3 aircraft flew 6,118 hours in drug control efforts, which represent 76 percent of all AMO P-3 hours. These hours were in support of Joint Interagency Task Force-South (JIATF-S) in the Source and Transit zones. AMO P-3's participated in the interdiction of 163,482 pounds of cocaine in the Source and Transit zones. This equates to 26.8 pounds of cocaine for every counternarcotic hour flown. CBP continues to deploy surveillance technology tailored to the operational requirements along the highest trafficked areas of the southwest border.

Since September 11, 2001, AMO has steadily increased its support to counter-terrorism by developing a more cohesive and integrated response to national security needs, as well as placing more emphasis on illegal immigration. AMO is dedicating significant assets and personnel in support of U.S./Mexico interdiction initiative, and in support of USBP's southwest border illegal alien intervention.

Using flight hours spent performing drug-related activities, AMO has determined that 80 percent of the budget resources that support AMO are considered to be drug-related. Of the total flight hours flown by AMO, 23 percent were related to intelligence and 77 percent were related to interdiction in FY 2017.

The source data for the financial information/flight hour information is retrieved from Air and Marine's official system of record, TOMIS. TOMIS has undergone a verification and validation by DHS and has been referenced in several GAO and OIG reviews, which provides reliable source data for the drug methodology described above.

2. Methodology Modifications

The drug control methodology for obligations used in FY 2017 remained the same as the methodology used in FY 2016 for the reported program offices.

3. Material Weaknesses or Other Findings

CBP contributed to the Departmental material weaknesses in Information Technology Controls and Financial System Functionality and Financial Reporting. We note CBP's control deficiencies that contributed to the Department-level material weakness did not impair CBP's ability to report complete and accurate obligation data in the Table of FY 2017 Drug Control Obligations. While control

deficiencies surrounding CBP's accounting system, SAP, contributed to the Information Technology Controls material weakness, the weakness was due to access controls and CBP had sufficient compensating controls to ensure accounting records were accurate.

CBP also contributed to the Department significant deficiencies in Entity-Level Controls and Custodial Revenue and Refunds and Drawbacks. The deficiencies are not relevant with respect to information contained in this report, as there is not information presented that is significantly reliant upon Financial Reporting or Entity-Level Controls, or information related to custodial revenues and refunds and drawback.

4. Reprogrammings or Transfers

During FY 2017, CBP had reprogrammings, but no transfers. As a component of DHS, CBP submits all reprogramming and transfer requests through the Department for approval, and the impact of these changes is assessed by the Department. In FY 2017, the Department determined there were no reprogrammings or transfers that materially impacted CBP's drug-related obligations reported in the Table of FY 2017 Drug Control Obligations.

5. Other Disclosures

There are no other disclosures that CBP has determined are necessary to clarify any issues regarding the data reported under ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

B. Assertions

1. Obligations by Budget Decision Unit

Not Applicable - As a multi-mission agency, CBP is exempt from reporting under this section as noted in the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, Section 6(b)(1), dated January 18, 2013.

2. Drug Methodology

CBP asserts that the methodology used to estimate drug enforcement related obligations is reasonable and accurate. The criteria associated with this assertion are as follows:

a. Data

The estimate of drug enforcement related obligations is based on the methodology described in section A.1 above. This drug methodology, and the systems used to support this methodology, such as TOMIS, CMIS, and the AMOC Integrated Information Database, present a fair and accurate picture of the CBP drug enforcement mission.

b. Financial Systems Security

CBP's financial system, SAP, yields data that fairly presents, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

As stated in the IT general and application control weaknesses noted in section A.3, CBP's financial systems issues related to SAP are based on access control and CBP has compensating controls to ensure CBP is capable of providing data that fairly represent, in all material respects, aggregate obligations. The drug methodology described in section A.1 above is used to estimate what portion of these obligations may reasonably be considered to be associated with drug enforcement related activities.

3. Application of Drug Methodology

The methodology described in section A.1 above was used to generate the Table of FY 2017 Drug Control Obligations

4. Reprogrammings or Transfers

The data presented are associated with obligations against a financial plan that properly reflects all changes in drug-related budgetary resources that occurred during the fiscal year, including reprogrammings or transfers. The Department determined there was no material impact to drug-related obligations and there were no reprogrammings or transfers that materially impacted CBP's drug-related obligations reported in the Table of FY 2017 Drug Control Obligations

5. Fund Control Notices

The Director of National Drug Control Policy did not issue a Fund Control Notice for CBP for FY 2017.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

U.S. Customs and Border Protection

Commissioner
Chief Financial Officer
Audit Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees

Office of National Drug Control Policy

Associate Director for Management and Administration

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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

Mr. Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

The enclosed report presents the results of our independent review of the U.S. Customs and Border Protection's (CBP) fiscal year 2017 Drug Control Performance Summary Report.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in CBP's Drug Control Performance Summary Report. We contracted with an independent public accounting firm to conduct the review of CBP's report as an attestation engagement consistent with the Statements for Standards of Attestation Engagements promulgated by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Please call me with any questions, or your staff may contact John E. McCoy II, Assistant Inspector General for Audits, at (202) 254-4100.

Sincerely,

A handwritten signature in cursive script, appearing to read "John V. Kelly", is written over a horizontal line.

John V. Kelly
Acting Inspector General

Enclosure

OFFICE OF INSPECTOR GENERAL

**Review of U.S. Customs and
Border Protection's
Fiscal Year 2017
Drug Control Performance
Summary Report**



Homeland
Security

January 30, 2018
OIG-18-47



DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection's Fiscal Year 2017 Drug Control Performance Summary Report

January 30, 2018

What We Found

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY).

The Office of Inspector General (OIG) is required to conduct a review of the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG-OfficePublicAffairs@oig.dhs.gov

Williams, Adley & Company –DC, LLP, under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on the U.S. Customs and Border Protection's (CBP) FY 2017 Drug Control Performance Summary Report. CBP's management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that CBP's FY 2017 Performance Summary Report is not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations as a result of its review.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Jeffrey Caine
Acting Chief Financial Officer
U.S. Customs and Border Protection

FROM: John E. McCoy II 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal Year 2017 Drug Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2017 Drug Control Performance Summary Report*. U.S. Customs and Border Protection's (CBP) management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm Williams, Adley & Company -DC, LLP (Williams Adley) to review CBP's Drug Control Performance Summary Report. Williams Adley is responsible for the attached Independent Accountants' Report, dated January 16, 2018, and the conclusions expressed in it. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Deputy Inspector General
United States Department of Homeland Security

We have reviewed management's assertions related to the Performance Summary Report (PSR) of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2017. CBP management is responsible for the preparation of the PSR in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). Our responsibility is to express a conclusion about management's assertions.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the PSR or PSR assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the PSR or the PSR assertions for the year ended September 30, 2017 in order for them to be in conformity with the requirements set forth in the Circular.

Williams, Adley & Company - DC, LLP
Washington, District of Columbia
January 16, 2018



U.S. Customs and
Border Protection

January 18, 2018

MEMORANDUM FOR: Mr. John V. Kelly
Deputy Inspector General
U.S. Department of Homeland Security

FROM: Henry A. Moak 
Acting Chief Accountability Officer
Office of Accountability

SUBJECT: Management's Assertions for CBP's Performance Summary
Report to ONDCP

In compliance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to ONDCP. The report contains the results of CBP's Fiscal Year (FY) 2017 performance in support of the *National Drug Control Strategy*.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied – CBP uses TECS, TOMIS, e3 and BPETS to capture performance information. Data within these systems is accurately maintained and reliable, and properly applied to generate the most recent performance data available for the FY 2017 performance period;
- (2) Explanations for not meeting performance targets are reasonable - Performance targets in FY 2017 were met for three of four measures and the explanation for not meeting one of the performance targets is reasonable;
- (3) Methodology to establish performance targets is reasonable and consistently applied - The methodology described for establishing performance measure targets is based on professional judgment of subject matter experts with many years of experience in the field. The methodology is reasonable given past performance and available resources;
- (4) Adequate performance measures exist for all significant drug control activities - CBP has established at least one performance measure for each Drug Control Decision Unit, which considers the intended purpose of the National Drug Control Program Activity. As noted in the OIG Report 17-09, *DHS Drug Interdiction Efforts Need Improvement*, the performance measures reported for CBP's Drug Control Decision

Units are not adequate. Three of the four measures were determined to be process-based rather than outcome-based, and two of the four measures were found to not be sufficiently relevant to counterdrug activities. On September 26, 2016, ONDCP published a Supply Reduction Strategic Outcomes framework to provide a comprehensive and integrated perspective on strategic level changes across the spectrum of the drug supply train and associated impacts on society. Several DHS outcome-based performance measures are included in the framework, and the Department is working with ONDCP to ensure the right measures are in place to support assessment of strategic outcomes. As a follow-on activity, CBP will work with the Department on the development of new measures as needed. CBP did determine that the FY 2017 performance measures for all significant drug control activities did not require material modification.

If you have any questions or would like additional information, please contact me at (202) 344-2571, or a member of your staff may contact Mr. James Andersen, Acting Director, Performance Management and Analysis Division, at (202) 344-2925.

Attachments

**U.S. Department of Homeland Security
U.S. Customs and Border Protection
Performance Summary Report
Fiscal Year 2017**

The performance measures presented below directly link to the 2017 *National Drug Control Strategy* by evaluating U.S. Customs and Border Protection's (CBP) success in disrupting domestic drug trafficking. This Performance Summary Report contains the performance measures aligned to drug control decision units as required by the Office of National Drug Control Policy (ONDCP) Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The drug control decision units are as follows: (1) Salaries and Expenses, (2) Air and Marine Interdiction, Operations, Maintenance, and Procurement and (3) Border Security Fence, Infrastructure and Technology.

Drug Control Decision Unit – Salaries and Expenses

Performance Measure – Amount of currency seized on exit from the United States.

(1) Performance Measures

The performance measure “Amount of currency seized on exit from the United States” provides the total dollar amount of all currency, in millions, seized during outbound inspection of exiting passengers and vehicles, both privately-owned and commercial. The scope of this measure includes all ports of entry on both the southwest and northern borders and all modes of transportation (land, air, and sea). This measure assists in evaluating CBP's success in disrupting domestic drug trafficking at the land border ports of entry, a key outcome for the FY 2017 National Drug Control Strategy. This measure is tracked by CBP's Office of Field Operations (OFO).

This measure is based upon the seizure-related enforcement outcomes of CBP's Outbound Enforcement Program, which provides an indicator of the success that CBP has in disrupting domestic drug trafficking at the land borders by stemming the flow of potential narcotics-related proceeds destined to criminal or transnational groups.

The OFO conducts risk-based Outbound operations at land border ports of entry and international airports, enabling CBP to enforce U.S. laws and regulations applying to the Outbound arena, including but not limited to immigration and drug laws. The Outbound Enforcement Program is part of CBP's effort to effectively monitor and control the flow of goods and people leaving the United States. The goal of CBP's Outbound Enforcement Program is to keep the United States safe by preventing the illicit export of goods, ranging from firearms to components of weapons of mass destruction, by individuals seeking to circumvent U.S. export control laws. This goal was developed in recognition of the fact that such goods could potentially fall into the hands of terrorists or criminal elements. The program also seeks to disrupt criminal elements and terrorist organizations by interdicting the proceeds of criminal activity and arresting members of their organizations.

A number of presidential strategies, including the President's National Export Initiative, the President's Export Control Reform Initiative, the National Drug Control Strategy, and the National Southwest Border Counter Narcotics Strategy, designate outbound enforcement as a crucial component on the war on drugs. The total amount of illegal currency being smuggled out of the United States that was seized upon exit in FY 2017 was \$39 million. This money was potentially destined for criminal organizations.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target:	\$30.0M	\$30.0M	\$30.0M	\$30.0M	\$30.0M
Actual:	\$36.9M	\$37.7M	\$37.6M	\$28.9M	\$39.0M

In FY 2017, CBP significantly exceeded the target of \$30.0M in currency seizures, although the risk-based outbound enforcement efforts continued at levels similar to FY 2016. More attempts to move currency may have occurred due to speculation that heightened security efforts along the Southwest border, including initial efforts to develop the border wall to be built between Mexico and the U.S., will make it more difficult to smuggle currency.

While the average dollar value of the amount per seizure dropped from approximately \$34,000 in FY 2016 to under \$32,000 in FY 2017, there was a significant increase in the number of individual seizures, up nearly 18 percent. Further, there was an increase in the number of large seizures over \$100,000, which went from 19 in FY 2016 to 48 in FY 2017. This contributed to the overall increase and helped CBP exceed its target for FY 2017 by approximately 30 percent.

In addition to regular risk-based outbound enforcement efforts, CBP also conducts limited special operations set up in support of collaborative enforcement efforts with the Drug Enforcement Agency (DEA) and Immigration and Customs Enforcement (ICE), as well as with other law enforcement agencies through the Border Enforcement Security Task Force.

(3) Current Year Performance Targets

Fiscal Year:	FY 2018
Target:	\$30.0M

CBP will continue to conduct risk-based Outbound enforcement operations to identify and seize currency being transported out of the country illegally and work with these law enforcement agencies and both local and international partners to identify and disrupt outbound smuggling activities.

Currently, CBP conducts limited risk-based Outbound enforcement operations based on the availability of CBP Officers and funding, examining only departing goods and travelers identified as high-risk based on CBP Officer assessment at the ports and/or automated system alerts triggered by available data. On-going CBP efforts at risk-based outbound enforcement and conducting limited special operations will continue in FY 2018. The increase seen in FY 2017 seizures may indicate the decrease observed in FY 2016 was an unusual fluctuation in seizure

activity. CBP will retain the target of \$30.0M for FY 2018. CBP will consider revising the target in FY 2019 if the FY 2018 results more clearly establish a long-term trend.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. This measure is calculated from outbound seizure-related enforcement action data entered into Treasury Enforcement Communications System (TECS), a computer-based tool used to support CBP operations, by the CBP Officer at the time the violation occurred. On a monthly basis, the detailed transaction data for each Field Office is compiled and extracted from TECS into BorderStat, the CBP system of record for capturing and reporting all enforcement and operations statistical data across its operational components. The extracted data is then summarized within the Operations Management Report module in BorderStat. The monthly summary data is reviewed by OFO's Outbound Program Manager to verify accuracy and identify anomalies.

Drug Control Decision Unit – Air and Marine Operations

Performance Measure – Percentage of Joint Interagency Task Force-South (JIATF-S) annual mission hour objective achieved.¹

(1) Performance Measures

This performance metric is specific to CBP’s Air and Marine Operations (AMO). AMO conducts extended border operations as part of CBP’s layered approach to homeland security. AMO deploys assets in the source and transit zones through coordinated liaison with other U.S. agencies and international partners. The National Interdiction Command and Control Plan (NICCP) sets the overarching operational architecture for organizations involved in interdicting illicit drugs in keeping with the goals and objectives of the National Drug Control Strategy. In the source and transit zones, AMO coordinates with the larger law enforcement and interdiction community through its partnership with JIATF-S. JIATF-S is the tasking coordinator and controller for counter-drug missions within the transit² and source³ zones. JIATF-S submits its resource allocation requirements through the NICCP. The Department of Homeland Security (DHS) responds to the requirements in a Statement of Intent. AMO typically supports JIATF-S requests with P-3 Airborne Early Warning and P-3 Long-Range Tracker aircraft, but has also supported JIATF-S with other aircraft, including its DHC-8 and C-12M fixed-wing aircraft, Black Hawk rotary-wing aircraft, and unmanned aircraft systems (UAS).

As a result of the 2003 Presidential Determination Regarding U.S. Assistance to the Government of Colombia Airbridge Denial Program, AMO began receiving funding in FY 2005 to support JIATF-S as part of its base budget.

The performance measure “Percentage of JIATF-S Annual Mission Hour Objective Achieved” identifies the degree to which AMO meets its intended flight hours for JIATF-S in support of the National Drug Control Strategy, which is reported to DHS, ONDCP, and JIATF-S.

(2) Prior Years Performance Targets and Results

The Percentage of JIATF-S Annual Mission Hour Objective Achieved was initially introduced as a measure in FY 2011.

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target:	100.0%	100.0%	100.0%	100.0%	100.0%
Actual:	100.0%	100.0%	100.0%	100.0%	100.0%

In its annual Statement of Intent, DHS responds to the requirements in the NICCP. The FY 2017 DHS Statement of Intent included CBP’s objective to provide 5,730 flight hours for detection

¹ Actual results are presented on a binary basis, where 0 percent represents that the target was not met and 100 percent represents that the target was either met or exceeded.

² The transit zone encompasses Central America, Mexico, the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.

³ The source zone includes the principal drug producing countries of Bolivia, Columbia, and Peru.

and monitoring activities with aircraft in support of JIATF-S operations. AMO exceeded the goal of 5,730 hours for FY 2017, flying a total of 6,276 hours, of which the primary driver was the P-3 (6,118 hours). Other aircraft included the King Air B-350, DHC-8, and UH-60 (158 hours).

(3) Current Year Performance Targets

Fiscal Year: FY 2018

Target: Provide 100 percent of the 6,000 hours of JIATF-S support budgeted for the transit zone.

AMO submitted its input for the FY 2018 DHS Statement of Intent to the DHS Office of Policy, via the Tasking process. This input was based on current anticipated budgets, flight crew availability, and planning estimates involving maritime patrol aircraft flight hours in the transit zone.

The FY 2018 DHS Statement of Intent included CBP's objective to provide 6,000 flight hours in the transit zone with its P-3 and UAS.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. AMO flight data is recorded using the Tasking, Operations, and Management Information System, which underwent a DHS verification and validation during FY 2016. The data from this system can be queried through any CBP computer with appropriate access. AMO ensures the data is complete and accurate through a quality assurance process, which includes annual reconciliation of data, and data entry error mitigation techniques established from the verification and validation assessment.

Drug Control Decision Unit – Automation Modernization

Performance Measure – Percent of time TECS is available to end users.

(1) Performance Measures

This performance metric is for Automation Modernization, part of the Air and Marine Interdiction, Operations, Maintenance, and Procurement budget decision unit. The metric is managed and measured by CBP’s Office of Information Technology (OIT). The measure, “Percent of time TECS is available to end users,” quantifies the availability of the TECS service to all end-users based on a service level of 24/7 service. TECS is a CBP mission-critical law enforcement application system designed to identify individuals and businesses suspected of or involved in violation of Federal law. TECS is also a communications system permitting message transmittal between the DHS law enforcement offices and other National, state, and local law enforcement agencies, access to the Federal Bureau of Investigation’s National Crime Information Center and the National Law Enforcement Telecommunication Systems (NLETS). NLETS provides direct access to state motor vehicle departments. This measure assists in evaluating CBP’s success in improving information systems for Analysis, Assessment, and Local Management, a key outcome for the National Drug Control Strategy.

TECS availability is a collection of key performance indicators (KPI) gathered from off-the-shelf and custom monitoring tools. The tools monitor all components and sub-systems of three mission critical applications: Western Hemisphere Travel Initiative, Traveler Primary Air Client, and U.S. Arrival.

Synthetic transactions are performed on all three applications to simulate a user. The results of these transactions are measured against defined performance standards. Breaches of the performance standards are transmitted as alerts to the Technology Operations Center and the application development team for review and resolution.

TECS is deemed unavailable when all three applications are in a critical or unresponsive state simultaneously. Outages for systems maintenance are considered down time and affect TECS availability.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target:	99.0%	99.0%	99.0%	99.0%	99.0%
Actual:	99.9%	99.9%	99.9%	99.9%	100%

TECS surpassed its goal this year with an availability of 100 percent.

(3) Current Year Performance Targets

Fiscal Year: FY 2018

Target: 99.0%

The target is established based on the KPIs for the three applications that comprise the TECS Availability metric. Current trends and funding expectations point to a likelihood of achieving the FY 2018 target of 99.0 percent with no anticipated challenges to TECS system availability. This target is established via a negotiated contract with the TECS service provider.

(4) Quality of Performance Data

The data is accurate, complete, and unbiased. All data logged is reviewed for accuracy and comments are added by Computer Operations staff for the purpose of identifying discrepancies. Each business day, OIT Subject Matter Experts meet at the Significant Outages and Incidents meeting to review the Chief Information Officer Outage Report which is generated for the OIT Assistant Commissioner and other senior CBP management staff. The Subject Matter Experts review incidents and validate the information reported. The OIT Assistant Commissioner and senior CBP management review the report.

Drug Control Decision Unit – Border Security Fencing, Infrastructure and Technology

Performance Measure – Rate of Interdiction Effectiveness along the Southwest Border between the ports of entry.

(1) Performance Measures

Since FY 2014, the United States Border Patrol (USBP) has focused on and measured improvement in its Interdiction Effectiveness Rate (IER) on the Southwest border. The IER is the percent of detected illegal entrants who were apprehended or turned back after illegally entering the U.S. between the Southwest Border ports of entry. The IER focuses on positive outcomes (apprehensions or turnbacks) of recent entrants made in the immediate border area. This measure assists in evaluating CBP's success in disrupting domestic drug trafficking between the land border ports of entry, a key outcome for the National Drug Control Strategy.

Border Patrol agents (BPAs) detect and intercept any combination of threats that present themselves along the borders including: terrorists, weapons of terrorism, smuggling of narcotics and other contraband, and people who illegally enter the United States. The interdiction of people frequently coincides with the interdiction of drugs in the border environment; therefore, the IER can be associated with effectiveness in resolving all cross-border entries, including those involving persons transporting narcotics. Since introducing this measure in FY 2014, USBP has increased the IER from 76 percent at the end of FY 2013 to a high of 82.7 percent at the end of FY 2016. In FY 2017 the IER decreased to 78.9%.

The enforcement advantage gained from fencing, other infrastructure, and technology, such as sensors and cameras, allows agents to more effectively and efficiently detect, identify, and intercept threats. CBP's enforcement posture over the past several years since 9/11 has benefitted from a build-up in resources and capabilities, including manpower. This improved enforcement posture has coincided with an overall decrease in apprehensions since 2005 and an improvement in the IER since it was tracked in FY 2013. During FY 2017, the USBP seized 857,888 pounds of marijuana along the Southwest border, a decrease of 336,539 pounds seized in 2005 along the Southwest border. The decrease in marijuana seizures correlates to the decrease in demand since the legalization of marijuana in states in the U.S.

Targets and results for the "Rate of interdiction effectiveness along the Southwest Border between ports of entry" measure is based on data collected on apprehensions, turnbacks and gotaways, which together constitute entries. The formula used to calculate the IER is $(\text{Apprehensions} + \text{Turnbacks}) / (\text{Entries})$. The scope includes all areas of the Southwest border that are generally at or below the northern most checkpoint within a given area of responsibility.

Apprehensions are defined as: a deportable subject who, after making an illegal entry, is taken into custody and receives a consequence. Gotaways are defined as: a subject who, after making an illegal entry, is not turned back or apprehended and is no longer being actively pursued by BPAs. Turnbacks are defined as: a subject who, after making an illegal entry into the US, returns to the country from which he/she entered, not resulting in an apprehension or gotaway.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target:	None	77%	80%	81%	81%
Actual:	76%	79.3%	81.0%	82.7%	78.9%

This performance measure was initially introduced as a DHS strategic measure in FY 2014. USBP did not meet the IER target for FY 2017 achieving only 78.9 percent, which is roughly a 3.8 percent decrease from Fiscal Year 2016 IER of 82.7 percent. The baseline data collection during FY 2013 coincided with an effort on part of the USBP to standardize the methods across Southwest border sectors to record apprehensions, gotaways, and turnbacks, the three key factors in the formula for calculating the IER.

The shortfall in IER has occurred at the same time that USBP has encountered a decrease in the flow of illegal aliens entering the U.S. Reasons for the IER results include: 1) an increase in detection technology and tracking capabilities, yielding greater situational awareness of illegal entrants who previously would have gone undetected; 2) agent staffing being down 9.3% from our authorized 21,370 reducing our ability to respond; 3) changes in underlying assumptions of would be illegal entrants: individuals who previously sought out and turned themselves over to USBP to claim asylum might now try to evade arrest if they perceive they will be receiving consequences if apprehended. An example of this is along the southern border, where Other than Mexican apprehensions decreased by 19%. Going forward, USBP's increased awareness will need to be paired with increased response capability, which in the face of limited manpower, will be challenging.

(3) Current Year Performance Targets

Fiscal Year: FY 2018
Target: 81%

USBP will continue to increase its detection technology to enhance situational awareness and work on recruiting agents to increase staffing levels. Also, USBP will work to ensure that agent readiness levels for patrolling the border are kept high to promote a better response. Building a robust response capability will also be key in ensuring that agents can respond effectively and efficiently.

A combination of efforts under a risk-based strategy can influence an improvement in the IER. Better intelligence and risk-based deployment of surveillance capabilities enhances situational awareness and aids in identifying potential or emerging threats. This allows for better informed and more agile responses at tactical and strategic levels. At the tactical level, field commanders can direct personnel and mobile technologies to respond to higher threat areas. At the strategic level, USBP can place increased focus on positioning assets according to changing threat levels. The target was established based upon a review of historical data and anticipated trends.

(4) Quality of Performance Data

Apprehension, gotaway, and turnback data is captured by BPAs at the station level and entered into the following systems:

- Apprehensions are entered into the e3 Processing (e3) system. All data entered via e3 resides in the Enforcement Integrated Database (EID), the official system of record for this data, which is under the purview of the USBP Headquarters Statistics and Data Integrity (SDI) Unit. The physical database is owned and maintained by ICE.
- Gotaways and turnbacks are entered into the CBP Enforcement Tracking System 1 (BPETS), which resides with the USBP. BPETS is under the purview of and is owned by the USBP Headquarters SDI Unit.

Apprehension data is entered into e3 by BPAs at the station level as part of the standardized processing procedure. BPAs use standard definitions for determining when to report a subject as a gotaway or turnback. Some subjects can be observed directly as evading apprehension or turning back; others are acknowledged as gotaways or turnbacks after agents report evidence that indicate entries have occurred, such as foot sign, sensor activations, and interviews with apprehended subjects, camera views, communication between stations and sectors, and other information. Data input into the BPETS system occurs at the station level, and normally by a supervisor. The e3 Processing application and BPETS are used to document apprehension, gotaway, and turnback data.

Patrol Agents in Charge ensure all agents are aware of and utilize proper definitions for apprehensions, gotaways, and turnbacks at their respective stations and ensure accurate documentation of subjects. In addition to station level safeguards, the USBP Headquarters SDI Unit validates data integrity by utilizing various data quality reports. Data issues are corrected at the headquarters level or forwarded to the original inputting station for correction. All statistical information requested is routed through the USBP Headquarters SDI Unit to ensure accurate data analysis and output.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

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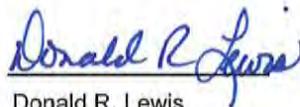
**U.S. DEPARTMENT OF HOMELAND SECURITY
Federal Law Enforcement Training Center (FLETC)**

2017

Prior Year Drug Control Obligations

		Obligations (in Millions)
		FY 2017
Drug Resources by Function		
Investigations		\$42.544
State & Local Assistance		\$1.684
International		\$0.467
Total Drug Resources by Function		\$44.695
Drug Resources by Decision Unit		
Salaries & Expenses		\$44.695
Total Drug Resources by Decision Unit		\$44.695
Drug Resources Personnel Summary		
Total FTEs (direct only)		216
Drug Resources as a Percent of Budget		
Total Agency Budget (in billions)	\$	0.241
Drug Resources Percentage		18.5%

The FLETC has less than \$50 million in drug-related obligations per year. As such, full compliance with the ONDCP Circular: Drug Control Accounting, would constitute an unreasonable reporting burden.



Donald R. Lewis
Chief Financial Officer

3/20/18
Date

The Drug Resources as a Percent of Budget is computed as follows:

Obligations	FY	Budget Authority		
\$44.695	FY2017	\$241.193	44695/241193=	18.5%

**ONDCP PERFORMANCE SUMMARY REPORT
FY 2017**

Introduction

The Federal Law Enforcement Training Centers (FLETC) is an interagency law enforcement training facility that serves a leadership role as the Federal Government's principal provider of world-class, interagency law enforcement training to more than 95 Federal Partner Organizations, as well as training and technical assistance to state, local, tribal and international law enforcement entities. The FLETC provides premium training programs in support of drug enforcement activities, primarily in advanced programs that teach and reinforce law enforcement skills of investigation.

Performance Measures

The Office of National Drug Control Policy (ONDCP) Director's August 25, 2011 memo to the Secretary of the Department of Homeland Security requested FLETC develop a specific counterdrug performance measure to support the President's National Drug Control Strategy. In response, the following statement, "The FLETC's counterdrug-related basic skills training (i.e., Drug Recognition, Clandestine Laboratory Safety Awareness, Marijuana Cultivation Investigations, etc.) meets my agency's identified training needs," was added to the Partner Organization Satisfaction Survey beginning in FY 2012. The data collected for this statement will be used to support the President's National Drug Control Strategy by assessing Partner Organization satisfaction with counterdrug-related basic skills training the FLETC provides to their law enforcement officers and agents. FLETC Partner Organizations are Federal agencies involved in the enforcement of Federal law and have signed a Memorandum of Understanding (MOU) with the FLETC to participate in consolidated training and be given priority scheduling.

Performance Measure		FY 2017
Outcome: Percent of Partner Organizations that agree the Federal Law Enforcement Training Centers counterdrug-related training meets identified training needs	Target	95%
	Actual	92%

Prior to establishing a specific counterdrug performance measure, the FLETC utilized the performance measure below, which reflects the satisfaction of Partner Organizations with the training the FLETC provides to their officers/agents in order to effectively perform their law enforcement duties such as the prevention of the introduction of high-consequence weapons of mass destruction, terrorism, and other criminal activity against the U.S. and our citizens. The results of the measure provide on-going opportunities for improvements that are incorporated into the FLETC's training curricula, processes and procedures.

Performance Measure		FY 2017
Outcome: Percent of Partner Organizations satisfied with the training provided by the Federal Law Enforcement Training Centers	Target	95%
	Actual	98%

1. Performance reporting systems are appropriate and applied

The FLETC POs are surveyed using the PO Satisfaction Survey. The survey was developed using contemporary survey methods comparable to those used by the military services and other major training organizations. Data is collected from mid-May through June. The measure uses an average of survey Statements 1 and 2. Statement 1 begins "The FLETC's basic" and Statement 2 begins "FLETC's advanced." Each statement ends with "training programs and courses of instruction address the right skills needed for my officers/agents to perform their law enforcement duties." The survey uses a modified six-point Likert scale. Program personnel import the survey data as saved by survey respondents from Vovici into the Statistical Package for the Social Sciences to generate descriptive statistics and then into Excel to generate data charts and tables. The percent is calculated as the average of the number of POs that responded "Strongly Agree" or "Agree" to Statements 1 and 2 divided by the number of POs that responded to each of the respective statements.

POs that responded "Not Applicable" to either Statement were excluded from the calculations. Following release of the survey summary report, FLETC leaders conduct verbal sessions with Partner Organization key representatives to confirm and discuss their responses. Throughout the year other formal and informal inputs are solicited from the Partner Organization representatives by FLETC staff and used to validate the survey results. No known integrity problems exist.

2. Explanations for not meeting performance targets are reasonable

One agency's response to the question addressing this measure on the 2017 Partner Organization Satisfaction Survey accounted for FLETC not meeting this target. The agency indicated they "Strongly Disagree" that this training meets identified needs. The agency respondent entered a comment (" 'his agency' cannot enforce any drug related crimes"), which indicate that his agency doesn't have any jurisdiction in this area and "Not Applicable" was available as an option. FLETC will continue to meet with the aforementioned agency in an effort to gain a better understanding of training needs, concerns, improve communications and will work with all of its Partner Organizations to make any beneficial modifications to training.

3. Methodology to establish performance targets is reasonable and applied

The FLETC's ONDCP performance measure was developed and submitted for approval during FY 2012. In order to establish a performance goal (against which to set a baseline), the FLETC examined its actual and targeted historical performance for previously established training related measures. Additionally, informal discussions were held with a sampling of Partner Organizations to gauge their satisfaction with FLETC's drug control related training to date. When considered as a whole, these factors indicated that 81% was a realistic target to establish the baseline. As this performance measure matures, the target goals are evaluated and adjusted as necessary.

4. Adequate performance measures exist for all significant drug control activities

FLETC has one acceptable ONDCP specific performance measure.

**Review of U.S. Immigration
and Customs Enforcement's
Fiscal Year 2017 Detailed
Accounting Submission for
Drug Control Funds**





DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds

January 30, 2018

What We Found

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY).

The Office of Inspector General (OIG) is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

Williams, Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on U.S. Immigration and Customs Enforcement's (ICE) Detailed Accounting Submission. ICE's management prepared the Table of FY 2017 Drug Control Obligations and related disclosures in accordance with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that ICE's FY 2017 Detailed Accounting Submission is not presented in conformity with the criteria in ONDCP's Circular. Williams Adley did not make any recommendations as a result of its review.



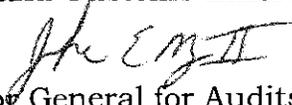
OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Stephen Roncone
Chief Financial Officer
U.S. Immigration and Customs Enforcement

FROM: John E. McCoy II 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Fiscal Year 2017 Detailed Accounting Submission for
Drug Control Funds*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds*. U.S. Immigration and Customs Enforcement's (ICE) management prepared the Table of FY 2017 Drug Control Obligations and related disclosures to comply with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm Williams, Adley & Company –DC, LLP (Williams Adley) to review ICE's Detailed Accounting Submission. Williams Adley is responsible for the attached Independent Accountants' Report, dated January 16, 2018, and the conclusions expressed in it. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Inspector General
United States Department of Homeland Security

We have reviewed management's assertions related to the Detailed Accounting Submission (DAS) of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2017. ICE management is responsible for the preparation of the DAS in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). Our responsibility is to express a conclusion about management's assertions.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAS or DAS assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the DAS or the DAS assertions for the year ended September 30, 2017 in order for them to be in conformity with the requirements set forth in the Circular.

Williams, Adley & Company-DC, LLP
Washington, District of Columbia
January 16, 2018

Office of the Chief Financial Officer

U.S. Department of Homeland Security
500 12th Street, SW
Washington, D.C. 20536



U.S. Immigration
and Customs
Enforcement

January 18, 2018

Mr. John Kelly
Deputy Inspector General
U.S. Department of Homeland Security
Office of Inspector General

Dear Mr. Kelly,

In accordance with the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, enclosed is Immigration and Customs Enforcement's report of FY 2017 drug obligations, drug control methodology and assertions.

If you require further assistance on this information, please contact Christopher Maiwurm at (202) 732-4361.

Sincerely,

Michelle Aguilar
Michelle Aguilar, Deputy Director
Office of Budget and Program Performance
U.S. Immigration and Customs Enforcement

U.S. Department of Homeland Security
U.S. Immigration and Customs Enforcement
Detailed Accounting Submission of Drug Control Funding during Fiscal Year 2017

A. Table of FY 2017 Drug Control Obligations

Drug Resources by Budget Decision Unit and Function:

Drug Resource by Drug Control Function	FY 2017 Final (In Millions)
Domestic Investigations	\$584.472
International Operations	\$7.805
Intelligence: Domestic	\$33.976
Intelligence: International	\$0.524
Total	\$626.777
Drug Resources by Budget Decision Unit	
Salaries and Expenses – Immigration Enforcement	
Total	\$626.777
High Intensity Drug Trafficking Area (HIDTA) Transfer	\$2.597

HIDTA Funds represent total authorized and available during FY2017 (multi-year funds: FY16/17 and FY17/18)

1: Drug Methodology

U.S. Immigration and Customs Enforcement (ICE) is a multi-mission bureau, and obligations are reported pursuant to an approved drug methodology. ICE's Homeland Security Investigations (HSI) Domestic Investigations, International Operations (IO) and Office of Intelligence uphold U.S. drug control policy delegated amid the Office of National Drug Control Policy (ONDCP) initiatives, by fully supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. Therefore, separate calculations are formulated to determine obligation data for the three ICE HSI sanctioned programs that undertake in counter-narcotic investigative activity, presented in the table above. Thereafter, the following three (3) sections cover each program in detail.

Domestic Investigations

The methodology for HSI Domestic Investigations is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of investigative work they perform in this system in the form of case hours. These case hours can then be aggregated to show overall level of effort.

Disclaimer: HSI releases the attached information with the understanding that the requestor will only utilize such information for the purpose stated in the request. Prior to using the information for any other purpose, or release to a third party, the requestor should inform and seek approval from HSI.

Following the close of the fiscal year, ICE uses ICM reports to identify and report the total investigative case hours coded as general narcotics cases or money-laundering narcotics cases. A second ICM report shows the total Domestic investigative case hours logged. The percentage of Domestic investigative case hours logged is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of investigative case hours. This percentage may fluctuate from year to year. For FY 2017, the actual percentage for Domestic Investigations was 31.98 percent. To calculate a dollar amount of obligation, the percentage is applied to the FY 2017 enacted Domestic Investigations budget; excluding reimbursable authority. ICE uses the Federal Financial Management System (FFMS), ICE's general ledger system, to identify the obligations incurred.

International Operations (IO)

The methodology for IO is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of work and related case hours they perform in this system, which interfaces with ICM. Following the close of the fiscal year, an ICM report is run showing investigative case hours coded as general narcotics cases or money-laundering narcotics cases. A second report is run showing all investigative case hours logged for international law enforcement operations. The international investigative case hours logged percentage is derived by dividing the number of international investigative case hours linked to drug-control activities by the total number of investigative case hours. For IO, the actual percentage of hours that were counter-narcotics related was 7.40 percent in FY 2017. To calculate the dollar amount of obligations for the IO drug control function, the percentage is applied to the FY 2017 enacted IO budget, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

Office of Intelligence

ICE officers provide intelligence services for Domestic Investigations and IO to support criminal investigations aimed at disrupting and dismantling criminal organizations involved in transnational drug trade and associated money-laundering crimes. The methodology for the Office of Intelligence is based on intelligence case hours recorded in ICE's automated Case Management System. ICE intelligence officers record the type of work and related case hours they perform in this system, which interfaces with ICM. Following the close of the fiscal year, a report in ICM is run showing investigative case hours coded as counter-narcotics cases or money-laundering narcotics cases. A second report is generated showing all investigative case hours logged. The intelligence investigative case hours percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of investigative case hours logged for the Office of Intelligence. For FY 2017, 43.05 percent of the total case hours for the Office of Intelligence were in support of drug-control activities. To calculate the dollar amount of obligations for the Office of Intelligence drug control function, the percentage is applied to the FY 2017 enacted Intelligence budget, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

The Office of Intelligence case hours recorded in ICM captures both domestic and international drug-related activity. The Office of Intelligence calculates the total percentage of case hours that support Domestic and International drug enforcement activity by adding the end of the year total number of Intel Domestic and Intel Office of International Operations drug-controlled investigative hours in ICM and dividing these totals by the total number of Domestic drug-controlled investigative hours and IO drug-controlled investigative hours. The resulting percentage is used to determine the amount that Intelligence does for international activities (1.52 percent) and domestic activities (98.48 percent). The respective percentages are applied to the total Office of Intelligence drug-related obligations as determined above to identify the relative international and domestic obligations expended by the Office of Intelligence for drug-control activities.

2: Methodology Modifications

There were no modifications to the drug methodology from the previous year to report.

3: Material Weaknesses or Other Findings

In the Fiscal Year 2017 Department of Homeland Security (DHS or the Department) Financial Statement Audit, ICE contributed to material weaknesses in the areas of Financial Reporting and Information Technology (IT) Controls and System Functionality. Specifically, ICE recognizes weaknesses in financial reporting related to untimely obligation of executed contracts, specifically, ensuring there was an executed contract and corresponding obligation of funds prior to incurring expenses, as well as ineffective design of the Procurement Request Information System Management (PRISM) to Federal Financial Management System (FFMS) and Bond Management Information System (BMIS) to FFMS reconciliations. ICE must improve and automate the controls related to the analysis of outstanding obligations, and improve controls to ensure timeliness of execution of contracts and corresponding obligations. Additionally, ICE must improve the tools used to reconcile PRISM and FFMS, to ensure all contracts awarded in PRISM are recorded in FFMS, and implement timeliness policies to ensure unreconciled items in both reconciliations are cleared timely. ICE must also focus heavily on access controls for all financial related systems, such as the systems used for financial management, invoice management, real property, time/attendance, bond management and procurement. ICE has completed a full assessment of application controls for all CFO designated systems, will execute corrective actions for new weaknesses, and conduct routine verification and validation to ensure improvements are being sustained.

The contributions to the material weaknesses identified above did not impair ICE's ability to report complete and accurate obligation data in the Table of FY 2017 Drug Control.

4: Reprogrammings or Transfers

During FY 2017, ICE had reprogrammings and transfers. As a component of DHS, ICE submits all reprogramming and transfer requests through the Department for approval, and the impact of these changes is assessed by the Department. In FY 2017, the Department determined there were no reprogrammings or transfers that materially impacted ICE's drug-related obligations reported in the

Table of FY 2017 Drug Control Obligations.

5: Other Disclosures

There are no other disclosures ICE feels are necessary to clarify any issues regarding the data reported.

B. Assertions

1: Obligations by Budget Decision Unit

Not Applicable- As a multi-mission agency, ICE is exempt from reporting under this section as noted in the Office of National Drug Control Policy (ONDCP) Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

2: Drug Methodology

The methodology used to calculate obligations of budgetary resources by budget decision unit and function is reasonable and accurate in regard to the workload data employed and the estimation methods used. The workload data derived from ICM, discussed in the methodology section above, is based on work performed between October 1, 2016 and September 30, 2017. There are no other estimation methods used. The financial system used to calculate the drug-related budget obligations is the FFMS, which is reliable and capable of yielding data that fairly presents, in all material respects, aggregate obligations.

3: Application of Drug Methodology

The methodology disclosed in Section A, Disclosure No. 1 was the actual methodology used to generate the Table of FY 2017 Drug Control Obligations.

4: Reprogrammings or Transfers

The data presented are associated with obligations against a financial plan that properly reflects all changes in drug-related budgetary resources that occurred during the fiscal year, including reprogrammings or transfers. Although the Department determined there was no material impact to drug-related obligations, the ONDCP approved all reprogrammings or transfers in excess of \$1 million in FY 2017.

5: Fund Control Notices

No Fund Control Notice was issued, as defined by the ONDCP Director under 21 U.S.C. Section 1703(f) and Section 9 of the ONDCP Circular: *Budget Execution*, to ICE in FY 2017.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

Mr. Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

The enclosed report presents the results of our independent review of the U.S. Coast Guard's (Coast Guard) fiscal year 2017 Detailed Accounting Submission.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in the Coast Guard's Detailed Accounting Submission. We contracted with an independent public accounting firm to conduct the review of Coast Guard's report as an attestation engagement consistent with the *Statements for Standards of Attestation Engagements* promulgated by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Please call me with any questions, or your staff may contact John E. McCoy II, Assistant Inspector General for Audits, at (202) 254-4100.

Sincerely,

A handwritten signature in cursive script, reading "John V. Kelly", is positioned above the typed name.

John V. Kelly
Acting Inspector General

Enclosure



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

Mr. Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

The enclosed report presents the results of our independent review of the U.S. Immigration and Customs Enforcement's (ICE) fiscal year 2017 Drug Control Performance Summary Report.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in ICE's Drug Control Performance Summary Report. We contracted with an independent public accounting firm to conduct the review of ICE's report as an attestation engagement consistent with the Statements for Standards of Attestation Engagements promulgated by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Please call me with any questions, or your staff may contact John E. McCoy II, Assistant Inspector General for Audits, at (202) 254-4100.

Sincerely,

A handwritten signature in cursive script, appearing to read "John V. Kelly".

John V. Kelly
Acting Inspector General

Enclosure

**Review of U.S. Immigration
and Customs Enforcement's
Fiscal Year 2017
Drug Control Performance
Summary Report**





DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2017 Drug Control Performance Summary Report

January 30, 2018

What We Found

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY).

The Office of Inspector General (OIG) is required to conduct a review of the report and provide a conclusion about the reliability of each assertion made in the report.

Williams, Adley & Company -DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on the U.S. Immigration and Custom Enforcement's (ICE) FY 2017 Drug Control Performance Summary Report. ICE's management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that ICE's FY 2017 Performance Summary Report is not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations as a result of its review.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Stephen Roncone
Chief Financial Officer
U.S. Immigration and Customs Enforcement

FROM: John E. McCoy II *John E. McCoy II*
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Fiscal Year 2017 Drug Control Performance Summary
Report*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2017 Drug Control Performance Summary Report*. U.S. Immigration and Customs Enforcement's (ICE) management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm Williams, Adley & Company -DC, LLP (Williams Adley) to review ICE's Drug Control Performance Summary Report. Williams Adley is responsible for the attached Independent Accountants' Report, dated January 16, 2018, and the conclusions expressed in it. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Deputy Inspector General
United States Department of Homeland Security

We have reviewed management's assertions related to the Performance Summary Report (PSR) of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2017. ICE management is responsible for the preparation of the PSR in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). Our responsibility is to express a conclusion about management's assertions.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the PSR or PSR assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the PSR or the PSR assertions for the year ended September 30, 2017 in order for them to be in conformity with the requirements set forth in the Circular.

Williams, Adley & Company-DC, LLP
Washington, District of Columbia
January 16, 2018

Office of the Chief Financial Officer

U.S. Department of Homeland Security
500 12th Street, SW
Washington, D.C. 20536



U.S. Immigration
and Customs
Enforcement

January 18, 2018

Mr. John Kelly
Deputy Inspector General
U.S. Department of Homeland Security
Office of Inspector General

Dear Mr. Kelly,

In accordance with the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, enclosed is Immigration and Customs Enforcement's report of FY 2017 drug performance metrics and targets.

If you require further assistance on this information, please contact Christopher Maiwurm at (202) 732-4361.

Sincerely,

Michelle Aguilar

Michelle Aguilar, Deputy Director
Office of Budget and Program Performance
U.S. Immigration and Customs Enforcement

**U.S. Department of Homeland Security
U.S. Immigration and Customs Enforcement**

**Performance Summary Report of Drug Control Funds during
Fiscal Year (FY) 2017**

International Operations (IO)

Metric 1: Percentage of overseas investigative hours incurred on drug-related cases.

(1) Description

The performance metric for IO is the percentage of overseas investigative hours incurred on drug-related cases. This metric evaluates the percentage of Immigration and Customs Enforcement's (ICE) total overseas investigations that impact counter-narcotics enforcement.

ICE's Homeland Security Investigations (HSI) IO supports U.S. drug control policy, specifically Office of National Drug Control Policy (ONDCP) initiatives, such as 'Disrupt domestic drug trafficking and production' and 'Strengthen Law-Enforcement and International Partnerships to Reduce the Availability of Foreign-Produced Drugs in the United States', by supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. The desired outcomes for the execution of DHS' action items are: disruption of domestic drug trafficking and production; and strengthening of international partnerships and reduction in the availability of foreign-produced drugs in the United States. Increased hours incurred on drug-related cases directly lead to increased detection, disruption and dismantlement of drug smuggling organizations. IO investigative resources are directed at organizations smuggling contraband (including narcotics) into the United States. The IO offices coordinate international investigation with foreign law enforcement counterparts and provide investigative support to HSI domestic offices in combatting transnational criminal operations and organizations. IO also partners with domestic ICE components and with U.S. law enforcement agencies overseas to leverage overseas resources, mitigating global narcotics threats to the United States. This includes utilizing investigative and intelligence techniques to support domestic cases and interagency cross-border initiatives.

This counter-narcotics performance metric is evaluated on a consistent basis for IO. In some cases, it is included in Senior Executive Service (SES) performance plans, and may be tracked at a high managerial level by way of processes such as HSI Transparency/Results/Accountability/Knowledge-sharing (HSI TRAK), programmatic monitoring, financial monitoring, and quarterly expenditure reports.

(2) Prior Years' Performance Targets and Results

Fiscal Year	Target	Actual
2013	6.30%	8.11%
2014	6.90%	8.32%
2015	7.58%	7.56%
2016	8.00%	7.50%
2017	8.00%	7.40%

To calculate the dollar amount of obligations for the IO drug control function, the percentage is applied to the FY 2017 enacted IO budget, excluding reimbursable authority.

In FY 2017, the IO actual percentage was 7.40 percent; therefore, not meeting the target of 8.0 percent. This is likely due in part to the concentration of resources to combat the smuggling of Special Interest Aliens (SIA), a DHS priority, from areas like South Asia, the Levant and the African continent into the Western Hemisphere and through the southern approaches to the United States in South and Central America and the Caribbean. ICE's international offices located in Europe, Africa, the Levant, the Middle East and Asia/Pacific are primarily focused on non-narcotics investigations. In Western Europe the offices have been heavily involved in combatting human smuggling and the movement of SIAs from the Levant into Western Europe – a by-product of the European migrant crisis and the ongoing conflict in Syria. Addressing the threat posed by potential foreign fighters returning from the Levant to Western Europe and potentially North America has been a priority for several offices in Western Europe, North Africa and the Middle East.

In addition to these ongoing threats, our offices in this region have also focused on traditional Customs and Immigration centric investigations such as cyber enabled crime, commercial trade fraud, money laundering and counter proliferation. In the Middle East and North Africa, our offices' principal mission focus is visa security. There are minimal drug investigations in that part of the world as well as DEA's primacy in investigating narcotics smuggling investigations. In Asia/Pacific, the focus is on the traditional Customs and Immigration centric violations referenced earlier as well as issues such as child sex tourism and human trafficking. In the Western Hemisphere, much of the investigative focus has been on human smuggling through Mexico, Central and South America and the Caribbean as recent and emerging regional concerns instigated by increased illicit smuggling of unaccompanied children, national security threats associated with extraterritorial criminal travel of SIAs, and foreign fighter recruitment by the Islamic State have contributed to regional instability.

(3) Performance Target for FY 2018

The performance target for FY 2018 is 7.40 percent, a target based on the average three prior years' performance results per prior year's methodology. HSI notes the drug enforcement environment can change significantly in a short period of time due to changes in drug enforcement strategy, including legislation. Thus, incorporating historical data beyond the prior three years would result in a less realistic performance target. In establishing this performance metric, IO plans to have sufficient resources to support the same level of effort on drug-related investigations.

(4) Quality of Performance Data

The database used to obtain HSI IO's performance data is the ICE Investigative Case Management System (ICM), which is ICE's automated case management system that records investigative hours. International Operations relies on ICM to ensure the performance data is accurate, complete, and unbiased in presentation and substance. ICE also conducts quality control verification on all data received through ICM to ensure performance data is accurate, complete, and unbiased in presentation and substance. HSI has transitioned into the new web-based system (ICM) from Legacy TECS, which has created interface migration issues. The first release took place in the summer of 2016, when nearly

11,000 HSI users were migrated over to ICM. As a result, some of the data used in this metric of the report has been impacted by an immaterial amount.

Intelligence

Metric 2: Number of counter-narcotics intelligence requests satisfied.

(1) Description

This performance metric is calculated by the sum of the amount of Intelligence Information Reports (IIR) and Analytical Framework for Intelligence (AFI) products.

An IIR is a formal standardized method of disseminating raw unevaluated information, on behalf of the Department of Homeland Security (DHS) Intelligence Enterprise (IE) and other information providers, to elements of the Intelligence Community (IC) and the DHS IE, as appropriate. This is the primary vehicle through which the Reports Section shares this raw intelligence within ICE and throughout the DHS and the IC.

The AFI allows HSI Office of Intelligence (HSI-Intel) to maintain visibility on all Intelligence products used by the HSI field offices and at HQ. This system allows HSI-Intel to run searches on specific mission areas, which include counter-narcotics and drug smuggling Intel-related products.

HSI-Intel supports its HSI Special Agents, Intelligence Analysts, Mission Support Specialists and all other personnel who support intelligence operations and the IC by providing AFI and IIR products and services that inform customers and close existing "intelligence gaps." Customer requirements are formally documented and captured within the Analytical Framework for Intelligence (AFI). Published Intelligence products, known as AFI products, are a detailed written analysis on an intelligence development that can be shared with the IC. Levied requirements are then determined either "satisfied" by Intelligence, or not. In the latter case, an intelligence gap remains. Satisfaction of customer requirements represents the "outcome" of Intelligence production in those satisfying customer requirements, closes the gap in customer information needs, and allows customers to make informed decisions about executing law enforcement actions.

This counter-narcotics performance metric is evaluated on a consistent basis for Intelligence, and is in some cases put into SES performance plans. It is also tracked at a high managerial level via processes, such as HSI TRAK, programmatic monitoring, financial monitoring, and quarterly expenditure reports.

(2) Actual Performance Results for FY 2017

Fiscal Year	Target	Actual
2014	656	686
2015	686	431
2016	431	275
2017	275	312

In FY 2017, HSI-Intel produced a total of 312 drug-related products, therefore meeting the target of 275. Of the 312 drug-related products, a total of two hundred (200) were IIR products and one hundred twelve (112) were AFI products.

(3) Performance Target for FY 2018

The performance target for FY 2018 is 312 counter-narcotics intelligence requests satisfied. The target is based on the prior year actual data. Actual production efforts, whether for finished intelligence or IIRs, are driven by resources and prioritization. Current departmental and ICE priorities are counterterrorism, counterintelligence, human smuggling and cybercrime. The production of drug-related intelligence has declined since FY 2014 in counter-narcotics and may continue to decline pending the department's priorities; however, ICE senior leadership has determined using the FY 2017 actual is reasonable, as it represents the current organizational priorities.

(4) Quality of Performance Data

Databases used to validate HSI-Intel's performance data are the AFI and the HSI-Intel's shared drive hosting the IIRs. AFI is a generation analytical system that is separately operated by customers. The capabilities of AFI are used to gather analysis that is critical to the IC through collaborative reporting. Intelligence conducts quality control verification on the AFI data and the shared drive hosting the IIRs to ensure the performance data is accurate and unbiased in presentation and substance. Furthermore, ICE HSI-Intel is implementing metadata items within AFI that will group data distinctly into either HSI Domestic or HSI International, increasing the specificity of the data provided.

Domestic Investigations

Metric 3: Percentage of significant high-risk transnational criminal investigations that result in a disruption or dismantlement

(1) Description

ICE coordinated with the ONDCP and established new performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. This metric supports the National Counter Narcotics Strategy objectives and initiatives to disrupt and dismantle transnational and domestic drug-trafficking and money-laundering organizations. The new performance metric is "the percentage of significant, high risk transnational criminal investigations that result in a disruption or dismantlement."

This metric is incumbent on all investigative case categories and is not restricted to HSI counter-narcotic cases, contrasting from metric 4 (that is strictly involving ICM Categories directly related to drug activities/investigations). This measure is a precise result of all investigative cases in the seven ICM Categories: 1) Illicit Trade, Travel and Finance (non-drug-related), 2) Illicit Trade, Travel, and Finance (drug related), 3) Counter-proliferation, 4) National Security, 5) Transnational Gangs, 6) Transnational Crimes Against Children, and 7) Worksite Enforcement. These measures articulate the impact of HSI investigations and their final outcomes by demonstrating the impediment of crimes directly. This allows HSI to identify, categorize, and report significant investigations that target the greatest threats faced in the nation, while demonstrating HSI's commitment to disrupt and dismantle criminal activity.

The Significant Case Review (SCR) process and their subsequent performance measures exhibit how HSI enhances national security and public safety by focusing on these high-risk priority investigations. In an effort to ensure long-standing viability, HSI special agents submit enforcement actions that meet the definition of either a disruption or dismantlement that involve criminal investigations of cases deemed significant or high-risk based on a pre-defined set of criteria reviewed by the SCR panel. The SCR panel reviews enforcement actions and examines each submission of the criminal investigative elements that are being presented to ensure the submission meets the requirement of a disruption or dismantlement. A disruption is defined as actions taken in furtherance of the investigation that impede the normal and effective operation of the target organization or targeted criminal activity. Dismantlement is defined as destroying the target organization's leadership, network, and financial base so the organization is incapable of reconstituting itself.

The performance measures for HSI for FY 2017 were calculated using actual historical significant investigation performance results since program inception (FY 2011) using the following methodology:

1) The final calculation is derived by: Number of Unique SCRs with Type 2 and/or Type 3 Reports during the Reporting Period divided by the (Number of Approved and Open Type 1 SCRs at the Beginning of the Reporting Period + Number of Type 1 Reports Opened and Approved During the Reporting Period)¹

(2) Actual Performance Results for (Quarter 4) FY 2017²

Fiscal Year	Target	Actual
2014	19.00%	42.24%
2015	18.00%	15.83%
2016	16.00%	18.57%
2017	15.80%	22.91%

In FY 2017, the actual percentage for the reportable Government Performance and Results Act (GPRA) metric is 22.91 percent; therefore, HSI has met the GPRA target of 15.80 percent as of the year-ended September 30, 2017.

(3) Performance Target for FY 2018

The performance target for FY 2018 is 15.90 percent. Planning for responses to future criminal trends, while critical in assessing risk and threats, is difficult due to the inherent challenge of predicting future criminal activity. This makes the establishment of performance targets for enforcement statistics extremely difficult. Due to the high number of unknown variables, the FY 2018 performance target

¹ Type 1 (Significant) – Is the initial Significant Case Report (SCR)

Type 2 (Disruption) - SCR that indicates changes in organizational leadership or changes in methods of operation of the target organization.

Type 3 (Dismantlement) – SCR which indicates that the target organization's leadership, network, and financial base are incapable of reconstituting itself.

² HSI discovered a coding error at the beginning of FY 2015 within the information system that pulls data from TECs. This forced a revalidation of data and a rethinking of how the data is pulled and verified. HSI has since used a corrected data coding and validation for FY 2015. HSI re-examined previous year's data using the new coding and methodology and those actual results are: FY13 16.28%, FY14 47.16%. The prior year actual results in the table have not been modified, so as to remain comparable to previously issued reports.

was created using historical trends, future operational assumptions, attrition, national security special event details and change in administrations.

(4) Quality of Performance Data

The database used to validate Domestic Investigations performance data is ICM. Domestic Investigations relies on ICM to ensure the performance data are accurate, complete, and unbiased in presentation and substance. ICE also conducts quality control verification on all data received through ICM to ensure performance data is accurate, complete, and unbiased in presentation and substance.

Due to the migration noted in Metric 1 Section 4, some of the data used in this metric of the report has been impacted by an immaterial amount.

Domestic Investigations

Metric 4: Percent of significant high risk drug related illicit trade and illicit travel and finance investigations that result in a disruption or dismantlement

(1) Description

ICE coordinated with ONDCP and established performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. This is aligned with the 2012-2016 HSI Strategic Plan, Goal: *Protect the Homeland Against Illicit Trade, Travel and Finance, Objective 2.4: Targeting Drug Trafficking Organizations*. The methodology used to calculate this measure remains consistent with the prior year. ICE supported ONDCP initiatives that include the National Counter Narcotics Strategy objectives, such as disrupting and dismantling transnational and domestic drug-trafficking and money-laundering organizations. The performance metric is “the percentage of significant high risk drug related illicit trade and illicit travel and finance investigations that result in a disruption or dismantlement.” Agents submit enforcement actions that meet the definition of either a disruption or dismantlement, which are cases deemed high-impact or high-risk based on a pre-defined set of criteria and are reviewed by an SCR panel. The SCR panel reviews enforcement actions and examines each submission to ensure it meets the requirement of a disruption or dismantlement.

While Metric 3 focuses on all seven types of ICM criminal investigations, this metric specifically relates to illicit trade, travel, and finance in investigations explicit to investigations in transnational criminal enterprises that focus on schemes involving import and/or export or other trade, travel, finance, or immigration violations. These investigations include HSI investigational actions directly related to the disruption and/or dismantlement of Consolidated Priority Organization Targets and Regional Priority Organization Targets in accordance with targets designated by the Organized Crime Drug Enforcement Task Force. Percentages are calculated by dividing drug-related enforcement actions (deemed a disruption or dismantlement) by the total number of enforcement actions within the domestic program.

(2) Actual Performance Results for FY 2017³

³ HSI discovered a coding error at the beginning of FY 2015 within the information system that pulls data from TECs. This forced a revalidation of data and a rethinking of how the data is pulled and verified. HSI has since used a corrected data coding and validation for FY 2015. HSI re-examined previous

Fiscal Year	Target	Actual
2014	44.00%	45.00%
2015	29.00%	14.51%
2016	15.00%	9.55%
2017	15.10%	19.03%

In FY 2017, 19.03 percent of significant high-risk counter-narcotic, illicit trade, travel and finance investigations resulted in a disruption or dismantlement. Therefore, HSI has met the target of 15.10 percent.

(3) Performance Target for FY 2018

The performance target for FY 2018 is 15.20 percent. Due to the high number of unknown variables, the FY 2018 performance target was created using historical trends, future operational assumptions, attrition, and national security special event details. In addition, this target was set before FY 2017 actuals were finalized with the assumption that the patterns will continue into the near future. In establishing this metric, Domestic Investigations plans to have sufficient resources to support the same level of effort on drug related investigations.

(4) Quality of Performance Data

The database used to validate Domestic Investigations performance data is ICM. As stated previously, Domestic Investigations relies on ICM to ensure the performance data are accurate, complete, and unbiased in presentation and substance. ICE also conducts quality control verification on all data received through ICM to ensure performance data is accurate, complete, and unbiased in presentation and substance.

Due to the migration noted in Metric 1 Section 4, some of the data used in this metric of the report has been impacted by an immaterial amount.

ICE Management Assertion Report

1. Performance reporting system is appropriate and applied -- ICE uses ICM, IIR and AFI investigative and intelligence case tracking systems of record to capture performance information. ICM, IIR and AFI data is well-documented, accurately maintained, and reliable, and those systems were properly applied to generate the most recent performance data available for the FY 2017 performance period.
2. Explanations for not meeting performance targets are reasonable -- In FY 2017, ICE actuals were not met for two of its four performance targets. The explanations offered for failing to meet these targets are reasonable.
3. Methodology to establish performance targets is reasonable and consistently applied -- The methodology described in Section 1 of each metric to establish the performance targets is

year's data using the new coding and methodology and those actual results are: FY13 16.28%, FY14 47.16%. The prior year actual results in the table have not been modified, so as to remain comparable to previously issued reports.

reasonable and was consistently applied for each metric, given past performance and available resources.

4. Adequate performance metrics exist for all significant drug control activities -- ICE has established more than one acceptable performance metric for its Drug Control Decision Unit-Salaries and Expense. These measures were developed in consideration and support of the ONDCP National Counter Narcotics Strategy, as well as DHS and ICE Strategic plan objectives and initiatives. As noted in OIG Report 17-09, DHS Drug Interdiction Efforts Need Improvement, the performance measures for International Operations and Intelligence are not adequate, as they are process-based rather than outcome-based measures. ICE is working with the Department to develop adequate outcome-based measures for these activities in FY 2018. However, ICE has determined the FY 2017 performance measures for all significant drug control activities do not require material modification.

Exhibit 1: Additional Drug Enforcement Statistics

Domestic Investigations keeps track of additional statistics to monitor their drug enforcement efforts. Domestic Investigations does not set targets for seizures and only provides year-end data. Note: "high impact" as discussed in Statistics 3 through 6 is defined as the weight limit for a seizure that would constitute a federal drug identification number from the El Paso Intelligence Center.

Statistic 1: Dollar value of real or other property seizures derived from/and/or used in drug operations.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
\$46.2 M	\$36.6 M	\$40.2 M	\$39.0 M

Statistic 2: Dollar value of seized currency and monetary instruments from drug operations.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
\$192.7 M	\$154.0 M	\$140.9 M	\$434.6 M

Statistic 3: Percentage of total cocaine seizures considered high impact.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
44%	46%	49%	53%

Statistic 4: Percentage of heroin seizures considered high impact.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
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47%	47%	45%	43%
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Statistic 5: Percentage of marijuana seizures considered high impact.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
35%	36%	38%	33%

Statistic 6: Percentage of methamphetamine seizures considered high impact.

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
62%	63%	62%	66%



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Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305

OFFICE OF INSPECTOR GENERAL

**Review of U.S. Coast Guard's
Fiscal Year 2017
Detailed Accounting
Submission for
Drug Control Funds**



Homeland
Security

**January 30, 2018
OIG-18-44**



DHS OIG HIGHLIGHTS

Review of U.S. Coast Guard's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds

January 30, 2018

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY).

The Office of Inspector General (OIG) is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report.

What We Found

Williams, Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on U.S. Coast Guard's (Coast Guard) Detailed Accounting Submission. Coast Guard's management prepared the Table of FY 2017 Drug Control Obligations and related disclosures in accordance with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that the Coast Guard's FY 2017 Detailed Accounting Submission is not presented in conformity with the criteria in ONDCP's Circular. Williams Adley did not make any recommendations as a result of its review.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Rear Admiral Andrew J. Tiongson
Chief Financial Officer
U.S. Coast Guard

FROM: John E. McCoy II 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Coast Guard's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds*

Attached for your information is our final report, *Review of U.S. Coast Guard's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds*. Coast Guard's management prepared the Table of FY 2017 Drug Control Obligations and related disclosures to comply with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm Williams, Adley & Company -DC, LLP (Williams Adley) to review the Coast Guard's Detailed Accounting Submission. Williams Adley is responsible for the attached Independent Accountants' Report, dated January 16, 2018, and the conclusions expressed in it. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Inspector General
United States Department of Homeland Security

We have reviewed management's assertions related to the Detailed Accounting Submission (DAS) of the U.S. Department of Homeland Security's (DHS) United States Coast Guard (USCG) for the year ended September 30, 2017. USCG management is responsible for the preparation of the DAS in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). Our responsibility is to express a conclusion about management's assertions.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAS or DAS assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the DAS or the DAS assertions for the year ended September 30, 2017 in order for them to be in conformity with the requirements set forth in the Circular.

Williams, Adley & Company-DC, LLP
Washington, District of Columbia
January 16, 2018

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

2703 Martin Luther King Jr. Ave. SE
Washington, DC 20593
Staff Symbol: CG-82
Phone: (202) 372-3521

7110

JAN 16 2018

Mr. John Kelly
Deputy Inspector General
U.S. Department of Homeland Security
Office of Inspector General

Dear Mr. Kelly,

In accordance with the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, enclosed is the Coast Guard's FY 2017 Detailed Accounting Submission.

If there are any questions or revisions required, please contact my Drug Budget Coordinator, LCDR Colleen McCusker, (202)372-3512.

Sincerely,

A handwritten signature in black ink, appearing to read "R. V. Timme".

R. V. Timme
Captain, U.S. Coast Guard
Chief, Office of Budget and Programs

Encl: USCG FY 2017 Detailed Accounting Submission

Copy: DHS Budget Office

**DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD
Detailed Accounting Submission of FY 2017 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION

A. Table of FY 2017 Drug Control Obligations

RESOURCE SUMMARY (Dollars in Millions)	2017 Actual Obligations
Drug Resources by Drug Control Function:	
• Interdiction	\$1,419.249
• Research and Development	\$2.184
Total Resources by Function	\$1,421.433
Drug Resources by Budget Decision Unit:	
• Operating Expenses (OE)	\$968.129
• Reserve Training (RT)	\$15.171
• Acquisition, Construction, and Improvements (AC&I)	\$435.949
• Research, Development, Test and Evaluation (RDT&E)	\$2.184
Total Drug Control Obligations	\$1,421.433

1. Drug Methodology

In fiscal year (FY) 2000, a methodology known as the Mission Cost Model (MCM) was developed to present the United States Coast Guard (Coast Guard) missions using activity-based cost accounting principles. The MCM is an estimate of operational mission costs allocated across the Coast Guard's 11 missions/programs consisting of: Drug Interdiction; Migrant Interdiction; Ports, Waterways and Coastal Security; Other Law Enforcement; Defense Readiness; Search and Rescue; Marine Safety; Ice Operations; Marine Environmental Protection; Living Marine Resources; and Aids to Navigation. The MCM output allocated to Drug Interdiction is allocated to the ONDCP Drug Control Function 'Interdiction' for all decision units with the exception of RDT&E. RDT&E is allocated to ONDCP Control Function 'Research and Development'. The information reported is timely and derived from an allocation process involving the Coast Guard's financial statement information and operational employment data. The operating hour allocation, or baseline, is developed and modified based upon budget line item requests and operational priorities.

The Coast Guard is required to report its drug control funding to the Office of National Drug Control Policy (ONDCP) in four appropriations, categorically called decision units. The Coast Guard's drug control funding estimates are computed by examining the decision units that are comprised of: Operating Expenses (OE); Reserve Training (RT); Acquisition, Construction, and Improvement (AC&I); and Research, Development, Test, and Evaluation (RDT&E). Each decision unit contains its

own unique spending authority and methodology. For example, AC&I includes funding that remains available for obligation up to five years after appropriation and RDT&E includes funding that remains available for obligation up to three years after appropriation. Unless stipulated by law, OE and RT funding must be spent in the fiscal year it is appropriated. The mechanics of the MCM methodology used to derive the drug control information for each decision unit's drug control data is derived as follows.

Mission Cost Allocations

OE funds are used to operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and recruit, train, sustain, and compensate an active duty military and civilian workforce. The Coast Guard tracks resource hours spent on each of its 11 statutory missions. Obligations within the drug interdiction program are derived by allocating a share of the actual obligations of assets and activities based upon the reported percentage of time aircraft, cutters, and boats spent conducting drug interdiction activities.

The two chief input drivers to the MCM are:

- *The Coast Guard's Expanse Allocation Model (EAM)* – The EAM model development, formerly known as the Standard Rate and User Fee Model, uses the SAS® Activity Based Model (ABM) and Enterprise Guide (EG) software solutions. The model inputs include expenditure data captured by the Coast Guard's three general ledgers: Core Accounting System (CAS), Naval and Electronics Supply System (NESSS), and Aircraft Logistics Information Management System (ALMIS). As such, this model calculates the total cost, including direct, support, and overhead, of operating the Coast Guard's assets, as well as missions or services that the Coast Guard performs but does not have related standard rates or user fees.
- *Abstract of Operations (AOPS) and Asset Logistics Management Information System (ALMIS)* – The Coast Guard tracks resource hours incurred on each of the 11 Coast Guard statutory missions using AOPS and ALMIS. This data is then used to determine the amount of time each asset class is employed conducting each Coast Guard mission as a ratio of total resource hours incurred on all missions.

Using financial data recorded in the financial data recorded in the three general ledgers (CAS, NESSS, and ALMIS) in combination with asset activity data recorded in AOPS and ALMIS, the Coast Guard allocates OE costs to each of the 11 statutory missions. By design, the MCM is based on the OE decision unit. The employment category percentages derived from MCM can also be applied directly to the RT decision unit, as the RT decision unit is similar in structure to the OE decision unit, in that it is not project-based. AC&I and RDT&E decision units must be calculated separately, due to the structure of the AC&I and RDT&E decision units, which are presented as individual projects in the Coast Guard's budget submission. Within AC&I and RDT&E, individual projects are allocated to missions based on an established profile (largely based on utilization). The drug interdiction attributions of each of these projects are then combined to determine the total contribution to the drug interdiction mission.

The program percentages derived from the MCM are applied to OE, RT, AC&I and RDT&E decision units per the above methodology (see Attachments A, B, C and D, respectively). Obligation data is derived from the final financial accounting Report on Budget Execution (SF-133).

As previously discussed, because the Coast Guard budgets through congressionally established appropriations (rather than individual missions), the organization must rely on information contained within the activity based MCM. The Coast Guard uses this MCM data to determine financial obligations specifically related to statutory missions, including Drug Interdiction. This appropriation structure supports multi-mission requirements by allowing the service to surge and shift resources across all missions. This level of resource flexibility is critical to successful mission execution in our dynamic, operational environment. However, such a structure makes it difficult to precisely determine the cost of a particular mission or the “level of effort” expended in carrying out in each mission. The MCM provides the Coast Guard with a reliable, repeatable system that forecasts future year spending and estimates previous year obligations by mission.

2. Methodology Modifications

The methodology described above is consistent with the previous year.

3. Material Weaknesses or Other Findings

In prior fiscal years and FY17, the Coast Guard contributed to DHS material weaknesses in the following internal control areas: Financial Reporting and IT Controls and System Functionality. Following the recommendations providing in the previous DHS Independent Auditors' Reports, the Coast Guard has continued to implement corrective action plans to remediate long-standing internal control deficiencies, strengthen existing internal controls, and provide assurance over the fidelity of financial information.

We note Coast Guard's control deficiencies that contributed to the department-level material weaknesses did not impair Coast Guard's ability to report complete and accurate obligation data in the Table of FY 2017 Drug Control Obligations. The Coast Guard control deficiencies that contributed to the material weaknesses in Financial Reporting and IT Controls and System Functionality were related to the Coast Guard's three accounting systems. However, the deficiencies were primarily related to access controls, and the Coast Guard had sufficient compensating controls in place to ensure that budgetary data (i.e. obligations) was presented fairly, in all material respects.

As previously discussed, because the Coast Guard budgets through congressionally established appropriations (rather than individual missions), the organization must rely on information contained within the activity-based MCM. The Coast Guard uses this MCM data to determine financial obligations specifically related to statutory missions, including Drug Interdiction. This appropriation structure supports multi-mission requirements by allowing the service to surge and shift resources across all missions. This level of resource flexibility is critical to successful mission execution in our dynamic, operational environment. However, such a structure makes it difficult to precisely determine the cost of a particular mission or the “level of effort” expended in carrying out that mission. Notwithstanding its limitations, the MCM has been endorsed by the Office of Management and Budget (OMB) in formulation of the Coast Guard’s annual budget request to Congress. The MCM provides the Coast Guard with a reliable, repeatable system that forecasts future year spending and estimates previous year obligations by mission.

4. Reprogrammings or Transfers

During FY 2017, Coast Guard had reprogrammings and transfers. As a component of DHS, Coast Guard submits all reprogramming and transfer requests through the Department for approval, and the

impact of these changes to funding is assessed by the Department. In FY 2017, the Department determined there were no reprogrammings or transfers that materially impacted Coast Guard's drug-related obligations reported in the Table of FY2017 Drug Control Obligations.

5. Other Disclosures

The following provides a synopsis of the Coast Guard's FY 2017 Drug Control Funds reporting which describes:

1. The agency's overall mission and the role of drug interdiction efforts within the Coast Guard's multi-mission structure; and
2. The Coast Guard's Drug Budget Submission.

Coast Guard Mission

The Coast Guard is a military service with mandated national security and national defense responsibilities, and is the United States' leading maritime law enforcement agency with broad, multi-faceted jurisdictional authority. Due to the multi-mission nature of the Coast Guard and the necessity to allocate the effort of a finite amount of assets, there is a considerable degree of asset "cross-over" between missions. This cross-over contributes to the challenges the Coast Guard faces when reporting costs for its mission areas.

Coast Guard's Drug Budget Submission

In the annual National Drug Control Strategy (NDCS) Budget Summary, all agencies present their drug control resources broken out by function and decision unit. The presentation by decision unit is the one that corresponds most closely to the Coast Guard's congressional budget submissions and appropriations. It should be noted and emphasized the Coast Guard does not have a specific appropriation for drug interdiction activities. As such, there are no financial accounting lines for each of the Coast Guard's 11 statutory missions. All drug interdiction operations, capital improvements, reserve support, and research and development efforts are funded through general Coast Guard appropriations.

The Coast Guard's drug control budget is generally an accurate reflection of the Coast Guard's overall budget. The Coast Guard's OE appropriation budget request is incremental, focusing on the changes from the prior year base brought forward. The Coast Guard continues to present supplementary budget information through the use of the MCM, which allocates base funding and incremental requests by mission.

This general purpose MCM serves as the basis for developing drug control budget estimates for the OE and RT appropriations and provides allocation percentages used to develop the drug control estimates for the AC&I and RDT&E appropriations and the process is repeatable. Similarly, this is the same methodology used to complete our annual submission to the ONDCP for the NDCS Budget Summary.

Assertions

- 1) Obligations by Budget Decision Unit

Not Applicable. As a multi-mission agency, the Coast Guard is exempt from this reporting requirement, as noted in the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, Section 6(b)(1), dated January 18, 2013.

2) Drug Methodology

The methodology use to produce the drug interdiction funding in this report is reasonable and accurate. This methodology is consistently used by the Coast Guard to develop annual budget year submissions and mission related reports. The criteria associated to this assertion are as follows:

- a) Data – The percentage allocation results derived from its MCM methodology are based on the FY 2017 financial and AOPS/ALMIS data, as presented in the Coast Guard’s FY 2017 OMB budget submission.

Financial Systems – The MCM uses costs from three general ledgers (GL). These include; the Core Accounting System (CAS) GL, the Naval and Electronics Supply and Support System (NESSS) GL, and the Aircraft Logistics Management Information System (ALMIS) GL. These financial systems yield data that fairly presents, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the drug control obligation funding table required by ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, issued January 18, 2013. Documentation on each decision unit is provided.

4) Reprogrammings or Transfers

During FY 2017, the Coast Guard had no reports of transfers or reprogramming actions affecting drug related budget resources in excess of \$1 million.

5) Fund Control Notices

ONDCP did not issue the Coast Guard a Fund Control Notice for FY 2017.



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Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

January 26, 2018

Mr. Richard J. Baum
Acting Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Baum:

The enclosed report presents the results of our independent review of the U.S. Coast Guard's (Coast Guard) fiscal year 2017 Drug Control Performance Summary Report.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in Coast Guard's Drug Control Performance Summary Report. We contracted with an independent public accounting firm to conduct the review of Coast Guard's report as an attestation engagement consistent with the *Statements for Standards of Attestation Engagements* promulgated by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Please call me with any questions, or your staff may contact John E. McCoy II, Assistant Inspector General for Audits, at (202) 254-4100.

Sincerely,

A handwritten signature in cursive script, appearing to read "John V. Kelly", is written over a horizontal line.

John V. Kelly
Acting Inspector General

Enclosure

OFFICE OF INSPECTOR GENERAL

**Review of U.S. Coast Guard's
Fiscal Year 2017
Drug Control Performance
Summary Report**



Homeland
Security

**January 30, 2018
OIG-18-43**



DHS OIG HIGHLIGHTS

Review of U.S. Coast Guard's Fiscal Year 2017 Drug Control Performance Summary Report

January 30, 2018

What We Found

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY).

The Office of Inspector General (OIG) is required to conduct a review of the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

Williams, Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on the U.S. Coast Guard's (Coast Guard) FY 2017 Drug Control Performance Summary Report. Coast Guard's management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that the Coast Guard's FY 2017 Performance Summary Report is not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations as a result of its review.



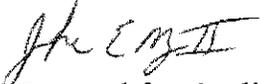
OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JAN 30 2018

MEMORANDUM FOR: Rear Admiral Andrew J. Tionson
Chief Financial Officer
U.S. Coast Guard

FROM: John E. McCoy II 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Coast Guard's Fiscal Year 2017 Drug Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Coast Guard's Fiscal Year 2017 Drug Control Performance Summary Report*. Coast Guard's management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm Williams, Adley & Company -DC, LLP (Williams Adley) to review Coast Guard's Drug Control Performance Summary Report. Williams Adley is responsible for the attached Independent Accountants' Report, dated January 16, 2018, and the conclusions expressed in it. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Deputy Inspector General
United States Department of Homeland Security

We have reviewed management's assertions related to the Performance Summary Report (PSR) of the U.S. Department of Homeland Security's (DHS) United States Coast Guard (USCG) for the year ended September 30, 2017. USCG management is responsible for the preparation of the PSR in conformity with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular). Our responsibility is to express a conclusion about management's assertions.

Our review was conducted in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the PSR or PSR assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the PSR or the PSR assertions for the year ended September 30, 2017 in order for them to be in conformity with the requirements set forth in the Circular.

Williams, Adley & Company-DC, LLP
Washington, District of Columbia
January 16, 2018

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

2703 Martin Luther King Jr. Ave SE
Washington, DC 20593-7318
Staff Symbol: DCO-81
Phone: (202) 372-1001

16012
January 16, 2018

Mr. John Kelly
Acting Inspector General
Department of Homeland Security
Office of the Inspector General

Dear Mr. Kelly,

In compliance with the Office of National Drug Control Policy (ONDCP) Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, U.S. Coast Guard (Coast Guard) submits its enclosed Performance Summary Report to ONDCP. The report contains the results of the Coast Guard's Fiscal Year (FY) 2017 performance in support of the *National Drug Control Strategy*.

Coast Guard Management makes the following assertions:

- (1) Performance reporting system is appropriate and applied** – The Coast Guard utilizes the interagency Consolidated Counterdrug Database (CCDB) to provide data for the Coast Guard performance reporting system. This performance reporting system, as detailed within the enclosed report, is appropriate and applied. It was reviewed in the most recently available 2007 Independent Program Evaluation by the Center for Naval Analyses and a 2007 Office of Management and Budget (OMB) Program Assessment Rating Tool (PART) evaluation. Both reviews verified the appropriateness and application of the performance reporting system, and the Coast Guard has made all significant changes recommended to ensure continued validity.
- (2) Explanations for not meeting performance targets are reasonable** – The Coast Guard did not meet its FY 2017 performance target. The explanations offered for failing to meet the target are reasonable.
- (3) Methodology to establish performance targets is reasonable and consistently applied** – The Coast Guard methodology to establish performance targets is reasonable and consistently applied. The Coast Guard uses a quantitative and qualitative process that reviews intelligence, logistics, strategic and operational policy, capability, emerging trends, past performance, and capacity variables impacting mission performance to establish performance targets. Targets generated by the program manager are reviewed independently by performance and budget oversight offices at Coast Guard Headquarters, as well as the Department of Homeland Security (DHS) Office of Program Analysis and Evaluation, prior to entry into budget documents and the DHS Future Years Homeland Security Program (FYHSP) database.
- (4) Adequate performance measures exist for all significant drug control activities** – The Coast Guard has established one acceptable performance measure that covers all four budget decision units (Operating Expenses; Reserve Training; Acquisition, Construction, and

Improvements; and Research, Development, Test and Evaluation). The metric was most recently subject to review by the DHS Office of the Inspector General (OIG) in 2016, as documented per OIG Report 17-09, *DHS Drug Interdiction Efforts Need Improvement*, issued on November 8, 2016. The OIG report noted the Coast Guard's performance measure was adequate, but could be expanded to include other drug types removed. The Coast Guard has considering this suggested change; however, based upon the comparatively low quantities of other drug types removed by the Coast Guard, the Service has determined the FY 2017 performance measure does not require material modification.

If you require further assistance on this information, please contact LCDR Kristopher Ensley, 202-372-1001.

Sincerely,



MICHAEL W. CRIBBS
Captain, U.S. Coast Guard
Chief, Office of Performance Management
& Assessment

Enclosure (1) FY 2017 Performance Summary Report

Copy: DHS Office of Program Analysis and Evaluation

Drug Budget

United States Department of Homeland Security

United States Coast Guard

Performance Summary Report FY 2017

I. PERFORMANCE INFORMATION

NOTE: *Although the United States Coast Guard (Coast Guard) appropriation is apportioned along budget decision unit lines (i.e., Acquisitions, Construction & Improvements (AC&I), Operating Expenses (OE), Research Development Testing and Evaluation (RDT&E), and Reserve Training (RT)), the Coast Guard does not manage performance along decision unit lines. This is impractical due to the multi-mission performance of our assets, which transcends budget decision units. Thus, the Coast Guard received permission from the Office of National Drug Control Policy (ONDCP) to present one metric for all four decision unit lines.*

This section is based on Coast Guard data and DHS Government Performance and Results Act (GPRA) documents.

The Coast Guard's Drug Interdiction mission supports national and international strategies to deter and disrupt the market for illegal drugs, dismantle Transnational Criminal Organizations (TCOs), and prevent transnational threats from reaching the United States (U.S.). The Coast Guard is the lead federal agency for drug interdiction on the high seas, and shares the lead in U.S. territorial seas with U.S. Customs and Border Protection (CBP). In carrying out this mission, the Coast Guard receives assistance from a variety of international and domestic partners including the U.S. Department of Defense, the Drug Enforcement Administration, and Immigration and Customs Enforcement. The objectives of the Coast Guard strategy are to: (1) maintain a strong interdiction presence to deny smugglers access to maritime routes and deter trafficking activity; (2) strengthen ties with source¹ and transit² zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas; and (3) support interagency and international efforts to combat drug smuggling through increased cooperation and coordination. Coast Guard operations align with the President's National Drug Control Strategy and ONDCP's National Interdiction Command and Control Plan, which target the flow of cocaine and other illicit drugs toward the U.S.

The Coast Guard's drug interdiction performance is best summarized by the program's performance measure, the Cocaine Removal Rate. This measure indicates how effective the program is at disrupting the flow of cocaine traveling via non-commercial maritime means toward the U.S. The more cocaine bound for the U.S. removed by the Coast Guard, the less cocaine available for consumption in the U.S.

¹ The source zone includes the principal drug producing countries of Bolivia, Columbia, and Peru.

² The transit zone encompasses Central America, Mexico, the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.

Performance Measure

Cocaine Removal Rate: Removal rate for cocaine from non-commercial vessels in the maritime Transit Zone.

NOTE: In accordance with ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary* the below table presents the performance information for the previous four fiscal years (FY 2014 – 2017) compared to the target level. The table additionally presents the target established for the current fiscal year (FY 2018).

Year:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target:	13.9%	13.8%	11.5%	11.5%	10.0%
Actual:	9.6%	11.5%	7.1%	8.2%	N/A

Table 1: Performance Targets and Results (Cocaine Removal Rate)

This represents the percent of cocaine removed (seized by the Coast Guard, and jettisoned, scuttled, or destroyed as a result of Coast Guard law enforcement action) in relationship to the non-commercial maritime movement of cocaine. The Cocaine Removal Rate (Table 1) is calculated by dividing the total amount of cocaine removed by the Coast Guard by the total estimated non-commercial maritime movement of cocaine towards the U.S (Table 2).

Year:	FY 2014	FY 2015	FY 2016	FY 2017
Flow:	945	1,254	2,834	2738
Removed:	91.0	144.8	201.3	223.8

Table 2: Non-Commercial Maritime Cocaine Flow and Tonnage Removed (in Metric Tons)

The amount of cocaine removed by the Coast Guard is the sum of all cocaine that is physically seized by Coast Guard personnel and all cocaine lost by the transnational criminal organizations (TCOs) due to the Coast Guard's actions. The latter amount is, at times, an intelligence-based estimate of the quantity of cocaine onboard a given vessel that is burned, jettisoned, or scuttled in an attempt to destroy evidence when Coast Guard presence is detected. The estimated non-commercial maritime flow of cocaine towards the U.S. is extracted from the interagency-validated Consolidated Counter Drug Database (CCDB).

According to the CCDB, the known cocaine flow through the transit zone via non-commercial means slightly decreased in FY 2017 to 2,738 metric tons from 2,834 metric tons in FY 2016. The Coast Guard removed 223.8 metric tons of cocaine from the Transit Zone in FY 2017 equating to an 8.2% removal rate for non-commercial maritime cocaine flow. While the Coast Guard did not meet its performance target of removing 11.5% of non-commercial maritime cocaine flow, the Coast Guard removed more tonnage of cocaine in FY 2017 than it did in FY 2016 or in any fiscal year prior. The Coast Guard did increase cutter hours dedicated to this mission in FY 2017, which may have led to the resulting increased tonnage of cocaine removed. However, the continuing high level of noncommercial maritime flow of cocaine had a greater impact on the missed FY 2017 target than did the level of effort provided by the Coast Guard and its partners. Additionally, the absence of significant support from flight-deck equipped U.S. Navy vessels, which could have been equipped with available Coast Guard Law Enforcement Detachments (LEDETs), further decreased available assets dedicated to this mission as compared to previous years with higher

removal rates.

The Coast Guard Maritime Law Enforcement program managers monitor the cocaine removal rate, watching for both changes in Coast Guard removals, as well as increases or decreases in flow. Any changes are diagnosed to determine the cause and to develop strategies and tactics to continue to increase the removal rate. Factors that can impact the Coast Guard's removal rate and total known non-commercial maritime flow include, but are not limited to:

- The production capacity and supply of cocaine generated in source countries by TCOs, including efforts in source countries to eradicate cocaine at its source;
- Continuously changing modes, tactics and routes by TCOs (e.g. use of submersible type vessels and logistic support vessels);
- The advancing age and deteriorating condition of the Coast Guard's cutter fleet;
- The availability of aviation assets from CBP, U.S. Navy (USN) and Allied nations to support Detection and Monitoring in the transit zone;
- The availability of surface assets from the USN and Allied nations to support Detection and Monitoring in the transit zone;
- The availability of Coast Guard, USN, and Allied surface assets to support embarked LEDETs to perform interdiction and apprehension activities;
- The availability, quality and timeliness of tactical intelligence; and new or upgraded diplomatic and legal tools;
- The fielding of new capabilities (e.g. National Security Cutter, Fast Response Cutter, and Maritime Patrol Aircraft).

In addition to the factors listed above, the Coast Guard considers the level of effort it will provide to the drug interdiction mission when setting cocaine removal targets. In FY 2017, the Coast Guard dedicated additional focus and assets to transit zone interdiction operations above historical levels. The Coast Guard was able to reallocate ship deployments due to a decreased operational demand from other missions, and exceeded its target of 2,190 major cutter days to the transit zone with a total of 2,627 ship days deployed. Coast Guard Maritime Patrol Aircraft (MPA) support to Joint Interagency Task Force South (JIATF-S) slightly exceeded the Service's 3,181 hour commitment with 3,230 MPA hours deployed. However, Airborne Use of Force (AUF) helicopter deployed days did not meet the 1,460 day commitment due to operational demands from other missions, with only 1,365 days deployed. Coast Guard LEDETs met all requests for deployments.

At least annually, the Coast Guard's Maritime Law Enforcement Program and Deputy Commandant for Operations' Office of Performance Management and Assessment review assumptions that factor into the establishment of out-year cocaine removal targets, making adjustments as necessary. Revisions to the targets are reported via the DHS' Future Year Homeland Security Program (FYHSP) database. The Maritime Law Enforcement Program last updated its out-year performance targets in March 2017 in conjunction with normal target setting timelines.

Due to the large growth in estimated noncommercial maritime cocaine flow in the maritime transit zone from FY 2015 to FY 2016, the Coast Guard's removal rate target for FY 2018 was lowered to 10%. Due to increases in the capabilities provided by new Coast Guard assets and the gradual improvement in intelligence and targeting this is an aggressive, yet achievable performance target.

Quality of Performance Data

The Coast Guard continues to use the CCDB as its source for tracking cocaine movement estimates. The CCDB is the U.S. government's authoritative database for illicit drug movement in the Western Hemisphere. The Coast Guard and other federal government agencies use the CCDB to capture all known and suspected drug movement. During quarterly interagency conferences, CCDB partners develop and reconcile information about the quantity of cocaine flows and removals during drug interdiction operations. CCDB estimates permit the Coast Guard to objectively evaluate its performance.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

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Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
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U.S. Coast Guard

Commandant
Chief Financial Officer
Audit Liaison

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Congressional Oversight and Appropriations Committees

Office of National Drug Control Policy

Associate Director for Management and Administration

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For further information or questions, please contact Office of Inspector General
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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305

Tab G



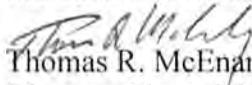
U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

May 4, 2018

MEMORANDUM NO:
2018-FO-1801

Memorandum

TO: Jemine Bryon, Deputy Assistant Secretary for Special Needs, DN
Meredith DeFraitcs, Budget Analyst, Office of National Drug Control Policy

FROM: 
Thomas R. McEnany
Director, Financial Audits Division, GAF

SUBJECT: Independent Attestation Review: U.S. Department of Housing and Urban
Development, Office of Special Needs Assistance Continuum of Care, Regarding
Drug Control Accounting for Fiscal Year 2017

Independent Accountant's Review Report

This report provides the results of our independent attestation review of the U.S. Department of Housing and Urban Development (HUD), Office of Special Needs Assistance Continuum of Care, regarding drug control accounting and associated management assertions for fiscal year 2017 as outlined below.

In accordance with Office of National Drug Control Policy (ONDCP) requirements, HUD made the following assertions:

- HUD reported drug spending in accordance with the methodology approved by ONDCP.
- HUD's drug methodology used to calculate obligations of prior-year budgetary resources by function was approved by ONDCP in accordance with the criteria in section 6b(2) of the ONDCP circular.
- The drug methodology that HUD disclosed in its report was the actual methodology used to generate the required table.
- HUD's methodology for establishing performance targets was reasonable and consistently applied.
- HUD has established adequate performance measures and has a performance reporting system in place to collect performance data and generate accurate reports.

- HUD’s explanation for revising or eliminating performance measures and targets is reasonable.¹
- HUD’s report reflected the data output generated by a methodology approved by ONDCP.

Each National Drug Control Program agency must submit to the director of ONDCP, not later than February 1 of each year, a detailed accounting of all funds spent by the agency for National Drug Control Program activities during the previous fiscal year (21 U.S.C. (United States Code) 1704(d)(A)). In addition, the accounting must be “authenticated by the Inspector General for each agency prior to submission to the Director.” The accounting and related assertions are the responsibility of HUD’s management and were prepared by HUD personnel as specified in the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, dated January 18, 2013.

As required by Federal statute (21 U.S.C. 1704(d)(A)), we reviewed HUD’s Report on Drug Control Accounting, including its written assertions. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibility is to express a conclusion on the subject matter or assertion based on our review. The AICPA standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria. A review is substantially smaller in scope than an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria in all material respects or the responsible party’s assertion is fairly stated in all material respects in order to express an opinion. Accordingly, we do not express such an opinion.

We performed review procedures on HUD’s assertions and the accompanying table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for the attestation review.

Based upon our review, nothing came to our attention that caused us to believe that management’s assertions, referred to above and included in the accompanying submission of this report, are not fairly stated in all material respects, and the review provides a reasonable basis for the practitioner’s conclusion, based on the criteria set forth in the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary. However, we were unable to issue this attestation report by the due date required by ONDCP because HUD did not complete its final report by the mandated deadline of February 1, 2018.

¹ HUD’s narrative disclosed changes to performance measures, ongoing efforts to enhance performance data, and plans to establish performance targets.

While this report is an unrestricted public document, the information it contains is intended solely for the use of HUD, ONDCP, and Congress. The purpose of this report is to authenticate HUD's reporting on national drug control spending to the Director of ONDCP. This report is not suitable for any other purpose.

Thank you for the cooperation and participation of HUD personnel in completing the attestation review. If you have any questions or comments to be discussed, please contact me at (202) 402-8216.

Attachment

cc:

Irving L. Dennis, Chief Financial Officer, F

Neil Rackleff, Assistant Secretary for Community Planning and Development, D

Henry Hensley, Director, Office of Strategic Management and Planning, X

Emily Kornegay, Assistant Chief Financial Officer for Budget, FO



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

May 4, 2018

Ms. Helen M. Albert
Acting Inspector General
U.S. Department of Housing and Urban Development
Office of Inspector General
451 7th Street SW, Room 8254
Washington, DC 20410

Dear Ms. Albert:

We are providing this letter in connection with your attestation review of HUD's annual submission of fiscal year 2017 funds awarded for the National Drug Control Program. You conducted your attestation to (1) provide negative assurance that nothing came to the attention of the OIG that would cause you to believe our agency's accounting submission to the Office of National Drug Control Policy (ONDCP) was presented other than fairly in all material respects and (2) report whether HUD's submission to ONDCP was in compliance with applicable laws and regulations.

The Department's Continuum of Care Homeless Assistance Grants program supports efforts to eliminate homelessness by financing local solutions that provide housing and supportive services on a short or long-term basis to those experiencing homelessness. While the Continuum of Care (COC) helps support recovery by providing housing resources, HUD does not have a specific appropriation for drug-related activities. Although a COC can utilize funds to help people with chronic substance abuse, they are not required to do so. HUD uses a methodology approved by ONDCP to estimate how many people may have been served with HUD funds based on application data.

We understand and acknowledge that HUD's management is responsible for the fair presentation of the information included within the annual submission to ONDCP in accordance with applicable requirements. We are responsible for making all financial records and related information available to you to conduct the attestation review. Further, we agree to communicate to you the discovery of any material misstatements that would affect the fair presentation of its annual submission to ONDCP. The attestation review does not relieve us of these responsibilities.

We confirm, to the best of our knowledge and belief, the following representations and assertions made to you during the attestation review. These representations pertain to HUD's fiscal year 2017 Budget and Performance Summary for their accounting submission to ONDCP:

Written Assertions and Representations (Attestation Regulations- Ref: SSAE-210- par .11 and .33)

1. We are responsible for the fair and accurate presentation of the subject matter based on the criteria and in accordance w/applicable laws and requirements. We reported the FY17 detailed accounting and performance results data regarding "National Drug Control Program" activities

2. We have identified and reflected all relevant matters in the measurement or evaluation of the subject matter.
3. We have identified and disclosed to you all known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter or assertion have been disclosed to the practitioner, including communications received between the end of the period addressed in the written assertion and the date of the practitioner's report.
4. We are responsible for:
 - a. the subject matter data and related assertion;
 - b. selecting the criteria, when applicable; and
 - c. determining that such criteria are appropriate for the responsible part's purposes.
5. We have identified and disclosed to you any known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion.
6. We provided you all relevant information and access.
7. We believe the effects of any uncorrected misstatements are immaterial, individually and in the aggregate, to the subject matter.
8. The methodology and significant assumptions used to make material estimates are reasonable.
9. We have identified and disclosed any deficiencies in internal control relevant to the engagement that we are aware of.
10. We have no knowledge of any actual, suspected, or alleged fraud or noncompliance with laws and/or regulations affecting the subject matter or of any other matter affecting the subject.

Written Assertion Requirements (ONDCP Regulations- Detailed Accounting Submission)

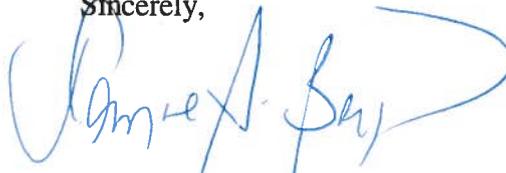
1. Obligations reported by budget decision unit are the actual obligations from the bureau's accounting system of record for these Budget Decision Units.
2. The drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit is based on reliable data in which the data's availability, timeliness, and relevance were considered.
3. The financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
4. The drug methodology described in the report was the actual methodology used to generate the required data table.

4. The drug methodology described in the report was the actual methodology used to generate the required data table.
5. The data presented is associated with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP's approval of reprogramming or transfers affecting drug-related resources in excess of \$1 million.
6. The data presented is associated with obligation against a financial plan that fully complied with all Fund Control Notices issued by the Director under 21 USCC 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.

Written Assertion Requirements (ONDCP Regulations- Performance Summary Submission)

1. The Performance reporting system is appropriate and applied. The agency has a system to capture performance information accurately and the system is properly applied to generate the performance data. The reporting systems used are current, reliable, and an integral part of the agency's performance management processes.
2. Explanations for not meeting performance targets are reasonable, if applicable. Recommendations concerning plans and schedules for meeting future targets or for revising targets or eliminating performance measures is reasonable.
3. Methodology to establish performance targets is reasonable and consistently applied. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. Adequate performance measures exist for all significant drug control activities. We have established at least one acceptable performance measure for each Drug Control Budget Decision Unit identified in reports required for which a significant amount of obligations (\$1,000,000 or 50% of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure reflects the intended purpose of the relevant National Drug Control Program activity.

Sincerely,



Jemine A. Bryon
Deputy Assistant Secretary
for Office of Special Needs

Attachment

cc:

Neal J. Rackleff, Assistant Secretary for CPD, D
Lori Michalski, Acting General Deputy Assistant Secretary, D

Lisa Abell, Director, CPD Budget, DOTB
George Tomchick, Deputy Chief Financial Officer, F
Norman Suchar, Director, SNAPS, DNS
Tonya Proctor, Deputy Director, SNAPS, DNS
William Snow, Specialist, SNAPS, DNS
Danielle Palmer, Financial Operations Analyst, CFO Funds Control Assurance Division, FMC
Emily M. Kornegay, Assistant CFO for Budget, FO
Christopher J. Rupar, Director, Program Budget Development Division, FOP
Rachel Johnson, Branch Chief, OCFO Community Development Research
and Equal Opportunity, FOPC
Marsha Baker, Director, Funds Control Assurance Division, FMC
Mary Didier, Chief, OCFO, Housing Assistance Mortgage Credit & Direct Loans, FOPA

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development

Resource Summary

Drug Resources	
	FY 2017 Actual
Treatment	\$505.205
Total Drug Resources by Function	\$505.205
Continuum of Care: Homeless Assistance Grants	\$505.205
Total Drug Resources by Decision Unit	\$505.205
Total FTEs (direct only)	-
Total Agency Budget (in Billions)	\$48.0
Drug Resources Percentage	1.05%

METHODOLOGY

The Office of Special Needs Assistance Programs in HUD does not have a specific appropriation for drug-related activities. Many of its programs target the most vulnerable citizens in our communities, including individuals with chronic mental health and/or substance abuse issues, persons living with HIV/AIDS, and formerly incarcerated individuals. HUD's annual Continuum of Care (CoC) Program competition requires project applicants to identify the number of persons with chronic substance abuse that they plan on serving. This information is reported to HUD through its grants management site, e-snaps. E-snaps includes validations to ensure internal consistency with the data reported and the data are generally derived from historical records generated from local databases called Homeless Management Information Systems (HMIS). HUD prescribes many requirements for HMIS to ensure consistent data collection and reporting protocols. HUD uses the proportion of those persons, relative to the total number of persons experiencing homelessness that will be served to generate a percent of persons with chronic substance abuse issues that would be served in the CoC Program. In the most recent CoC Program competition, the fiscal year 2017 competition, HUD found that 25.12 percent (rounded) of the total clients had substance abuse issues. HUD then multiplies this number by the CoC appropriation to determine how much money will be spent on serving persons with chronic substance abuse issues. For fiscal year 2017, HUD awarded \$2.011 billion in CoC Program funding, of which \$505.2 million is projected to be spent on persons with chronic substance abuse issues.

MATERIAL WEAKNESSES OR OTHER FINDINGS

HUD has not identified any material weaknesses or other findings.

REPROGRAMMINGS OR TRANSFERS

HUD did not reprogram or transfer any drug control funds in fiscal year 2017.

OTHER DISCLOSURES

HUD has not identified any other disclosures relating to the fiscal year 2017 drug control funds.

MANAGEMENT ASSERTIONS

The management assertions for HUD's accounting report are found in the attached: Tab A

Department of Housing and Urban Development
FY 2017 Performance Summary Report

PERFORMANCE MEASURES & PRIOR YEARS PERFORMANCE TARGETS AND RESULTS

Information regarding the performance of the drug control efforts of HUD is based on data collected from programs receiving funding through the annual CoC program competition. The table and accompanying text below highlight HUD’s drug-related achievements during fiscal year 2016.

Office of Special Needs Assistance Programs					
Selected Measures of Performance	FY 2013 Achieved	FY 2014 Achieved	FY 2015 Achieved	FY 2016 Achieved	FY 2017 Achieved
» Percentage of participants exiting CoC-funded transitional housing, rapid rehousing, and supportive services only projects that move into permanent housing.*	N/A	59.4%	52.0%	47.3%	N/A
» Percentage of participants in CoC-funded permanent supportive housing remaining in or exiting to permanent housing.*	N/A	91.8%	92.9%	93.3%	N/A
» Projected number of participants who report substance abuse as a barrier to housing to be served in CoC-funded projects.	86,140	87,286	76,390	73,755	68,813

*The data for exits and retention of permanent housing have a 1-year time lag. In each CoC Program Competition, communities report on the performance from the last fiscal year. Thus, in the FY 2017 CoC Program Competition, communities reported on their outcomes from FY 2016.

In the first performance measure – exits from transitional housing, rapid rehousing, and supportive services only projects to permanent housing destinations – there was a decrease between 2015 and 2016 from 52 percent to 47.3 percent. The second measure looks at the percent of persons served in CoC-funded permanent supportive housing projects that remain in or exit to permanent housing. The data from 2016 shows a slight increase from last year – an increase to 93.3 percent. Both of the measures reflect the importance for persons who receive homeless services through HUD funded programs to exit to a stable housing situation.

The final measure continues to track the number of persons proposed to be served by HUD’s CoC-funded programs who enter with chronic substance abuse issues. In fiscal year 2017, there was a reduction of 4,942 persons with chronic substance abuse that were projected to be served. This reduction is due to HUD’s decision to encourage its providers to shift from

transitional housing projects (many of which serve persons with chronic substance abuse) to more permanent housing options. HUD believes that the number of persons with chronic substance abuse will likely increase again as other project types are prioritizing the hard to house populations, which often include a substance abuse element. Also, many of the CoCs are choosing to fund rapid rehousing projects in lieu of transitional housing and these rapid rehousing projects generally have a higher turnover rate, allowing CoCs to serve more people experiencing homelessness throughout the year.

As an additional note on performance, between calendar years 2016 and 2017, HUD saw a decline of 5 percent in families experiencing homelessness (27 percent decline since 2010), as reported in HUD's [2017 Annual Homeless Assessment Report \(AHAR\): Part 1 – Point-in-Time Estimates of Homelessness](#).

QUALITY OF PERFORMANCE DATA

HUD has updated its data collection across CoCs to improve the ability for CoCs to understand performance across the entire CoC – not merely at the project level. HUD has collected data across the entire CoC for 2 years now. This process has not only improved HUD's knowledge of performance across an entire CoC but it also has resulted in higher data quality at the project level. HUD requires CoCs to report to HUD their data quality information. HUD includes data quality in its annual CoC Program Competition to incentivize higher data quality. HUD has also switched its data collection system for its CoC-funded projects. This new system requires CoCs to upload their data from their local Homeless Management Information Systems (HMIS). This improves the data quality because the upload process does not accept imported data that has obvious errors. If an import is not accepted the system alerts the recipient to the specific areas of concern and the recipient is required to update their local HMIS to ensure the data is accurate. HUD is confident that this process has forced recipients to clean up their data and provide better data at the CoC level and nationally.

MANAGEMENT ASSERTIONS

The management assertions on the performance information contained in this report can be found in Tab B.

Tab H

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Office of Justice Services

-Accounting and Performance Report for Fiscal Year 2017-

Mission

The Bureau of Indian Affairs (BIA) mission is to enhance the quality of life, to promote economic opportunity, and to carry out the responsibility to protect and improve the trust assets of American Indians, Indian tribes, and Alaskan Natives.

The BIA's Office of Justice Services (OJS) directly operates or funds law enforcement, tribal courts, and detention facilities on Federal Indian lands. The mission of the Office of Justice Services is to uphold tribal sovereignty and customs and provide for the safety of Indian communities by ensuring the protection of life and property, enforcing laws, maintaining justice and order, and by confining American Indian offenders in safe, secure, and humane environments. In FY 2017, DDE agents continued involvement in drug trafficking conspiracy cases that resulted in numerous drug related arrests and exponential increases in seizure of methamphetamine and heroin across Indian Country. Specifically, in response to the increased availability of heroin to Indian Country Communities, DDE agents expanded their efforts to identify and disrupt heroin trafficking organizations.

Budget Summary

In FY 2017, \$9.7 million of the BIA appropriation was used to support drug enforcement efforts. Resources enabled BIA Drug Enforcement Officers (DEOs) to manage investigations and implement interdiction programs focused on reducing the effects of drugs and related crime in Indian country. The activities performed by DEOs include eradicating marijuana cultivation; conducting criminal investigations; surveilling criminals; infiltrating drug trafficking networks; confiscating illegal drug supplies' and establishing and maintaining cooperative relationships with other Federal, state, local, and tribal law enforcement organizations in the efforts against drug-related activity.

Table of Drug Control Obligations - FY 2017		
Drug Control Functions:		(Thousands)
	Criminal Investigations and Police Services	8,216
	Special Initiatives	1,000
	Indian Police Academy (Training)	500
	Total All Functions	9,716
Budget Decision Unit:		
	BIA Office of Justice Services	9,716
	Total All Decision Units	9,716
	Total FTE (Direct ONLY)	57

Performance Summary

In FY 2017, the BIA, OJS strengthened its response to an observed increase in drug activity on Indian lands throughout the United States. Information provided in this report reflects investigative activity on routine investigations, as well as complex, drug trafficking investigations. BIA Division of Drug Enforcement (DDE) agents have expanded their skillsets, through training and increased collaboration, leading to highly technical investigations, such as court ordered Title III wire intercepts, Organized Crime Drug Enforcement Task Forces (OCDETF) cases, and Racketeer Influenced and Corrupt Organization (RICO) cases.

Drug-related activity in Indian Country is a major contributor to violent crime and imposes serious health and economic difficulties on Indian communities. In FY 2017, Indian Country saw an 18% increase in drug cases worked and a 16% increase in drug related arrests made; DDE has sustained its performance on closure of drug related cases. The multi-year increases in the overall cases worked continued to demonstrate the successful partnerships formed by BIA OJS, providing technical assistance and training to Indian Country law enforcement.

Partnerships among DDE, DEA, BIA and Tribal officers have been particularly important. DDE agents are responsible for managing drug investigations and providing direct technical assistance to reduce the effects of drugs and drug-related crime in Indian Country. As a result of DDE's drug investigative efforts and technical assistance provided to the tribes, there have been an increasing number of drug cases worked in Indian Country every year since FY 2011.

Methamphetamine, heroin, and prescription drugs continue to cause devastating effects on tribal families and communities. In FY 2017, DDE agents continued involvement in drug trafficking conspiracy cases that resulted in numerous drug related arrests and exponential increases in seizure of methamphetamine and heroin across Indian Country. Specifically, in response to the increased availability of heroin to Indian Country Communities, DDE agents expanded their efforts to identify and disrupt heroin trafficking organizations. DDE agents continued to focus on the methamphetamine trafficking organizations that continue to be the largest supplier of illegal narcotics throughout Indian Country. DDE agents also continued to work prescription drug and illegal drug trafficking along the US border.

Following a discussion of the budgeted drug related initiatives under OJS, this report details performance measures and achievements for the latest years for which data is available. Data was gathered and verified from the OJS crime statistics database, the Department of the Interior (DOI) Incident Management, Analysis, and Reporting System (IMARS), and the DDE case log.

Performance Data – Quality Assurance

The BIA continues to experience timeliness challenges with drug reporting from the BIA and Tribal law enforcement agencies in the field. To verify tribal drug data submissions that are received, DDE developed a validation process in 2011 that continues to be reflected during this reporting period to ensure accurate data submission. To assist with data collection, in FY 2015, the BIA began using the

newly developed IMARS system to capture crime data, which will include drug information for DDE. As we move forward with enhancing the IMARS system, drug data collection from BIA programs will increase and allow for more efficient analysis. These electronic reporting systems, in combination with performance data reporting, review, and data validation requirements established through agency policy, afford the BIA the ability to reliably capture and accurately report performance data.

Performance Measure One: Number of Patrol Officers Receiving Drug Training

In 2017, a total of 407 law enforcement officers received drug training from BIA OJS, according to the BIA Indian Police Academy. This was a **30% increase** over FY 2016 figures.

One hundred thirty nine (139) students graduated from the IPA basic police program, known as the BIA Indian Country Police Officers Training Program, which includes an introduction to drug awareness and investigations. Seven (7) students graduated FLETCs Advanced Drug Training Programs, and thirty one (31) students graduated from FLETCs Criminal Investigator Training Program, which also included an introduction to drug awareness and investigations. An additional two hundred thirty (230) students graduated from advanced drug training exported to the field offices.

In FY 2017, BIA continued its preparedness for the opioid epidemic devastating many communities throughout the country. DDE worked with the Indian Health Service (IHS) and the Indian Police Academy to train certain Agents and Officers to be training instructors on the use of Naloxone. Naloxone, also known as “Narcan” among other names, is a medication used to reverse the effects of opioids especially in an overdose. Naloxone is most commonly administered by Law Enforcement through a spray into the nasal passages, which usually causes the drug to act within a minute, and last up to 45 minutes. Each trained officer/agent is supplied with Naloxone to carry while on patrol in the tribal communities they serve.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved
284	260	263	200	312	407

Performance Measure Two: Percent increase in drug cases worked

In FY 2017, there has been an overall increase of approximately 18% in the number of drug cases opened across all Indian Country law enforcement programs.

The number of drug cases reported and tracked is gleaned from data provided on monthly drug statistical reports provided by BIA and Tribal Police programs, the DOI IMARS system, and the DDE case log. Data provided by BIA and Tribal Police programs are maintained by OJS for monthly and annual submissions.

As the number of drug cases reported increases each year, Indian Country continues to see an increase in the use and sale of illegal narcotics on reservations throughout the nation. The following information

documents the cases worked by **all Indian Country law enforcement programs** (BIA, DDE, and Tribal). These figures demonstrate an overall **increase** of approximately **18%** in drug cases worked in Indian Country in FY 2017.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
1,605	2,157	3,364	4,750	5,093	6,036	6,050

The following information documents the cases worked as reported specifically by the **BIA-DDE**. These figures demonstrate an overall **increase** of approximately **18%** in cases worked in FY 2017.

DDE agents worked to identify and disrupt larger drug trafficking organizations targeting Indian Country communities. DDE’s continued focus on building partnerships in FY 2017 has provided additional support to field programs and has shown success as supported by the overall **18% increase** in drug cases worked by all reporting BIA and Tribal programs.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
394	292	286	347	327	386	390

Performance Measure Three: Increase in the amount of cases closed by arrest, indictment or referral

In FY 2017, DDE achieved a 72% case closure rate. DDE opened 386 cases in FY 2017, 276 of which were closed by arrest, indictment, or referral to another agency; 110 cases remain open and under active investigation. Of 386 cases opened, 344 investigations, or 89% of DDE investigations, occurred within reservation boundaries or upon trust/allotted lands; the remaining 11% of investigations held a direct nexus to Indian Country.

2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
54%	55%	70%	72%	72%	73%

The following information documents the cases worked as reported by **BIA and Tribal police departments**. These figures demonstrate an overall **increase** of approximately **18.5 %** in cases worked in FY 2017. Based upon activity being conducted at the agency level, these numbers have shown a larger increase this fiscal year. More efficient reporting by the tribal programs on their monthly drug reports submitted to the BIA District Offices affected the amount of increase that was reported in FY 2017.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
1,763	3,072	4,374	4,457	4,766	5,650	5,675

* The preceding information was obtained from the monthly statistical reports and IMARS database.

Information regarding the performance of the drug control efforts of BIA is based on agency 2010 Government Performance Results Modernization Act (GPRMA) documents and other information that measure the agency’s contribution to the *Strategy*. The BIA OJS has historically experienced challenges gathering accurate data using systems developed by the BIA IT division or its contractors. To assist with data collection, in FY 2014, the BIA began using the newly developed IMARS system to capture crime data, which will include drug information for DDE. However, user error and the lack of complete functionality with the new system have continued to hamper DDE in the collection of accurate and complete drug data. As we move forward with enhancing the IMARS system, drug data collection from BIA programs should increase and allow for more efficient analysis.

To show an accurate portrayal of the serious drug issues occurring throughout Indian Country, BIA relies heavily on tribal and BIA field programs to submit their monthly drug statistics to a BIA Program Analyst stationed in each BIA District Office. Historically, tribal and BIA field program monthly drug report submissions have been minimal in some regions, creating a disparity between what is being reported to BIA and the actual number of drug offenses occurring in Indian Country. The data discussed below were gathered and verified from the IMARS database and the DDE case log.

Percent increase in number of drug related arrests

DDE agents are responsible for managing drug investigations and providing direct technical assistance to programs necessary to reduce the effects of drugs and drug-related crime in Indian Country. Through this technical assistance to Tribes and partnership formed with other programs, there has been a constant increase in drug related arrests. Due to a better effort of monthly drug reports being submitted by Tribes in FY 2017, drug related arrests showed an **increase of 16%** from the 2016 figures.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
3,104	4,289	6,193	6,198	5,723	6,647	6,655

** The preceding information was obtained from the monthly drug report.*

Performance Measure Four: Increase in the amount of drugs seized

The following information documents drug seizures accomplished by the combined efforts of DDE, BIA and Tribal Police programs. These figures submitted by the field programs demonstrate an overall **decrease** of approximately **22.32%** in total drugs seized by Indian Country Law Enforcement Programs in FY 2017.

Overall, Indian Country saw a substantial increase in methamphetamine and heroin seizures in FY 2017; but saw a decrease in marijuana eradication during the same reporting period, causing the 22.32% decrease in the overall seizure total.

Methamphetamine continues to be the most prevalent drug seized from drug operations in Indian Country. Field agents reported an increase in heroin being sold in Indian Country and expect numbers to rise in FY 2018. In FY 2017, methamphetamine seizures increased by 7% and heroin totals **decreased** by **76%** over the FY 2016 totals. The decrease was due to a single large 60 lbs seizure of Heroin in FY16 and is the major contributing factor to the fluctuation of Heroin totals between FY16 and FY17. However, minus the large 60 lb. heroin seizure in FY16, the amount of heroin seized during FY17 **increased** by **110%** over the FY 2016 figures.

The below numbers depict the overall Indian Country drugs seized in FY 2017. The totals were derived from the OJS crime statistics database, which includes the monthly drug reports submitted by tribal programs, the DOI IMARS system, and the DDE case logs.

All Data Submissions					
Increase in Amount of Drugs Seized	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved
<i>FY 2013, 14, 15,16,17 achieved totals represented in pounds:</i>	48,320	26,830	26,419	16,607	12,900
Cocaine Powder	182.12	28.45	1.00	105.70	54.15
Cocaine Crack	9.15	.541	.758	.375	0.60
Heroin	196.11	3.68	5.74	67.83 *	16.49
MDMA (Ecstasy)	130.04	1.29	.002	29.16	0.29
Meth Crystal	98.11	19.80	64.90	64.21	56.13
Meth Powder	83.3	11.20	0	20.93	34.88
Processed Marijuana	9,535	14,883	1,725	2,173	6,223
Prescription Drugs Seized	76.15	101.03	96.58	96.21	153.57
Other Drugs Seized	20.2	84.86	72.29	70.78	263.93
Marijuana (# Plants = lbs)	37,990	11,697	24,453	13,979	6,097

Management Assertions

Performance reporting systems are appropriate and applied –

The DDE continues to experience challenges gathering accurate data from Tribal field programs. Information gathered for this report and the subsequent verification process again highlighted the need for an automated data collection system. In FY 2015, BIA began utilizing the new Department of the Interior (DOI) Incident Management, Analysis, and Reporting System (IMARS) for all BIA direct service programs. This new system will allow BIA to collect and analyze crime statistics in an automated system and will reduce human error by not having to enter crime statistics multiple times.

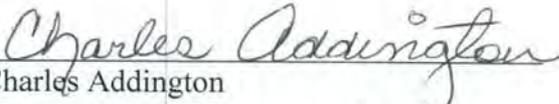
Methodology to establish performance targets is reasonable and applied –

The targets projected for FY 2017 were based upon statistical data reviewed over the previous two years in addition to the complexity of new drug trends identified within Indian Country.

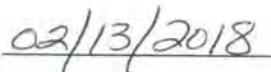
Adequate performance measures exist for all significant drug control activities—

The agency has four (4) acceptable performance measures that adequately cover each of the decision units. Each measure considers the intended purpose of the NDCP activity.

In accordance with ONDCP Circular: "Accounting of Drug Control Funding and Performance Summary", January 18, 2013, the BIA is hereby submitting this alternative report of drug control funding and performance for FY 2017. Per the Circular, this report is being submitted in lieu of the standard "Detailed Accounting Submission and Performance Summary Report" otherwise required for agencies with drug control obligations of \$50 million or greater. The BIA, Deputy Bureau Director, Justice Services, attests that the Bureau's drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden.


Charles Addington

Deputy Bureau Director, Justice Services



Date

ONDCP Performance Summary Review

Program

The Bureau of Indian Affairs (BIA), Office of Justice Services' (OJS), mission is to enhance the quality of life, to promote economic opportunity, and to carry out the responsibility to protect and improve the trust assets of American Indians, Indian tribes, and Alaskan Natives.

The BIA, OJS strives to uphold tribal sovereignty and customs and provide for the safety of Indian communities by ensuring the protection of life and property, enforcing laws, maintaining justice and order, and by confining American Indian offenders in safe, secure, and humane environments. OJS directly operates or funds law enforcement, tribal courts, and detention facilities on Federal Indian lands.

Performance Introduction

In FY 2017, the BIA, OJS strengthened its response to an observed increase in drug activity on Indian lands throughout the United States. Information provided in this report reflects investigative activity on routine investigations, as well as complex, drug trafficking investigations. BIA Division of Drug Enforcement (DDE) agents have expanded their skillsets, through training and increased collaboration, leading to highly technical investigations, such as court ordered Title III wire intercepts, Organized Crime Drug Enforcement Task Forces (OCDETF) cases, and Racketeer Influenced and Corrupt Organization (RICO) cases.

Drug-related activity in Indian Country is a major contributor to violent crime and imposes serious health and economic difficulties on Indian communities. In FY 2017, Indian Country saw an 18% increase in drug cases worked and a 16% increase in drug related arrests made; DDE has sustained its performance on closure of drug related cases. The multi-year increases in the overall cases worked continued to demonstrate the successful partnerships formed by BIA OJS, providing technical assistance and training to Indian Country law enforcement.

Partnerships among DDE, DEA, BIA and Tribal officers have been particularly important. DDE agents are responsible for managing drug investigations and providing direct technical assistance to reduce the effects of drugs and drug-related crime in Indian Country. As a result of DDE's drug investigative efforts and technical assistance provided to the tribes, there have been an increasing number of drug cases worked in Indian Country every year since FY 2011.

Methamphetamine, heroin, and prescription drugs continue to cause devastating effects on tribal families and communities. In FY 2017, DDE agents continued involvement in drug trafficking conspiracy cases that resulted in numerous drug related arrests and exponential increases in seizure of methamphetamine and heroin across Indian Country. Specifically, in response to the increased availability of heroin to Indian Country Communities, DDE agents expanded their efforts to identify and disrupt heroin trafficking

organizations. DDE agents continued to focus on the methamphetamine trafficking organizations that continue to be the largest supplier of illegal narcotics throughout Indian Country. DDE agents also continued to work prescription drug and illegal drug trafficking along the US border.

Following a discussion of the budgeted drug related initiatives under OJS, this report details performance measures and achievements for the latest years for which data is available. Data was gathered and verified from the OJS crime statistics database, the Department of the Interior (DOI) Incident Management, Analysis, and Reporting System (IMARS), and the DDE case log.

BIA Budget	FY 2015	FY 2016	FY 2017	FY 2018 (CR Level)	FY 2019 Proposed
Function: Investigations					
A0J30 Criminal Investigations and Police Services	\$8,211,000	\$8,211,000	\$8,216,000	\$8,216,000	\$8,216,000
A0J33 Special Initiatives (Victim Assistance)	1,025,000	1,025,000	1,000,000	1,000,000	3,500,000
Substance Abuse – Drug Initiative	9,236,000	9,236,000	9,216,000	9,216,000	11,716,000
Function: Education					
A0J34 Indian Police Academy	480,000	480,000	500,000	500,000	500,000
TOTAL ALL Functions	\$9,716,000	\$9,716,000	\$9,716,000	\$9,716,000	\$12,216,000
Drug Resource Summary of Personnel					
Total FTE (Direct Only)	57	57	57	57	78

BIA Drug Initiative

FY 2017 Enacted: \$9.7 million

(Reflects no change from FY 2016)

Drug-related activity in Indian country is a major contributor to violent crime and imposes serious health and economic difficulties on Indian communities. Methamphetamine, heroin and prescription drugs continue to cause devastating effects on tribal families and communities.

The Drug Initiative is funded within the Law Enforcement sub activity, which is comprised of eight areas: Criminal Investigations and Police Services; Detention/Corrections; Inspections/Internal Affairs; Law Enforcement Special Initiatives; the Indian Police Academy; Tribal Justice Support; Program Management; and Facilities Operations and Maintenance. Within BIA’s Law Enforcement sub activity, funding is provided for initiatives involving drug enforcement. Ensuring the safety of tribal communities is at the heart of Indian Affairs' law enforcement mission and fully supports the Secretary’s commitment to the protection of Indian Country.

In FY 2017, \$6.7 million in supported drug enforcement efforts that allowed BIA Drug Enforcement Officers (DEOs) to manage investigations and implement interdiction programs focused on reducing the effects of drugs and related crime in Indian Country. The activities performed by DEOs include: eradicating marijuana cultivation; conducting criminal investigations; directing criminal surveillance operations; infiltrating drug trafficking networks; confiscating illegal drug supplies; and establishing and maintaining cooperative relationships with other Federal, state, local, and tribal law enforcement organizations in the efforts against drug-related activity.

During the year, \$1.0 million in funding continued to support the School Resource Officer (SRO) program, which has proven to be an important part of the OJS drug initiative. SROs provide instruction in

drug awareness and gang resistance, using nationally recognized and adopted curriculum to educate students on the negative aspects of illegal drug use and gang activity. The SRO program allows interaction of officers and students in the student's environment, where these SROs play key roles in providing a visual deterrent to and identifying potential threats of school violence.

Another \$1.0 million was used to fund the Victim/Witness Services (VWS) program, which provides needed support to cooperative witnesses and victims of violent and drug crimes. The protection of witnesses and victims is essential during drug investigations, and VWS can provide this needed attention to victims and witnesses at the local level when other resources are not available. Additionally, VWS staff provides guidance to tribes in developing their own VWS programs. VWS also includes an effort to assess existing victim/witness programs and expand them to all BIA law enforcement districts.

The 2017 budget also provided \$500,000 to support the Intelligence group tasked with intelligence gathering, reporting, and investigative support needed in all parts of Indian Country for assistance in drug investigations. With this component, national, regional, and local threat assessments can be established in real time and presented to law enforcement agencies working on or near Indian Country.

Approximately \$500,000 of the Indian Police Academy (IPA) budget plays a critical role in BIA drug enforcement efforts as well. Through the academy, BIA provides advanced training courses with content specific to drug enforcement to law enforcement officers that assist in drug investigations throughout the nation. Also, students that graduate from Basic Police and/or Criminal Investigator Training have completed an introduction to drug awareness and investigations component. The requested funding will continue to address the highly visible drug crisis in Indian Country through anti-drug efforts and training for BIA and Tribal officers.

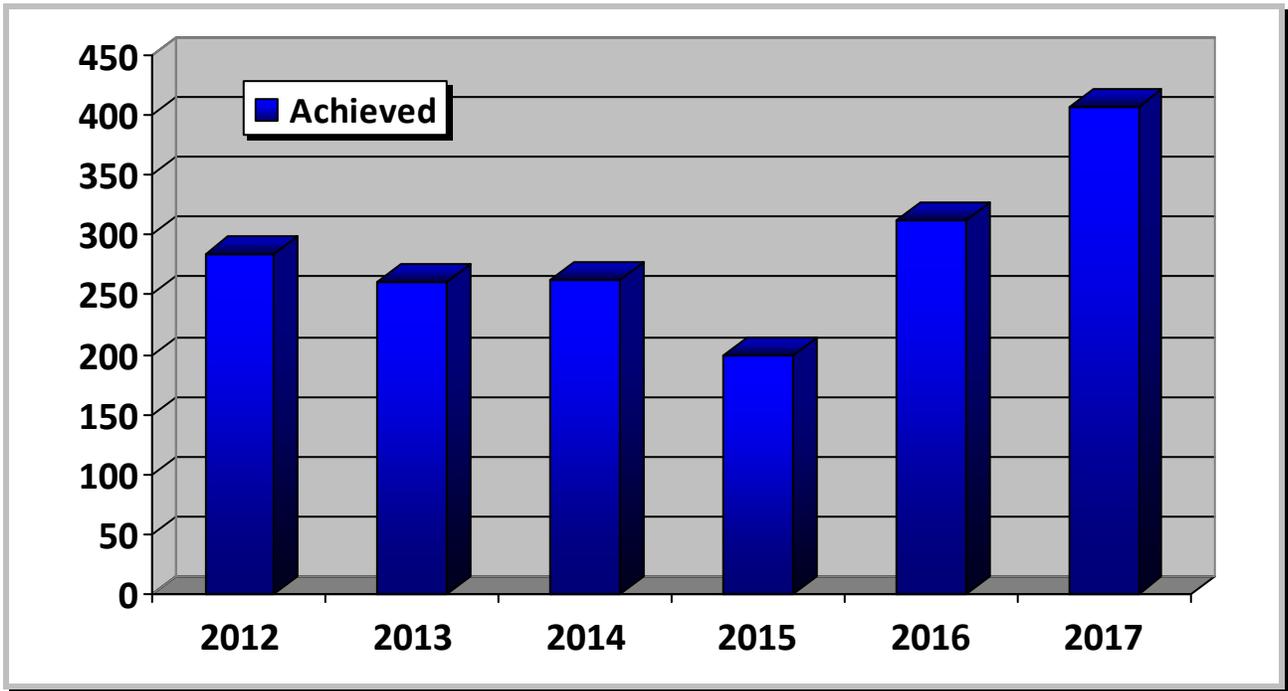
Performance Measure One: Number of Patrol Officers Receiving Drug Training

In 2017, a total of 407 law enforcement officers received drug training from BIA OJS, according to the BIA Indian Police Academy. This was a **30% increase** over FY16 figures.

One hundred thirty nine (139) students graduated from the IPA basic police program, known as the BIA Indian Country Police Officers Training Program, which includes an introduction to drug awareness and investigations. Seven (7) students graduated FLETCs Advanced Drug Training Programs, and thirty one (31) students graduated from FLETCs Criminal Investigator Training Program, which also included an introduction to drug awareness and investigations. An additional two hundred thirty (230) students graduated from advanced drug training exported to the field offices.

In FY 2017, BIA continued its preparedness for the opioid epidemic devastating many communities throughout the country. DDE worked with the Indian Health Service (IHS) and the Indian Police Academy to train certain Agents and Officers to be training instructors on the use of Naloxone. Naloxone, also known as "Narcan" among other names, is a medication used to reverse the effects of opioids especially in an overdose. Naloxone is most commonly administered by Law Enforcement through a spray into the nasal passages, which usually causes the drug to act within a minute, and last up to 45 minutes. Each trained officer/agent is supplied with Naloxone to carry while on patrol in the tribal communities they serve.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved
284	260	263	200	312	407



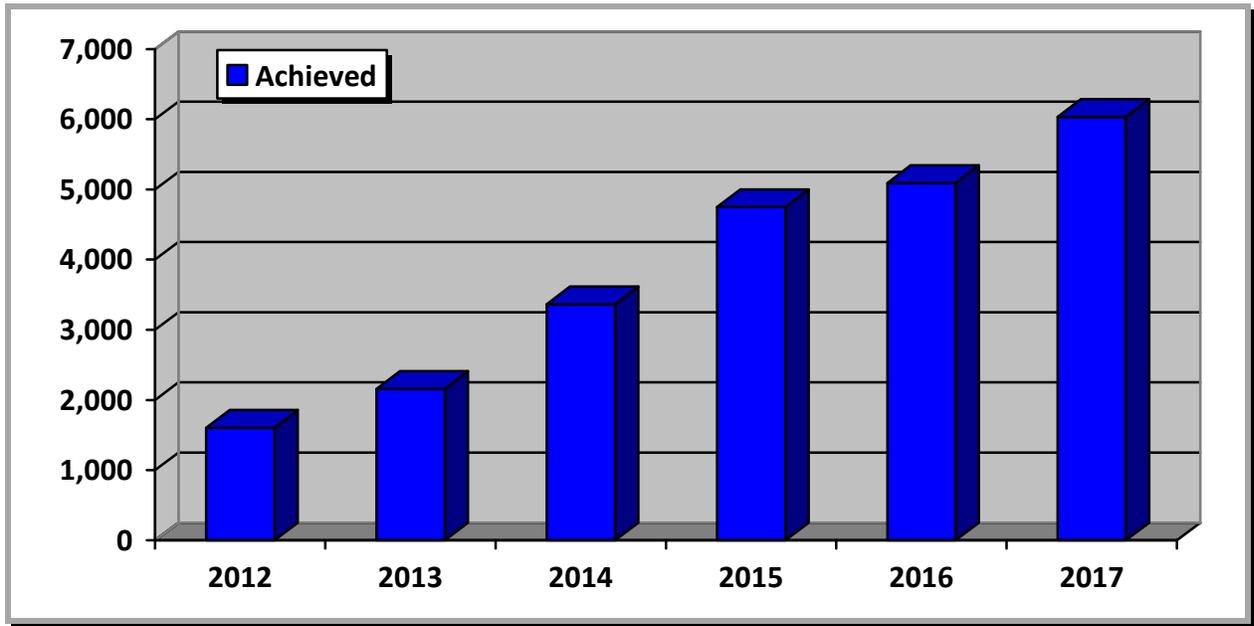
Performance Measure Two: Percent increase in drug cases worked

In FY 2017, there has been an overall increase of approximately 18% in the number of drug cases opened across all Indian Country law enforcement programs.

The number of drug cases reported and tracked is gleaned from data provided on monthly drug statistical reports provided by BIA and Tribal Police programs, the DOI IMARS system, and the DDE case log. Data provided by BIA and Tribal Police programs are maintained by OJS for monthly and annual submissions.

As the number of drug cases reported increases each year, Indian Country continues to see an increase in the use and sale of illegal narcotics on reservations throughout the nation. The following information documents the cases worked by **all Indian Country law enforcement programs** (BIA, DDE, and Tribal). These figures demonstrate an overall **increase** of approximately **18%** in drug cases worked in Indian Country in FY 2017.

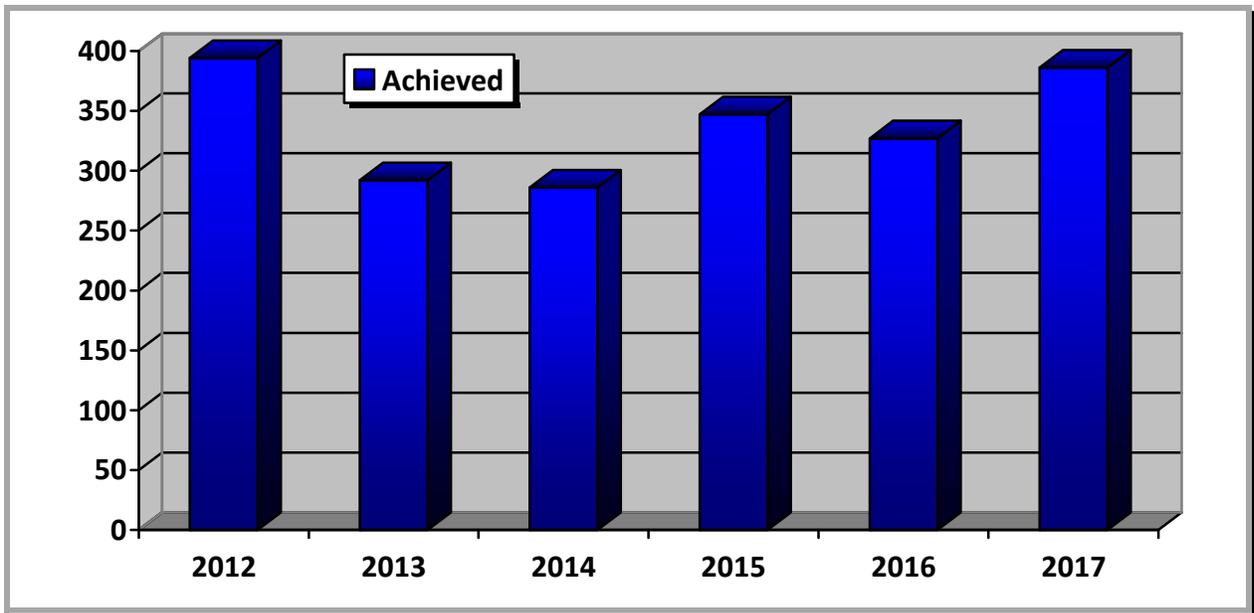
2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
1,605	2,157	3,364	4,750	5,093	6,036	6,050



The following information documents the cases worked as reported specifically by the **BIA-DDE**. These figures demonstrate an overall **increase** of approximately **18%** in cases worked in FY 2017.

DDE agents worked to identify and disrupt larger drug trafficking organizations targeting Indian Country communities. DDE’s continued focus on building partnerships in FY 2017 has provided additional support to field programs and has shown success as supported by the overall **18% increase** in drug cases worked by all reporting BIA and Tribal programs.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
394	292	286	347	327	386	390



Performance Measure Three: Increase in the amount of cases closed by arrest, indictment or referral

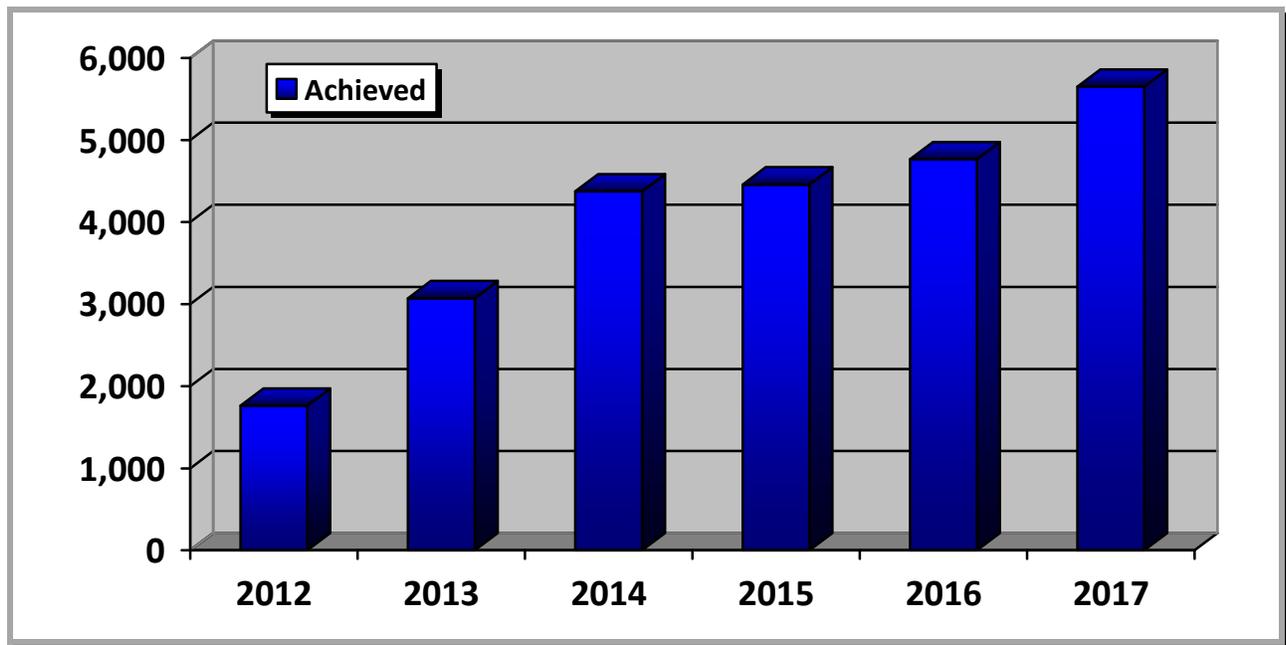
In FY 2017, DDE achieved a 72% case closure rate.

DDE opened 386 cases in FY 2017, 276 of which were closed by arrest, indictment, or referral to another agency; 110 cases remain open and under active investigation. Of 386 cases opened, 344 investigations, or 89% of DDE investigations, occurred within reservation boundaries or upon trust/allotted lands; the remaining 11% of investigations held a direct nexus to Indian Country.

2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
54%	55%	70%	72%	72%	73%

The following information documents the cases worked as reported by **BIA and Tribal police departments**. These figures demonstrate an overall **increase** of approximately **18.5 %** in cases worked in FY 2017. Based upon activity being conducted at the agency level, these numbers have shown a larger increase this fiscal year. More efficient reporting by the tribal programs on their monthly drug reports submitted to the BIA District Offices affected the amount of increase that was reported in FY 2017.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Proposed
1,763	3,072	4,374	4,457	4,766	5,650	5,675



* The preceding information was obtained from the monthly statistical reports and IMARS database.

Information regarding the performance of the drug control efforts of BIA is based on agency 2010 Government Performance Results Modernization Act (GPRMA) documents and other information that

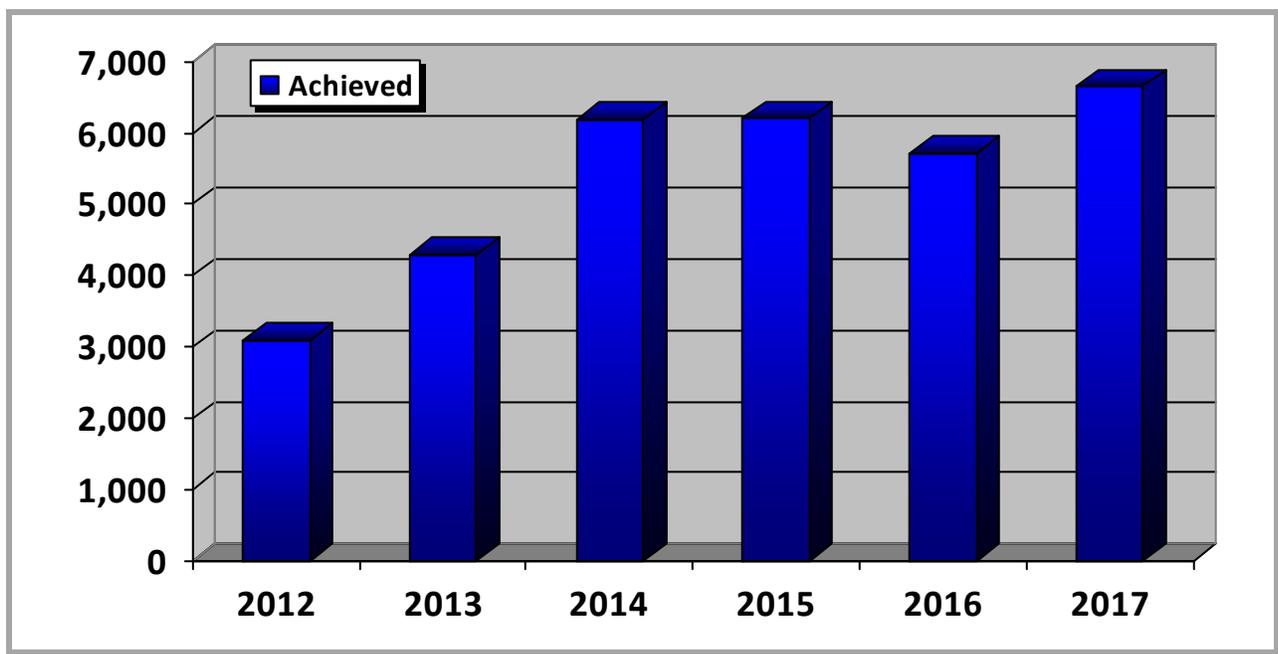
measure the agency’s contribution to the *Strategy*. The BIA OJS has historically experienced challenges gathering accurate data using systems developed by the BIA IT division or its contractors. To assist with data collection, in FY 2014, the BIA began using the newly developed IMARS system to capture crime data, which will include drug information for DDE. However, user error and the lack of complete functionality with the new system have continued to hamper DDE in the collection of accurate and complete drug data. As we move forward with enhancing the IMARS system, drug data collection from BIA programs should increase and allow for more efficient analysis.

To show an accurate portrayal of the serious drug issues occurring throughout Indian Country, BIA relies heavily on tribal and BIA field programs to submit their monthly drug statistics to a BIA Program Analyst stationed in each BIA District Office. Historically, tribal and BIA field program monthly drug report submissions have been minimal in some regions, creating a disparity between what is being reported to BIA and the actual number of drug offenses occurring in Indian Country. The data discussed below were gathered and verified from the IMARS database and the DDE case log.

Percent increase in number of drug related arrests

DDE agents are responsible for managing drug investigations and providing direct technical assistance to programs necessary to reduce the effects of drugs and drug-related crime in Indian Country. Through this technical assistance to Tribes and partnership formed with other programs, there has been a constant increase in drug related arrests. Due to a better effort of monthly drug reports being submitted by Tribes in FY 2017, drug related arrests showed an **increase of 16%** from the 2016 figures.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Achieved
3,104	4,289	6,193	6,198	5,723	6,647	6,655



* The preceding information was obtained from the monthly drug report. .

Performance Measure Four: Increase in the amount of drugs seized

The following information documents drug seizures accomplished by the combined efforts of DDE, BIA and Tribal Police programs. These figures submitted by the field programs demonstrate an overall **decrease** of approximately **22.32%** in total drugs seized by Indian Country Law Enforcement Programs in FY 2017.

Overall, Indian Country saw a substantial increase in methamphetamine and heroin seizures in FY 2017; but saw a decrease in marijuana eradication during the same reporting period, causing the 22.32% decrease in the overall seizure total.

Methamphetamine continues to be the most prevalent drug seized from drug operations in Indian Country. Field agents reported an increase in heroin being sold in Indian Country and expect numbers to rise in FY 2018. In FY 2017, methamphetamine seizures increased by 7% and heroin totals **decreased** by **76%** over the FY 2016 totals. The decrease was due to a single large 60 lbs seizure of Heroin in FY16 and is the major contributing factor to the fluctuation of Heroin totals between FY16 and FY17. However, minus the large 60 lb. heroin seizure in FY16, the amount of heroin seized during FY17 **increased** by **110%** over the FY16 figures.

The below numbers depict the overall Indian Country drugs seized in FY 2017. The totals were derived from the OJS crime statistics database, which includes the monthly drug reports submitted by tribal programs, the DOI IMARS system, and the DDE case logs.

All Data Submissions					
Increase in Amount of Drugs Seized	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved
<i>FY 2013, 14, 15,16,17 achieved totals represented in pounds:</i>	48,320	26,830	26,419	16,607	12,900
Cocaine Powder	182.12	28.45	1.00	105.70	54.15
Cocaine Crack	9.15	.541	.758	.375	0.60
Heroin	196.11	3.68	5.74	67.83 *	16.49
MDMA (Ecstasy)	130.04	1.29	.002	29.16	0.29
Meth Crystal	98.11	19.80	64.90	64.21	56.13
Meth Powder	83.3	11.20	0	20.93	34.88
Processed Marijuana	9,535	14,883	1,725	2,173	6,223
Prescription Drugs Seized	76.15	101.03	96.58	96.21	153.57
Other Drugs Seized	20.2	84.86	72.29	70.78	263.93
Marijuana (# Plants = lbs)	37,990	11,697	24,453	13,979	6,097

MANAGEMENT ASSERTIONS

1. Performance reporting systems are appropriate and applied –

The DDE continues to experience challenges gathering accurate data from Tribal field programs. Information gathered for this report and the subsequent verification process again highlighted the need for an automated data collection system. In FY 2015, BIA began utilizing the new DOI IMARS for all BIA direct service programs. This new system will allow BIA to collect and analyze crime statistics in an automated system and will reduce human error by not having to enter crime statistics multiple times.

2. Explanations for not meeting performance targets are reasonable –

The target for increasing in the amount of cases closed by arrest, indictment or referral not met due to BIA Drug Agents being pulled away from drug investigations by management to assist with high priority law enforcement activities such as the DAPL protests that occurred near the Standing Rock Reservation in North Dakota. However, the program maintained the same levels as the previous year.

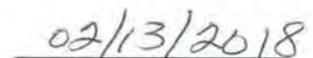
3. Methodology to establish performance targets is reasonable and applied –

The targets were projected for FY 2017 based upon statistical data reviewed over the past two years in addition to the complexity of new drug trends identified within Indian Country.

4. Adequate performance measures exist for all significant drug control activities—

The agency has four (4) acceptable performance measures that adequately cover each of the decision units. Each measure considers the intended purpose of the NDCP activity.


Deputy Bureau Director, Justice Services


Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Office of Law Enforcement and Security
1849 C Street NW, Room 5612
Washington, D.C. 20240



February 1, 2018

In Reply Refer To:
9260 (WO120) I

Memorandum

To: Director,
Office of National Drug Control Policy

From: *Shannon J. Tokos for*
William Woody,
Director, Office of Law Enforcement and Security

Subject: Fiscal Year 2017 Accounting and Performance Summary Report

In accordance with *ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, January 18, 2013* (the Circular), the United States Department of the Interior, Bureau of Land Management (BLM) is hereby submitting the attached Accounting and Performance Summary Report of fiscal year 2017 drug control activities. Per the Circular, this report is being submitted in lieu of the "Detailed Accounting Submission and Performance Summary Report" otherwise required for agencies with drug control obligations of \$50 million or greater.

The BLM, Director of the Office of Law Enforcement and Security (OLES) attests that the Bureau's drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden. If you have any questions, please contact Shannon Tokos, Deputy Director OLES, at 970-244-3168.

Attachment

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Office of Law Enforcement and Security**

- Accounting and Performance Summary Report Fiscal Year 2017 -

Mission

The overall mission of the BLM is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations. In support of that mission, the primary goals of the Resource Protection and Law Enforcement program include the identification, investigation, disruption, and dismantling of marijuana cultivation and smuggling activities on public lands; the seizure and eradication of marijuana plants; and the clean-up and restoration of public lands affected by marijuana cultivation and smuggling.

Budget Summary

The Bureau's appropriation in the Resource Protection and Law Enforcement subactivity includes \$5.1 million for drug enforcement. The primary focus of these funds is the identification, investigation, and eradication of marijuana cultivation on public lands, and the rehabilitation of cultivation sites. Bureau costs associated with identifying, investigating, and eradicating marijuana cultivation; interdicting marijuana smuggling; and rehabilitating the public lands damage caused by these activities are scored as drug control.

Table of Drug Control Obligations – Fiscal Year 2017	
Drug Control Functions:	
Interdiction	408
Investigations	4,080
State and Local Assistance	612
Total All Functions	5,100
Budget Decision Unit:	
Resource Protection and Law Enforcement	5,100
Total All Decision Units	5,100
Drug Resource Personnel Summary	
Total FTE (Direct Only)	20

Performance Summary

In FY 2017, the BLM maintained its drug enforcement efforts at the same level as FY 2016. These efforts included 1) directing significant funding to address large scale marijuana cultivation activities by drug trafficking organizations on BLM-managed public lands in California and Oregon; 2) directing funding to public lands in Idaho, Nevada, Utah and other States as needed to combat the expansion of marijuana cultivation activities into those areas; and 3) directing funding to public lands in Arizona and New Mexico to address resource impacts and public safety concerns stemming from marijuana smuggling activities occurring along the Southwest Border. Associated activities include:

- Conducting proactive uniformed patrol to deter and detect cultivation and smuggling activities.
- Focusing on investigations likely to result in the arrest of drug trafficking organization leadership.
- Utilizing Federal, state, and local partners to conduct multi-agency investigation and eradication efforts targeting illegal activities at all levels of drug trafficking organizations.
- Collecting and disseminating intelligence among cooperating agencies to maximize interdiction, eradication and investigative efforts.
- Establishing interagency agreements, partnerships, and service contracts with State and local law enforcement agencies to support counter-drug efforts on public lands.
- Partnering with non-law enforcement personnel/entities to rehabilitate cultivation and drug smuggling-related environmental damage in an effort to deter re-use of those areas.

The narrative below details FY 2017 performance data linked to marijuana seizures on public lands. This data was gathered and verified by the BLM, Office of Law Enforcement and Security (OLES) utilizing the Bureau's law enforcement incident databases (i.e., IMARS) and associated law enforcement counterdrug activity reporting mechanisms (e.g., Significant Incident Reports).

Performance Data - Quality Assurance

Beginning in 1998, the BLM began utilizing an electronic incident reporting system (i.e., LAWNET) to document all public lands law enforcement incidents/activities; to include drug-related enforcement actions. In late 2011, the BLM migrated to the newly created Incident Management Analysis and Reporting System (IMARS) developed to provide a Department-wide information collection, analysis, and reporting system for incident information. Both of these electronic reporting systems, in combination with incident reporting, review, and data validation requirements established through agency policy, afford the BLM the ability to reliably capture and accurately report performance data.

Performance Measure: *Quantity of Marijuana Seized*

Number of Marijuana Plants Seized on Public Lands¹						
FY 2012 Achieved	FY 2013 Achieved	FY 2014 Achieved	FY 2015 Achieved	FY 2016 Achieved	FY 2017 Target	FY 2017 Achieved
156,014	195,417	225,291	319,511	149,101	152,083	155,502

For the period FY 2009 through FY 2012, the Bureau saw a reduction in the total number of marijuana plants seized each year. In FY 2013, this downward trend was reversed as the Bureau saw a twenty-five percent increase in the number of marijuana plants seized on public lands. Targeted efforts resulted in a further increase of fifteen percent in FY 2014 and FY 2015. After three consecutive yearly increases in seizures, there was a decline in FY 2016, however an increase in FY 2017. Due to the scope of the marijuana cultivation problem on public lands and the large number of Federal, state, and local agencies involved in combatting the issue, it is difficult to establish a direct cause for the fluctuations seen in marijuana plant seizure statistics. However, several factors are believed to be affecting large scale marijuana cultivation on public lands, to include:

- Increasingly effective utilization of multi-agency investigation and eradication efforts targeting illegal activities at all levels of drug trafficking organizations.
- Active participation of BLM law enforcement personnel in Federal, State, and local task forces, including California and Oregon HIDTA task forces, DEA-led Organized Crime Drug Enforcement Task Forces, and a number of State and local task forces. The BLM is also an active participant on county-level interagency teams focused on marijuana investigations.
- Prosecution of individuals at all levels of multi-State drug trafficking organizations is disrupting organizational structures, and reducing their cultivation and distribution capabilities.
- Shifting weather patterns are altering the length of the growing season and the availability of natural water sources.
- Several states permit the lawful cultivation of marijuana on private lands for medicinal use. Quantities of this lawfully cultivated marijuana are known to be sold outside the legal medicinal market. This unlawful sale of legally cultivated marijuana may be altering levels of market supply and demand, thereby prompting fluctuations in the quantity of marijuana being cultivated on public lands. Similarly, an increase in the number of states that permit recreational use of marijuana may be creating a larger market and higher profit margins for marijuana cultivated at relatively low cost on public lands.

¹Data gathered through the LAWNET and IMARS incident reporting systems.

In addition to its direct marijuana cultivation interdiction efforts, the BLM also continues to place significant emphasis on deterring marijuana smuggling activities occurring on public lands situated within 100 miles of the Southwest Border. These smuggling activities, in addition to increasing the volume of marijuana trafficked within the U.S., are producing significant natural resource impacts and public safety concerns on public lands. These impacts are particularly prevalent within the Bureau’s Ironwood Forest and Sonoran Desert National Monuments.

In FY 2017 a total of 6,187 pounds of processed marijuana were seized on public lands. This was a decrease from the FY 2016 the seizure level. While several factors are likely influencing the seizure levels, the Bureau’s ongoing investment along the Southwest border is believed to be a significant factor in this success.

Processed Marijuana (lbs) Seized on Public Lands²					
FY 2012 Achieved	FY 2013 Achieved	FY 2014 Achieved	FY 2015 Achieved	FY 2016 Achieved	FY 2017 Achieved
8,158	12,355	11,076	22,586	16,724	6,187

Management Assertions

Performance Reporting System is Appropriate and Applied

Since 1998, the BLM has utilized electronic incident reporting systems (i.e., LAWNET, IMARS) to document all law enforcement incidents and activities on public lands, to include drug-related enforcement actions (e.g., marijuana cultivation incidents, marijuana plant seizures, processed marijuana seizures, etc.) These electronic reporting systems, in combination with incident reporting, review, and data validation requirements established through agency policy, afford the BLM the ability to reliably capture and accurately report performance data.

Methodology to Establish Performance Targets is Reasonable and Applied

Due to the fact there is currently no data on the total number of marijuana plants subject to seizure that are grown in the U.S., in FY 2016 the ONDCP permitted the BLM to gauge

²Data gathered through the LAWNET and IMARS incident reporting systems.

performance using a single measure, specifically “number of marijuana plants seized.” Given the significant year-to-year fluctuation seen in public lands marijuana seizures over the past six years, and the number of variables believed to affect large scale public lands cultivation operations, the BLM set its FY 2017 target at 2% over on the preceding fiscal year’s seizure level.

Adequate Performance Measures Exist for All Significant Drug Control Activities

The BLM has traditionally utilized a single measure (i.e. marijuana seizures) to capture performance considered to be reflective of its respective National Drug Control Program activities. In light of the fact there is currently no data on the total number of marijuana plants subject to seizure that are grown in the U.S., the ONDCP permits the BLM to gauge performance using a single measure, specifically “number of marijuana plants seized.”

In accordance with ONDCP Circular: “Accounting of Drug Control Funding and Performance Summary”, January 18, 2013, the BLM is hereby submitting this alternative report of drug control funding and performance for FY 2016. Per the Circular, this report is being submitted in lieu of the standard “Detailed Accounting Submission and Performance Summary Report” otherwise required for agencies with drug control obligations of \$50 million or greater. The BLM, Director of the Office of Law Enforcement and Security attests that the Bureau’s drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden.



William Woody

Director, Office of Law Enforcement and Security



United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240

IN REPLY REFER TO:
F30(0012)

SENT VIA ELECTRONIC MAIL – NO HARD COPY TO FOLLOW

March 1, 2018

Memorandum

To: **Director,
Office of National Drug Control Policy**

From: **Russell Roy, Jr.** *Russell E. Roy, Jr.*
Deputy Chief, Law Enforcement, Security and Emergency Services (LESES)

Subject: **Fiscal Year 2017 Accounting and Performance Summary Report**

In accordance with *ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, January 18, 2013* (the Circular), the United States Department of the Interior, National Park Service (NPS) is hereby submitting the attached Accounting and Performance Summary Report of fiscal year 2017 drug control activities. Per the circular, this report is being submitted in lieu of the “Detailed Accounting Submission and Performance Summary Report” otherwise required for agencies with drug control obligations of \$50 million or greater.

The NPS Deputy Chief, LESES, attests that the Bureau’s drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden. If you have questions, please contact (202) 354-1961.

ONDCP 2017 Accounting Report – National Park Service

FY 2017 RESOURCE SUMMARY

Prior Year Drug Control Obligations and Staffing	Amount
*See detailed report below	
FTE	23.5
TOTAL OBLIGATIONS	\$3,462,000

**Full compliance with this circular constitutes an unreasonable reporting burden. Obligations reported under this section constitute the statutorily required detailed accounting. The amounts in the table below reflect actual NPS expenditures.

Russell E. Roy, Jr.

Deputy Chief, LESES

3/1/2018

Signature

Title

Date

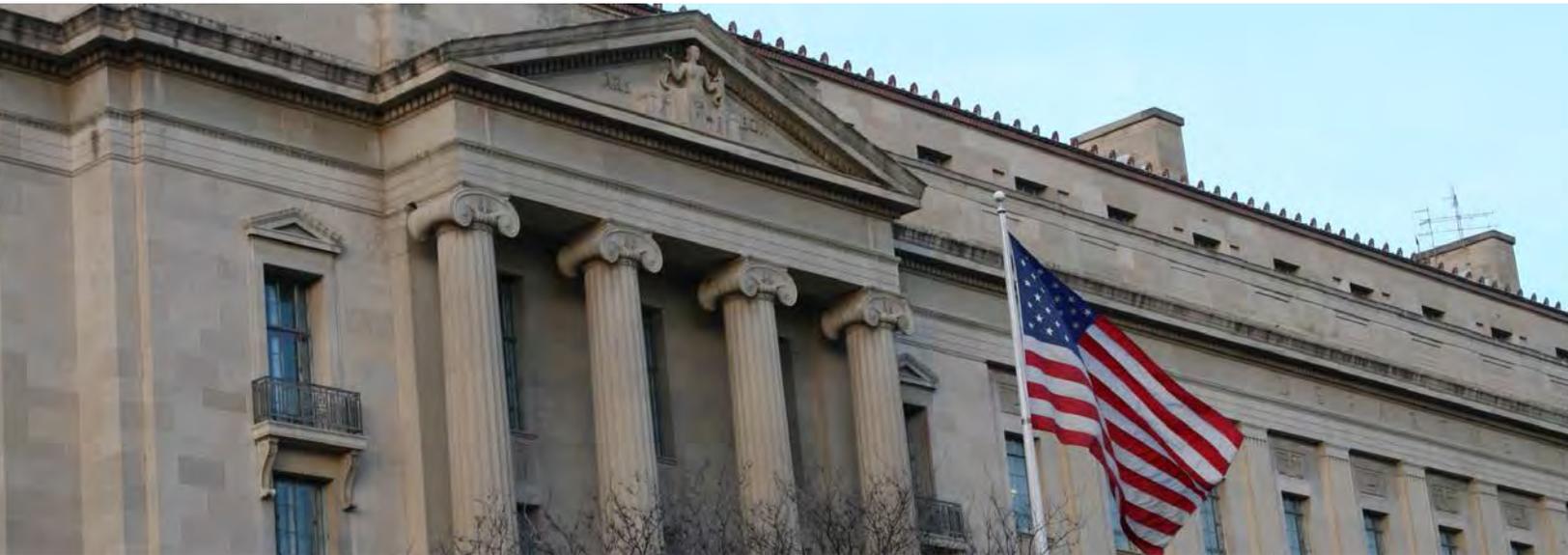
NPS Summary	North Cascades NP	Point Reyes NS	Sequoia & Kings Canyon NP	Whiskey-town NRA	Santa Monica Mountains NRA	Redwood NP	Yosemite NP	Washington Support Office	Total
Investigations	200	450	677	499	340	360	516	420	3,462
Total Expenditures	200	450	677	499	340	360	516	420	3,462
Total FTE	3.0	0	5.7	6.0	1.0	3.3	3.5	1.0	23.5

Tab I



Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Reviews of the Annual Accounting
of Drug Control Funds and Related
Performance
Fiscal Year 2017



Executive Summary

Reviews of the Annual Accounting of Drug Control Funds and Related Performance Fiscal Year 2017

Objectives

Pursuant to 21 U.S.C. § 1704(d), as implemented by the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, the Department of Justice (Department) is required to submit to the Director of ONDCP a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year, as well as the results of performance measures that show the outcomes associated with those expenditures. Additionally, the Office of the Inspector General (OIG) is required to express a conclusion about the reliability of the Department's submission.

Results in Brief

The OIG concluded that it is not aware of any material modifications that should be made to either the Department's Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Recommendations

No recommendations were provided in the report.

Review Results

This report contains the attestation review reports of the U.S. Department of Justice's Assets Forfeiture Fund, Criminal Division, Drug Enforcement Administration, Federal Bureau of Prisons, Office of Justice Programs, Offices of the United States Attorneys, Organized Crime Drug Enforcement Task Forces Program, and United States Marshals Service's annual accounting of drug control funds and related performance for the fiscal year ended September 30, 2017. The Department of Justice components reviewed, reported approximately \$7.9 billion of drug control obligations and 24 related performance measures for fiscal year 2017.

The OIG performed an independent attestation review of the DOJ's reporting of FY 2017 ONDCP expenditures and related performance for the purpose of expressing a conclusion about the reliability of each assertion made in the Detailed Accounting Submissions and Performance Summary Report. Specifically, we:

- Obtained an understanding of the processes used to prepare the FY 2017 Detailed Accounting Submissions and Performance Summary Reports.
- Evaluated the reasonableness of the drug methodology process for detailed accounting submissions.
- Performed selected reviews of reported obligations in the Detailed Accounting Submissions.
- Evaluated the reasonableness of the methodology used to report performance information for National Drug Control Program activities.
- Performed sufficient verifications of reported performance information to support our conclusion on the reliability of the assertions.

During our review, no information came to our attention that the accompanying Detailed Accounting Submissions and Performance Summary Reports were not presented in accordance with the ONDCP's Circular.

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REVIEWS OF THE ANNUAL ACCOUNTING OF
DRUG CONTROL FUNDS AND RELATED PERFORMANCE
FISCAL YEAR 2017

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OFFICE OF THE INSPECTOR GENERAL'S INDEPENDENT REPORTS,
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ASSETS FORFEITURE FUND

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Washington, D.C. 20530

Office of the Inspector General's Independent Report
on the Annual Accounting of Drug Control Funds
and Related Performance

Director
Assets Forfeiture Management Staff
U.S. Department of Justice

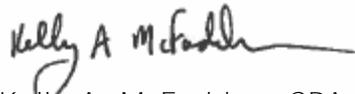
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Assets Forfeiture Fund (AFF) for the fiscal year ended September 30, 2017. The AFF's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of AFF management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Kelly A. McFadden". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Assets Forfeiture Fund
Detailed Accounting Submission

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U.S Department of Justice
Justice Management Division
Asset Forfeiture Management Staff
145 N Street, N.E., Suite 5W.511
Washington, D.C. 20530

(202) 616-8000

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Assets Forfeiture Fund (AFF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the AFF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the AFF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2017.
4. The AFF did not have any ONDCP Fund Control Notices issued in FY 2017.

Kevin Arnwine, Assistant Director,
Asset Forfeiture Management Staff

Date

U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)

	FY 2017 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit: Asset Forfeiture	
Investigations	\$ 155.96
State and Local Assistance	<u>66.68</u>
Total Asset Forfeiture	<u>\$ 222.64</u>
Total Drug Control Obligations	<u>\$ 222.64</u>

**U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The Assets Forfeiture Fund (AFF) was established to be a repository of the proceeds of forfeiture and to provide funding to cover the costs associated with forfeiture. These costs include, but are not limited to seizing, evaluating, maintaining, protecting, and disposing of an asset. Public Law 102-393, referred to as the 1993 Treasury Appropriations Act, amended title 28 U.S.C. 524 (c) and enacted new authority for the AFF to pay for “overtime, travel, fuel, training, equipment, and other similar costs of state or local law enforcement officers that are incurred in a joint law enforcement operation with a Federal law enforcement agency participating in the Fund.” Such cooperative efforts have significant potential to benefit Federal, state, and local law enforcement efforts. The Department of Justice supports state and local assistance through the allocation of Asset Forfeiture Program (AFP) monies, commonly referred to as Joint Law Enforcement Program Operations Expenses. All AFP funded drug investigative monies for the Drug Enforcement Administration (DEA) and Organized Crime Drug Enforcement Task Forces (OCDETF) are allocated in the following program operations expenses: Investigative Costs Leading to Seizure, Awards Based on Forfeiture, Contracts to identify Assets, Special Contract Services, and Case Related Expenses. The funding provided for these particular program expenses are identified below and aid in the process of perfecting forfeiture.

Investigative Costs Leading to Seizure – These expenses are for certain investigative techniques that are used for drug related seizures.

Awards Based on Forfeiture – These expenses are for the payment of awards for information or assistance leading to a civil or criminal forfeiture.

Contracts to Identify Assets – These expenses are incurred in the effort of identifying assets by accessing commercial database services. Also included in this section is the procurement of contractor assistance needed to trace the proceeds of crime into assets subject to forfeiture.

Special Contract Services – These expenses are for contract services that support services directly related to the processing, data entry, and accounting for forfeiture cases.

Case Related Expenses – These are expenses incurred in connection with normal forfeiture proceedings. They include fees, advertising costs, court reporting and deposition fees, expert witness fees, courtroom exhibit costs, travel, and subsistence costs related to a specific proceeding. If the case involves real property, the costs to retain attorneys or other specialists under state real property law are also covered. In addition, the Deputy Attorney General may approve expenses for retention of foreign counsel.

All AFF accounting information is derived from the Unified Financial Management System. Obligations that are derived by this system reconcile with the enacted appropriations and carryover balance.

Disclosure 2: Methodology Modifications

There have been no changes to the drug methodology from the previous year. The drug methodology disclosed has been consistently applied from prior years.

Disclosure 3: Material Weaknesses or Other Findings

For the FY 2017 Financial Statements Audit, the Assets Forfeiture Fund (AFF)/Seized Asset Deposit Fund (SADF) received an unmodified audit opinion. The *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* noted a significant deficiency related to internal control over financial reporting. Specifically, improvements are needed in the financial reporting process to include reconciling and researching differences in budgetary information reported in the financial statements. Additionally, Assets Forfeiture Management Staff (AFMS) and federal agencies participating in the AFP continue to have weaknesses in gathering and evaluating the supporting judicial information prior to recognizing revenue and evaluating adjustments to revenue accounts.

To mitigate this finding, new reconciliation procedures between AFMS and Justice Management Division (JMD) Finance Staff with corrections made prior to submission of the financial statements have been implemented. Further, AFMS will work with the Office of the Deputy Attorney General to establish incentives for AFP participating agencies to help ensure those agencies and components follow established policies and procedures. This finding, while not a material weakness is being reported by the AFF as an "other finding" because it has an undetermined impact on the presentation of drug related obligations.

Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings or transfers that affected drug-related budgetary resources.

Assets Forfeiture Fund
Performance Summary Report

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U.S Department of Justice
Justice Management Division
Asset Forfeiture Management Staff
145 N Street, N.E., Suite 5W.511
Washington, D.C. 20530

(202) 616-8000

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Assets Forfeiture Fund (AFF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the AFF system of performance reporting provides reasonable assurance that:

1. The AFF uses the Unified Financial Management System (UFMS) to capture performance information accurately and UFMS was properly applied to generate the performance data.
2. The AFF met the reported performance targets for FY 2017.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. The AFF has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

Kevin Arnwine, Assistant Director,
Asset Forfeiture Management Staff

Date

**U.S. Department of Justice
Assets Forfeiture Fund
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

Performance Measure: Achieve Effective Funds Control as Corroborated by an Unmodified Opinion on the Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statements.

The accomplishment of an unmodified audit opinion reflects favorably on the execution and oversight of the Assets Forfeiture Fund (AFF)/ and the Seized Asset Deposit Fund (SADF) by the Asset Forfeiture Management Staff and all the agencies that participate in the Department’s Asset Forfeiture Program.

Decision Unit: Asset Forfeiture						
Performance Report & Target						
Performance Measure:	FY 2014	FY 2015	FY 2016	FY 2017		FY 2018
	Actual	Actual	Actual	Target	Actual	Target
Achieve effective funds control as corroborated by an unmodified opinion on the AFF/SADF financial statements.	100%	100%	100%	100%	100%	100%

Data Validation and Verification

Due to the nature of this performance measure, the standard procedure is to undergo an extensive annual financial statements audit. The results of the audit will indicate if the measure has been met. An unmodified audit opinion will result in satisfying the performance measure; therefore a modified audit opinion (i.e., qualified, disclaimer, or adverse) would indicate that the performance measure has not been met.

CRIMINAL DIVISION

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Washington, D.C. 20530

Office of the Inspector General's Independent Report on the Annual Accounting of Drug Control Funds and Related Performance

Assistant Attorney General
Criminal Division
U.S. Department of Justice

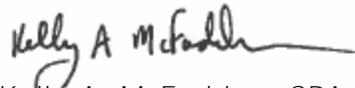
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Criminal Division (CRM) for the fiscal year ended September 30, 2017. The CRM's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of CRM management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Criminal Division
Detailed Accounting Submission

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**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Criminal Division (CRM) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the CRM system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the CRM to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2017.
4. CRM did not have any ONDCP Fund Control Notices issued in FY 2017.



Tracy Melton, Executive Officer

1/18/2018

Date

U.S. Department of Justice
Criminal Division
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)

	FY 2017 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit: Enforcing Federal Criminal Laws	
Prosecution	\$ 40.27
Total Enforcing Federal Criminal Laws	<u>\$ 40.27</u>
Total Drug Control Obligations	<u>\$ 40.27</u>

**U.S. Department of Justice
Criminal Division
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The Criminal Division (CRM) develops, enforces, and supervises the application of all Federal criminal laws except those specifically assigned to other divisions. In executing its mission, the CRM dedicates specific resources in support of the National Drug Control Strategy that focus on disrupting domestic drug trafficking and production and strengthening international partnerships. The CRM's drug budget is the funding available for the Division's drug-related activities. The CRM Sections and Offices contributing to this budget are:

- Appellate Section (APP)
- Computer Crimes and Intellectual Property Section (CCIPS)
- Capital Case Section (CCS)
- Human Rights and Special Prosecutions Section (HRSP)
- International Criminal Investigative Training Assistance Program (ICITAP)
- Money Laundering and Asset Recovery Section (MLARS)
- Narcotic and Dangerous Drug Section (NDDS)
- Organized Crime and Gang Section (OCGS)
- Office of Enforcement Operations (OEO)
- Office of International Affairs (OIA)
- Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT)
- Office of Policy and Legislation (OPL)

Since the CRM's accounting system, Department of Justice's (DOJ's) Financial Management Information System 2 (FMIS2), does not track obligation and expenditure data by ONDCP's drug functions, CRM's drug resources figures are derived by estimating the level of involvement of each Division component in drug-related activities. Each component is required to estimate the percentage of work/time that is spent addressing drug-related issues. This percentage is then applied against each component's overall resources to develop an estimate of resources dedicated to drug-related activities. Component totals are then aggregated to determine the Division total. For FY 2017, the Division's drug resources as a percentage of its overall actual obligations were 22.2%.

Data – All accounting information for the CRM is derived from DOJ's FMIS2 except for the Victims of State Sponsored Terrorism Fund (VSSTF) which is derived from DOJ's Unified Financial Management System (UFMS).

Financial Systems – FMIS2 is DOJ's financial system that provides CRM with obligation data. Obligations in this system can also be reconciled with the enacted appropriation.

Disclosure 2: Methodology Modifications

No modifications were made to the methodology from the prior year.

Disclosure 3: Material Weaknesses or Other Findings

CRM is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2017, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2017 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2017 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

No reprogrammings or transfers occurred that affected the CRM's drug-related budgetary resources.

Criminal Division
Performance Summary Report

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U.S. Department of Justice

Criminal Division

Office of Administration

Washington, D.C. 20530

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Criminal Division (CRM) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the CRM system of performance reporting provides reasonable assurance that:

1. CRM uses the Automated Case Tracking System (ACTS), the Division's Performance Dashboard, the Mutual Legal Assistance Tracking System, and the Extradition Tracking System to capture performance information accurately and these systems were properly applied to generate the performance data.
2. Explanations offered for failing to meet a performance target and for any recommendation concerning plans and schedules for meeting future targets, or for revising or eliminating performance targets is reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. CRM has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

A handwritten signature in black ink that reads "Tracy Melton".

Tracy Melton, Executive Officer

1/18/2018

Date

**U.S. Department of Justice
Criminal Division
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

Performance Measure 1: Number of New Drug-Related Investigative Matters and Cases

The Criminal Division’s Narcotic and Dangerous Drug Section (NDDS) investigates and prosecutes priority national and international drug trafficking groups, and other transnational criminal organizations. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their new drug-related investigative matters and cases which is a measure of the work achieved by NDDS during a fiscal year.

Number of New Drug-Related Investigative Matters and Cases					
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
61	21	34	35	39	30

In FY 2017, NDDS exceeded its target by 12%, opening a combined 39 new drug-related investigative matters and cases. NDDS set its FY 2017 targets for new drug-related prosecutions and investigations based on historical trend analysis.

For FY 2018, NDDS’ target for the number of new drug-related investigative matters and cases is 30. This target was set based on historical trend analysis, while taking into account that the Criminal Division is under a hiring freeze that has already impacted NDDS’ ability to replace one litigation attorney who departed during FY 2018, and will affect NDDS if any additional attorneys depart during FY 2018. NDDS also projects that many of its litigation resources will be focused on several large cases that are slated for trial in FY 2018 – including the matter of U.S. v. Joaquin “El Chapo” Guzman which is expected to occupy 4 out of NDDS’ 16 litigation attorneys for FY 2018.

Data Validation and Verification

All investigative matters and cases are entered and tracked in the Division’s Automated Case Tracking System (ACTS). System and policy requirements for tracking litigation data in ACTS are captured in its manual. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division’s Performance Dashboard confirming that their Section's ACTS performance data are valid. A verification email is sent from the system to the Division’s Executive Officer.

Performance Measure 2: Number of OCDETF Title III Wiretaps Reviewed

The Criminal Division’s Office of Enforcement Operations (OEO) is responsible for reviewing and approving all applications submitted by federal prosecutors to intercept wire, oral, and electronic communications to obtain evidence of crimes. A subset is applications relating to investigations and prosecutions of Organized Crime Drug Enforcement Task Force (OCDETF) cases. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their number of OCDETF Title III wiretaps reviewed which is a measure of the drug-related Title III wiretap work achieved by OEO during a fiscal year.

Number of OCDETF Title III Wiretaps Reviewed					
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
2,150	2,444	2,398	2,500	2,382	2,400

In FY 2017, OEO reviewed 5% fewer OCDETF Title III wiretaps than its projected target of 2,500. This workload is directly reactive to the number of incoming requests for OCDETF Title III approvals. While the number of OCDETF wiretap applications decreased slightly from FY 2016 to FY 2017, the number of facilities within those OCDETF applications increased by 5.29% in FY 2017. Applications that contain more facilities are more complicated and often target larger more complex organizations. Issues associated with changing and emerging technologies also raise novel legal issues and add to the intricacy of the wiretap applications. In addition, OEO works with USAOs to ensure they have put in place appropriate mitigation measures where the Title III applications identify public safety risks. Finally, during FY 2017, OEO continued to conduct an aggressive training and outreach to the field.

For FY 2018, OEO’s target for the number of OCDETF Title III wiretaps reviewed is 2,400. This target was set based on historical trend analysis, in addition to the assumption of staffing and resources similar to FY 2017.

Data Validation and Verification

The total number of OCDETF Title III wiretaps reviewed is entered each quarter in the Division’s Performance Dashboard. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division’s Performance Dashboard confirming that their Section’s performance data are valid. A verification email is sent from the system to the Division’s Executive Officer.

Performance Measure 3: Number of Drug-Related Mutual Legal Assistance Treaties (MLAT) Requests Closed

The Criminal Division’s Office of International Affairs (OIA) secures the return of fugitives from abroad and obtains from foreign countries evidence and other assistance (e.g., freezing of

accounts and forfeiture of funds) needed in criminal investigations and prosecutions. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their drug-related MLAT requests closed which is a measure of OIA’s drug-related work during a fiscal year.

Number of Drug-Related Mutual Legal Assistance Treaties (MLAT) Requests Closed					
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
106	121	407	N/A	444	N/A

This measure cannot be targeted. This measure is a subset of an overall measure. The Division can target the entire measure, but is not able to target any specific subset of the measure.

Data Validation and Verification

All MLAT requests are tracked in OIA’s Extradition and Mutual Legal Assistance Tracking System, including drug-related requests. The total MLAT requests closed is entered each quarter in the Division’s Performance Dashboard. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division’s Performance Dashboard confirming that their Section's performance data are valid. A verification email is sent from the system to the Division’s Executive Officer.

Performance Measure 4: Number of Drug-Related Extradition Requests Closed

The Criminal Division’s Office of International Affairs (OIA) secures the return of fugitives from abroad, and obtains from foreign countries evidence and other assistance (e.g., freezing of accounts and forfeiture of funds) needed in criminal investigations and prosecutions. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their drug-related extradition requests closed which is a measure of OIA’s drug-related work during a fiscal year.

Number of Drug-Related Extradition Requests Closed					
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
194	289	168	N/A	168	N/A

This measure cannot be targeted. This measure is a subset of an overall measure. The Division can target the entire measure but is not able to target any specific subset of the measure.

Data Validation and Verification

All extradition requests are tracked in OIA's Extradition and Mutual Legal Assistance Tracking System, including drug-related requests. The total extradition requests closed is entered each quarter in the Division's Performance Dashboard. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division's Performance Dashboard confirming that their Section's performance data are valid. A verification email is sent from the system to the Division's Executive Officer.

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DRUG ENFORCEMENT
ADMINISTRATION

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Washington, D.C. 20530

Office of the Inspector General's Independent Report
on the Annual Accounting of Drug Control Funds
and Related Performance

Administrator
Drug Enforcement Administration
U.S. Department of Justice

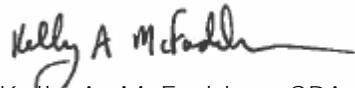
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the fiscal year ended September 30, 2017. The DEA's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of DEA management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Drug Enforcement Administration
Detailed Accounting Submission

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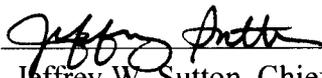


www.dea.gov

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Drug Enforcement Administration's (DEA) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the DEA system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from the DEA's accounting system of record for these budget decision units.
2. The drug methodology used by the DEA to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$1 million.
5. DEA did not have any ONDCP Fund Control Notices issued in FY 2017.



Jeffrey W. Sutton, Chief Financial Officer

1/18/18

Date

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)**

	FY 2017 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Diversion Control Fee Account	
Intelligence	\$ 13.72
Investigations	403.11
Prevention	3.84
Total Diversion Control Fee Account	\$ 420.67
Domestic Enforcement	
Intelligence	\$ 158.85
Investigations	1,596.70
Prevention	2.89
Total Domestic Enforcement	\$ 1,758.44
International Enforcement	
Intelligence	\$ 20.86
International	453.00
Prevention	0.05
Total International Enforcement	\$ 473.91
State and Local Assistance	
State and Local Assistance	\$ 12.65
Total State and Local Assistance	\$ 12.65
Total Drug Control Obligations	\$ 2,665.67
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 14.87

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The mission of the Drug Enforcement Administration (DEA) is to enforce the controlled substances laws and regulations of the United States and to bring to the criminal and civil justice system of the United States or any other competent jurisdiction, those organizations, and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States; and to recommend and support non-enforcement programs aimed at reducing the availability of illicit controlled substances on the domestic and international markets. In carrying out its mission, the DEA is the lead agency responsible for the development of the overall Federal drug enforcement strategy, programs, planning, and evaluation. The DEA's primary responsibilities include:

- Investigation and preparation for prosecution of major violators of controlled substances laws operating at interstate and international levels;
- Management of a national drug intelligence system in cooperation with Federal, state, local, and foreign officials to collect, analyze, and disseminate strategic and operational drug intelligence information;
- Seizure and forfeiture of assets derived from, traceable to, or intended to be used for illicit drug trafficking;
- Enforcement of the provisions of the Controlled Substances Act and the Chemical Diversion and Trafficking Act as they pertain to the manufacture, distribution, and dispensing of legally produced controlled substances and chemicals;
- Coordination and cooperation with Federal, state and local law enforcement officials on mutual drug enforcement efforts and enhancement of such efforts through exploitation of potential interstate and international investigations beyond local or limited Federal jurisdictions and resources;
- Coordination and cooperation with other Federal, state, and local agencies, and with foreign governments, in programs designed to reduce the availability of illicit abuse-type drugs on the United States market through non-enforcement methods such as crop eradication, crop substitution, and training of foreign officials;
- Responsibility, under the policy guidance of the Secretary of State and U.S. Ambassadors, for all programs associated with drug law enforcement counterparts in foreign countries;

- Liaison with the United Nations, Interpol, and other organizations on matters relating to international drug control programs; and
- Supporting and augmenting U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes to foreign terrorist organizations, as well as the use of illicit drugs as barter for munitions to support terrorism.

The accompanying Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 showing function and decision unit. The table represents obligations incurred by the DEA for drug control purposes and reflects one hundred percent of the DEA's mission.

Since the DEA's accounting system, the Unified Financial Management System (UFMS), does not track obligation and expenditure data by ONDCP's drug functions, the DEA uses Managerial Cost Accounting (MCA), a methodology approved by ONDCP to allocate obligations tracked in DEA's appropriated accounts and decision units to ONDCP's drug functions. The Salaries and Expense appropriated account is divided into three decision units, Domestic Enforcement, International Enforcement, and State and Local Assistance. The Diversion Control Fee Account (DCFA) is fee funded by Registrants and covers the full costs of DEA's Diversion Control Program's operations. Thus, the total DCFA cost is tracked and reported as a decision unit by itself to distinguish it from the appropriated S&E account. Although not appropriated funding, the DCFA as authorized by Congress is subject to all rules and limitations associated with Appropriations Law.

Data: *All accounting data for the DEA are maintained in UFMS. UFMS tracks obligation and expenditure data by a variety of attributes, including fund type, allowance center, decision unit and object class. One hundred percent of the DEA's efforts are related to drug enforcement.*

Financial Systems: *UFMS is the information system the DEA uses to track obligations and expenditures. Obligations derived from this system can also be reconciled against enacted appropriations and carryover balances.*

Managerial Cost Accounting: *The DEA uses allocation percentages generated by MCA to allocate resources associated with the DEA's four decision units to ONDCP's drug functions. The MCA model, using an activity-based costing methodology, provides the full cost of the DEA's mission outputs (performance costs). The table below shows the allocation percentages based on the DEA's MCA data.*

The DEA Budget Decision Unit	Allocation	ONDCP Function
Diversion Control Fee Account	3.26%	Intelligence
	95.82%	Investigations
	0.91%	Prevention
Domestic Enforcement	90.80%	Investigations
	9.03%	Intelligence
	0.16%	Prevention
International Enforcement	95.59%	International
	4.40%	Intelligence
	0.01%	Prevention
State and Local Assistance	100.00%	State and Local Assistance

Decision Units: *One hundred percent of the DEA’s total obligations by decision unit are associated with drug enforcement.* This total is reported and tracked in UFMS.

Full Time Equivalent (FTE): One hundred percent of the DEA FTEs are dedicated to drug enforcement efforts. The DEA’s Direct FTE total for FY 2017, including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 8,858 through pay period 19, ending September 30, 2017.

Transfers and Reimbursements: High Intensity Drug Trafficking Area (HIDTA) transfers and reimbursable obligations are excluded from the DEA’s Table of Drug Control Obligations since they are reported by other sources.

Disclosure 2: Methodology Modification

The DEA’s method for tracking drug enforcement resources has not been modified from the prior year methodology. The DEA uses current MCA data to allocate FY 2017 obligations from four decision units to ONDCP’s drug functions.

Disclosure 3: Material Weaknesses and Other Findings

For FY 2017, DEA was included in the Department of Justice (DOJ) consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ’s consolidated FY 2017 *Independent Auditors’ Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the DOJ’s assessment of risk and internal control in FY 2017 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings in FY 2017.

The DEA had nine transfers during FY 2017 (see the attached Table of FY 2017 Reprogrammings and Transfers) with individual transfer amounts that matched or exceeded the \$1,000,000 threshold. Two transfers came from DOJ's Community Oriented Policing Services (COPS) for a total amount of \$10,000,000 to DEA's S&E No-Year account. There were four internal transfers from DEA's prior year funded unobligated balances to DEA's S&E No-Year account for a total amount of \$89,058,394. Two transfers from HIDTA to DEA's 2017/2018 S&E account in the amount of \$13,909,648. And one transfer of \$38,000,000 from the Alcohol, Tobacco and Firearms (ATF) Spectrum account to DEA's S&E No-Year account. All the other transfers did not meet the dollar criteria for reporting. Transfers under the Drug Resources by Function section in the Table of FY 2017 Reprogrammings and Transfers are based on the same MCA allocation percentages as the Table of Drug Control Obligations.

U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Table of Reprogrammings & Transfers
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Transfers-in	Transfers-out	Total
Decision Unit #2: International Enforcement			
Intelligence	\$ 0.48	\$ -	\$ 0.48
International	18.21	-	18.21
Prevention	0.05	-	0.05
Total International Enforcement	<u>\$ 18.74</u>	<u>\$ -</u>	<u>\$ 18.74</u>
Decision Unit #3: Domestic Enforcement			
Intelligence	\$ 11.31	\$ -	\$ 11.31
Investigations	106.93	-	106.93
Prevention	0.11	-	0.11
Total Domestic Enforcement	<u>\$ 118.35</u>	<u>\$ -</u>	<u>\$ 118.35</u>
Total	<u>\$ 137.09</u>	<u>\$ -</u>	<u>\$ 137.09</u>
High-Intensity Drug Trafficking Area (HIDTA) Transfers	\$ 13.90		\$ 13.90

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Drug Enforcement Administration
Performance Summary Report

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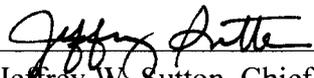
**U. S. Department of Justice
Drug Enforcement Administration**

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**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Drug Enforcement Administration (DEA) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the DEA system of performance reporting provides reasonable assurance that:

1. DEA uses Priority Target Activity Resource Reporting System and Controlled Substance Act Database to capture performance information accurately and these systems were properly applied to generate the performance data.
2. Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets is reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. DEA has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.



Jeffrey W. Sutton, Chief Financial Officer

1/18/18

Date

**U.S. Department of Justice
Drug Enforcement Administration
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

Performance Measure 1: Number of Active International and Domestic PTOs Linked to CPOT Targets Disrupted or Dismantled

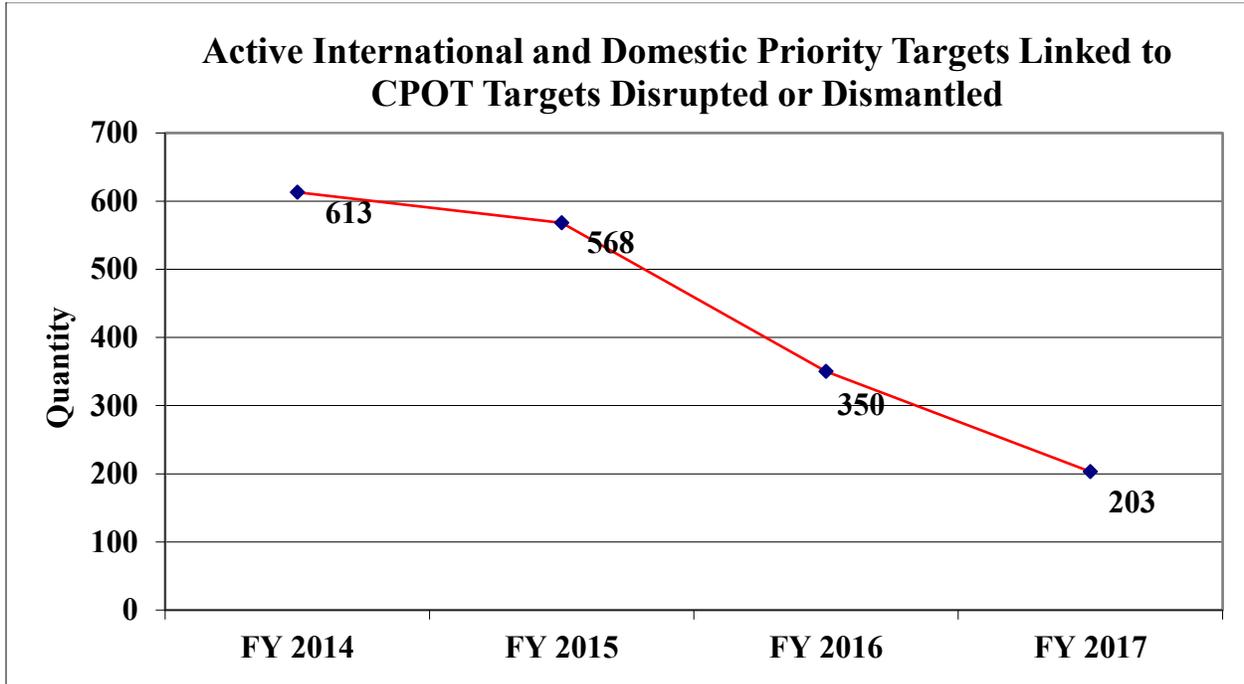
The Drug Enforcement Administration (DEA) is committed to bringing organizations involved in the growing, manufacturing, or distribution of controlled substances to the criminal and civil justice system of the U.S., or any other competent jurisdiction. To accomplish its mission, the DEA targets Priority Target Organizations (PTOs), which represent the major drug supply and money laundering organizations operating at the international, national, regional, and local levels that have a significant impact upon drug availability in the United States. Specifically, the DEA's PTO Program focuses on dismantling entire drug trafficking networks by targeting their leaders for arrest and prosecution, confiscating the profits that fund continuing drug operations, and eliminating international sources of supply. As entire drug trafficking networks from sources of supply to the distributors on the street are disrupted or dismantled, the availability of drugs within the United States will be reduced.

In its effort to target PTOs, the DEA is guided by key drug enforcement programs such as the Organized Crime Drug Enforcement Task Forces (OCDETF) program. The DEA, through the OCDETF program, targeted the drug trafficking organizations on the DOJ's FY 2017 Consolidated Priority Organization Target (CPOT) list – the "Most Wanted" drug trafficking and money laundering organizations believed to be primarily responsible for the Nation's illicit drug supply. The disruption or dismantlement of CPOT-linked organizations is primarily accomplished through multi-agency and multi-regional investigations directed by the DEA and the Federal Bureau of Investigation. These investigations focus on the development of intelligence-driven efforts to identify and target drug trafficking organizations that play a significant role in the production, transportation, distribution, and financial support of large scale drug trafficking operations. The DEA's ultimate objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible.

Since the PTO Program is the DEA's flagship initiative for meeting its enforcement goals, including the enforcement goals of DEA's Diversion Control Program (DCP), the performance measures associated with this program are the most appropriate for assessing the DEA's National Drug Control Program activities. The performance measure, active international and domestic priority targets linked to CPOT targets disrupted or dismantled is the same measure included in the National Drug Control Budget Summary. DEA's resources are presented in the Table of Drug Control Obligations in the international and domestic enforcement decision units and Diversion Control Fee Account. Reimbursable resources from the OCDETF program contributed to these performance measures, but are not responsible for specifically identifiable performance.

Table 1: Measure 1

FY 2014 Actual	FY 2015 Actual	FY 2016 ¹ Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
613	568	350	351	203	170



In the first few years of the DEA's Priority Targeting Program, DEA repeatedly exceeded its annual targets for PTO disruptions² and dismantlements³. Prior to FY 2005, DEA in conjunction with DOJ components reported its PTO disruptions and dismantlements for closed cases. Thereafter, it included PTOs disrupted pending dismantlements among its disruption statistics because these cases achieved significant enforcement milestones (arrests, seizures, etc.). However, internally, DEA has never included disruptions pending dismantlement in its year-end reporting. Therefore, in order to align DEA's external and internal reporting, DEA decided to exclude disruptions pending dismantlement from its year-end accounting of disruptions and dismantlements, effective FY 2016.

¹ Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled (Cat Code Ds) in our actual and target totals.

² A disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

³ A dismantlement occurs when the organization's leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

In FY 2017, DEA disrupted or dismantled 203 PTOs linked to CPOT targets, which is 57.8 percent of its FY 2017 target of 351. DEA missed the target by 148 PTOs linked to CPOTs. In general, DEA's FY 2017 PTO performance (CPOT-linked and Not-linked) has been tempered by the emergence and development of a new and plenary drug control strategy called, the Threat Enforcement Planning Process (TEPP) and a reduced Special Agent workforce.

The TEPP seeks to refine and develop DEA's drug control strategy and shift agency performance evaluations from a quantitative based approach to a more qualitative approach. The TEPP establishes agency wide, national level threat priorities that guide field enforcement strategies and the allocation of limited resources. Field offices, at the Division/Region level identify threats in their Area of Responsibility (AOR) that fall under DEA-wide National Level Threats, and document their efforts to mitigate those threats through enforcement planning, operations, and initiatives.

Because DEA routinely evaluates the performance of its programs as well as their functional capabilities to include its PTO case management and reporting system, PTARRS (Priority Target Activity Resource and Reporting System), it acknowledges that there may be a temporal fluctuation and nominal decline in the number of PTO cases initiated which may result in a corresponding decline in PTO Dispositions reported (CPOT-linked and Not) during the implementation of the TEPP. In fact, DEA is presently reviewing / re-evaluating its PTO program and the utility of PTARRS in the context of the TEPP to facilitate its seamless integration and ensure that investigations are being re-aligned to meet the mandates outlined in the President's Executive Orders and the Department's anticipated FY 2018-2022 Strategic Plan which includes evolving constructs and performance measures that address the following threats to our nation:

- Transnational Criminal Organization (TCOs)
- Domestic Cartels / Violent Drug Trafficking Organization
- Illicit Diversion and Trafficking of Controlled Prescription Drugs
- Heroin/Fentanyl/Opioids/Synthetic Trafficking

Once DEA's full cadre of operational programs (i.e., Priority Target Program, Domestic Cartel Initiative, etc.), as well as its Domestic Field Divisions and Country Offices are fully integrated into TEPP, and DEA's official reporting systems become linked to TEPP's data warehouse, the TEPP will be fully implemented as DEA's strategic performance and planning tool. This comprehensive effort, rooted in performance based management with tangible outcomes and resource efficiencies, is a testament to DEA's commitment to thwart drug-related threats that endanger the health and public safety of residents and communities throughout the United States. In FY 2020, DEA anticipates that the TEPP will inaugurate a new era of coordinated enforcement, supported by efficient resource management, in a manner that adapts to new and evolving threats with an enhanced capability to report Agency-wide effectiveness in real time.

Additionally, DEA has opened decreasing number of PTO's over the last several years due in part to declining levels of Special Agents. The number of Special Agents on-board⁴ in FY 2014 and FY 2017 was 4,571 and 4,396, respectively; a net decrease of 175 Special Agents. Over the same period, DEA reported a corresponding reduction in the number of PTO investigations opened from 2,943 in FY 2014 to 1,138 in FY 2017. Similar declines in the overall number of cases initiated have been reported through the subject period above; 29,046 to 23,753 in FY 2014 and FY 2017 respectively.

Target Forecast Methodology

DEA FY 2018 target is 170 PTOs linked to CPOTs. This target was determined using a cascading algorithm that takes into account the distribution patterns of prior year (FY 2014 through FY 2017) PTO dispositions as well as the overall inventory of potential cases worked within the period of interest to include the current inventory of cases open as well as a projected estimate of new cases initiated during that same period. This method is correlated to and supported by a corresponding analysis of the work hours (Special Agent and Total Core⁵) dedicated to PTOs as an aggregate and by subcategory – CPOT/Not, Disrupted/Dismantled [closed], Administratively Closed [closed] and Still Active [open].

Data Validation and Verification

PTOs identified by the DEA's domestic field divisions and foreign country offices are tracked using the *Priority Target Activity Resource Reporting System* (PTARRS), an Oracle database used to track operational progress and the resources used in the related investigations (i.e., investigative work hours and direct case-related expenses). Through PTARRS, DEA assesses and links PTOs to drug trafficking networks, which address the entire continuum of the drug conspiracy. Once an investigation meets the criteria for a PTO, the investigation can be nominated as a PTO submission through PTARRS. PTARRS provides a means of electronically validating, verifying and approving PTOs through the chain of command, beginning with the case agent in the field and ending with the headquarters' Operations Division. The roles in the electronic approval chain are as follows:

In the Field

- Special Agent – The Special Agent, Task Force Officer, or Diversion Investigator collects data on lead cases that will be proposed as PTOs. They can create, edit, update, and propose a PTO record.
- Group Supervisor – The Group Supervisor/Country Attaché coordinates and plans the allocation of resources for a proposed PTO. The Group Supervisor/Country Attaché can create, edit, update, propose, resubmit, and approve a PTO record.
- Assistant Special Agent in Charge – The Assistant Special Agent in Charge /Assistant Regional Director reviews the PTO proposed and approved by the Group

⁴ The number of Special Agents on board excludes new hires enrolled in Basic Agent Training (BAT).

⁵ Total Core refers to the total workhours for DEA's core positions; specifically, Special Agents, Intelligence Analysts, Chemists, and Diversion Investigators.

Supervisor/Country Attaché, ensuring that all the necessary information meets the criteria for a PTO. The Assistant Special Agent in Charge /Assistant Regional Director can also edit, update, resubmit, or approve a proposed PTO.

- Special Agent in Charge – The Special Agent in Charge /Regional Director reviews the proposed PTO from the Assistant Special Agent in Charge /Assistant Regional Director and is the approving authority for the PTO. The Special Agent in Charge /Regional Director can also edit, update, resubmit, or approve a proposed PTO.

At Headquarters

- Operations Division (OC) – The Section Chief of the Data and Operational Accountability Section (OMD), or his designee, is the PTO Program Manager, and is responsible for the review of all newly approved PTO submissions and their assignment to the applicable Office of Global Enforcement (OG) or Office of Financial Operations (FO) section. The PTO Program Manager may request that incomplete submissions be returned to the field for correction and resubmission. OMD is also responsible for tracking and reporting information in the PTO Program through PTARRS; and is the main point-of-contact for the PTO program and PTARRS related questions.
- OMD will assign PTO's based on the nexus of the investigation to organizations located in specific geographic areas of the world, or to specific program areas. After assignment of a PTO, the appointed HQ section becomes the point-of-contact for that PTO and division/region personnel should advise appropriate HQ section personnel of all significant activities or requests for funding during the course of the investigation. The Staff Coordinator (SC) assigned to the PTO will initiate a validation process to include a review for completeness and confirmation of all related linkages (e.g., CPOTs). In the unlikely event that the documentation submitted is insufficient to validate reported linkages; the SC will coordinate with the submitting office to obtain the required information.
- All PTO cases that are reported as disrupted or dismantled must be validated by OMD or the Organized Crime Drug Enforcement Task Force – OCDETF Section (OMO). OMD will validate all non-OCDETF related PTO cases and OMO will validate all OCDETF related cases. These disruptions and dismantlements are reported to the Executive Office of OCDETF via memo by OMO.

Performance Measure 2: Number of Active International and Domestic PTOs Not Linked to CPOT Targets Disrupted or Dismantled

Although there is a primary emphasis on international and domestic PTOs linked to CPOT Targets, the PTOs not linked to CPOT targets disrupted or dismantled are just as important to DEA's mission. Specifically, the DEA's PTO Program focuses on dismantling entire drug trafficking networks by targeting their leaders for arrest and prosecution, confiscating the profits that fund continuing drug operations, and eliminating international sources of supply. As entire drug trafficking networks from sources of supply to the distributors on the street are disrupted or dismantled, the availability of drugs within the United States will be reduced. The performance

measure, active international and domestic priority targets not linked to CPOT targets disrupted or dismantled, is the same measure included in the National Drug Control Budget Summary.

In the first few years of the DEA's Priority Targeting Program, DEA repeatedly exceeded its annual targets for PTO disruptions⁶ and dismantlements⁷. Prior to FY 2005, DEA reported its PTO disruptions and dismantlements for closed cases. Thereafter, it included PTOs disrupted pending dismantlements (Category D – PTOs) among its disruption statistics because these cases achieved significant enforcement milestones (arrests, seizures, etc.). However, internally, DEA has never included disruptions pending dismantlement in its year-end reporting. Therefore, in order to align DEA’s external and internal reporting, DEA decided to exclude disruptions pending dismantlement from its year-end accounting of disruptions and dismantlements, effective FY 2016.

This decision by DEA will restore tracking end-points (dates closed) uniformly across all PTO case work analyzed and reported. In turn, this will enhance DEA’s ability to identify, categorize and evaluate the efficacy of its PTO investigations and their corresponding resource allocations. Also, limiting PTO case reporting to closed cases will result in efficiencies that augment statistical accuracy and as such, restore the ability to replicate reports now and into the future.

As of September 30, 2017, the DEA disrupted or dismantled 1,248 PTOs not linked to CPOT targets, which is 78.5 percent of its FY 2017 target of 1,590. As previously discussed, DEA’s FY 2017 PTO performance (CPOT-linked and Not-linked) has been tempered by the emergence and development of TEPP and a reduced Special Agent workforce. DEA anticipates developing and adjusting future targets that fully account for the changes resulting from TEPP as it is implemented.

DEA FY 2018 target is 1,151 PTOs not linked to CPOTs. This target was determined using a cascading algorithm that takes into account the distribution patterns of prior year (FY 2014 through FY 2017) PTO dispositions as well as the overall inventory of potential cases worked within the period of interest to include the current inventory of cases open as well as a projected estimate of new cases initiated during that same period. This method is correlated to and supported by a corresponding analysis of the work hours (Special Agent and Total Core) dedicated to PTOs as an aggregate and by subcategory – CPOT/Not, Disrupted/Dismantled [closed], Administratively Closed [closed] and Still Active [open].

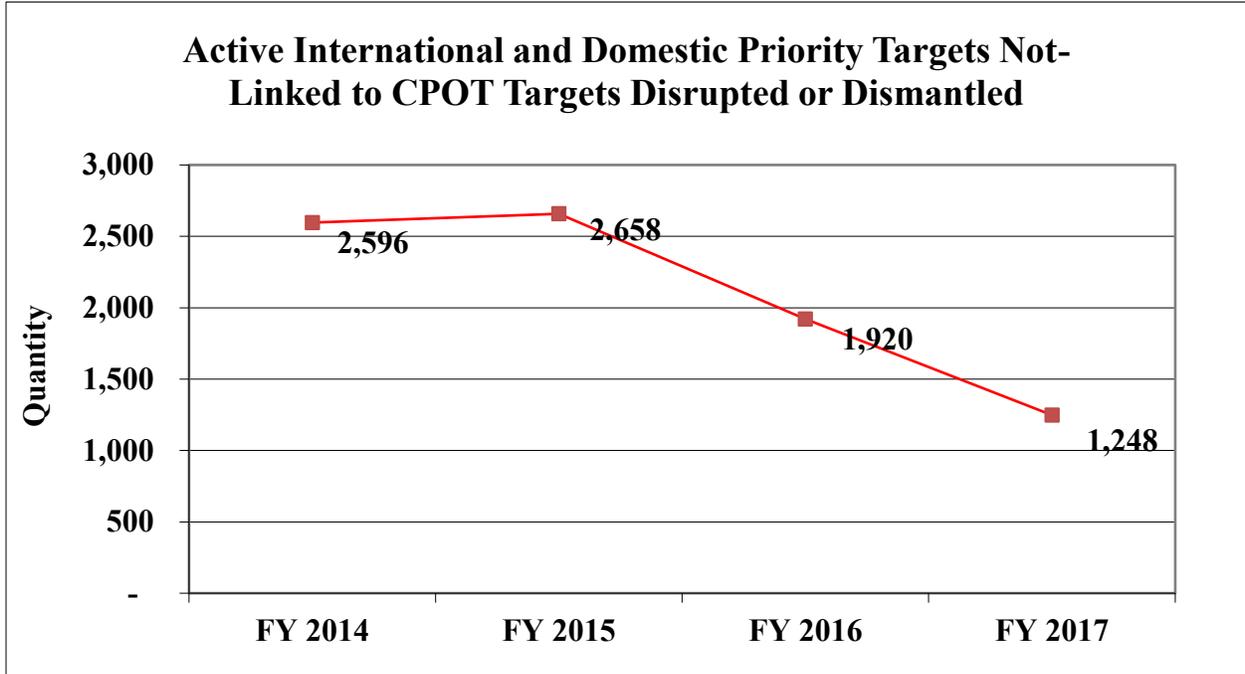
Table 2: Measure 2

FY 2014 Actual	FY 2015 Actual	FY 2016 ⁸ Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
2,596	2,658	1,920	1,590	1,248	1,151

⁶ A disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

⁷ A dismantlement occurs when the organization’s leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

⁸ Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled in our actual and target totals.



Data Validation and Verification

PTOs not linked to CPOT targets use the same data validation and verification and PTOs linked to CPOT targets. They are in the same system, PTARRS, and identified with a code of “NO” for not linked.

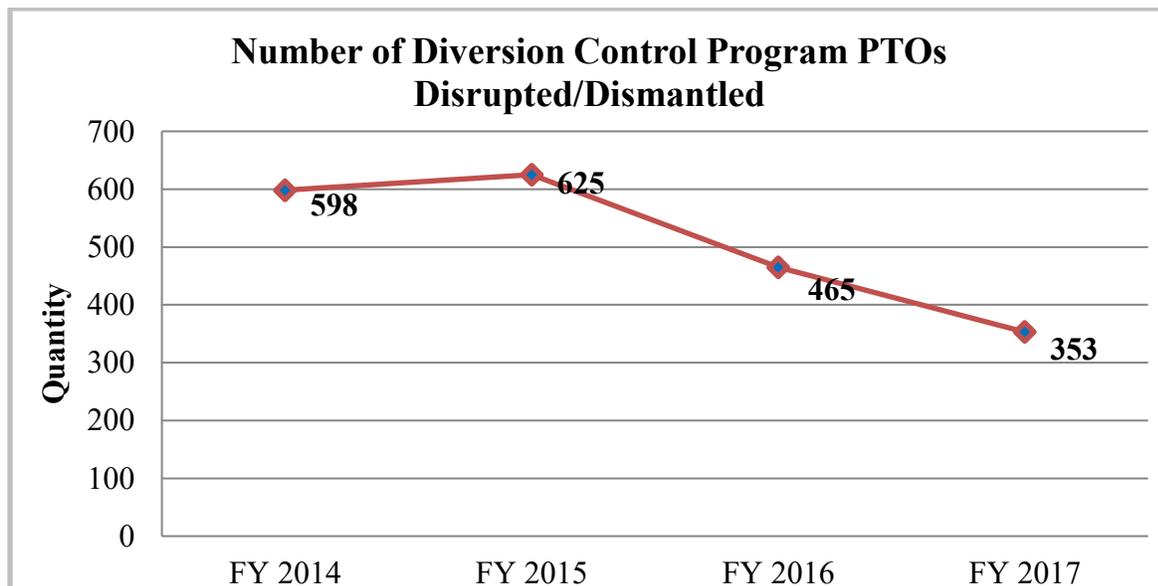
Performance Measure 3: Number of DCP-related PTOs Disrupted/Dismantled

The Diversion Control Program (DCP) has been working diligently to address the growing problem of diversion and prescription drug abuse. Criminal entrepreneurs have, over the past few years, leveraged technology to advance their criminal schemes and reap huge profits while diverting millions of dosages of powerful pain relievers such as hydrocodone. One such method was the use of rogue Internet pharmacies. Investigations involving Internet pharmacies required the DEA to retool and retrain investigators. Most of these investigations involved several jurisdictions and involved voluminous amounts of electronic data. Compounding the problem was the fact that many of the laws under which investigators worked were written years prior to today’s technological advances.

The DEA also developed and implemented the Distributor Initiative Program designed to educate and remind registrants of their regulatory and legal responsibilities. This program has been very successful and has moved the pharmaceutical industry to install new and enhanced measures to address their responsibilities and due diligence as registrants. Despite these efforts the prescription drug abuse problem continues to be a major problem. Many state and local law enforcement agencies have devoted limited, if any resources, in the area of pharmaceutical diversion. To effectively attack this problem, the DEA, beginning in FY 2009, began establishing Tactical Diversion Squads (TDS) across the United States to tackle the growing problem of diversion and prescription drug abuse. These TDS groups, which incorporate Special Agents, Diversion Investigators and state and local Task Force Officers, have begun to show very successful investigations. Some of these investigations have resulted in multi-million dollar seizures. Beginning in FY 2011, DEA reported its DCP PTOs separately under the Diversion Control Fee Account. As a participant in the PTO program, the DCP is required to report PTOs linked to CPOT and not linked to CPOT. However, with the nature of the DCP, CPOT linkages are a rare event. Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the DCP began focusing on the identification of PTOs and their eventual disruption and dismantlement. As the DCP continues to work to fully staff its TDS groups, PTO performance is expected to increase.

Table 3: Measure 3

FY 2014 Actual	FY 2015 Actual	FY 2016 ⁹ Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
598	625	465	362	353	329



⁹ Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled in our actual and target totals.

In the first few years of the DEA's Priority Targeting Program, DEA repeatedly exceeded its annual targets for PTO disruptions¹⁰ and dismantlements¹¹. Prior to FY 2005, DEA reported its PTO disruptions and dismantlements for closed cases. Thereafter, it included PTOs disrupted pending dismantlements among its disruption statistics because these cases achieved significant enforcement milestones (arrests, seizures, etc.). However, internally, DEA has never included disruptions pending dismantlement in its year-end reporting. Therefore, in order to align DEA's external and internal reporting, DEA has decided to exclude disruptions pending dismantlement from its year-end accounting of disruptions and dismantlements.

For FY 2017, the DEA disrupted or dismantled 353 DCP PTOs linked/not linked to CPOTs, which is 97.5 percent of its FY 2017 target of 362. As previously discussed, DEA's FY 2017 PTO performance (CPOT-linked and Not-linked) has been tempered by the emergence and development of TEPP and a reduced Special Agent workforce. DEA anticipates developing and adjusting future targets that fully account for the changes resulting from TEPP as it is implemented.

DEA FY 2018 target is 329 PTOs linked to CPOTs. This target was determined using a cascading algorithm that takes into account the distribution patterns of prior year (FY 2014 through FY 2017) PTO dispositions as well as the overall inventory of potential cases worked within the period of interest to include the current inventory of cases open as well as a projected estimate of new cases initiated during that same period. This method is correlated to and supported by a corresponding analysis of the work hours (Special Agent and Total Core) dedicated to PTOs as an aggregate and by subcategory – CPOT/Not, Disrupted/Dismantled [closed], Administratively Closed [closed] and Still Active [open].

Data Validation and Verification

DCP PTOs use the same data validation and verification system as the domestic and international PTOs linked and not linked to CPOT targets. They are in the same system, PTARRS, and identified by a 2000 series case file number and certain fee fundable GEO – Drug Enforcement Program (GDEP) drug codes.

Performance Measure 4: Number of Administrative/Civil Sanctions Imposed on Registrants/Applicants

In addition to the DCP's enforcement activities, a large component of the DCP is regulatory in nature. Specifically, DEA's DCP is responsible for enforcing the Controlled Substances Act (CSA) and its regulations pertaining to pharmaceutical controlled substances and listed chemicals. The DCP actively monitors more than 1.3 million individuals and companies that are

¹⁰ A disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

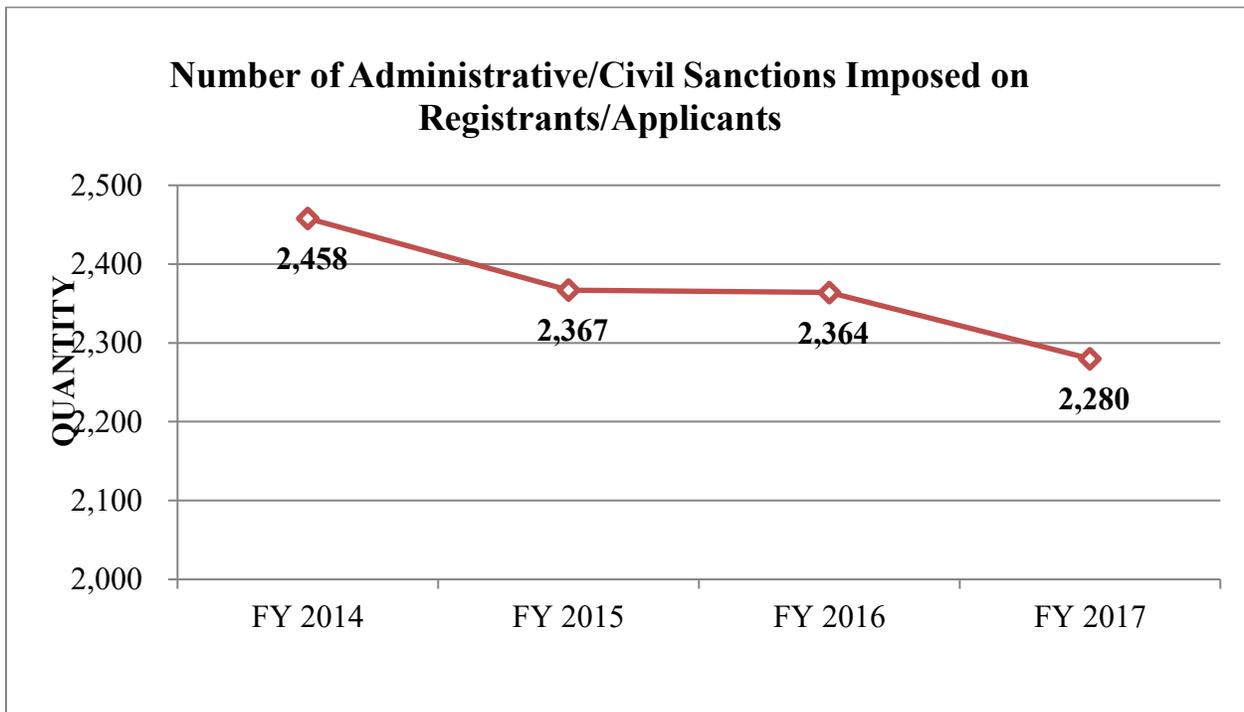
¹¹ A dismantlement occurs when the organization's leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

registered with DEA to handle controlled substances or listed chemicals through a system of scheduling, quotas, recordkeeping, reporting, and security requirements. The DCP implements an infrastructure of controls established through the CSA and ancillary regulations. This system balances the protection of public health and safety by preventing the diversion of controlled substances and listed chemicals while ensuring an adequate and uninterrupted supply for legitimate needs. As a result of this regulatory component, an additional performance measure, the number of Administrative/Civil Sanctions Imposed on Registrants/Applicants, is included in this report, which is indicative of the overall regulatory activities supported by the DCP.

Projections for the number of Administrative/Civil Sanctions levied are derived using a Microsoft Excel algorithm which compiles and computes a trend (usually linear) utilizing actual data from the preceding time periods (e.g., fiscal years) and predicts data estimates for subsequent fiscal years.

Table 4: Measure 4

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
2,458	2,367	2,364	2,367	2,280	2,066



For FY 2017, the DCP imposed 2,280 Administrative/Civil Sanctions on its registrants/applicants, which is 96.3 percent of its FY 2017 target of 2,367. Although, Diversion Investigators are engaging more with the registrant population during their scheduled investigations to correct minor regulatory violations onsite, instead of citing registrants with formal administrative sanctions, the number of Administrative/Civil Sanctions levied continues

to be consistent with historical trends because these sanctions, with a few exceptions, are primarily attributed to new/inexperienced registrants and/or industry professionals engaged in deliberate attempts to divert controlled substances.

For FY 2018, DCP’s target for Administrative/Civil Sanctions is 2,066 based on prior year actuals.

Data Validation and Verification

The CSA Database (CSA2) is an Oracle database, which maintains all of the historical and investigative information on DEA registrants. It also serves as the final repository for punitive actions (i.e., sanctions) levied against CSA violators. During the reporting quarter, the domestic field divisions change the status of a registrant’s CSA2 Master Record to reflect any regulatory investigative actions that are being conducted on the registrant. The reporting of the regulatory action by each field division is available on a real-time basis through the reporting system within CSA2, as the investigative status change occurs. The regulatory investigative actions that are collected in a real-time environment are as follows: letters of admonition/MOU, civil fines, administrative hearing, order to show cause, restricted record, suspension, surrender for cause, revocations, and applications denied.

The Diversion Investigators and Group Supervisors/Diversion Program Managers are tasked to ensure that timely and accurate reporting is accomplished as the registrant’s investigative status changes. Group Supervisors/Diversion Program Managers have the ability to view the report of ongoing and completed regulatory investigation actions for their office/division at any time during the quarter or at the quarter’s end, since the actions are in real-time.

Performance Measure 5: Number of State and Local Law Enforcements Officers Trained in Clandestine Laboratory Enforcement

The DEA supports state and local law enforcement with methamphetamine-related assistance and training, which allows state and local agencies to better address the methamphetamine threat in their communities and reduce the impact that methamphetamine has on the quality of life for American citizens.

One of the most critical, specialized training programs offered by DEA to state and local law enforcement officers is in the area of Clandestine Laboratory Training. Often, it is the state and local police who first encounter the clandestine laboratories and must ensure that they are investigated, dismantled, and disposed of appropriately.

Table 5: Measure 5

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
1,484	1,888	1,106	1,300	909	1,300

FEDERAL BUREAU OF PRISONS

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Washington, D.C. 20530

Office of the Inspector General's Independent Report on the Annual Accounting of Drug Control Funds and Related Performance

Director
Federal Bureau of Prisons
U.S. Department of Justice

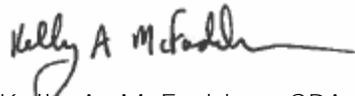
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Federal Bureau of Prisons (BOP) for the fiscal year ended September 30, 2017. The BOP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of BOP management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Federal Bureau of Prisons
Detailed Accounting Submission

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Washington, DC 20534

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Federal Bureau of Prisons (BOP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the BOP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the BOP to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogramming or transfers during FY 2017.
4. BOP did not have any ONDCP Fund Control Notices issued in FY 2017.

Bradley T. Gross
Assistant Director
for Administration

1/18/2018

Date

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)**

	FY 2017 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Inmate Care and Programs	
Treatment	\$ 85.69
Corrections	\$ 1,164.65
Total Inmate Care and Programs	<u><u>\$ 1,250.34</u></u>
 Decision Unit #2: Institution Security and Administration	
Corrections	\$ 1,456.47
Total Institution Security and Administration	<u><u>\$ 1,456.47</u></u>
 Decision Unit #3: Contract Confinement	
Treatment	\$ 31.32
Corrections	\$ 437.63
Total Contract Confinement	<u><u>\$ 468.95</u></u>
 Decision Unit #4: Management and Administration	
Corrections	\$ 102.15
Total Management and Administration	<u><u>\$ 102.15</u></u>
 Decision Unit #5: New Construction	
Corrections	\$ 2.53
Total New Construction	<u><u>\$ 2.53</u></u>
 Decision Unit #6: Modernization and Repair	
Corrections	\$ 40.25
Total Modernization and Repair	<u><u>\$ 40.25</u></u>
 Total Drug Control Obligations	 <u><u>\$ 3,320.69</u></u>

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The mission of the Federal Bureau of Prisons (BOP) is to protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, cost-efficient, appropriately secure, and which provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens.

The BOP's drug resources are divided into two functions: 1) Treatment; and 2) Corrections.

Treatment Function Obligations are calculated by totaling, actual amount obligated (100%) for Drug Treatment Functions, which includes: Drug Program Screening and Assessment; Drug Abuse Education; Non-Residential Drug Abuse Treatment; Residential Drug Abuse Treatment; and Community Transitional Drug Abuse Treatment. The treatment obligations for Community Transitional Drug Treatment are captured in Contract Confinement Decision unit, where, as all other programs are included in Inmate Care and Program Decision Unit.

Correction Function Obligations are calculated by totaling, all BOP Direct Obligations, subtracting Treatment Functions obligations from it and applying drug percentage to these obligations. Drug percentage is the percentage of inmates sentenced for drug-related crimes (46.3%).

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The table represents obligations incurred by the BOP for drug control purposes. The amounts are net of all reimbursable agreements.

Data - All accounting information for the BOP is derived from the Department of Justice (DOJ) Financial Management Information System 2 (FMIS2).

Financial Systems - The FMIS2 is the DOJ financial system that provides BOP obligation data. Obligations in this system can also be reconciled with the enacted appropriation and carryover balances.

Disclosure 2: Methodology Modifications

The overall methodology to calculate drug control obligations has not been changed from the prior year (FY 2016).

Disclosure 3: Material Weaknesses or Other Findings

In FY 2017, there were no significant deficiencies or material weaknesses identified in OMB Circular A-123 testing or the *Independent Auditors' Report on Internal Control over Financial Reporting* and no findings in the *Independent Auditors' Report on Compliance and other Matters*.

Disclosure 4: Reprogrammings or Transfers

BOP's FY 2017 obligations include all approved transfers and there were no reprogrammings (see the attached Table of Reprogrammings and Transfers).

Disclosure 5: Other Disclosures

The BOP allocates funds to the Public Health Service (PHS). The PHS provides a portion of the drug treatment for federal inmates. In FY 2017, \$1,433,564 was allocated from the BOP to PHS, and was designated and expended for current year obligations of PHS staff salaries, benefits, and applicable relocation expenses associated with eleven PHS Full Time Equivalents in relations to drug treatment. Therefore, the allocated obligations were included in BOP's Table of Drug Control Obligations.

Federal Bureau of Prisons
Performance Summary Report

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Washington, DC 20534

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Federal Bureau of Prisons (BOP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the BOP system of performance reporting provides reasonable assurance that:

1. BOP uses SENTRY to capture performance information accurately and SENTRY was properly applied to generate the performance data.
2. BOP met the reported performance targets for FY 2017.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. BOP has established at least one acceptable performance measure, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

Bradley T. Gross
Assistant Director
for Administration

1/18/2018

Date

**U.S. Department of Justice
Federal Bureau of Prisons
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

Performance Measure: Residential Drug Abuse Treatment Program Capacity and Enrollment

The BOP has established a performance measurement of monitoring the utilization of residential drug treatment program capacity as a performance indicator to measure effective usage of Drug Treatment Programs. This measure complies with the purpose of National Drug Control Program activity and is presented in support of the Treatment function.

The Violent Crime Control and Law Enforcement Act of 1994 requires the BOP to provide residential substance abuse treatment for 100% of “eligible” inmates by the end of FY 1997 and each year thereafter (subject to the availability of appropriations). The BOP established a performance measurement tracking the capacity of the Residential Drug Abuse Program (RDAP) to the number of participants at the end of each fiscal year. The objective is to monitor the utilization of RDAP capacity.

RDAP is offered at 76 BOP locations and one contract facility. Inmates who participate in these residential programs are housed together in a treatment unit that is set apart from the general population. Treatment is provided for a minimum of 500 hours.

Data on inmate capacity and participation is entered in the BOP on-line system (SENTRY). SENTRY Key Indicator reports provide the counts of inmates participating in the RDAP and subject matter experts enter and analyze the data.

In FY 2017, the BOP achieved a total capacity of 7,022 (capacity is based on number of treatment staff) that was available for the fiscal year and 6,781 actual participants (participants are actual inmates enrolled in the program at year end) thus exceeding the target level of 95%.

For FY 2018, the capacity of BOP’s RDAP is projected to be 7,022 with total participants of 6,781. This is based on past performance of FY 2017.

Fiscal year-end Residential Drug Abuse Treatment Program Capacity and Enrollment

Fiscal Year	Capacity	Participants*	Utilization
FY 2014 Actual	7,918	7,547	95%
FY 2015 Actual	7,829	7,535	96%
FY 2016 Actual	7,833	7,410	95%
FY 2017 Target	7,833	7,410	95%
FY 2017 Actual	7,022	6,781	97%
FY 2018 Target	7,022	6,671	95%

*Participants may exceed Capacity due to overcrowding and demand for the program.

Data Validation and Verification

To ensure the reliability of the data, the capacity of the program and the utilization rate is monitored by subject matter experts at the end of each quarter using Key Indicator reports generated from SENTRY.

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OFFICE OF JUSTICE PROGRAMS

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Washington, D.C. 20530

Office of the Inspector General's Independent Report on the Annual Accounting of Drug Control Funds and Related Performance

Assistant Attorney General
Office of Justice Programs
U.S. Department of Justice

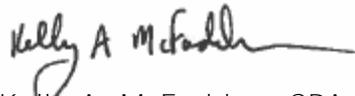
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Office of Justice Programs (OJP) for the fiscal year ended September 30, 2017. The OJP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of OJP management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Office of Justice Programs
Detailed Accounting Submission

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Washington, D.C. 20531

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Office of Justice Programs (OJP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OJP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by the budget decision unit are the actual obligations from the OJP's accounting system of record for these budget decision units.
2. The drug methodology used by the OJP to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$1 million.
5. The data presented are associated with obligations against a financial plan that fully complied with all Fund Control Notices issued by the ONDCP Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.

Leigh Benda, Chief Financial Officer

Date

	FY 2017 Actual Obligations ^{1/}
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Regional Information Sharing System Program	
State and Local Assistance	\$ 32.06
Total, Regional Information Sharing System Program	<u>\$ 32.06</u>
Decision Unit #2: Drug Court Program	
Treatment	\$ 39.84
Total, Drug Court Program	<u>\$ 39.84</u>
Decision Unit #3: Residential Substance Abuse Treatment Program	
Treatment	\$ 13.26
Total, Residential Substance Abuse Treatment Program	<u>\$ 13.26</u>
Decision Unit #4: Harold Rogers' Prescription Drug Monitoring Program	
State and Local Assistance	\$ 13.15
Total, Harold Rogers' Prescription Drug Monitoring Program	<u>\$ 13.15</u>
Decision Unit #5: Second Chance Act Program	
State and Local Assistance	\$ 23.23
Total, Second Chance Act Program	<u>\$ 23.23</u>
Decision Unit #6: Byrne Criminal Justice Innovation Program	
State and Local Assistance	\$ 4.69
Total, Byrne Criminal Justice Innovation Program	<u>\$ 4.69</u>
Decision Unit #7: Edward Byrne Memorial Justice Assistance Grant Program	
State and Local Assistance	\$ 63.24
Total, Edward Byrne Memorial Justice Assistance Grant Program	<u>\$ 63.24</u>
Decision Unit #8: Tribal Youth Program ^{2/}	
Prevention	\$ 0.00
Total, Tribal Youth Program	<u>\$ 0.00</u>
Decision Unit #9: Veterans Treatment Courts Program	
Treatment	\$ 6.77
Total, Veterans Treatment Courts Program	<u>\$ 6.77</u>
Decision Unit #10: Comprehensive Opioid Abuse Program	
Treatment	\$ 12.35
Total, Comprehensive Opioid Abuse Program	<u>\$ 12.35</u>
Decision Unit #11: 7% Tribal Set Aside - CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse ^{3/}	
Treatment	\$ 5.92
Total, 7% Tribal Set Aside - CTAS Purpose Area 3	<u>\$ 5.92</u>
Decision Unit #12: 7% Tribal Set Aside - CTAS Purpose Area 9: Tribal Youth Program ^{3/}	
Prevention	\$ 3.51
Total, 7% Tribal Set Aside - CTAS Purpose Area 9	<u>\$ 3.51</u>
Total Drug Control Obligations	<u>\$ 218.01</u>

NOTE: OJP is not reporting data for Tribal Courts, Indian Alcohol and Substance Abuse, and Enforcing Underage Drinking Laws programs, as there were no obligations for these programs in FY 2017.

^{1/} Actual obligations reflect direct program obligations plus estimated management and administration obligations.

^{2/} Total obligations for the Tribal Youth Program are approximately \$2K. Because this table is in millions, the total obligations for this program do not appear.

^{3/} In FY 2017, appropriations for the Indian Assistance and Tribal Youth Program line items (which fund the Tribal Courts; Indian Alcohol and Substance Abuse; and Tribal Youth programs) was replaced with a 7% discretionary funding set aside for tribal justice assistance programs. New programs were created in OJP's accounting system to track the spending of funds generated by this set aside.

OJP has added two of these programs - 7% Tribal Set Aside - CTAS Purpose Area 3 and 7% Tribal Set Aside - CTAS Purpose Area 9 - to this table to ensure complete and accurate reporting on OJP's drug-related program obligations. These two new programs support the activities previously funded by the Tribal Courts; Indian Alcohol and Substance Abuse; and Tribal Youth programs.

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The mission of the Office of Justice Programs (OJP) is to provide leadership, resources and solutions for creating safe, just and engaged communities. As such, OJP's resources are primarily targeted to providing assistance to state, local, and tribal governments. In executing its mission, OJP dedicates a significant level of resources to drug-related program activities, which focus on breaking the cycle of drug abuse and crime including: drug testing and treatment, provision of graduated sanctions, drug prevention and education, and research and statistics.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

OJP's Office of the Chief Financial Officer, Budget Formulation and Appropriations Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP's Fiscal Year (FY) 2017 drug obligations have a total of 15 decision units identified for the National Drug Control Budget. Within the 15 decision units, three: the Comprehensive Opioid Abuse Program, 7% Tribal Set Aside Coordinated Tribal Assistance Solicitation (CTAS) Purpose Area 3, and 7% Tribal Set Aside - CTAS Purpose Area 9 are new in FY 2017.

The 15 decision units in FY 2017 include the following:

- Regional Information Sharing System Program
- Drug Court Program
- Residential Substance Abuse Treatment
- Harold Rogers' Prescription Drug Monitoring Program
- Second Chance Act Program
- Byrne Criminal Justice Innovation Program
- Edward Byrne Memorial Justice Assistance Grants Program
- Tribal Youth Program
- Veterans Treatment Courts Program
- Comprehensive Opioid Abuse Program
- 7% Tribal Set Aside - CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse
- 7% Tribal Set Aside - CTAS Purpose Area 9: Tribal Youth Program
- Tribal Courts Program
- Indian Alcohol and Substance Abuse Program
- Enforcing Underage Drinking Laws Program

Of the 15 decision units listed above, OJP is not reporting obligations for three of them: Tribal Courts, Indian Alcohol and Substance Abuse, and Enforcing Underage Drinking Laws programs in FY 2017. The first two programs continue to function under the 7% Tribal Set Aside - CTAS

Purpose Area 3 and % Tribal Set Aside - CTAS Purpose Area 9 decision units. The Enforcing Underage Drinking Laws Program has not been funded since FY 2014 and is no longer active. However, OJP is reporting drug-related transfers and recoveries for these programs.

In determining the level of resources used in support of the 12 active budget decision units, OJP used the following methodology:

Drug Program Obligations by Decision Unit:

Data on obligations, as of September 30, 2017, were gathered from the Department of Justice's (DOJ's) Financial Management Information System 2 (FMIS2). The total obligations presented for OJP are net of funds obligated under the Crime Victims Fund and Public Safety Officers' Benefits Program.

Management and Administration (M&A) Data:

M&A funds are assessed at the programmatic level and obligations are obtained from FMIS2 (OJP's Financial System). The obligation amounts were allocated to each decision unit by applying the relative percentage of Full-Time Equivalents (FTE) assigned to the 12 active drug-related decision units to the total M&A obligations for OJP.

Overall, OJP program activities support the two goals of the National Drug Control Strategy to: (1) curtail illicit drug consumption in America; and (2) improve the public health and public safety of the American people by reducing the consequences of drug abuse. Functionally, OJP program activities fall under the following functions: State and Local Assistance, Treatment, and Prevention. To determine the function amount, OJP used an allocation method that was derived from an annual analysis of each program's mission and by surveying program officials. OJP then applied that function allocation percentage to the obligations associated with each decision unit line item.

The Table of Drug Control Obligations amounts were calculated as follows:

Function: The appropriate drug-related percentage was applied to each decision unit line item and totaled by function. For FY 2017, the 12 active budget decision units had a function allocation of 100 percent.

Decision Unit: In accordance with the ONDCP Circulars, 100 percent of the actual obligations for six of the 12 active budget decision units are included in the Table of Drug Control Obligations.

As directed by ONDCP, only 50 percent of the actual obligations for the Second Chance Act are included.

OJP is reporting 30 percent of the actual obligations for four programs as drug-related, which include the Byrne Criminal Justice Innovation Program; Tribal Youth Program; the 7% Tribal Set Aside - CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse; and the 7% Tribal Set Aside - CTAS Purpose Area 9: Tribal Youth Program.

The Edward Byrne Memorial Justice Assistance Grant Program reports 22 percent of the actual obligations as drug-related.

Disclosure 2: Methodology Modifications

OJP's overall methodology used to report obligations has not changed from the prior year methodology. However, for the FY 2017 submission, OJP is including the Comprehensive Opioid Abuse Program (COAP). This new program was created under the Consolidated Appropriations Act of 2017 (Public Law 115-31), and is authorized by the Comprehensive Addiction and Recovery Act (Public Law 114-198). Through grants and technical assistance, programs and projects funded by COAP are designed to strengthen law enforcement and community responses to the opioid epidemic and provide support for effective diversion and alternatives to incarceration programs for individuals responsible for low-level, non-violent offenses.

Also, in FY 2017, Congress replaced the traditional line item appropriations for Indian Assistance (which supported the Tribal Courts and Indian Alcohol and Substance Abuse programs) and the Tribal Youth Program with a 7% discretionary funding set aside for tribal justice assistance programs. The funding generated by this set aside supports awards made through DOJ's CTAS. As a result, OJP added two new decision units: 1) 7% Tribal Set Aside - CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse; and 2) 7% Tribal Set Aside - CTAS Purpose Area 9: Tribal Youth programs, in FY 2017. These two 7% Tribal Set Aside decision units support the activities previously funded by the Tribal Courts; Indian Alcohol and Substance Abuse; and the Tribal Youth programs. New program codes were also created in OJP's financial management systems to track the spending of funding generated by the 7% set aside.

Therefore, consistent with previous years' reporting for OJP tribal-related programs, OJP is reporting 30% of obligations for the new 7% Tribal Set Aside - CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse, and 7% Tribal Set Aside - CTAS Purpose Area 9: Tribal Youth programs, which is the same percentage of funding scored as drug-related in previous years when these programs were funded by separate line items.

Disclosure 3: Material Weaknesses or Other Findings

For FY 2017, OJP was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2017 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal controls in FY 2017 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

In accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, OJP has provided the attached Table of Reprogrammings and Transfers. In FY 2017, OJP had no reprogrammings, and \$48.0 million and \$53.6 million in drug-related transfers-in and transfers-out, respectively. The transfers-in amounts include OJP's FY 2017 prior-year recoveries associated with the reported budget

decision units. The transfers-out amounts reflect the assessments for the 2% Research, Evaluation, and Statistics (RES) set aside, M&A assessments against OJP programs, and the 7% Tribal Justice Assistance Programs set aside.

The RES two percent set-aside was directed by Congress for funds to be transferred to and merged with funds provided to the National Institute of Justice and the Bureau of Justice Statistics to be used for research, evaluation, or statistical purposes. In FY 2017, Congress provided OJP the authority to assess programs for administrative purposes. Also in FY 2017, Congress authorized OJP a new set aside of up to 7% of discretionary funding appropriated for grant and payment programs under the State and Local Law Enforcement Assistance and Juvenile Justice Programs appropriations accounts to fund flexible tribal justice assistance grants.

Disclosure 5: Other Disclosures

Of the total FY 2017 actual drug obligations, \$7.7 million are supported by unobligated resources carried forward from previous fiscal years.

Office of Justice Programs
Performance Summary Report

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Washington, D.C. 20531

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Office of Justice Programs (OJP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OJP system of performance reporting provides reasonable assurance that:

1. OJP uses the Grants Management System and Performance Management Tool to capture performance information accurately and these systems were properly applied to generate the performance data.
2. Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets is reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. OJP has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

Leigh Benda, Chief Financial Officer

Date

**Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

Performance Measures:

The Office of Justice Programs (OJP), established by the Justice Assistance Act of 1984, supports a variety of criminal justice programs. Within OJP's overall program structure, specific resources dedicated to support the National Drug Control Strategy are found in the: Drug Court program (which includes Veteran's Courts); Edward Byrne Memorial Justice Assistance Grant (JAG) program; Harold Rogers' Prescription Drug Monitoring Program (PDMP); Regional Information Sharing System (RISS); Residential Substance Abuse Treatment (RSAT) program; and Second Chance Act (SCA) program.

As required by the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, OJP is reporting on the following performance measures of the above programs for this Performance Summary Report:

- Graduation rate of program participants in the Drug Court program¹
- Completion rate for individuals participating in drug-related JAG programs
- Number of PDMP interstate solicited and unsolicited reports produced
- Percent increase in RISS inquiries
- Number of participants in the RSAT program
- Number of participants in the SCA-funded programs

In accordance with an agreement from ONDCP, dated December 2, 2013, OJP is not required to report performance measures for the following programs/decision units: Byrne Criminal Justice Innovation programs, Enforcing Underage Drinking Laws program, Tribal Courts program, Indian Alcohol and Substance Abuse program, and Tribal Youth program. ONDCP stated that this agreement is in effect for the duration of the administration of these programs/decision units, unless the strategic direction of these programs is revised in the future to be more drug-related in nature. Starting in fiscal year (FY 2017), the Tribal Courts program, Indian Alcohol and Substance Abuse program, and Tribal Youth program were combined under a new 7% discretionary funding set aside for tribal justice assistance programs in OJP's appropriation. As such, OJP added two new decision units: 1) 7% Tribal Set Aside - Coordinated Tribal Assistance Solicitation (CTAS) Purpose Area 3: Justice Systems and Alcohol and Substance Abuse; and 2) 7% Tribal Set Aside - CTAS Purpose Area 9: Tribal Youth programs, in FY 2017.

¹ Although appropriated as separate line items, OJP combines the Drug Courts and Veterans Treatment Courts Program funding together under one solicitation. Grantees may choose in their applications to serve veterans. As of September 30, 2017, Veteran's Treatment Court participants accounted for approximately 17% of all individuals enrolled in treatment court programs funded by OJP.

While the 7% set aside funding vehicle is new, the strategic direction and use of tribal justice funding has not changed. As a result, OJP does not have specific performance measures for tribal justice activities that only capture drug-related activities. For both of these reasons, OJP will continue its policy of reporting on the funding amounts of the 7% set aside, but not on the performance measures related to these funds. In FY 2018, OJP will work with ONDCP to revise its December 3, 2013 agreement of the programs/decision units that OJP is not required to report performance measures.

Performance Measure 1: Graduation Rate of Program Participants in the Drug Court Program

Decision Unit: Drug Court Program

Table 1: Graduation Rate of Program Participants in the Drug Court Program

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
51%	53%	56%	51%	48%	51%

The Bureau of Justice Assistance (BJA) and the Office of Juvenile Justice and Delinquency Prevention (OJJDP) administer OJP’s Drug Court program. The Drug Court program was established in 1995 to provide financial and technical assistance to states, state courts, local courts, units of local government, and tribal governments in order to establish drug treatment courts. Drug courts employ an integrated mix of treatment, drug testing, incentives, and sanctions to break the cycle of substance abuse and crime. According to the National Association of Drug Court Professionals, there are 3,057² drug courts and problem-solving courts operating throughout all 50 states and U.S. territories.

Based on the success of the drug court model, a number of problem-solving courts are also meeting the critical needs of various populations. These problem-solving courts include Family Dependency Treatment, Driving While Intoxicated, Reentry, Healing-to-Wellness, Co-Occurring Disorders, and Veterans Treatment among others.

The need for drug treatment services is tremendous and OJP has a long history of providing resources to break the cycle of drugs and violence by reducing the demand, use, and trafficking of illegal drugs. According to the National Victimization Survey, there were 5.7 million violent victimizations of those aged 12 or older in 2016³. According to a 2007 survey of victims, about 26 percent believed the perpetrator was using drugs, alcohol, or both at the time of the incident.⁴ Further, 54 percent of jail inmates were abusing or dependent on drugs,

² National Association of Drug Court Professionals <http://www.nadcp.org/learn/about-nadcp>

³ Morgan, R.E & Kena G. 2017. *Criminal Victimization, 2016*. U.S Department of Justice, Office of Justice Programs, Bureau of Justice Statistics. NCJ251150. <https://www.bjs.gov/content/pub/pdf/cv16.pdf>.

⁴ Dorsey, Tina (editor). *Drugs and Crime Facts*. U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics. NCJ 165148. <https://www.bjs.gov/content/pub/pdf/DCF.pdf>.

according to the BJS 2002 Survey of Inmates in Local Jails.⁵ Correspondingly, 53 percent of state inmates, and 45 percent of federal inmates abused, or were dependent, on drugs in the year before their admission to prison, according to the BJS 2004 Surveys of Inmates in State and Federal Correctional Facilities.⁶

BJA funds enhancement grants to established drug courts to enhance their operations, and implementation grants for new drug courts. For drug courts, the graduation ceremony marks the completion of the program for offenders, signifying that they have completed all of the requirement of the program, including drug treatment, and refrained from continued drug use. The graduation rate of program participants is calculated by dividing the number of graduates during the reporting period (numerator) by the total number of participants exiting the program, whether successfully or unsuccessfully, during the reporting period (denominator).

The graduation rate for FY 2017 for BJA's drug courts is 48%, which is 3 percentage points below the target graduation rate of 51%. Coming in below the target is from a focus on targeting high/risk high/need participants, which is a difficult to serve target population. This results in drug court participants staying longer in the programs, resulting in a lower graduation rate. A final consideration is that in FY 2017 more drug courts than in the past shifted focus to difficult to treat users of opioids. In the midst of an opioid epidemic, communities have turned to available drug courts to help provide services to this population. As courts have adjusted to this influx, their graduation rates may have been impacted downward.

The graduation rate target for FY 2018 will remain the same at 51%. Similar to FY 2017, as drug court programs become more adapt at focusing on high risk/need participants, and those with co-occurring disorders, it is likely participants may stay longer in the programs, resulting in a lower graduation rate, when compared to the national average, which is 59% and ranges from 50-75%.⁷

Data Validation and Verification

BJA implemented the Performance Management Tool (PMT) on January 1, 2009, to support grantees' ability to identify, collect, and report performance measurement data online for activities funded under their award. Grantees report data in the PMT and create a report, which is uploaded to OJP's Grants Management System (GMS), and reviewed by BJA program managers. Program managers obtain data from reports submitted by grantees (including the performance measures), telephone contact, and on-site monitoring of grantee performance.

⁵ Karberg, J. James. D. 2005. *Substance Dependence, Abuse, and Treatment of Jail Inmates, 2002*. U.S Department of Justice, Office of Justice Programs, Bureau of Justice Statistics. NCJ209588. <https://www.bjs.gov/content/pub/pdf/sdatji02.pdf>

⁶ Mumola, C. and Karberg, J. 2006. *Drug Use and Dependence, State and Federal Prisoners, 2004*. U.S Department of Justice, Office of Justice Programs, Bureau of Justice Statistics. NCJ213530. <https://www.bjs.gov/content/pub/pdf/dudsfp04.pdf>

⁷ Marlowe, D. et al. 2016. "Painting the Current Picture. A National Report on Drug Courts and Other Problem-Solving Courts in the United States." National Drug Court Institute. Accessed online at: <http://www.nadcp.org/sites/default/files/2014/Painting%20the%20Current%20Picture%202016.pdf>

The PMT has real-time data accuracy checks for out-of-range and inconsistent values. Data are validated and verified through a review by program managers, which include an additional level of validation conducted by analysts who review the data quarterly using statistical testing methods.

Performance Measure 2: Completion Rate for Individuals Participating in Drug-Related JAG Programs

Decision Unit: Edward Byrne Memorial Justice Assistance Grant Program

Table 2: Completion rate for individuals participating in drug-related JAG programs

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
62%	63%	62%	57%	63%	57%

The Edward Byrne Memorial Justice Assistance Grant Program (JAG) program, administered by BJA, is the leading source of Federal justice funding to state and local jurisdictions. The JAG program focuses on criminal justice related needs of states, tribes, and local governments by providing these entities with critical funding necessary to support a range of program areas, including law enforcement; prosecution, courts, and indigent defense; crime prevention and education; corrections and community corrections; drug treatment and enforcement; program planning, evaluation, and technology improvement; and crime victim and witness initiatives. The activities conducted under each program area are broad, and include such activities as hiring and maintaining staff, overtime for staff, training, and purchasing equipment and/or supplies. More specifically, the drug treatment and enforcement program activities include treatment (inpatient or outpatient) as well as clinical assessment, detoxification, counseling, and aftercare.

The completion rate for individuals participating in drug-related JAG programs captures the percentage of total participants who are able to successfully complete all drug treatment program requirements. This measure supports the mission of the National Drug Control Strategy because these programs provide care and treatment for those who are addicted.

In FY 2017 the completion rate for individuals participating in drug-related JAG programs is 63%, which exceeds the 57% target. The data for this measure continues to be consistent, ranging from 62-63%.

The FY 2018 target is unchanged from the FY 2017 target of 57%, which remains the national average benchmark⁸. However, the FY 2019 target will be revised based on the continued consistency of this measure.

⁸ Marlowe, D. et. al. 2016. "Painting the Current Picture. A National Report on Drug Courts and Other Problem-Solving Courts in the United States." National Drug Court Institute.
<http://www.nadcp.org/sites/default/files/2014/Painting%20the%20Current%20Picture%202016.pdf>

Data Validation and Verification

BJA implemented the PMT to support grantees' ability to identify, collect, and report performance measurement data online for activities funded under their award. Grantees report data in the PMT and create a report, which is uploaded to GMS. Program managers review the reports. Program managers obtain data from reports submitted by grantees (including the performance measures), telephone contact, and through desk and on-site monitoring of grantee performance.

The PMT has real-time data accuracy checks for out-of-range and inconsistent values. Data are validated and verified through a review by research associates, which include an additional level of validation conducted by analysts who review the data quarterly using statistical testing methods.

Performance Measure 3: Number of PDMP Interstate Solicited and Unsolicited Reports Produced

Decision Unit: Harold Rogers' Prescription Drug Monitoring Program

Table 3: Total number of interstate solicited reports produced

CY 2014 Actual	CY 2015 Actual	CY 2016 Target	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target
4,640,553	1,248,742	3,600,000	63,840,510	4,000,000	Data available March 2018	8,600,000

Table 4: Total number of interstate unsolicited reports produced

CY 2014 Actual	CY 2015 Actual	CY 2016 Target	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target
26,376	6,030	1,890	3,033,593	2,500	Data available March 2018	16,208

The Harold Rogers Prescription Drug Monitoring Program (PDMP), administered by BJA, enhances the capacity of regulatory and law enforcement agencies, and public health officials to collect and analyze controlled substance prescription data and other scheduled chemical products through a centralized database administered by an authorized state agency. The objectives of the PDMP are to build a data collection and analysis system at the state level; enhance existing programs' ability to analyze and use collected data; facilitate the exchange of collected prescription data among states; and assess the efficiency and effectiveness of the programs funded under this initiative. Funds may be used for planning activities or implementation activities.

This performance measure contributes to the National Drug Strategy by aligning with the core area of improving information systems to better analyze, assess, and locally address drug use

and its consequences. The measure collects data on reports for the following users: prescribers, pharmacies/pharmacists, law enforcement (police officers, correctional officers, sheriffs or deputies, state coroners who are considered law enforcement and other law enforcement personnel), regulatory agencies, patients, researchers, medical examiners/coroners, drug treatment programs, drug court judges, and others.

In CY 2016, the number of solicited and unsolicited reports is significantly higher than the targets. In CY 2016, the number of interstate solicited reports was 63,840,510 and the number of interstate unsolicited reports was 3,033,593. The large uptick of reports is due to a number of factors, all centered on the opioid epidemic and the increasing usage of PDMPs as a tool to negate prescription drug abuse. The majority of the reports (about 80%) came from New York, Ohio, and California, which are very populous states.

The target for CY 2017 is 4,000,000 of interstate solicited reports produced, which is an increase from the target established in CY 2016. Targets are based on historical data compared with anticipated allocations. The target for CY 2018 is 16,208 of interstate unsolicited reports produced, which is a significant increase from the CY 2017 target. Likewise, the FY 2018 target for solicited reports is 8,600,000, more than twice the FY 2017 target.

For both solicited and unsolicited reports, it should be noted that these targets are difficult to predict due to a great deal of variance in these measures, as well as the addition and close out of grantees from year to year. Unsolicited reports pose a greater challenge, as each state has different laws on whether or not unsolicited reports can be generated. Additionally, the targets are impacted by the various prescribing practices of doctors, investigative capability of states investigative and regulatory agencies, demand for scheduled drugs, and capabilities of various state level PDMPs to generate solicited and unsolicited reports.

Despite these limitations, the methodology for establishing this target is based on historical data in the PMT. For example, since the beginning of data collection on solicited reports, it has ranged from 413 in CY 2011, to over 100 million in CY 2016. It is not yet clear if the unprecedented increase experienced in CY 2016 is the beginning of a trend or an anomaly. Due to outside factors (such as, unprecedented rates of prescription drug abuse), it likely that PDMP reports are on the upswing. Thus, we have increased the targets for CY 2018, and will reassess the targets for CY 2019 if this trend continues.

Data for this measure are reported on a calendar year (CY) basis and, as a result, 2017 data will not be available until March 2018.

Data Validation and Verification

BJA implemented the PMT to support grantees' ability to identify, collect, and report performance measurement data online for activities funded under their award. Grantees report

data in the PMT and create a report, which is uploaded to GMS, and reviewed by BJA program managers. Program managers obtain data from reports submitted by grantees (including the performance measures), telephone contact, and on-site monitoring of grantee performance.

The PMT has real-time data accuracy checks for out-of-range and inconsistent values. Data are validated and verified through a review by program managers, which include an additional level of validation conducted by analysts who review the data quarterly using statistical testing methods.

Performance Measure 4: Percent Increase in RISS Inquiries for the RISS Program

Decision Unit: Regional Information Sharing Systems

Table 5: Percent increase in RISS inquires

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
11%	1%	-8%	7%	-6%	3%

The Regional Information Sharing Systems (RISS) Program, administered by BJA, provides secure information and intelligence sharing capabilities and investigative support services that directly impact law enforcement's ability to successfully resolve criminal investigations and prosecute offenders, while providing the critical officer safety event deconfliction necessary to keep our law enforcement community safe.

RISS consists of six regional centers and the RISS Technology Support Center (RTSC). RISS supports an all-crimes approach; not all inquiries to RISS resources are related to narcotics investigations; however, RISS's resources and services support narcotics investigations based on requests for services and inquiries from the field. Numerous narcotics investigators benefit from the RISS Criminal Intelligence Database (RISSIntel), investigative resources, officer safety event deconfliction, and analytical and research services. RISS has strong relationships with the National Narcotics Officers' Associations' Coalition (NNOAC), Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF), and the High Intensity Drug Trafficking Areas (HIDTA). RISS continues to partner with the HIDTAs and the Drug Enforcement Administration in the areas of event and target deconfliction.

RISS plays a significant role in the criminal information and intelligence-sharing realm and continues to add data sources and partners to its federated search capabilities. For example, a number of fusion center intelligence systems have been connected to RISSIntel via the Northeast Fusion Center Intelligence Project and there is a plan to expand this program in FY 2018. RISS hosts 39 Law Enforcement Websites on RISSNET, such as the Idaho Marijuana Eradication site and the Utah Drug Enforcement Team site.

Narcotics officers utilize all aspects of RISS's investigative services. Examples include analytical services, such as link-analysis charts, crime scene diagrams, telephone analysis,

financial analysis, digital forensics, and audio/video enhancements. Agencies and officers borrow surveillance equipment and specialized cameras, recorders, and other devices; obtain one-on-one technical support through field services staff; and use confidential funds to assist investigators with undercover operations, buy-busts, and other law enforcement operations. Numerous training opportunities such as the Methamphetamine Investigations Training, Heroin Current Trends and Dangers, investigative techniques, and emerging crimes are available. RISS also publishes law enforcement-sensitive briefings and reports on important narcotics-related topics, such as Liquid Meth, Superman Pills, Poppy seed Tea, Fentanyl, and Heroin. In FY 2017, law enforcement officers using RISS services seized more than \$22.8 million in narcotics and over \$1.88 million in currency.

Inquiries to RISS Resources include those made by authorized users to a variety of sources, including RISSIntel and the search capability, the RISS Property and Recovery Tracking System (RISSProp), the Money Counter Project (MCP), the Master Telephone Index (MTI), and other sources. These systems directly aid narcotics and other officers in their effort to identify and apprehend offenders. For example, the MCP is a powerful tool to combat case-related crimes, such as drug trafficking, money laundering, counterfeiting, etc., and enables officers to “follow the money,” enhances investigative efforts. The RISSIntel user interface provides for a real-time, online federated search of more than 64 RISS and partner intelligence databases.

The number of inquiries to RISS resources by users in FY 2017 fell by approximately 6%, when compared to FY 2016. The number of inquiries is influenced by many factors, including the types of crimes under investigation, the complexities of those crimes, regional changes and needs, funding and staffing levels, additions/deletions to investigative databases, and a variety of other factors. RISS also transferred hosting of the National Virtual Pointer System (NVPS) to the El Paso Intelligence Center (EPIC) reducing the numbers of inquiries being measured.

A large increase in inquiries was experienced from FY 2011 to FY 2012 (15 percent). Immediately following, however, RISS’s budget was reduced 40 percent. This decrease resulted in a workforce reduction, as well as, other internal changes to help streamline processes while responding to the needs of RISS’s members and users. With fewer staff to aid officers and conduct intelligence research, and mostly flat funding for the years that followed, the impact of the reduction resulted in a ripple effect, causing a reduction in inquiries on RISS resources and impacting an inability for RISS to expand certain investigative databases, as planned. In FY 2017, RISS received level funding from the previous year; however, continued funding at this level, or higher in future years, will be necessary to make significant changes to staff, resources, etc. Therefore, increases in RISS inquiries may not be realized immediately.

The RISSIntel user interface provides for a real-time, online federated search of more than 40 RISS and partner intelligence databases. The members do understand that some of their requests may take a longer response due to the reduced staffing. The demand for services has not reduced and the RISS Centers’ field representatives continue to provide services and training to the field based on availability.

During FY 2017, the progress in enhancing and expanding officer safety event deconfliction nationwide continued. Now that the three nationally recognized event deconfliction systems – Case Explorer, SAFETNet, and RISSafe – have been integrated, there is a seamless process for users to deconflict law enforcement events no matter which system is used and return any conflict information. There are currently over 1,400 agencies submitting deconfliction data to RISSafe through 28 RISSafe Watch Centers. In FY 2017, 211,830 submissions were made to RISSafe and over 26,000 conflicts were identified through the cross reference of the deconfliction systems. With the success of this deconfliction effort the systems will now move toward cyber and subject deconfliction.

The percentage change in inquiries in FY 2017 decreased by 6%, slightly lower than the decrease in FY 2016 (-8%). As such, the target for FY 2017 (3% increase in inquiries) was not met. The RISS measure, change in number of inquiries, has been unstable over the past four years, as illustrated in the instability of the actuals from FY 2014 through FY 2017. It is hypothesized that some change in the inquiries may be tied to funding (discussed above), but it may also be that the instability in this measure may be due to unknown outside factors.

The target for FY 2018 remains at 3 percent, which is slightly higher than the 3-year average from FY 2015 through FY 2017. Even though the trend has been decreasing, it is anticipated that level funding in FY 2017 when compared to the previous year will move the target back toward the average.

Data Validation and Verification

Data for the RISS program are not reported in the PMT. The six RISS centers and the RISS Technology Support Center (RTSC) report their performance information to the Institute for Intergovernmental Research (IIR), the administrative support grantee for the RISS program. IIR aggregates the data to develop the RISS quarterly report, which is submitted to BJA through GMS, as part of IIR's reporting requirements for the grant. At the end of the fiscal year, performance data for the RISS are provided in quarterly reports via GMS by the administrative grantee for the RISS program.

Program managers obtain data from these reports, telephone contact, and grantee meetings as a method to monitor IIR, the six RISS Centers, and the RISS RTSC for grantee performance. Data are validated and verified through a review of grantee support documentation obtained by program managers.

Performance Measure 5: Number of participants in the RSAT program

Decision Unit: Residential Substance Abuse Treatment Program

Table 6: Number of Participants in the RSAT Program

CY 2014 Actual	CY 2015 Actual	CY 2016 Target	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target
26,815	24,162	27,000	24,029	27,000	Data available March 2018	25,000

The Residential Substance Abuse Treatment (RSAT) program, administered by BJA and created by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322), assists state and local governments in developing and implementing residential substance abuse treatment programs (individual and group treatment activities) in correctional and detention facilities. The RSAT program must be provided in residential treatment facilities, set apart from the general correctional population, focused on the substance abuse problems of the inmate, and develop the inmate's cognitive, behavioral, social, vocational, and other skills to solve the substance abuse and related problems.

The RSAT program formula grant funds may be used to implement three types of programs. For all programs, at least 10% of the total state allocation is made available to local correctional and detention facilities, provided such facilities exist, for either residential substance abuse treatment programs or jail-based substance abuse treatment programs as defined below.

The three types of programs are: 1) residential substance abuse treatment programs which provide individual and group treatment activities for offenders in residential facilities that are operated by state correctional agencies; 2) jail-based substance abuse programs which provide individual and group treatment activities for offenders in jails and local correctional facilities; and 3) an aftercare component which requires states to give preference to sub grant applicants who will provide aftercare services to program participants. Aftercare services must involve coordination between the correctional treatment program and other human service and rehabilitation programs, such as education and job training, parole supervision, halfway houses, self-help, and peer group programs that may aid in rehabilitation.

The number of offenders who participate in the RSAT program is a measure of the program's goal to help offenders become drug-free and learn the skills needed to sustain themselves upon return to the community.

In CY 2016, BJA served 24,029 participants in the RSAT program. The target for CY 2016 was 27,000 participants; however, the goal was not met by 2,971 participants, or an 11 % decrease from the target. The reduction accounts for reduced appropriations from over \$28

million in FY 2010 to \$10.3 million in FY 2016. This has resulted in fewer and lower valued sub-awards at the state level. Other factors that contribute to not meeting the goal, include the number of eligible offenders, available staff, and treatment providers; security issues; and the state’s ability to provide the required 25percent in matching funds.

Data for this measure are reported on a calendar year basis and, as a result, 2017 data will not be available until March 2018.

The target for CY 2018 is to have 25,000 participants in the RSAT program, which is a small reduction from CY 2017. This is based on two factors – BJA looked at the historical average of participants in the program; and the federal appropriations over the past several years. RSAT awards typically have a four year project period, and awards made from the reduced federal appropriations in FY 2013-FY 2015 are starting to close. Higher value grants (i.e., those will higher levels of funding that in past years) will replace those that have closed resulting in more funds available for states to serve more participants. This will likely result in the number of participant served being near its 3 year average, or about 25,000 participants.

Data Validation and Verification

BJA implemented the PMT to support grantees’ ability to identify, collect, and report performance measurement data online for activities funded under their award. Grantees report data in the PMT and create a report, which is uploaded to the Grants Management System (GMS), and reviewed by BJA program managers. Program managers obtain data from reports submitted by grantees (including the performance measures), telephone contact, and on-site monitoring of grantee performance.

The PMT has real-time data accuracy checks for out-of-range and inconsistent values. Data are validated and verified through a review by program managers, which include an additional level of validation conducted by analysts who review the data quarterly using statistical testing methods.

Performance Measure 6: Number of Participants in SCA-funded Programs

Decision Unit: Second Chance Act Program

Table 7: Number of participants in SCA-funded programs

FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
7,047	6,006	6,222	4,356	5,352	4,356

The Second Chance Act (SCA) of 2007 (Public Law 110-199) reformed the Omnibus Crime Control and Safe Streets Act of 1968. The SCA is an investment in programs proven to reduce recidivism and the financial burden of corrections on state and local governments, while increasing public safety. The bill authorizes \$165 million in grants to state and local government agencies and community organizations to provide employment and housing

assistance, substance abuse treatment, family programming, mentoring, victim support and other services that help people returning from prison and jail to safely and successfully reintegrate into the community. The legislation provides support to eligible applicants for the development and implementation of comprehensive and collaborative strategies that address the challenges posed by reentry to increase public safety and reduce recidivism.

While BJA funds six separate SCA grant programs, for the purposes of this performance measure, data from only two SCA grant programs are used. The first program is the Reentry Program for Adults with Co-Occurring Substance Use and Mental Disorders (SCA Co-Occurring). This SCA grant program has provided funding to state and local government agencies, and federally recognized Indian tribes, to implement or expand treatment in both pre- and post-release programs for individuals with co-occurring substance abuse and mental health disorders. The second program used for the performance measure is the Family-Based Prisoner Substance Abuse Treatment Program. This grant program implements or expands family-based treatment programs for adults in prisons or jails. These programs provide comprehensive substance abuse treatment and parenting programs for incarcerated parents of minor children and treatment and other services to the participating offenders' minor children and family members. Program services are available during incarceration as well as during reentry back into the community. (All awards close on, or before, September 30, 2016.) As a result, moving forward, we are only reporting on performance for the SCA Targeting Offenders with Co-Occurring Substance Abuse and Mental Health Program.

The total number of participants in SCA-funded programs is a measure of the grant program's goal of helping those previously incarcerated successfully reenter the community following criminal justice system involvement, by addressing their substance abuse challenges. The total number of participants' measure demonstrates how many of those reentering the community have participated in substance abuse-focused reentry services.⁹

In FY 2017, 5,352 individuals were served in SCA Co-occurring programs, which exceeds the target by about 23% (996 individuals). This target was conservatively set by assuming a reduction from FY16 numbers served, partly due to the SCA Family-Based Prisoner Substance Use Treatment program ceasing grant activity in FY17. However, the SCA Co-occurring Disorder program continued to provide substance use treatment services at levels that exceeded the FY16 target.

The target for FY 2018 remain unchanged from 4,356 participants in the SCA Co-Occurring program. The FY 2017 target was estimated based on historical data of the actual number of participants served (the actual FY 2016 number was used as a basis and further reduced since in FY 2017, the SCA Family-Based program ceased to have active grantees). In deriving the FY 2018 target, it was assumed the number of participants served will be similar to FY 2017, as overall funding levels for active grantees have not changed significantly enough to warrant forecasts for a change in service levels. If the number of participants served continues to exceed expectations, the FY 2019 target may need to be reassessed.

⁹ Please note that because participants sometimes receive services in more than one reporting period, it is possible that some participants will have been counted more than once in the total number of participants who received services from SCA Co-Occurring and Family-Based Programs.

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OFFICES OF THE
UNITED STATES ATTORNEYS

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Washington, D.C. 20530

Office of the Inspector General's Independent Report
on the Annual Accounting of Drug Control Funds
and Related Performance

Director
Executive Office for U.S. Attorneys
U.S. Department of Justice

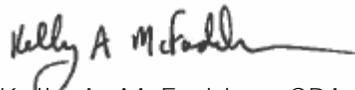
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Executive Office for United States Attorneys (EOUSA) for the fiscal year ended September 30, 2017. The EOUSA's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of EOUSA management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Offices of the United States Attorneys
Detailed Accounting Submission

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U.S. Department of Justice

Executive Office for United States Attorneys

Resource Management and Planning Staff

*Suite 2200, Bicentennial Building
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Washington, DC 20530*

*(202) 252-5600
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**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the United States Attorneys management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the United States Attorneys' system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the United States Attorneys to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2017.
4. The United States Attorneys did not have any ONDCP Fund Control Notices issued in FY 2017.

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JONATHAN PELLETIER
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Jonathan Pelletier
Chief Financial Officer

Date

U.S. Department of Justice
United States Attorneys
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)

	FY 2017 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit: Criminal	
Prosecution	\$ 96.92
Total Criminal Decision Unit	\$ 96.92
<hr/>	
Total Drug Control Obligations	\$ 96.92
<hr/>	
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 0.62

**U.S. Department of Justice
United States Attorneys
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The United States Attorneys work in conjunction with law enforcement to disrupt domestic and international drug trafficking and narcotics production through comprehensive investigations and prosecutions of criminal organizations. A core mission of each of the United States Attorneys' Offices (USAOs) is to prosecute violations of federal drug trafficking, controlled substance, money laundering, and related laws in order to deter continued illicit drug distribution and use in the United States. This mission includes utilizing the grand jury process to investigate and uncover criminal conduct and subsequently presenting the evidence in court as part of prosecution of individuals and organizations who violate Federal law. USAOs also work to dismantle criminal drug organizations through asset forfeiture, thereby depriving drug traffickers of the proceeds of illegal activities.

In addition to this traditional prosecutorial role, efforts to discourage illegal drug use and to prevent recidivism by convicted drug offenders also form important parts of the drug control mission of the USAOs. Each USAO is encouraged to become involved in reentry programs that may help prevent future crime, including drug crimes. Reentry programs, such as reentry courts, typically include access to drug treatment and support for recovery. Prosecutors and USAO staff also participate in community outreach through initiatives that educate communities about the hazards of drug abuse.

The United States Attorneys community does not receive a specific appropriation for drug-related work in support of the National Drug Control Strategy. The United States Attorneys drug resources are part of, and included within, the United States Attorneys annual Salaries and Expenses (S&E) Appropriation. As a result of not having a specific line item for drug resources within our appropriation, the United States Attorneys have developed a drug budget methodology based on workload data. The number of workyears dedicated to non-OCDETF drug related prosecutions is taken as a percentage of total workload. This percentage is then multiplied against total obligations to derive estimated drug related obligations.

Data – All financial information for the United States Attorneys is derived from Department of Justice's (DOJ's) Financial Management System 2 (FMIS2). Workload information is derived from the United States Attorneys' USA-5 Reporting System.

Financial Systems – FMIS2 is DOJ's financial system. Obligations in this system can also be reconciled with the enacted appropriation.

Disclosure 2: Methodology Modifications

No modifications were made to the methodology from prior years.

Disclosure 3: Material Weaknesses or Other Findings

The United States Attorneys community is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2017, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated audit of FY 2017 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2017 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There were no drug related reprogrammings or transfers in FY 2017.

Offices of the United States Attorneys
Performance Summary Report

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U.S. Department of Justice

Executive Office for United States Attorneys

Office of the Director

Suite 2261, RFK Main Justice Building (202) 252-1000
950 Pennsylvania Avenue, NW
Washington, DC 20530

Performance Summary Report Management's Assertion Statement For Fiscal Year Ended September 30, 2017

On the basis of the United States Attorneys management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the United States Attorneys system of performance reporting provides reasonable assurance that:

1. The United States Attorneys use the United States Attorneys' CaseView (formerly, the Legal Information Online Network System), an electronic national case management system, to capture performance information accurately and properly applied to generate the performance data.
2. The United States Attorneys do not set drug related targets, but report out actual statistics on two drug related performance measures.
3. The methodology described to report performance measures for the current year is reasonable given past performance and available resources.
4. The United States Attorneys have established at least one acceptable performance measure for each decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

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JONATHAN PELLETIER
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Jonathan Pelletier
Chief, Financial Officer

Date

**U.S. Department of Justice
United States Attorneys
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

Performance Measures: Conviction Rate for Drug Related Offenses & Percentage of Defendants Sentenced to Prison

The United States Attorneys’ Offices (USAOs) investigate and prosecute the vast majority of criminal cases brought by the federal government to include drug related topics. USAOs receive most of their criminal referrals, or “matters,” from federal investigative agencies, including the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the United States Immigration and Customs Enforcement (ICE), the United States Secret Service, and the United States Postal Inspection Service. The Executive Office for the United States Attorneys (EOUSA) supported the 2017 National Drug Control Strategy through reducing the threat, trafficking, use, and related violence of illegal drugs. The FY 2017 performance of the drug control mission of the United States Attorneys within the Department of Justice is based on agency Government Performance and Results Act documents and other agency information.

The USAOs do not set conviction rate targets. The USAOs report actual conviction rates to EOUSA through a case management system, known as United States Attorneys’ Legal Information Office Network System (LIONS). EOUSA categorizes narcotics cases prosecuted by the USAOs into two different types -- Organized Crime Drug Enforcement Task Force (OCDETF) cases and non-OCDETF narcotics cases. In light of the attestation by the OCDETF Executive Office, EOUSA provides a summary report for only non-OCDETF narcotic cases in FY 2017:

U.S. Attorneys						
Selected Measures of Performance		FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target*
»	Conviction Rate for drug related defendants	92%	93%	93%	93%	NA
»	Percentage of defendants sentenced to prison	89%	88%	88%	88%	NA

* The USAOs do not set conviction rate targets. Therefore the targets for FY 2018 are not available. Actual conviction rate for FY 2018 will be presented in the FY 2018 submission.

Additional Performance Related Information:

A small selection of cases below from FY 2017 is presented below to illustrate federal narcotics prosecutions and convictions.

Eastern District of Kentucky

On January 9, 2017, the district court sentenced Navarius Westberry to life in prison. The U.S. Attorney's Office for the Eastern District of Kentucky prosecuted Westberry, a Detroit, Michigan-based leader of an opioid-trafficking ring that set up operations in Kentucky for the sole purpose of establishing a large-scale distribution network for heroin and fentanyl.

Westberry pleaded guilty, admitting that from January 2014 through August 2015, he organized an operation in Richmond, Kentucky, that distributed between 750 grams and one kilogram of heroin and 50 grams of fentanyl. Fentanyl – which is much more potent than heroin – can be lethal in the 2-milligram range. Westberry also admitted that in March 2015, he supplied heroin and fentanyl to others, which then led to the overdose death of a 25-year-old victim.

Four other coconspirators had also pleaded guilty and been sentenced, including a codefendant who was sentenced to 20 years for distributing a controlled substance that caused another overdose. In that case, the victim survived due to medical assistance.

Westberry's case was the first time in the Eastern District of Kentucky that the district court imposed a life sentence due to a fentanyl overdose and that the court applied the federal overdose penalties to out-of-state defendants from Detroit, a major source for illicit drugs

[\[https://www.justice.gov/usao-edky/pr/leader-drug-trafficking-ring-sentenced-life-distributing-fentanyl-caused-overdose-death\]](https://www.justice.gov/usao-edky/pr/leader-drug-trafficking-ring-sentenced-life-distributing-fentanyl-caused-overdose-death)

Eastern District of Wisconsin

On February 6, 2017, the district court sentenced Donald S. Harden to life in prison. In November 2016, the U.S. Attorney's Office for the Eastern District of Wisconsin successfully prosecuted Harden, whom a federal jury found guilty of conspiracy to distribute over 100 grams of heroin and possession with intent to distribute heroin. The jury also found that the heroin Harden distributed resulted in the death of a 24-year-old Neenah, Wisconsin, resident.

The evidence at trial revealed that Harden trafficked kilograms of heroin from Chicago, Illinois, to mid-level distributors in the Fox Valley, Wisconsin, area and elsewhere. During one meeting with a coconspirator, Harden warned her to "be careful with this, it's got bodies on it." That particular heroin resulted in the 24-year-old's death, and was also linked to the death of a second, 38-year-old Neenah resident. That same batch of heroin also caused a nonfatal overdose in a third victim.

The court considered the serious nature of his offense, his long history of drug offenses in Iowa and Wisconsin, and his motive to profit from trafficking the highly addictive narcotic.

[\[https://www.justice.gov/usao-edwi/pr/man-sentenced-life-prison-heroin-dealing-and-overdose-death\]](https://www.justice.gov/usao-edwi/pr/man-sentenced-life-prison-heroin-dealing-and-overdose-death)

Eastern District of Louisiana

Throughout fiscal year 2017, the U.S. Attorney's Office for the Eastern District of Louisiana waged a vigorous racketeering prosecution of the 39ers Gang, a notorious, violent New Orleans street gang responsible for at least 14 homicides and multiple violations of federal drug and firearms laws. The gang formed an alliance with another New Orleans gang with the purpose of increasing their drug trafficking – particularly of significant quantities of heroin and crack cocaine – and ability to commit violent crimes. Several of the indicted gang members pleaded guilty.

Following the guilty pleas and a successful six-week trial that ended on February 22, 2017, the district court sentenced eight of 10 gang members to life sentences in July and August 2017. The remaining two 39ers received sentences of 78 months and 240 months in prison.

[\[https://www.justice.gov/usao-edla/pr/39ers-gang-member-evans-lewis-sentenced\]](https://www.justice.gov/usao-edla/pr/39ers-gang-member-evans-lewis-sentenced)

[\[https://www.justice.gov/usao-edla/pr/three-members-39ers-gang-sentenced\]](https://www.justice.gov/usao-edla/pr/three-members-39ers-gang-sentenced)

[\[https://www.justice.gov/usao-edla/pr/four-members-39ers-gang-receive-life-sentences-0\]](https://www.justice.gov/usao-edla/pr/four-members-39ers-gang-receive-life-sentences-0)

[\[https://www.justice.gov/usao-edla/pr/two-members-39ers-gang-sentenced-life-prison\]](https://www.justice.gov/usao-edla/pr/two-members-39ers-gang-sentenced-life-prison)

Data Validation and Verification

The Department of Justice views data reliability and validity as critically important in the planning and assessment of its performance. EOUSA makes every effort to constantly improve the completeness and reliability of its performance information by performing “data scrubs” (routine examination of current and historical data sets, as well as looking toward the future for trends) to ensure the data we rely on to make day-to-day management decisions are as accurate and reliable as possible and targets are ambitious enough given the resources provided.

The Director, EOUSA, with the concurrence of the Attorney General's Advisory Committee, issued a Continuous Case Management Data Quality Improvement Plan on May 1, 1996. This program enhances the accuracy and reliability of data in LIONS, which is used for a wide variety of internal management awareness and accountability, and provides guidance for all personnel involved in the process (docket personnel, system managers, line attorneys and their secretaries, and supervisory attorney personnel), in order to meet current information gathering needs.

Established in 1995, the Data Analysis Staff is the primary source of statistical information and analysis for EOUSA. This caseload data was extracted from LIONS. Beginning in FY 1997, each district was to establish a Quality Improvement Plan. Beginning in June 1996, each United States Attorney must personally certify the accuracy of their data as of April 1 and October 1 of each year.

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ORGANIZED CRIME DRUG ENFORCEMENT
TASK FORCES PROGRAM

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Washington, D.C. 20530

Office of the Inspector General's Independent Report
on the Annual Accounting of Drug Control Funds
and Related Performance

Director
Executive Office for the Organized Crime
Drug Enforcement Task Forces
U.S. Department of Justice

We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Organized Crime Drug Enforcement Task Forces (OCDETF) for the fiscal year ended September 30, 2017. The OCDETF's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

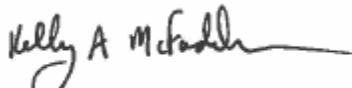
Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance

Summary Report for the fiscal year ended September 30, 2017, in order for them to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

As footnoted in the Performance Summary Report, OCDETF did not include the actual performance results for FY 2017. The ONDCP granted OCDETF an exception to the reporting requirement for their performance measure in FY 2017. Our conclusion is not modified with respect to this matter.

This report is intended solely for the information and use of OCDETF management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

Organized Crime Drug Enforcement
Task Forces Program
Detailed Accounting Submission

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U.S. Department of Justice

Executive Office for Organized Crime Drug
Enforcement Task Forces

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Organized Crime Drug Enforcement Task Forces (OCDETF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OCDETF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from OCDETF's accounting system of record for these budget decision units.
2. The drug methodology used by OCDETF to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2017.
5. OCDETF did not have any ONDCP Fund Control Notices issued in FY 2017.


Peter Maxey, Executive Officer

January 18, 2018

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces (OCDETF) Program
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017**

Dollars in Millions

	Total FY 2017 Actual Obligations
Drug Obligations by Decision Unit and Function	
Investigations:	
Drug Enforcement Administration (DEA)	\$ 195.76
Federal Bureau of Investigation (FBI)	131.46
U.S. Marshals Service (USMS)	8.51
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	11.01
OCDETF Fusion Center (OFC)	11.99
International Organized Crime Intelligence and Operations Center (IOC-2)	1.15
TOTAL INVESTIGATIVE DECISION UNIT	\$ 359.88
Prosecutions:	
U.S. Attorneys (USAs)	\$ 155.34
Criminal Division (CRM)	2.27
EXO Threat Response Unit (TRU)	0.48
TOTAL PROSECUTORIAL DECISION UNIT	\$ 158.09
Total Drug Control Obligations	\$ 517.97

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces Program
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The Organized Crime Drug Enforcement Task Forces (OCDETF) Program is comprised of member agencies from three different Departments: the Department of Justice (DOJ), the Department of Treasury (Treasury), and the Department of Homeland Security (DHS). Beginning in FY 1998 and continuing through FY 2003, OCDETF member agencies were funded through separate appropriations. (Prior to the creation of DHS, which involved the transfer of the U.S. Coast Guard to DHS from the Department of Transportation, OCDETF was funded in DOJ, Treasury and Transportation appropriations.)

During FY 2004 and FY 2005, the DOJ's Interagency Crime and Drug Enforcement (ICDE) appropriation included funding to reimburse agencies in the DOJ, Treasury and DHS for their participation in the OCDETF Program. The availability of a consolidated budget has been critical to the OCDETF Program's ability both to ensure the proper and strategic use of OCDETF resources and to effectively monitor Program performance across all Departments and participating agencies. However, Congress repeatedly expressed concern with funding non-DOJ agencies via a DOJ appropriations account, and in FY 2005, Congress decreased base funding for non-DOJ program participants.

Recognizing that uncertainty surrounding funding levels for non-DOJ participants posed great difficulties for OCDETF in terms of program planning and administration, the Administration has not submitted a consolidated budget for the program since FY 2007. Instead, funding for the OCDETF Program's non-DOJ partners was requested through direct appropriations for Treasury and DHS. Currently, only DOJ OCDETF appropriated funding comes from the ICDE account.

The OCDETF Program is directly charged with carrying out the DOJ drug supply reduction strategy, and all of its activities are aimed at achieving a measurable reduction in the availability of drugs in this country. The disruption and dismantlement of drug trafficking networks operating regionally, nationally, and internationally is a critical component of the supply reduction effort. In particular, the OCDETF Program requires that in *each* OCDETF case, investigators identify and target the financial infrastructure that permits the drug organization to operate.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The Table represents obligations from the ICDE account incurred by OCDETF for drug control purposes. All amounts are net of reimbursable agreements.

Data - All accounting information for the OCDETF Program is derived from the DOJ Financial Management Information System 2 (FMIS2). ICDE resources are reported as

100 percent drug-related because the entire focus of the OCDETF Program is drug control.

Financial Systems - FMIS2 is the financial system used to provide all ICDE obligation data. Obligations that are derived by this system reconcile with the enacted appropriations and carryover balances.

The Administration's request for the OCDETF Program reflects a restructuring that collapses the OCDETF Program's four areas - Investigations, Drug Intelligence, Prosecution, and Administrative Support- into two decision units- Investigations and Prosecutions. Under this methodology, the Administrative Support of the OCDETF Executive Office is pro-rated among decision units based on the percentage of appropriated ICDE Program funding. Additionally, Drug Intelligence Costs is reported as part of the Investigations Decision Unit.

The OCDETF Program's Decision Units are divided according to the two major activities of the Task Force – Investigations and Prosecutions – and reflect the amount of reimbursable ICDE resources appropriated for each participating agency. With respect to the Table of Drug Control Obligations, the calculated amounts were derived from the FMIS2 system as follows:

- a. Investigations Function - This decision unit includes the reimbursable resources that support investigative activities of the following participating agencies: the Drug Enforcement Administration; Federal Bureau of Investigation; the Bureau of Alcohol, Tobacco, Firearms and Explosives; the U.S. Marshals Service; the OCDETF Fusion Center; and the International Organized Crime Intelligence and Operations Center. The methodology applies 100 percent of the resources that support the OCDETF Program's investigative activities.
- b. Prosecution Function - This decision unit includes the reimbursable prosecution resources for the following participating DOJ agencies: the U.S. Attorneys; the Criminal Division; and the OCDETF Executive Office Threat Response Unit. The methodology applies 100 percent of the OCDETF Program's Prosecution resources to the Prosecution Decision Unit.

Disclosure 2: Methodology Modifications

The overall methodology to calculate drug control obligations has not been modified from previous years.

Disclosure 3: Material Weaknesses or Other Findings

The OCDETF Program is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2017, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2017 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal

Organized Crime Drug Enforcement
Task Forces Program
Performance Summary Report

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U.S. Department of Justice

Executive Office for Organized Crime Drug
Enforcement Task Forces

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the Organized Crime Drug Enforcement Task Forces (OCDETF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OCDETF system of performance reporting provides reasonable assurance that:

1. OCDETF has a system to capture performance information accurately and that system was properly applied to generate the performance data. However, in fiscal year (FY) 2017, due to changes in the Drug Enforcement Administration's (DEA's) reporting protocols and systems, the entire number for the Performance Measure, *Consolidated Priority Organization Target (CPOT)-Linked Drug Trafficking Organizations Disrupted and Dismantled*, is not available in FY 2017. Additionally, the ONDCP has granted OCDETF an exception to the reporting requirement for this measure in FY 2017.
2. The explanations provided in the Performance Summary Report for failing to report performance data are reasonable, and the plans to modify the performance data collection process to allow the appropriate data to be reported in the future are reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. OCDETF has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.



Peter Maxey, Executive Officer

January 18, 2018

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces (OCDETF) Program
Performance Summary Report
Related Performance Information
For the Fiscal Year Ended September 30, 2017**

Performance Measure: Consolidated Priority Organization Target (CPOT)–Linked Drug Trafficking Organizations Disrupted and Dismantled

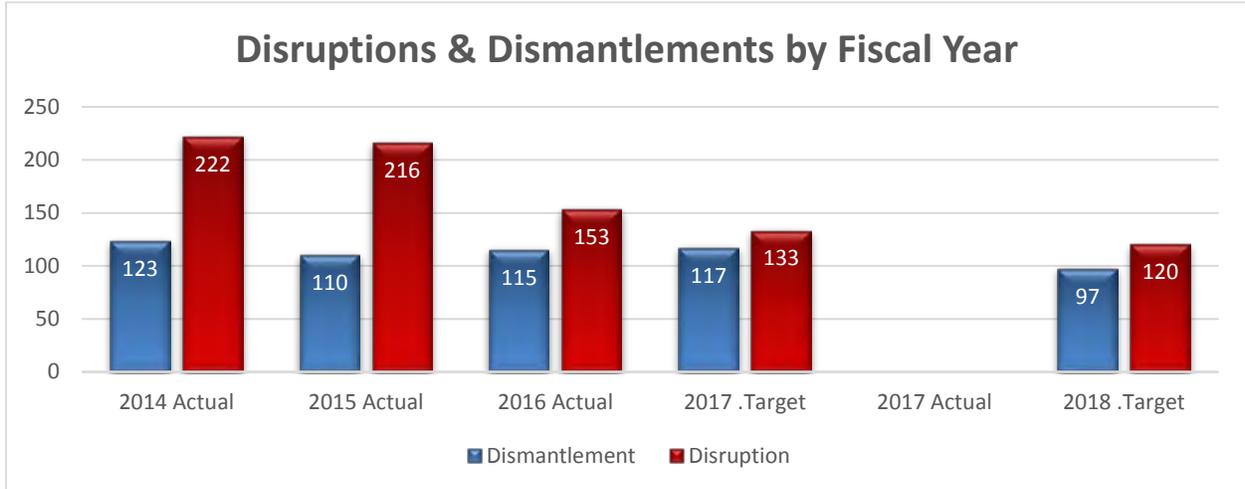
The disruption and dismantlement of a drug organization is a very complex operation that begins with investigative and intelligence activities by federal agents and culminates in federal prosecution of the parties involved. Therefore, the Office of National Drug Control Policy (ONDCP) agreed to the OCDETF Program reporting only one measure for both of the OCDETF Decision Units (Investigations and Prosecutions) as the efforts of both are needed to achieve the results tracked by the measure.

The goal of the OCDETF Program is to identify, investigate, and prosecute the most significant drug trafficking and money laundering organizations and their related enterprises, and to disrupt and dismantle the operations of those organizations in order to reduce the illicit drug supply in the United States. By dismantling and disrupting trafficking organizations that are CPOT-linked, OCDETF is focusing enforcement efforts against organizations that include heads of narcotic and/or money laundering organizations, poly-drug traffickers, clandestine manufacturers and producers, and major drug transporters, all of whom are believed to be primarily responsible for the domestic illicit drug supply. Additionally, the financial investigations conducted by OCDETF are focused on eliminating the entire infrastructure of CPOT-linked organizations and permanently removing the profits enjoyed by these most significant drug traffickers. Reducing the nation’s illicit drug supply and permanently destroying the infrastructure of significant drug trafficking organizations are critical pieces of the Attorney General’s Drug Strategy as well as the National Drug Control Strategy. By reporting on the number of CPOT-linked organizations being disrupted or dismantled, OCDETF clearly indicates the number of significant drug organizations that have been impacted by law enforcement efforts.

Table:

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target
Dismantlements	123	110	115	117	*	97
Disruptions	222	216	153	133	*	120

* Due to changes in DEA’s reporting protocols and systems, the entire number for the Performance Measure is not available in FY 2017.



Due to changes in DEA’s reporting protocols and systems, the entire number for the Performance Measure, *Consolidated Priority Organization Target (CPOT)–Linked Drug Trafficking Organizations Disrupted and Dismantled*, is not available in FY 2017.

The annual targets for the OCDETF Program’s performance measures are determined by examining current year and prior year actuals. In addition to the historical factors, resources (including funding and personnel) are also taken into account when formulating a respective target. The FY2018 target has been reduced due to the downward trend in both funding and personnel.

Data Validation and Verification

The CPOT List is updated semi-annually. Each OCDETF agency has an opportunity to nominate targets for addition to/deletion from the List. Nominations are considered by the CPOT Working Group (made up of mid-level managers from the participating agencies). Based upon the Working Group’s recommendations, the OCDETF Operations Chiefs decide which organizations will be added to/deleted from the CPOT List.

Once a CPOT is added to the List, OCDETF investigations can be linked to that organization. The links are reviewed and confirmed by OCDETF field managers using the OCDETF Fusion Center, agency databases, and intelligence information. Field recommendations are reviewed by the OCDETF Executive Office. In instances where a link is not fully substantiated, the sponsoring agency is given the opportunity to follow-up. Ultimately, the OCDETF Executive Office “un-links” any investigation for which sufficient justification has not been provided.

When evaluating disruptions/dismantlements of CPOT-linked organizations, OCDETF verifies reported information with the investigating agency’s headquarters.

When evaluating disruptions/dismantlements of CPOT-linked organizations, OCDETF verifies reported information with the investigating agency's headquarters.

UNITED STATES MARSHALS SERVICE

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Washington, D.C. 20530

Office of the Inspector General's Independent Report
on the Annual Accounting of Drug Control Funds
and Related Performance

Director
United States Marshals Service
U.S. Department of Justice

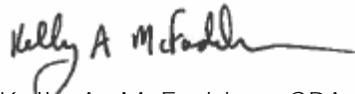
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's United States Marshals Service (USMS) for the fiscal year ended September 30, 2017. The USMS's management is responsible for the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP. Our responsibility is to express a conclusion on the Detailed Accounting Submission and the Performance Summary Report based on our review.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed Accounting Submission and the Performance Summary Report in order for them to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Detailed Accounting Submission and the Performance Summary Report are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to either the Detailed Accounting Submission or the Performance Summary Report for the fiscal year ended September 30, 2017, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of USMS management, the ONDCP, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2018

United States Marshals Service
Detailed Accounting Submission

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U.S. Department of Justice

United States Marshals Service

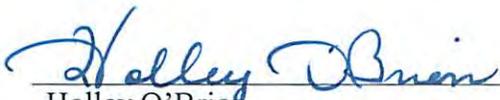
Financial Services Division

Washington, D.C. 20530-1000

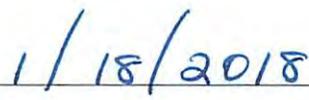
**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the United States Marshals Service (USMS) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the USMS system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the USMS to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2017.
4. The USMS did not have any ONDCP Fund Control Notices issued in FY 2017.



Holley O'Brien
Chief Financial Officer



Date

**U.S. Department of Justice
United States Marshals Service
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2017
(Dollars in Millions)**

	FY 2017 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Fugitive Apprehension	
International	\$ 1.40
Investigations	138.47
Total Fugitive Apprehension	\$ 139.87
 Decision Unit #2: Judicial & Courthouse Security	
State and Local Assistance	\$ 91.71
Total Judicial & Courthouse Security	\$ 91.71
 Decision Unit #3: Prisoner Security & Transportation	
State and Local Assistance	\$ 47.79
Total Prisoner Security & Transportation	\$ 47.79
 Decision Unit #4: Detention Services	
Corrections	\$ 496.57
Total Detention Services	\$ 496.57
 Total Drug Control Obligations	 \$ 775.94

* Report all decision units listed in the FY 2017 National Drug Control Strategy Budget Summary

**U.S. Department of Justice
United States Marshals Service
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2017**

Disclosure 1: Drug Methodology

The USMS does not receive a specific appropriation for drug-related work in support of the National Drug Control Strategy. Therefore, the USMS uses drug-related workload data to develop drug control ratios for some decision units, and the average daily population (ADP) for drug offenses to determine the drug prisoner population cost for the Detention Services decision unit.

Three decision units, Fugitive Apprehension, Judicial & Courthouse Security, and Prisoner Security & Transportation, are calculated using drug-related workload ratios applied to the Salaries & Expenses (S&E) appropriation. For the Fugitive Apprehension decision unit, the USMS uses drug-related workload ratios based on the number of all warrants cleared, including felony offense classifications for Federal, state, and local warrants such as narcotics possession, manufacturing, and distribution. To calculate the drug-related workload percentage for this decision unit, the USMS divides the number of drug-related warrants cleared by the total number of warrants cleared. For the Judicial & Courthouse Security, and Prisoner Security & Transportation decision units, the USMS uses drug-related workload ratios based only on in-custody, drug-related, primary Federal offenses, such as various narcotics possession, manufacturing, and distribution charges. Primary offense refers to the crime with which the accused is charged that usually carries the most severe sentence. To calculate the drug-related workload percentages for these two decision units, the USMS divides the number of drug-related offenses in custody by the total number of offenses in custody. The USMS derives its drug-related obligations for these three decision units starting with the USMS S&E appropriation actual obligations at fiscal year-end as reported in the Standard Form-133, *Report on Budget Execution and Budgetary Resources*. The previously discussed drug workload ratios by decision unit are then applied to the total S&E annual appropriation to derive the drug-related obligations.

Detention services obligations are funded through the Federal Prisoner Detention (FPD) Appropriation. The USMS is responsible for Federal detention services relating to the housing and care of Federal detainees remanded to USMS custody, including detainees booked for drug offenses. The FPD appropriation funds the housing, transportation, medical care, and medical guard services for the detainees. FPD resources are expended from the time a prisoner is brought into USMS custody through termination of the criminal proceeding and/or commitment to the Bureau of Prisons. The FPD appropriation does not include specific resources dedicated to the housing and care of the drug prisoner population. Therefore, for the Detention Services decision unit, the methodology used to determine the cost associated with the drug prisoner population is to multiply the ADP for drug offenses by the per diem rate (housing cost per day), which is then multiplied by the number of days in the year.

Data – All accounting information for the USMS, to include S&E and FPD appropriations, is derived from the USMS Unified Financial Management System (UFMS). The population counts and the daily rates paid for each detention facility housing USMS prisoners are maintained by the USMS in the Justice Detainee Information System (JDIS). The data describe the actual price charged by state, local, and private detention facility operators and is updated on an as needed, case-by-case basis when rate changes are implemented. In conjunction with daily reports of prisoners housed, a report is compiled describing the price paid for non-federal detention space on a weekly and monthly basis. Data are reported on both district and national levels. The daily population counts and corresponding per diem rate data capture actuals for the detention population count and for the expenditures to house the population.

Financial Systems – UFMS is the financial system that provides USMS with obligation data. Obligations in this system can also be reconciled with the enacted appropriation.

Disclosure 2: Methodology Modifications

The USMS drug budget methodology applied is consistent with the prior year and there were no modifications.

Disclosure 3: Material Weaknesses or Other Findings

For FY 2017, the USMS was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2017 Independent Auditors' Report on the Financial Statements and the Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* revealed no material weaknesses, significant deficiencies or other findings for the USMS. Additionally, the Department's review of the USMS internal controls as well as program activity for FY 2017 conducted in accordance with OMB Circular A-123 did not identify any findings that adversely affected the functioning of existing controls, or the integrity of the data contained in published financial reports.

Disclosure 4: Reprogramming or Transfers

There were no reprogramming or transfers that directly affected drug-related budgetary resources.

Disclosure 5: Other Disclosures

None.

United States Marshals Service
Performance Summary Report

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U.S. Department of Justice

United States Marshals Service

Financial Services Division

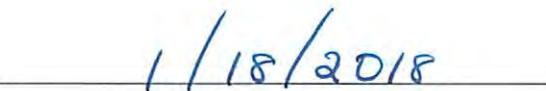
Washington, D.C. 20530-1000

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2017**

On the basis of the United States Marshals Service (USMS) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the USMS system of performance reporting provides reasonable assurance that:

1. The USMS uses the Justice Detainee Information System (JDIS) to capture performance information accurately and this system was properly applied to generate the performance data.
2. Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets is reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. The USMS has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.


Holley O'Brien
Chief Financial Officer


Date

**U.S. Department of Justice
United States Marshals Service
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2017**

The USMS did not have drug-related targets for FY 2017 for performance measures 1 and 2, as agreed to by the ONDCP, but reported actual statistics on drug-related performance measures.

Performance Measure 1: Percent of Warrants Cleared for Drug-Related Charges

One primary function of the USMS is to execute court orders and apprehend fugitives. The Fugitive Apprehension decision unit undertakes these activities; the portions of which that are respondent to drug-related warrants support the National Drug Control Strategy. Through the development of programs such as the Major Case Fugitive Program, Regional Fugitive Task Forces, and International Fugitive Investigations, the USMS partners with state and local law enforcement and other law enforcement organizations to apprehend wanted individuals. Within the USMS organization, Deputy U.S. Marshals in the 94 federal judicial districts perform the majority of the apprehension work, while receiving support from headquarters divisions and partner organizations. Warrants cleared include felony offense classifications for federal, and state and local warrants. The cleared percentage is calculated by dividing Drug-Related Warrants Cleared by the number of Total Warrants Cleared.

Fiscal Year	% Drug-Related Warrants Cleared	Total Warrants Cleared	Drug-Related Warrants Cleared
2014 Actual	33.2%	127,797	42,483
2015 Actual	32.7%	123,967	40,586
2016 Actual	32.0%	121,612	38,938
2017 Actual	28.9%	112,760	32,589
2018 Estimate	31.8%		

For FY 2018, the USMS estimates 31.8% of Total Warrants Cleared will be drug-related. Since the USMS does not control the warrant workload it receives in any given year, this estimate is calculated as an average of the past four years. It should not be viewed as a target or measure of the effectiveness of resource allocation or effort.

Data Validation and Verification

This data is queried from the Justice Detainee Information System (JDIS). System administrators perform a variety of checks and updates to ensure that accurate information is contained. The information on offenses and warrants is live, so information queried for year-end reporting is a snapshot-in-time. Due to continuous user activity in JDIS, the statistics in this report cannot be exactly replicated. The data in JDIS is dynamic, and the statistics are only current as of the date and time the report was compiled.¹

¹ JDIS data reports were generated November 2017.

Performance Measure 2: Percent of Offenses in Custody for Drug-Related Charges

Another primary function of the USMS is to secure courthouses and detain prisoners during the judicial process. This is accomplished through the Judicial & Courthouse Security decision unit, and the portion of these activities respondent to drug-related offenders supports the National Drug Control Strategy. The Prisoner Security & Transportation decision unit carries out the detention-related work, the portion of which that relates to drug-related offenses supports the National Drug Control Strategy. Deputy U.S. Marshals throughout the 94 federal judicial districts perform the majority of the judicial security and detention work, while receiving support from headquarters divisions and coordinating with the Federal Bureau of Prisons for custody transfers. The Drug-Related Offenses in Custody percentage is calculated by dividing primary Drug-Related Offenses in Custody by the number of Total Offenses in Custody. This measure focuses on primary offenses.

Fiscal Year	% Drug-Related Offenses in Custody	Total Offenses in Custody	Drug-Related Offenses in Custody
2014 Actual	15.7%	118,147	18,595
2015 Actual	19.4%	103,532	20,067
2016 Actual	19.8%	102,491	20,263
2017 Actual	21.4%	91,133	19,509
2018 Estimate	18.9%		

For FY 2018, the USMS estimates 18.9% of Total Offenses in Custody will be for drug-related charges. Because the USMS does not control the nature of prisoner offenses in any given year, this estimate is calculated as an average of the past four years. It should not be viewed as a target or measure of the effectiveness of resource allocation or effort.

Data Validation and Verification

This data is queried from JDIS. System administrators perform a variety of checks and updates to ensure that accurate information is contained. The information on offenses and warrants is live, so information queried for year-end reporting is a snapshot-in-time. Due to continuous user activity in JDIS, the statistics in this report cannot be exactly replicated. The data in JDIS is dynamic, and the statistics are only current as of the date and time the report was compiled.²

Performance Measure 3: Per Day Jail Cost (non-federal facilities)

The USMS is responsible for the costs associated with the care of federal detainees in its custody. The Federal Prisoner Detention appropriation, and Detention Services decision unit, provide for the care of federal detainees in private, state, and local facilities, which includes housing, subsistence, transportation, medical care, and medical guard service. The USMS does not have performance measures for costs associated exclusively with housing the drug prisoner population. The USMS has no control over the prisoner population count. While USMS can

² JDIS data reports were generated November 2017.

report data on the specific number of detainees and corresponding offense, it cannot set a performance measure based on the size and make-up of the detainee population.

The Per Day Jail Cost is an overall performance measure that reflects the average daily costs for the total detainee population housed in non-federal facilities. Non-federal facilities refer to detention space acquired through Intergovernmental Agreements (IGA) with state and local jurisdictions and contracts with private jail facilities. The USMS established the Per Day Jail Cost performance measure to ensure efficient use of detention space and to minimize price increases. The average price paid is weighted by actual jail day usage at individual detention facilities. The FY 2017 per day jail cost was \$83.54, or \$1.20 above the target level. The difference between the 2017 Target and Actual can be attributed to the higher than projected average per diem rate paid for private detention facilities. Because of the lower than projected detention population housed in the private facilities, the USMS is not able to fully reap the benefits of the low incremental per diem rates at several private facilities under contract.

Fiscal Year	\$ Per Day
FY 2014 Actual	\$76.24
FY 2015 Actual	\$79.24
FY 2016 Actual	\$80.66
FY 2017 Target	\$82.34
FY 2017 Actual	\$83.54
FY 2018 Target	\$83.73

The FY 2018 target is based on the projected average price weighted by the projected prisoner population usage at individual detention facilities.

Data Validation and Verification

Data reported are validated and verified against monthly reports describing district-level jail utilization and housing costs prepared by the USMS. This data is queried from JDIS. System administrators perform a variety of checks and updates to ensure that accurate information is contained. The information on prisoner population is live, so information queried for year-end reporting is a snapshot-in-time. Due to continuous user activity in JDIS, the statistics in this report cannot be exactly replicated. The data in JDIS is dynamic, and the statistics are only current as of the date and time the report was compiled.³

³ JDIS data reports were generated in November, 2017.



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Tab J



FEB 05 2018

Richard Baum
Acting Director
Office of the National Drug Control Policy
Executive Office of the President
750 17th Street, N.W.
Washington, DC 20503

Dear Richard Baum:

In accordance with the National Drug Control Policy Circular: Accounting of Drug Control Funding and Performance Summary issued January 18, 2013, the Department of Labor's FY 2017 Accounting and Performance Summary are enclosed. Since the Department's obligations for drug-related activities fall below the reporting threshold of \$50 million, we attest that the full reporting requirement with the ONDCP Circular would constitute an unreasonable burden.

If you have any questions please contact Mark Wichlin at (202) 693-4070.

Sincerely,

A handwritten signature in blue ink, appearing to read "Geoffrey Kenyon".

Geoffrey Kenyon
Deputy Principal Chief Financial Officer
Office of the Chief Financial Officer

DEPARTMENT OF LABOR
Employment and Training Administration
Office of Job Corps Accounting and Performance Summary

Budget Authority (in Millions)		
Resource Summary	FY 2017 Enacted	FY 2017 Final
Drug Resources by Function	\$6.0	\$6.0
Prevention		
Drug Resources by Decision Unit		
Trainee Employment Assistance Program (TEAP)	\$5.3	\$5.3
Drug Testing Contract Support	\$0.7	\$0.7

MISSION

The Job Corps program is administered by the Department of Labor’s Employment and Training Administration (ETA). Established in 1964, the Job Corps program is a comprehensive, primarily residential, academic and career technical training program for economically disadvantaged youth, ages 16-24. There are currently 124 Job Corps centers nationwide in 50 states, Puerto Rico, and the District of Columbia providing services to approximately 50,000 at-risk youth each year to help them acquire high school diplomas and occupational credentials leading to a career. A component of this program that also teaches life skills is the Trainee Employment Assistance Program (TEAP), which includes components for drug prevention and drug education activities as related to job preparation for Job Corps program participants.

METHODOLOGY

The Office of Job Corps’ (OJC) expenditures for the TEAP program are for counselors to prepare Job Corps program participants for employment, including: education on the dangers of alcohol, drug and tobacco use; abuse and prevention awareness activities; development of programs to prevent alcohol, drug and tobacco use and abuse among the student population; development and coordination of community resources to educate students on substance use and abuse; and identification of and provision of counseling services to students with substance abuse problems and arrangement of appropriate treatment. In addition, the budget includes the full cost of drug testing each individual student upon entry.

MANAGEMENT ASSERTIONS

- (1) Obligations reported by budget decision unit are the actual obligations from the Department’s accounting system of record for these Budget Decision Units.

- (2) The financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
- (3) The drug methodology disclosed in this section was the actual methodology used to generate the table required by ONDCP’s Circular on Accounting of Drug Control Funding and Performance Summary.
- (4) The drug budget obligations included in this report were not subject to transfer, reprogramming, or funds control notice.

PERFORMANCE MEASURES

The Job Corps program performance is outcome oriented, primarily focused on ETA’s Government Performance and Results Act (GPRA) and other agency goals. This program, because of its authorization and appropriation, operates on a non-standard fiscal year basis from July 1 through June 30 of the following calendar year, commonly known as program year (PY). In PY 2015, Job Corps provided training to both students and staff on drug-related requirements in the workplace, including employer drug testing policies and the effects of drug and alcohol abuse on employability. Since Job Corps is not a drug-treatment program, its measures are not related to drug education program success. The tables below include selected Job Corps performance measures, targets and achievements related to education, and employability for the most recent program years for which data are available.

The percent of students tested for drugs upon entry is 100%. Job Corps provides drug testing to every new enrollee to ensure adherence to the Job Corps Zero Tolerance policy, relating to drugs and violence. 78% of students are placed in employment, military or higher education at exit. This is Job Corps’ primary performance measure on how successfully Job Corps’ academic education, career technical training and social skills development programs have influenced students’ progression towards labor market participation. It is one of the common measures used by all the training programs in ETA.

Prior Year Performance Targets and Results

Job Corps						
Selected Measures of Performance	PY14 Target	PY14 Achieved	PY15 Target	PY15 Achieved	PY16 Target	PY16 Achieved
Percent of Students tested for drugs upon entry	100%	100%	100%	100%	100%	100%
Percent of Students placed in employment, military or higher education at exit	77%	79%	70%	77.7%	*	*

*Not a reportable measure in PY16, as the updated measure was refined under Workforce Innovation and Opportunity Act (WIOA). The Department is baselining the measure in PY 2016 and PY 2017.

Current Year Performance Targets

Job Corps		
Selected Measures of Performance	PY 2017 Target	PY 2017 Achieved
» Percent of students tested for drugs upon entry	100%	100%
» Percent of students placed in employment, military or higher education at exit	*	*

*Not a reportable measure in PY17, as the updated measure was refined under Workforce Innovation and Opportunity Act (WIOA). The Department is baselining the measure in PY 2016 and PY 2017.

Quality of Performance Data

The performance data provided are accurate and complete. All toxicology test results are maintained in the CIS database at the Job Corps Data Center and retrieved as needed for external/internal reporting. For the student placement measure, the data is from Job Corps' Center Information System (CIS) which collects data from all centers on a daily basis. CIS has built-in data validations to ensure data fields are accurate, non-duplicative and sensible. Student placement is one of the three measures in the Job Corps Common Measures Report which is aligned with all federal agencies providing training services to youths.

Management Assertions

1. Performance reporting system is appropriate and applied.

Job Corps' Outcome Measurement System (OMS) and Common Measures Report capture performance information accurately and the system was applied properly to generate the performance data related to the Job Corps mission and objectives.

2. Explanations for not meeting performance targets are reasonable.

Primary prevention efforts other than 100% drug testing are not established performance targets and therefore not measurable. All targets were met.

3. Methodology to establish targets is reasonable and applied

The methodology for developing future performance target is based on past performance and available resources.

4. Adequate performance measures exist for all significant drug control activities.

The existing performance measures are adequate and reflect all significant drug-related activities.

Tab K



OIG Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

Independent Review of the U.S. Department of State
Accounting of FY 2017 Drug Control Funds
and Related Performance Report
AUD-FM-18-25, March 7, 2018

To the Executive Director of the Resource Management Office of the Bureau of International Narcotics and Law Enforcement Affairs of the U.S. Department of State

The Office of Inspector General (OIG) has reviewed the management assertions included in the U.S. Department of State (Department) report *Accounting and Authentication of FY 2017 Drug Control Funds and Related Performance Report*. This report was prepared by the Bureau of International Narcotics and Law Enforcement Affairs in accordance with Office of National Drug Control Policy (ONDCP) Circular: Accounting of Drug Control Funding and Performance Summary, dated January 18, 2013. Department management is responsible for the assertions included in the report. OIG is responsible for expressing a conclusion on management's assertions based on our review.

OIG's review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertions in order for them to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe the review provides a reasonable basis for our conclusion.

Based on our review, OIG is not aware of any material modifications that should be made to management's assertions included in the report in order for it to be fairly stated. However, because the Department's Bureau of International Narcotics and Law Enforcement Affairs issued its final report on March 7, 2018, OIG was unable to complete its review and issue this report by February 1, 2018, as required by the ONDCP circular.

A handwritten signature in blue ink, appearing to read "Norman P. Brown".

Norman P. Brown
Assistant Inspector General for Audits



OIG Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

Independent Review of the U.S. Department of State
Accounting of FY 2017 Drug Control Funds
and Related Performance Report
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Norman P. Brown
Assistant Inspector General for Audits

**U.S. Department of State
Bureau of International Narcotics and Law Enforcement Affairs**

**Accounting and Authentication of FY 2017 Drug Control Funds and Related
Performance Report**

Reference: ONDCP Circular: Accounting of Drug Control Funding and Performance Summary (January 18, 2013)

SECTION 6 Reporting – Detailed Accounting Submission

The Department is providing a Detailed Accounting Submission on the drug control program obligations of the Bureau of International Narcotics and Law Enforcement Affairs (INL) in accordance with Section 6(a) of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*. The Detailed Accounting Submission consists of this report which includes (a) a table highlighting prior year drug control obligations data, and (b) a narrative section making assertions regarding the prior year obligations data.

Section 6(a). Table of Prior Year Drug Control Obligations

The following table presents the obligations of the drug control budgetary resources appropriated and available in FY 2017 by Drug Control Function and Budget Decision Unit.

**Bureau of International Narcotics and Law Enforcement Affairs
Drug Control Obligations
(\$Millions)**

		<u>FY 2017 Actual</u>
Drug Resources by Drug Control Function*		
International		614.281
	Total	641.281
Drug Resources by Decision Unit		
International Narcotics Control and Law Enforcement (INCLE)		614.281
	Total	614.281
Information		
Total INCLE Budget		2,686.117

* Includes total of all FY 2017 obligations for all fiscal years.

Section 6(a)(1). Drug Methodology

The mission of the Bureau of International Narcotics and Law Enforcement Affairs (INL) is to minimize the impact of international crime and illegal drugs on the United States and its citizens through providing effective foreign assistance and through fostering global cooperation.

To help achieve this mission, INL targets drugs at the source and in transit. Bureau goals include reducing drug cultivation through enforcement, eradication, and alternative development programs; strengthening the capacity of law enforcement institutions to investigate and prosecute major drug trafficking organizations and to block and seize their assets; improving the capacity of the host government's law enforcement and security forces to attack narcotics production and trafficking centers; and fostering regional and global cooperation against drug trafficking. INL functions include foreign policy formulation and coordination, program management and diplomatic initiatives.

The Department's accounting system tracks obligations through a combination of the appropriation point limitation, function code, allotment code, and project code. This arrangement separates all the drug control obligations being reported from other funds managed by INL. The accounting reports reflect net negative amounts when obligations and their associated expenditures and deobligations occur in different fiscal years. Thus, all expenditures and deobligations that occurred in the current year (FY 2017) that are associated with original obligations that occurred in a prior year (e.g., FY 2016), would result in a negative obligation.

(a) Obligations by Budget Decision Unit –

All obligations presented in the INL table of drug control obligations are 100 percent drug-related.

(b) Obligations by Drug Control Function –

All obligations presented in the INL table of drug control obligations are 100 percent drug-related.

Section 6(a)(2). Methodology Modifications

Consistent with the methodology used for reporting FY 2016 data, the Spending Lines Reports from Data Warehouse was used to gather the obligation data from GFMS, the department's system of record. This report provides the

most accurate data from GFMS. All Program Development and Support (PD&S) funds regardless of project code were included. In addition, all obligations for the Andean countries (Colombia, Bolivia, Brazil, Ecuador, Peru, and Venezuela) were included, based on the assessment that they were all drug related. Obligations for Panama were previously and wholly reported with the Andean countries; however, for this submission, funding for Panama is included under CARSI, and as a result only includes PD&S and drug control activities. The methodology was modified to include Panama under the Central America Regional Security Initiative (CARSI) in accordance with the change implemented in 2010, following the subsuming of the Andean Counterdrug Program (ACP) under the INCLE account. Unlike the other countries under the then-ACP, Panama was included under CARSI due to its geographic location. This adjustment will be reflected in future Drug Control and Performance Summary reports to ONDCP. Payroll obligations/expenditures of Overseas Contingency Operations (OCO) funds with domestic allotment codes where no project codes were used were considered to be PD&S and reported as such.

Section 6(a)(3). Material Weaknesses or Other Findings

The Department received an unmodified (“clean”) audit opinion of its FY 2017 Financial Statements, with no material weaknesses in internal controls over financial reporting identified by the Independent Auditor. The Department maintains a robust system of internal controls that are validated by senior leadership. For FY 2017, no material weaknesses in internal controls were identified by senior leadership and no material weaknesses in internal controls over financial reporting were identified by the Senior Assessment Team or the Management Control Steering Committee. As a result, the Secretary was able to provide reasonable assurance on the effectiveness of the Department’s overall internal controls and the internal controls over financial reporting in accordance with the Federal Managers’ Financial Integrity Act.

Section 6(a)(4). Reprogrammings or Transfers

For this reporting period, INL and the Department processed a total of 18 reprogramming actions that resulted in a net increase in FY 2017 drug-related budgetary resources by a total of \$5,338,604, comprising an increase of \$9,196,879 and a decrease of \$3,858,275 in INCLE and INCLE-OCO funds.

This net increase is based on the reprogramming, during FY 2017, of FY 2012, FY 2013, and FY 2016 INCLE funds between the drug-related program

areas, i.e., counternarcotics (1.4) and the non-drug-related program areas, i.e., stabilization operations/law enforcement (1.3) and rule of law and human rights (2.1). The program areas are defined by the Department's Office of Foreign Assistance Resources (F) in the Foreign Assistance Standardized Program Structure and Definitions (FA-SPSD). In the SPSD structure, the drug-related program area is 1.4 for Counternarcotics and the non-drug-related program areas include program area 1.3 for Stabilization Operations and Security Sector Reform/Law Enforcement, and program area 2.1 for Rule of Law and Human Rights.

The reprogramming instances are delineated in the table below. The "Program" column shows the country affected and the "Comments" column reflects whether that country gained ("to 1.4") or lost ("from 1.4") counternarcotics funds:

Fiscal Year of the Reprogrammed Funds	Program (Country, Regional, Centrally Managed)	Amount of Counternarcotics Funding (\$)	Comments regarding the reprogramming
FY 2016 INCLE	Burma	(16,500)	Reprogrammed from 1.4 to Centrally Managed Washington PD&S
FY 2016 INCLE	Philippines (Internal)	2,300,000	Reprogrammed from 1.3 to 1.4 and 2.1
FY 2016 INCLE	Timor-Leste (Internal)	(50,000)	Reprogrammed from 1.4 to 2.1
FY 2016 INCLE	State EAP Regional (Internal)	(100,000)	Reprogrammed from 1.4 to 1.3
FY 2016 INCLE	Colombia	573,000	Reprogrammed to 1.4 from State WHA Regional CARSI
FY 2016 INCLE	Colombia	(374,000)	Reprogrammed from 1.4 to Peru
FY 2016 INCLE	Mexico	(90,000)	Reprogrammed from 1.4 to Centrally Managed Washington PD&S
FY 2016 INCLE	Mexico	(126,000)	Reprogrammed from 1.4 to Peru

FY 2016 INCLE	Peru	500,000	Reprogrammed to 1.4 from Colombia and Mexico
FY 2016 INCLE	WHA Regional - CBSI	(86,000)	Reprogrammed from 1.4 to Centrally Managed Washington PD&S
FY 2016 INCLE	WHA Regional - CBSI	200,823	Reprogrammed to 1.4 from 2.1 State WHA Regional CARSI
FY 2016 INCLE	Centrally Managed Washington PD&S	340,000	Reprogrammed to 1.4 from various countries/program areas
FY 2013 INCLE	Centrally Managed Critical Flight Safety Programs	(2,282,638)	Reprogrammed from 1.4 CFSP to 1.4 IAS
FY 2013 INCLE	Centrally Managed Interregional Aviation Support	3,423,958	Reprogrammed to 1.4 IAS from 1.4 and 1.3 CFSP
FY 2012 INCLE	Centrally Managed Critical Flight Safety Programs	(733,137)	Reprogrammed from 1.4 CFSP to 1.4 IAS
FY 2012 INCLE	Centrally Managed Interregional Aviation Support	1,051,160	Reprogrammed to 1.4 IAS from 1.4 and 1.3 CFSP
FY 2012 INCLE	Burma	400,000	Reprogrammed to 1.4 from various countries/program areas
FY 2012 INCLE	Centrally Managed Washington PD&S	407,938	Reprogrammed to 1.4 from various countries/program areas

Section 6(a)(5). Other Disclosures

There are no other disclosures to report.

Section 6(b) Assertions

Section 6(b)(1). Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from the bureau's accounting system of record for these Budget Decision Units.

Section 6(b)(2). Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources is reasonable, that the data presented is complete, and that the financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregated obligations from which the drug-related obligations are derived.

Section 6(b)(3). Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6(a), that the calculations are sufficiently documented to independently reproduce these data, and the calculation provides a means to ensure consistency of data between reporting years.

Section 6(b)(4). Reprogrammings or Transfers

I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP for all drug-related resources. In accordance with their policy to approve counternarcotics-related reprogramming actions above \$1,000,000, ONDCP also approved the reprogramming and Congressional Notification of \$2,300,000 in INCLE funding resulting in an increase in drug-related resources. This in combination with other reprogramming actions resulted in a total net-gain of drug-related resources of \$5,338,604. The Department and INL, however, despite the resulting increases to drug control resources, should have procedurally obtained ONDCP approval for two of these reprogramming actions that each exceeded the \$1,000,000 threshold. As a direct result of this inadvertent oversight, INL has initiated a process review with the Department's Office of Foreign Assistance (F) to ensure better coordination with ONDCP going forward. The Department and INL notified Congress of the reprogrammings above \$1,000,000 via CN 17-051 for Philippines, and formalized the other reprogramming actions via congressional notification CN 17-026 and/or F reprogramming memos internal to the Department.

Section 6(b)(5). Fund Control Notices

I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP. ONDCP did not issue any Fund Control Notices to the Department in FY 2017.

For purposes of Section 6a reporting, I certify that all the information presented for the Bureau of International Narcotics and Law Enforcement Affairs (INL) is true and correct and concur with all assertions associated with INL.



Rajesh Rajadhyaksha, Acting Executive Director
Bureau of International Narcotics and Law Enforcement Affairs

SECTION 7a Reporting – Performance Summary

The performance data for Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL)'s attestation on the number of Poppy Free and Poppy Reducing Provinces in Afghanistan and the Hectares of Coca Eradicated in Colombia and Peru are collected on a calendar year basis. This presents some challenges when trying to provide data for the most recent Fiscal Year (FY), which is FY17 for the purposes of this report. For the Afghanistan indicator, the UNODC Afghanistan Opium Survey publication is available in Q1 of FY 18 which allows INL to report on the results for all quarters of FY17 for this indicator. For the Hectares of Coca Eradication indicator for Colombia and Peru, INL is only able to report up until Q1 of FY17 by sourcing that data from the Performance Plan Reports (PPR)'s for Colombia and Peru that were reported in January of 2017. The data for Q2 though Q4 of FY17 are not available until Q2 of FY18 with publication of the 2018 PPRs for Colombia and Peru, which are not available at the time of this report.

I. PERFORMANCE INFORMATION

Decision Unit 1: International Narcotics Control and Law Enforcement

Measure 1: Poppy Free Provinces (PFP) and Provinces Reducing Cultivation (PRC) in Afghanistan

Table 1

CY 2013 Actual	CY 2014 Actual	CY 2015 Actual	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target
19 total of PFP and PRC	22 total of PFP and PRC	23 total of PFP and PRC	17 total of PFP and PRC	28 total of PFP and PRC	11 total of PFP and PRC	28 total of PFP and PRC

Measure Description: The measure tracks both the number of Poppy Free Provinces (PFP), defined as provinces in Afghanistan with less than 100 hectares (ha) of illicit opium poppy cultivation, as well as the number of Provinces Reducing Cultivation (PRC), defined as provinces which reduce annual poppy cultivation by 10 percent or more, but still cultivate over 100ha.

Purpose of the program: The purpose of the program is to build the capacity of the Afghan government to reduce illicit crop cultivation, drug trafficking, and drug consumption in order to disrupt a key source of funding to the insurgency and promote security and governance during and beyond transition in Afghanistan.

Contribution to National Drug Control Strategy: The program contributes to the National Drug Control Strategy's goal of collaborating with international partners to disrupt the drug trade by partnering with the Afghan government to support interdiction and eradication, build institutional capability, support economic alternatives to drug cultivation, and promote collaborative efforts in prevention, treatment, and research, thereby assisting global partners in acquiring the capabilities to overcome the consequences of drug abuse.

How is this measure outcome-oriented? The measure tracks the number of Poppy Free Provinces and Provinces Reducing Cultivation in Afghanistan, which is a reflection of the Afghan government's capacity to reduce illicit crop cultivation, drug trafficking, and drug consumption, thereby disrupting a key source of funding to the insurgency and promoting security and governance in Afghanistan.

How is this measure used by program managers? This measure is used as a general guide in annual program planning and targeting, by program managers focusing on reducing cultivation throughout Afghanistan.

CY 2017 Performance Results: The CY 2017 goal was for 18 of Afghanistan's 34 provinces to be poppy-free and for 10 provinces to reduce cultivation by 10 percent or more in 2017. The number of PFP in 2017 was 10, down from 13 PFP in 2016 as Ghazni, Samangan, and Nuristan lost their poppy-free status. There was 1 PRC. The United Nations Office on Drugs and Crime (UNODC) observed strong increases in almost all opium poppy-growing provinces. Almost half of the total national increase occurred in Helmand province, with an increase of 63,700 hectares (79%) over its 2016 cultivation figures. The other large poppy cultivating provinces of Balkh (481%), Kandahar (37%), Nimroz (116%), and Uruzgan (39%) also experienced significant increases in cultivation.

The UNODC Afghanistan Opium Survey states that opium poppy cultivation in Afghanistan covered 328,000 hectares, which represented a 63 percent increase in 2017 from the 201,000 hectares recorded the previous year. Potential opium production increased by 87 percent over the same period, from 4,800 to 9,000 tons. A total of 750 hectares of verified poppy eradication was carried out under the

Afghan Ministry of Counter Narcotics' (MCN) Governor-Led Eradication (GLE) program, representing an increase of 111 percent compared to 2016, when 355 hectares of poppy were eradicated.

UNODC offers a number of possible reasons to explain the increase in opium poppy cultivation. Rule of law-related challenges, such as political instability, lack of government control and security, as well as corruption, have been found to be key drivers of illicit cultivation. Socio-economic factors also impact farmers' decisions, for example scarce employment opportunities, lack of quality education, and limited access to markets and financial services. Reports from the field indicate that more cheap labor for harvesting may have been available in the South in 2017. Increasing yields in 2016 could have motivated many farmers to take up or expand opium poppy cultivation. Additionally, advances in agriculture, including the use of solar panels for powering irrigation pumps may have made cultivation increasingly profitable, even under unfavorable natural conditions.

CY 2018 Performance Target: The target for CY 2018 is 13 PFP and 15 PRC.

Data Collection and Validation:

Data Source: Annual results are reported in the annual Afghanistan Opium Survey 2017 produced jointly by UNODC and the MCN with funding from INL and other donors. The State Department targets are part of the Foreign Assistance Performance Plan and Report. INL utilizes the UNODC Opium Cultivation Survey for the purposes of the Department of State's annual performance reporting on this metric.

Methodology for Setting Targets and Reporting Results: The out-year target shows an increase from actual 2017 results. The deteriorating security situation in Afghanistan continues to create obstacles for achieving the yearly target; nevertheless, INL believes that greater engagement from Department of Defense enablers combined with possible decrease in farm-gate prices after four consecutive high-yielding harvests, keep out-year targets within reach.

Process for Validating Performance Information: The UNODC Afghanistan Opium Survey is released at the end of each year and is used to inform U.S. counternarcotics policy and programmatic decision making. There is an oversight and management board for this survey, convened jointly by UNODC and MCN. The trends and data in the UNODC survey are compared against the official U.S.

government estimate published by the Office of National Drug Control Policy in late winter or early spring of each year.

Decision Unit 1: International Narcotics Control and Law Enforcement

Measure 2: Hectares of coca eradicated in Colombia and Peru

Table 2

CY 2012 Actual	CY 2013 Actual*	CY 2014 Actual*	CY 2015 Actual*	CY 2016 Target*	CY 2016 Actual*	CY 2017 Target*
156,321 Hectares	92,956 Hectares	98,456 Hectares	= Peru (35,868) + Colombia (50,761) = 86,629 Hectares	= Peru (30,000) + Colombia (20,000) = 50,000 Hectares	= Peru (30,150) + Colombia (17,650) = 47,800 Hectares	= Peru (10,000) + Colombia (50,000) = 60,000 Hectares

* CY 2013-2016 targets and actual data do not include Bolivia because U.S. direct operational support ended in 2013.

CY 2015 actuals for Colombia include aerial eradication data through October 1, 2015, when Colombia ended the program.

CY 2016 targets for Colombia do not include aerial eradication, as Colombia ended that program in October 2015.

The hectares of coca eradicated in this report represent the most current data reported to INL as of December 31, 2017.

Measure Description: This performance measure tracks the amount of coca leaf that is forcibly or voluntarily eradicated in Colombia and Peru on an annual basis. The coca cultivation metric is the number of hectares eradicated.

Purpose of the program: The long-term goal of INL's eradication efforts in Colombia and Peru is to reduce the number of hectares of coca under cultivation, thereby reducing the supply of processed cocaine that is shipped to the United States. The program accomplishes this through a strategy of voluntary manual eradication, increased drug interdiction, and strengthening rule of law and alternative livelihood efforts. Eradication is a critical component of the U.S. government's counternarcotics strategy in the Andean region and is a metric used by managers to handle day-to-day operations.

Contribution to National Drug Control Strategy: The program contributes to the National Drug Control Strategy's goal of collaborating with international partners to disrupt the drug trade by working with international partners to reduce illicit drug use, production, trafficking, and associated violence.

How is this measure outcome-oriented? The measure tracks the amount of coca leaf that is forcibly or voluntarily eradicated in Colombia and Peru on an annual basis, which reduces the number of hectares of coca under cultivation, thereby reducing the supply of processed cocaine that is shipped to the United States.

How is this measure used by program managers? INL program managers in the field use this measure for operational planning and day-to-day program management. The eradication measure is available daily rather than six months following the close of the calendar year, allowing managers the flexibility to adjust program operations to meet annual targets. Furthermore, the measure conforms to Department policy regarding standardized performance metrics for Foreign Assistance programs. *

**While the data is collected daily, it is aggregated annually at the beginning of each Calendar Year. Each report encompasses parts of two fiscal years.*

CY 2016 Performance Results: The information available to INL in the following section is the best available data as of December 31, 2017. Due to the proximity of the PPR's publication time each year with the deadline of the report, INL has revised its methodology to report with a year lag to avoid a late submission. As of 2016, Peru surpassed its amended goal while Colombia exceeded its original goal but failed to meet its amended target. Eradication is a critical component of the U.S. government's counternarcotics strategy in the Andean region but is not the only metric used in determining success. Eradication is measured by calendar year rather than fiscal year and covers parts of two fiscal years. The CY 2016 target was revised from last year. The 2016 target was initially set at 38,000 hectares in the FY 2015 Drug Control Funds and Related Performance Report. The original 38,000 hectare target was technically comprised of 22,000 hectares for Peru and 16,000 hectares for Colombia. Ultimately, the 2016 targets for Peru were modified to eradicate 30,000 hectares manually and the 2016 targets for Colombia were to eradicate 20,000 hectares manually establishing an amended target of 50,000. Bolstered by a successful manual eradication campaign in August and September 2016, Colombia increased its goal from 16,000 to 20,000 hectares, but ultimately fell short. Colombia eradicated a total of 17,650 hectares in 2016. Peru eradicated 30,150 hectares in 2016. Combined, the two countries eradicated a total of 47,800 hectares.

CY 2017 Performance Target: The information available to INL in the following section is the best available data as of December 31, 2017. Due to the proximity of the PPR's publication time each year with the deadline of the report, INL has

revised its methodology to report with a year lag to avoid a late submission. The overall 2017 manual eradication performance target for Colombia, which the Colombians are still reviewing, is currently set at 50,000 hectares. The 2017 eradication target for Peru – 10,000 hectares – is under review and may change, but will remain lower than the 2016 goal of 30,000 hectares.

With coca levels rising, and without the aerial eradication program, Colombia plans to focus its efforts largely on interdiction and manual eradication. With the peace agreement between the Colombian government and the Revolutionary Armed Forces of Colombia (FARC) now finalized, Colombia aims to supplement its forced manual eradication goal with crop-substitution-based voluntary eradication. Additionally, Colombia is working to launch whole-of-government counternarcotics and alternative development efforts in strategic production and trafficking zones, bringing together security and civilian ministries to address its narcotics problem from all fronts.

Data Collection and Validation:

Data Source: The measure uses information reported by country programs on a calendar year basis. The target is from the most recent Foreign Assistance Performance Plan and Report (PPR) published in the middle of January each year. Due to the proximity of the PPR's publication time each year with the February 1 reporting deadline, INL has revised its methodology to report with a year lag to avoid a late submission. In the case of Peru, final data comes from Peru's Coca Monitoring and Reduction Agency (CORAH). Colombia reports data using the Colombian National Police through the Ministry of Defense.

Methodology for Setting Targets and Reporting Results: The embassy country teams consult subject area experts in Washington and in the field and consider past performance and trends, policy priorities and long term goals, relevant conditions on the ground, and resource levels in setting performance targets. The targets are set and results are reported for each country in the Foreign Assistance Performance Plan and Report. The results are also reported in the International Narcotics Control Strategy Report and are aggregated in Washington for the purposes of performance reporting to other stakeholders. The governments of Colombia and Peru are responsible for setting their annual eradication goals; INL supports these goals once they are established.

Process for Validating Performance Information: Eradication data provided by embassies is the best data available to the U.S. government regarding host

government coca eradication. INL receives this data from embassies and it is our understanding that this information has undergone a Data Quality Assessment (DQA) and is accurate, complete, and unbiased.

II. ASSERTIONS

I assert that the performance reporting system is appropriate and applied. All of the performance information presented here is gathered from third party sources. These sources are reputable and, I believe, provide the best data available for these performance measures. The Office of U.S. Foreign Assistance Resources maintains a data collection system known as Foreign Assistance Coordination and Tracking System (FACTS) Info. INL has not directly observed these parties gathering data and I cannot, therefore, speak directly to the accuracy of the data. I can say that these third parties are experts in their fields and provide INL with actionable information.

I assert that the explanations for not meeting performance targets are reasonable and recommendations for meeting future targets or for revising or eliminating performance targets are also reasonable.

I assert that the methodology to establish performance targets is reasonable and applied.

I assert that adequate performance measures exist for all significant drug control activities.

For purposes of Section 7a reporting, I assert that the methodology disclosed in this report was the actual methodology used to generate the performance data included here.



Rajesh Rajadhyaksha, Acting Executive Director
Bureau of International Narcotics and Law Enforcement Affairs

Tab L



U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

**Inspector General Review of the Federal
Aviation Administration's Fiscal Year 2017
Drug Control Funds and Performance
Summary Reporting**

Report No. FI2018021

January 31, 2018



Inspector General Review of the Federal Aviation Administration's Fiscal Year 2017 Drug Control Funds and Performance Summary Reporting

Required by the Office of National Drug Control Policy Circular, Accounting of Drug Control Funding and Performance Summary

FI2018021 | January 31, 2018

What We Looked At

Under the Office of National Drug Control Policy (ONDCP) Circular, Accounting of Drug Control Funding and Performance Summary (Circular), when drug-related obligations total less than \$50 million and a detailed accounting would be an unreasonable burden, agencies may submit alternative reports. Because its drug-related obligations for fiscal year 2017 totaled less than \$50 million, the Federal Aviation Administration's (FAA) submitted an alternative report that consolidated both the Drug Control Obligation Summary and the Performance Summary report. We reviewed FAA's report and related management assertions to determine the reliability of those assertions in compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. Specifically, we reviewed selected accounting internal controls to determine whether drug control funds were properly identified in the accounting system. In addition, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria.

What We Found

FAA's Drug Control Obligation Summary identified \$18,191,340 of obligations from two of FAA's drug control decision units. We traced those obligations to the Department of Transportation's accounting system. We found no exceptions. FAA's performance targets for fiscal year 2017 were to: initiate regulatory investigations on 95 percent of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge, notification by law enforcement, or a conviction; ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding 1 percent positives for drugs and 0.5 percent positives for alcohol; and conduct 1,205 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met its performance targets.

Based on our review, we are not aware of any material modifications that should be made to FAA's fiscal year 2017 Drug Control Obligation Summary and Performance Summary report in order for it to be in accordance with ONDCP's Circular.



U.S. Department of
Transportation

January 31, 2018

Director, Office of Policy, Research, and Budget
Office of National Drug Control Policy
750 17th St., N.W.
Washington, DC 20503

Dear Director:

This report presents the results of our independent review of the Federal Aviation Administration's (FAA) fiscal year 2017 Drug Control Obligation Summary and Performance Summary report to the Office of National Drug Control Policy (ONDCP). We received FAA's report on December 11, 2017. The report and our review are required by 21 U.S.C. § 1704(d) and ONDCP's Circular entitled Accounting of Drug Control Funding and Performance Summary (Circular), dated January 2013.

The Circular states that when drug-related obligations total less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit alternative reports. Because its drug-related obligations for fiscal year 2017 totaled less than \$50 million, FAA submitted an alternative report that consolidated both the Drug Control Obligation Summary and the Performance Summary report. We reviewed FAA's report and related management assertions to determine the reliability of those assertions in compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. An attestation review is substantially more limited in scope than an examination, which would express an opinion on the accuracy of FAA's Drug Control Obligation Summary and Performance Summary report. Because we conducted an attestation review, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on FAA's fiscal year 2017 Drug Control Obligation Summary (see enclosure) according to the Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we reviewed selected accounting internal controls to determine whether drug control funds were properly identified in the accounting system.

We reviewed \$18,191,340 of obligations from two of FAA's drug control decision units—Aviation Safety/Aerospace Medicine and Security and Hazardous Material Safety—and traced those obligations to the Department of Transportation's accounting system. We found no exceptions.

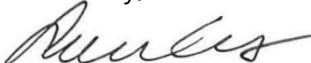
Performance Reporting Summary and Assertions

FAA's performance targets for fiscal year 2017 were to: (1) initiate regulatory investigations on 95 percent of the airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge, notification by law enforcement, or a conviction; (2) ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding 1 percent positives for drugs and 0.5 percent positives for alcohol; and (3) conduct 1,205 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met its performance targets.

We performed review procedures on FAA's fiscal year 2017 Performance Summary report and management's assertions. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria. Specifically, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed.

Based on our review, we are not aware of any material modifications that should be made to FAA's fiscal year 2017 Drug Control Obligation Summary and Performance Summary report in order for it to be in accordance with ONDCP's Circular. We appreciate the cooperation and assistance of the Department of Transportation's representatives. If you have any questions about this report, please call me at (202) 366-1407, or George Banks, Program Director, at (202) 420-1116.

Sincerely,



Louis C. King
Assistant Inspector General for Financial and
Information Technology Audits

Enclosure

cc: The Secretary
DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100



U.S. Department
of Transportation

**Federal Aviation
Administration**

Assistant Administrator for Financial Services and
Chief Financial Officer

800 Independence Ave. SW
Washington, D.C. 20591

DEC 08 2017

Dr. Terry Zobeck
Associate Director for Research and Data Analysis
Office of the National Drug Control Policy
750 17th St., NW
Washington, DC 20503

Dear Dr. Zobeck:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Federal Aviation Administration's (FAA) Fiscal Year 2017 Performance Summary Report is enclosed. FAA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

As specified by the Circular, the Agency selected two performance measures for Aviation Safety (AVS) for FY 2017 and one performance measure for Security and Hazardous Materials (ASH) for FY 2017 to assess its success in reducing the prevalence of drug and alcohol-impaired personnel who perform sensitive duties within the aviation industry and in initiating regulatory action against airmen involved in the sale or distribution of illegal drugs. Additional metrics are included in the body of the enclosures for FYs 2010 through 2016. These performance measures reflect a critical milestone in the goal to promote the safety and security of the National Air Space (NAS) and the flying public. These performance measures are:

1. Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge or a conviction or notification by law enforcement (ASH).
2. Ensure the aviation industry conducts random drug and alcohol testing of safety-sensitive employees with results not exceeding one percent (1%) positives for drugs and one-half percent (0.5%) positives for alcohol (AVS).
3. Conduct 1,205 FAA drug and alcohol inspections of the aviation industry to ensure compliance with 14 CFR part 120 and 40 CFR part 49 (AVS).

Assertions

1. **Performance reporting system is appropriate and applied:** Performance information for the first measure relies on official Agency data residing in the Investigations Tracking System (ITS) and Enforcement Information System (EIS)¹. Data resident in ITS/EIS includes: the date of the offense, when first known to FAA, start date of the action, source of the information, and final sanction.

¹ ITS and EIS are FAA's system for tracking investigations and information about enforcement actions for statutory or regulatory violations.

For measures two and three, the information relies on surveys conducted by the Agency of all part 121 operators and all other employers with 50 or more safety-sensitive employees. The latter provide to FAA annual report of their testing results. The remaining employers with 49 or fewer safety-sensitive employees are randomly chosen to submit an annual report.

No performance measure was reported for the Air Traffic Organization because its work structure does not lend itself to the development and tracking of such metrics and is not cost-effective to the government to do so.

2. **Explanations for not meeting performance targets are reasonable:** Targets met.
3. **Methodology to establish performance targets is reasonable and applied:** Data collection for the first measure is based on official FAA databases. For the last two measures, the Department of Transportation (DOT) requires the Agency to determine these measures using the Drug and Alcohol Management Information System (DAMIS) reporting. Due to the reporting methodology, this sampling of DAMIS reporting is always one calendar year behind. Additional information can be found in the enclosed Summary Reports.
4. **Adequate performance measures exist for all significant drug control activities:** The measures used to describe the Agency's performance adequately reflect key steps toward the prevention and detection of drug related activities in the NAS. These measures provide a meaningful assessment of progress toward the development of safe and reliable airspace.

FAA's point of contact for this report is Peter Toman. He can be reached at (202) 267-5451, if further assistance is required.

Sincerely,



Allison Ritman,
Acting Chief Financial Officer

Enclosures

Obligations Summary
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
(\$ in thousands)

RESOURCE SUMMARY

		FY 2017
		Actual
Drug Resources by Budget Decision Unit and Function:		
Decision Unit: Air Traffic Organization		
Intelligence Interdiction	\$	11,090.00
Total, Air Traffic Organization	\$	11,090.00
Decision Unit: Aviation Safety/Aerospace Medicine		
Investigations	\$	1,190.00
Prevention	\$	14,110.00
Total, Aviation Safety/Aerospace Medicine	\$	15,300.00
Decision Unit: Security and Hazardous Material Safety		
Intelligence Interdiction	\$	1,445.67
State & Local Assistance	\$	1,445.67
Total, Security and Hazardous Material Safety	\$	2,891.34
Total Funding	\$	29,281.34
Drug Resources Personnel Summary		
Total FTEs (direct only)		164
Air Traffic Organization		59
Aviation Safety/Aerospace Medicine		86
<i>Investigations: Industry Drug Abatement</i>	[7]
<i>Prevention: Industry Drug Abatement</i>	[64]
<i>Prevention: Internal Substance Abuse Program</i>	[15]
Security & Hazardous Materials Safety		19

**Federal Aviation Administration
Law Enforcement Assistance Program
Performance Summary Report
Fiscal Year 2017**

(1) Performance Measures

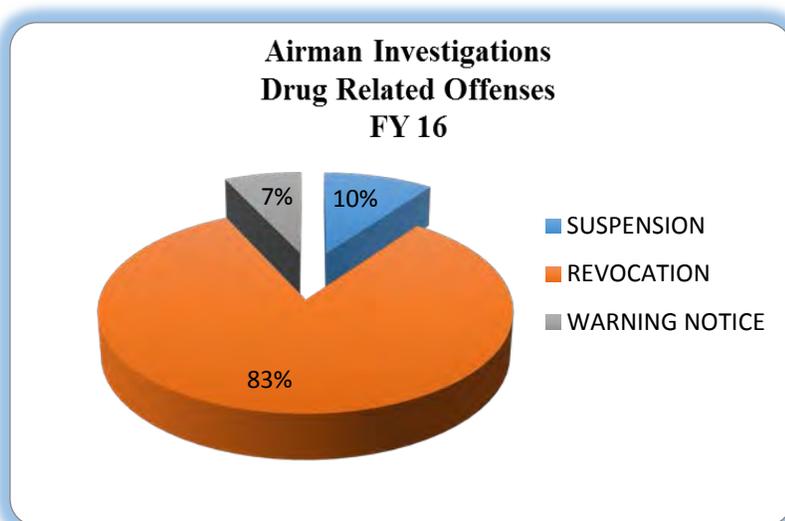
The Federal Aviation Administration’s (FAA) Law Enforcement Assistance Program (LEAP) contributes to the National Drug Control Strategy by reducing access to the National Airspace System (NAS) by airmen known to the FAA to be involved in the sale or distribution of illegal drugs. The LEAP special agents provide extensive technical and administrative assistance, on a timely and continuous basis, to all Federal, State, local, tribal, territorial, and international law enforcement (LE) agencies engaged in drug interdiction efforts. These LEAP special agents have access to FAA data, not available to other agencies, that is critical to the development of investigations on airmen involved in illegal drug trafficking. The information FAA provides to LE assists them in the arrest and conviction of airmen and/or the seizure of aircraft.

By working jointly with LE, FAA learns of investigations and information that enables FAA to initiate regulatory enforcement investigations on airman/aircraft suspected of drug trafficking; in many cases, these investigations result in the revocation of airmen certificates thus contributing to the safety and security of the national airspace system (NAS) and the flying public.

The FAA uses a single performance measure to assess the program. This performance measure reflects a critical milestone in the goal to promote the safety and security of the NAS and the flying public by restricting access to the NAS by airmen who have violated statutory and regulatory requirements for maintaining an airman certificate.

- **PERFORMANCE MEASURE:** Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement.

(2) Prior Year (2016) Performance Target and Results

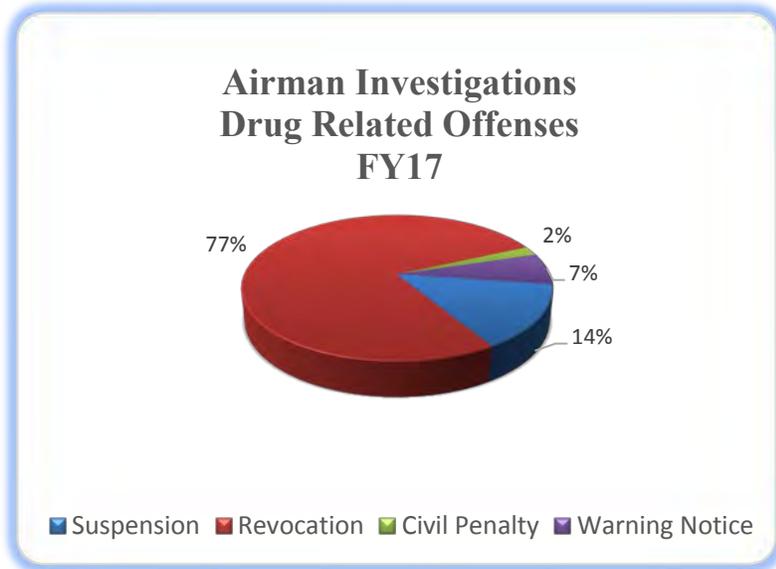


In FY16, FAA LEAP special agents initiated 109 investigations based on 109 notifications (100%) regarding airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by

law enforcement.¹ FAA later took regulatory actions against 42² of the airmen (100%) arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the right. Significant action (revocation/suspension) was taken 93% of the time (39 of 42 investigations).

(3) Current Year (2017) Performance Target and Results

In FY17, FAA LEAP special agents initiated 46 investigations based on 46 notifications (100%) regarding airmen involved in the sale or distribution of illegal drugs within 30 days of



knowledge of a conviction or notification by law enforcement.³ FAA later took regulatory actions against 56⁴ of the airmen (100%) arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the left. Significant action (revocation/suspension/civil penalty) was taken 93% of the time (52 of 56 investigations).

Summary of 2016 and 2017 Results

FY 2016 Target	FY 2016 Achieved	FY 2017 Target	FY 2017 Achieved
95%	100%	95%	100%

(4) Quality of Performance Data

Performance information for the measure relies on official agency data residing in the Investigations Tracking System (ITS) and Enforcement Information System (EIS).⁵ Data resident in ITS/EIS includes: the date of the offense, when the FAA first became aware of the offense, the start date of the action, source of the information, and final sanction.

¹ This number includes 17 investigations, not previously accounted for in FY15, which commenced in FY15 but for which investigation record numbers were assigned in FY16.

² This includes regulatory action that was finalized from prior year investigations.

³ This number includes 15 investigations, not previously accounted for in FY16, which commenced in FY16 but for which investigation record numbers were assigned in FY17.

⁴ This includes regulatory action that was finalized from prior year investigations.

⁵ ITS and EIS are FAA's system for tracking investigations and information about enforcement actions for statutory or regulatory violations.

**Federal Aviation Administration
Industry Drug and Alcohol Testing Program
Performance Summary Report
Fiscal Year 2017**

(1) Performance Measures

The Federal Aviation Administration (FAA) contributes to the National Drug Control Strategy by reducing the prevalence of drug and alcohol-impaired personnel from performing safety-sensitive duties in the aviation industry.

The Department of Transportation (DOT) requires the Agency to determine these measures using the Drug and Alcohol Management Information System (DAMIS) reporting. Each year, the FAA conducts a survey of every aviation employer that employ 50 or more safety-sensitive employees, and a random selection of employers that employ 49 or fewer safety-sensitive employees. These employers are notified to report their data showing the number of drug and alcohol tests conducted, and the number of positive test results, along with other miscellaneous information. Due to the reporting methodology, this sampling of DAMIS reporting is always one calendar year behind. For example, employers were required to report all testing they accomplished for calendar year 2016 by March 15, 2017. In an effort to ensure the most accurate data, the DOT allowed for late submissions until October 1, 2017, at which time no more entries were allowed. The most current reported data available is for calendar year 2016.

(2) Prior Years' Performance Targets and Results

The prior year targets for, 2011, 2012, 2013, 2014, 2015 and 2016 were fully achieved. Annual targets are determined by the DOT and require the positive test results for drugs to be less than 1.0% and the percentage of positive alcohol tests to be less than 0.5%.

The results for the prior years are as follows:

Calendar Year	Total Drug Tests Reported	Percentage of Positive Drug Tests	Total Alcohol Tests Reported	Percentage of Positive Alcohol Tests
2011	191,011	0.462%	50,324	0.097%
2012	181,804	0.456%	50,124	0.132%
2013	193,048	0.485%	52,662	0.091%
2014	197,450	0.534%	52,177	0.106%
2015	225,139	0.523%	57,968	0.083%

(3) Current Performance Targets

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2016. For this calendar year, the total drug tests

reported were 234,690, resulting in 0.61% positive drug tests. The total alcohol tests reported were 58,581, resulting in 0.121% alcohol violations.

(4) Quality of Performance Data

For calendar year 2016, the Drug Abatement Division required all employers to report their results for the year. As a result, the Division was able to clean up the database, and found that many companies were no longer in business (since the beginning of the reporting year, more have applied for new programs, leaving the Division with 6,961 regulated employers.)

During our compliance inspections of covered employers, our inspectors verify the data submitted to DAMIS to ensure its integrity. In FY- 2017, the Drug Abatement Division conducted 1,507 inspections.

The following chart indicates the number of employers that reported their data:

Calendar Year	Approximate Number of Total Regulated Employers	Number of Reporting Regulated Employers	Approximate Percentage of Reporting Employers Vs. Total Employers
2011	7,200	3,137	43%
2012	7,200	3,279	45%
2013	7,200	3,526	49%
2014	7,030	3,688	53%
2015	6,449	6,421	99.6%
2016	6,350	6,350	100%

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Our Mission

OIG conducts audits and investigations on behalf of the American public to improve the performance and integrity of DOT's programs to ensure a safe, efficient, and effective national transportation system.

OFFICE OF INSPECTOR GENERAL
U.S. Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590



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U.S. DEPARTMENT OF TRANSPORTATION

OFFICE OF INSPECTOR GENERAL

**Inspector General Review of the National
Highway Traffic Safety Administration's
Fiscal Year 2017 Drug Control Funds and
Performance Summary Reporting**

Report No. FI2018022

January 31, 2018



Inspector General Review of the National Highway Traffic Safety Administration's Fiscal Year 2017 Drug Control Funds and Performance Summary Reporting

Required by the Office of National Drug Control Policy Circular, Accounting of Drug Control Funding and Performance Summary

FI2018022 | January 31, 2018

What We Looked At

Under the Office of National Drug Control Policy (ONDCP) Circular, Accounting of Drug Control Funding and Performance Summary (Circular), when drug-related obligations total less than \$50 million and a detailed accounting would be an unreasonable burden, agencies may submit alternative reports. Because its drug-related obligations for fiscal year 2017 totaled less than \$50 million, the National Highway Traffic Safety Administration (NHTSA) submitted alternative reports. We reviewed NHTSA's reports and related management assertions to determine the reliability of those assertions in compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. Specifically, we reviewed selected accounting internal controls to determine whether drug control funds were properly identified in the accounting system. In addition, we reviewed NHTSA's internal controls for performance measures to gain an understanding of how the measures were developed. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria.

What We Found

NHTSA's Drug Control Obligation Summary report identified \$3,342,927.88 in total obligations. We traced those obligations to the Department of Transportation's accounting system and underlying contracts. We found no exceptions. NHTSA's fiscal year 2017 performance measure was designed to assess NHTSA's progress in trying to increase the standardization of toxicology testing in post-mortem and Driving Under the Influence of Drugs (DUID) cases. During the year, NHTSA completed the study of current toxicology practices in post-mortem and DUID cases, measured progress in gaining compliance with recommended practices issued in 2013, and revised the recommended practices through a consultative process.

Based on our review, we are not aware of any material modifications that should be made to NHTSA's fiscal year 2017 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with ONDCP's Circular.



U.S. Department of
Transportation

January 31, 2018

Director, Office of Policy, Research, and Budget
Office of National Drug Control Policy
750 17th St., N.W.
Washington, DC 20503

Dear Director:

This report presents the results of our independent review of the National Highway Traffic Safety Administration's (NHTSA) fiscal year 2017 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). We received NHTSA's reports on January 18, 2018. The reports and our review are required by 21 U.S.C. § 1704(d) and ONDCP's Circular entitled Accounting of Drug Control Funding and Performance Summary (Circular), dated January 2013.

The Circular states that when drug-related obligations total less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit alternative reports. Because its drug-related obligations for fiscal year 2017 totaled less than \$50 million, NHTSA submitted alternative reports. We reviewed NHTSA's reports and related management assertions to determine the reliability of those assertions in compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. An attestation review is substantially more limited in scope than an examination, which would express an opinion on the accuracy of NHTSA's Drug Control Obligation Summary and Performance Summary reports. Because we conducted an attestation review, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on NHTSA's fiscal year 2017 Drug Control Obligation Summary (see enclosure 1) according to the Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we reviewed selected accounting internal controls to determine whether drug control funds were properly identified in the accounting system.

We reviewed \$3,342,927.88 in obligations and traced those obligations to the Department of Transportation's accounting system and underlying contracts. We found no exceptions.

Performance Reporting Summary and Assertions

The fiscal year 2017 performance measure was designed to assess NHTSA's progress in trying to increase the standardization of toxicology testing in post-mortem and Driving Under the Influence of Drugs (DUID) cases. During the year, NHTSA completed the study of current toxicology practices in post-mortem and DUID cases, measured progress in gaining compliance with recommended practices issued in 2013, and revised the recommended practices through a consultative process. NHTSA met its performance target.

We performed review procedures on NHTSA's fiscal year 2017 Performance Summary report and management's assertions (see enclosure 2). We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria. Specifically, we reviewed NHTSA's internal controls for performance measures to gain an understanding of how the measures were developed.

Based on our review, we are not aware of any material modifications that should be made to NHTSA's fiscal year 2017 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with ONDCP's Circular. We appreciate the cooperation and assistance of the Department of Transportation's representatives. If you have any questions about this report, please call me at (202) 366-1407, or George Banks, Program Director, at (202) 420-1116.

Sincerely,



Louis C. King

Assistant Inspector General for Financial and
Information Technology Audits

Enclosures

cc: The Secretary
DOT Audit Liaison, M-1
NHTSA Audit Liaison, NFO-200



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

January 17, 2018

The Honorable Richard J. Baum
Acting Director
Office of National Drug Control Policy
Executive Office of the President
750 17th Street NW.
Washington, DC 20503

Dear Acting Director Baum:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the National Highway Traffic Safety Administration's (NHTSA) Fiscal Year (FY) 2017 Drug Control Obligation Summary is enclosed. NHTSA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

In FY 2017, NHTSA obligated \$3,342,927.88 on drug control activities. Of that amount, \$1,915,447 was obligated for research directed at drug-impaired driving and measures to reduce it. These activities included an effort to assist States, when interested, in conducting surveys of alcohol and drug use by drivers on their roads. NHTSA, in the past, provided national trend data on alcohol and drug use by drivers; but the agency is currently prohibited from continuing that data collection effort. NHTSA also started an effort to compile a state-of-the-knowledge report on drugs and driving. We have issued these reports periodically over the last 40 years.

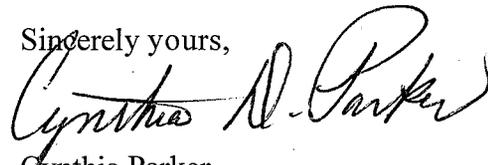
Another major effort started this fiscal year was to overhaul the Fatality Analysis Reporting System (FARS) data elements on drug use by drivers. This is a complex process that will involve fieldwork to determine feasibility.

An additional \$1,427,480.88 was obligated for program development and support activities. These included technical support for the International Association of Chiefs of Police for drug-impaired-driving training for law enforcement officers, support for organizing and conducting an annual training conference on impaired driving, general operating expenses support to NHTSA, and support to the Transportation Safety Institute for law enforcement training.

Other activities included support for the National Sobriety Testing Resource Center and the Drug Recognition Expert Data System. The Table of FY 2017 Drug Impaired Driving Obligations is enclosed.

NHTSA's point of contact for this report is John Marshall. He can be reached at 202-366-3803 if further assistance is required.

Sincerely yours,

A handwritten signature in black ink that reads "Cynthia N. Parker". The signature is written in a cursive style with a large, looped initial "C".

Cynthia Parker
Chief Financial Officer
NHTSA

Enclosure

Table of NHTSA's FY 2017 Drug Impaired Driving Obligations
Research

<u>Item</u>	<u>Procurement Title</u>	<u>Amount</u>
Sub-BPAC <u>8016.1717HS.2017.2002000100.NPD0300000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving*	\$250,000.00
Sub-BPAC <u>8016.1718HS.2017.2002000100.NPD0300000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving *	\$951.00
Sub-BPAC <u>8016.1717HS.2017.2002010000.NPD0110000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving *	\$798,000.00
2	Examine FARS Drug Data Collection and Reporting Process	\$250,000.00
3	State of Knowledge Report on Drugs and Driving	\$333,253.00
Sub-BPAC <u>8016.1717HS.2017.2002080000.NPD0220000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving *	\$95,000.00
Sub-BPAC <u>8016.1717HS.2017.2002090000.NPD0400000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving*	\$100,000.00
Sub-BPAC <u>8016.1717HS.2017.2002130000.NPD0220000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving*	\$60,000.00
Sub-BPAC <u>8016.1717HS.2017.2002360000.NPD0210000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving*	\$12,000.00
Sub-BPAC <u>8016.1717HS.2017.2002040000.NPD0120000</u>		
1	State-Level Roadside Study of Drug and Alcohol Driving*	\$16,243.00

Total Highway Safety Research Obligations = \$1,915,447

Note:

* The total cost of the State-Level Roadside Study of Drug and Alcohol Driving project was \$1,332,194

Program

<u>Item</u>	<u>Procurement Title</u>	<u>Amount</u>
<u>Sub-BPAC 2002070000 80161717NPD220</u>		
	Technical Support for Annual Drugs, Alcohol and Impaired Driving Training Conference	\$61,526.26
	International Association of Chiefs of Police – Technical Support For Drug and Alcohol Impaired Driving Training	\$648,895.00
	Transportation Safety Institute – Support for Impaired Driving Technical Assistance Task	\$43,459.62
	National Sobriety Testing Resource Center and Drug Recognition Expert Data System**	\$477,705.00
	a. Syneren Database Management -	\$175,000.00
	b. Versatech Database Management -	\$302,705.00
<u>Sub-BPAC 2002000000 80161717NPD010</u>		
	Versatech Database Management	\$195,895.00

Total Program Obligations = \$1,427,480.88

Note:

**The NHTSA OCIO awarded database management for the National Sobriety Testing Resource Center and the Drug Recognition Expert Data System to a new contractor, Versatech. In FY 2017, the previous contractor, Syneren, provided support for the data system during development of the new data system.



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

The Honorable Richard J. Baum
Acting Director
Office of National Drug Control Policy
Executive Office of the President
750 17th Street NW.
Washington, DC 20503

January 17, 2018

Dear Acting Director Baum:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting, issued January 18, 2013, the National Highway Traffic Safety Administration's Fiscal Year 2017 Drug Control Performance Summary Report is enclosed. Since NHTSA's obligations for drug-related activities fall below the reporting threshold of \$50 million, only a limited report is required to satisfy the statutory requirement.

NHTSA has established a series of performance measures based on critical milestones in the development of improved methods to measure the drug-impaired-driving problem, understand the role of drug use in crash causation, and assist law enforcement in detecting drug-impaired drivers.

Since 2005, NHTSA has been supporting efforts to increase the consistency of toxicology testing. This is essential in developing meaningful measures of drug-impaired driving. In 2017, NHTSA completed a study of toxicology practices by forensic laboratories that conduct testing for post-mortem and DUID cases (the third such study NHTSA has supported since 2005). The study documented progress in increasing the number of laboratories following recommended practices.

ASSERTIONS

1. **Performance reporting system is appropriate and applied:** In FY 2017, NHTSA completed a study of current toxicology practices in post-mortem and DUID (Driving Under the Influence of Drugs) cases, measured progress in gaining compliance with recommended practices issued in 2013, and—through a consultative process—revised the recommended practices. More than 290 laboratories that NHTSA determined were doing drug testing in post-mortem and DUID cases, were solicited to participate in the study. NHTSA received voluntary cooperation from more than 70 laboratories (typically those who do a high volume of post-mortem and DUID cases).

These laboratories spent a significant amount of time providing detailed information on their standard practices and procedures, including information on the volume of cases they handled in the past year, the types of drugs they tested for, the thresholds of

detection for individual drugs, and the number and types of drugs found in impaired-driving cases. It was not possible to obtain an independent assessment of the accuracy of the information provided. However, given the effort necessary to provide the requested information it is likely to be reasonably accurate.

NHTSA has supported efforts to increase the consistency of toxicology testing in post-mortem and DUID cases for more than a decade. Increasing information on the extent of drug use by drivers in fatal crashes and those arrested for impaired driving is critical to establishing a valid and reliable measure of the drug-impaired-driving problem. .

2. **Explanations for not meeting performance targets are reasonable:** Target met.
3. **Methodology to establish performance targets is reasonable and applied:**
Representatives from the participating laboratories were invited to participate in a multi-day consensus meeting to discuss the results of the study, measure progress in meeting the 2013 recommendations for toxicology testing, and to consider revising the recommendations as appropriate, given the new information attained. The participants were uniformly engaged and were committed to the need for consistency in toxicology testing practices. They clearly understood that this is a necessity that would enable a better understanding of the scope and nature of the drug-impaired-driving problem in the United States.
4. **Adequate performance measures exist for all significant drug control activities:**
The measures used to describe the agency's drug-impaired-driving program performance adequately reflect key steps toward the completion of necessary studies to increase the agency's understanding of the drug-impaired-driving problem. These performance measures provide a meaningful assessment of progress toward the development of reliable and accurate assessments of the drug-impaired-driving problem in the United States, and efforts to enforce laws that prohibit impaired driving on America's roads.

NHTSA's point of contact for this report is John Marshall. He can be reached at 202-366-3803, if further assistance is required.

Sincerely yours,



Jeffrey Michael
Associate Administrator for
Research and Program Development

Enclosure

**National Highway Traffic Safety Administration
Drug-Impaired-Driving Program**

**Performance Summary Report
Fiscal Year 2017**

(1) Performance Measures Overview

The FY 2010 National Drug Control Strategy called for efforts to *Collect Further Data on Drugged Driving* and for increased *Training to Law Enforcement on Identifying Drugged Drivers*.

NHTSA contributes to the National Drug Control Strategy by reducing the prevalence of drug-impaired drivers on the Nation's roadways. However, given the current state of knowledge, meaningful measures of the drug-impaired-driving problem are not available. To chart progress toward valid measurement of this problem, NHTSA has established a series of performance measures based on critical milestones in the development of improved methods to assist law enforcement in detecting drug-impaired drivers, and in developing valid and reliable measures of the drug-impaired-driving problem. The specific performance measures are shown below:

Recent Performance Measures

The FY 2015 performance measure assessed agency progress in setting the stage for implementing administrative license revocation for drug-impaired driving through field testing of oral fluid screening devices. Valid and reliable screening devices for law enforcement use are necessary in order to implement an administrative license revocation program. This measure was to complete the first phase of a pilot test of administrative license revocation for drug-impaired driving (field test of oral fluid drug screening devices).

The performance measure for FY 2016 completed a study jointly conducted by NHTSA and the State of Washington to determine the effects of legalization of recreational marijuana on traffic safety. The number of THC-positive drivers on the roads in Washington was assessed to gauge whether, and to what extent, legalization increases the number of THC-positive drivers on the road. The first measurement was taken before retail sales were permitted, followed by a second measurement 6 months after retail sales went into effect. The final measurement occurred 1 year after retail sales went into effect.

Current and Future Performance Measures

The FY 2017 performance measure is designed to assess NHTSA's progress in trying to increase the standardization of toxicology testing in post-mortem and DUID cases. Currently, there are a large number of forensic laboratories conducting toxicology testing in post-mortem and DUID cases. These laboratories typically screen for different drugs, at different levels of

detection. As a result, comparisons are not possible between cities, counties, or States, and NHTSA cannot combine the data into national statistics about drug use by drivers.

NHTSA supports efforts to achieve greater standardization through voluntary compliance with recommendations for toxicology testing. The agency has funded several efforts in the past (2005 and 2012) to document the state of toxicology testing and to measure progress. In FY 2017, NHTSA documented the current state of practice in toxicology testing, described the progress made in achieving greater uniformity between laboratories, identified the need for more consistency, and revised the 2013 recommendations.

The FY 2018 performance measure is to complete testing of four or five oral fluid drug screening devices designed for law enforcement use at the roadside or at a booking facility. Normally, an officer would have to obtain a search warrant for blood sample collection and testing. At many laboratories, drug test results are not available for months. Oral fluid drug screening devices, if found to be accurate and reliable, are likely to increase law enforcement's willingness to bring impaired-driving charges against drivers impaired by drugs.

The FY 2019 performance measure is to increase training of law enforcement officers in detecting drug-impaired drivers. NHTSA, in cooperation with the International Association of Chiefs of Police, administers the Drug Evaluation and Classification Program (DECP) that includes a rigorous training program to train law enforcement officers as Drug Recognition Experts (DREs). DREs use a standardized 12-step process to identify the category of drug used by a suspected impaired driver. Blood toxicology is used to verify the drug that may have been used.

(2) Prior Year Performance Targets and Result

NHTSA has met its performance targets each year since 2008. The table below shows actual performance for the past targets since 2012, along with current and future performance targets:

Drug-Impaired-Driving Program			
FY	Selected Measures of Performance	FY Target	Actual FY Performance
2016	Determine the effects of legalization of recreational use of marijuana on traffic safety	Complete a study of the number of THC-positive drivers on the road in the State of Washington before and after legalization of recreational use of marijuana	Study completed and released in July 2016. For the report, visit www.nhtsa.gov/staticfiles/nti/pdf/812299-WashingtonStatedrugstudy.pdf

(3) Current and Future Years Performance Targets

Drug-Impaired-Driving Program			
FY	Selected Measures of Performance	FY Target	Actual FY Performance
2017	Work toward greater uniformity in toxicological testing in post-mortem and DUID cases	Document current toxicology laboratory practices for DUID and post-mortem analysis	Study completed. The report contains information on current practices and makes recommendations for minimum standards for toxicology testing.
2018	Laboratory testing of oral fluid drug screening devices to determine accuracy and reliability	Complete testing to determine sensitivity, specificity, false positive and false negative rates for each device tested	
2019	Increase training of law enforcement officers in detecting drug-impaired drivers	Increase the number of officers trained in ARIDE and DRE by 10 percent	

(4) Quality of Performance Data

This most recent effort to document the state of toxicological testing in post-mortem and DUID cases involved contacting 296 laboratories. Complete information was obtained from 70 laboratories. Information collected included their standard practices and procedures, what panel of drugs they routinely screened for, and what the threshold of detection was for each drug. Representatives from these laboratories were then invited to participate in a consensus meeting to review the 2013 recommended practices and revise them as appropriate. The revised recommendations were designed so that any laboratory conducting post-mortem and DUID testing could meet the recommended standard practices. It is expected that further progress in increasing the number of laboratories will result from this latest effort.

The performance measures used by NHTSA provide a meaningful assessment of progress toward the development of reliable and accurate measures of the drug-impaired-driving problem in the United States.

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Washington, DC 20590



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Tab M



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

CHIEF FINANCIAL OFFICER

December 4, 2017

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Ursula S. Gillis Ursula S. Gillis
Chief Financial Officer

SUBJECT: Annual Accounting and Authentication of Fiscal Year (FY) 2017
Drug Control Funds, Related Performance, and Assertion of
Performance Information

Official Title: Ursula S. Gillis
U.S. Department of the Treasury, Internal Revenue Service
Chief Financial Officer
202-317-6400

The purpose of this memorandum is to transmit the IRS FY 2017 Annual Accounting and Authentication of Drug Control Funds and Related Performance Report, as directed in the Office of National Drug Control Policy (ONDCP) Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. This circular requires the Treasury Inspector General for Tax Administration (TIGTA) to perform an attestation review before the IRS submits this document to the ONDCP. After IRS receives TIGTA's conclusion as to the reliability of each assertion, I will forward the document to the ONDCP.

If you have any questions, please contact me at 202-317-6400, or have a member of your staff contact Jeffrey Zottola, Associate Chief Financial Officer for Corporate Budget, at 202-317-4038.

Attachment

INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related Performance

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2017 Drug Control Obligations

Narcotics	
Drug Resources by Function	
Investigations	<u>\$63,009,079</u>
Total	\$63,009,079
Drug Resources by Decision Unit	
Narcotics Crimes	<u>\$63,009,079</u>
Total	\$63,009,079

1) Drug Methodology

- a) All Drug Control Obligations (the resources appropriated and available for these activities) are reported under one Drug Control Function and one Budget Decision Unit, as shown in the chart above.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics Program¹. CI's overall Direct Investigative Time (DIT) applied to narcotics investigations for FY 2017 was 11.60 percent of total DIT.

The methodology for computing the resources appropriated and realized for the Narcotics Program is applying the DIT attributable to narcotics investigations and applying the DIT percentage to the total realized appropriated resources, reduced by reimbursable funds and Earned Income Tax Credit (EITC) resources, for the year that the resources are being reported. The result is determined to be the amount of resources expended on the Narcotics Program. This methodology was approved by CI, the IRS Chief Financial Officer, and the Office of National Drug Control Policy (ONDCP) during FY 2014 and was effective for FY 2014 and all subsequent fiscal years.

¹ The IRS-CI Narcotics Program consists of five sub-programs: Organized Crime Drug Enforcement Task Forces (OCDETF), High Intensity Drug Trafficking Area (HIDTA), HIDTA-OCDETF, Terrorism-OCDETF, and Narcotics-Other.

2) Methodology Modifications

No changes or modifications in the methodology from the prior year.

3) Material Weaknesses or Other Findings

None

4) Reprogramming or Transfers

None

5) Other Disclosures

None

B. Assertions

1) Obligations by Budget Decision Unit

Obligations reported by the Budget Decision Unit are a result of applying DIT data derived from the Criminal Investigation Management Information System (CIMIS) to the actual obligations from the CI realized Financial Plan, less reimbursements and EITC funds.

2) Drug Methodology

The current methodology used to calculate obligations of prior-year budgetary resources did not change from FY 2016 to FY 2017. There was no effect on the methodology in FY 2017 since the methodology in FY 2016 did not change.

a) Data

Data is derived from CIMIS to determine the DIT applied to the Narcotics Program. Each special agent submits CIMIS time reports monthly detailing their activities relating to specific investigations. Each investigation is associated with a specific program and sub-program area. The percentage of DIT applied to each program area is calculated monthly with a final annual percentage determined after the close of the fiscal year to determine the total resources expended to support the U.S. Government's National Drug Control Strategy. The annual percentage of DIT relating to all narcotics sub-programs is applied to the total resources expended for FY 2017 in the CI Appropriated Enforcement Budget (excluding reimbursements and EITC).

b) Other Estimation Methods

None

c) Financial Systems

The IRS Integrated Financial System (IFS) is the final authority for the IRS resource obligations and yields data which fairly presents drug-related obligation estimates.

3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the required table and meets all requirements described in Section 6 of the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary. Calculations made using this methodology are documented sufficiently to independently reproduce all data and ensure consistency between reporting years.

4) Reprogramming or Transfers

The data presented is associated with obligations against a financial plan and properly reflects any revisions occurring during the fiscal year.

5) Fund Control Notices

Criminal Investigation asserts the data presented is associated with obligations against a financial plan that fully complied with all fund control notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular: Budget Execution, as applicable.

C. Performance Summary Report

1) Performance Reporting

a) Performance Measures

The IRS reviewed performance measures used by other agencies that support the National Drug Control Strategy and budget-level performance measures that are already used to address the effectiveness of CI activities. As a result of the review, the IRS determined that, in addition to the number of subject criminal investigations completed, the most appropriate performance measures to evaluate its contribution to the National Drug Control Strategy were number of convictions and conviction rate. These are both budget-level performance measures already used by CI to evaluate its performance as a whole. Criminal investigations completed for the Narcotics Program and all

other programs are defined as total subject criminal investigations completed during the fiscal year, including those resulting in a prosecution recommendation to the DOJ, discontinuance due to lack of evidence, or a finding that the allegation was false (or other reasons). Convictions are defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty. Conviction rate is defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty divided by the status codes of nolle prosequi, judge dismissed, and jury acquittal.

These measures assess CI's performance of its mission to serve the public by conducting investigations of potential violations of the Internal Revenue Code and related financial crimes (which narcotics investigations are an important component), to foster confidence in the tax system and enhance voluntary compliance. In addition, it reduces or eliminates the profits and financial gains from narcotics trafficking and money laundering.

Criminal Investigation's Narcotics Program supports the goals of the President's Strategy to Combat Transnational Organized Crime, the U.S. National Drug Control Strategy, and the National Money Laundering Strategy, by seeking to reduce or eliminate the profits and financial gains from Transnational Criminal Organizations involved in narcotics trafficking and money laundering. CI has participated in the OCDETF program since its inception in 1982 and focuses its narcotics efforts almost exclusively on high-priority OCDETF cases where its contributions will have the greatest effect.

b) Prior Years Performance Targets and Results

The performance results for FY 2012 through FY 2016 are shown below:

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Investigations Completed	904	943	862	1039	788
Convictions	559	621	584	601	695
Conviction Rate	90%	88%	91%	92%	90%

Note: The performance results for FY 2012 – FY 2013 listed in the table above were based on the prior drug methodology and only include investigations coded as OCDETF.

c) Current Year Performance Targets and Results

CI calculated its year-end performance using the status date of investigations. The results for FY 2017 are shown below:

FY 2017 Narcotics Targets & Performance	FY 2017 Narcotics Targets	FY 2017 Performance Results Narcotics
Investigations Completed	800	693
Convictions	500	542
Conviction Rate	86.0%	87.4%

- The decrease in the number of investigations completed is due to reduced CI special agent staffing and agents being directed to work the most complex investigations, focusing resources on fewer but more significant investigations.

d) Fiscal Year 2018 Performance Targets Narcotics Cases:

The performance information for the IRS CI Narcotics program for FY 2018, as submitted to ONDCP (ONDCP Budget Submission):

Criminal Investigations Completed	936
Convictions	634
Conviction Rate	90.5%

- The FY 2018 statistics were calculated using five years of performance results for criminal investigations completed, convictions and conviction rate.

e) Quality of Performance Data

To ensure the reliability of the data, all cases have unique numbers assigned in CIMIS which contain validity and business rule checks. The CIMIS database tracks the status of the investigations from initiation through final disposition. The system has sufficient internal checks and balances to assure status updates are input in the proper order.

D. Annual Accounting and Authentication of Drug Control Funds and Related Performance

1) Performance Measures Assertions

a) Performance Reporting System is appropriate and applied

The IRS uses the CIMIS to capture performance information accurately and that system was applied properly to generate the performance data.

b) Explanations for not meeting performance targets are reasonable

Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

c) Methodology to establish performance targets is reasonable and applied

The methodology described in the Performance Summary Report for FY 2017 to establish performance targets for the current year is reasonable given past performance and available resources.

d) Adequate performance measures exist for all significant drug control activities

The IRS established at least one acceptable performance measure for each Drug Control Decision Unit identified in its Detailed Accounting of FY 2017 Drug Control Funds as required by § 6a(1)(A) for which a significant amount of obligations were incurred in the previous year.

2) Criteria for Assertions

a) Data

The sources of the data used are well-documented and the data used in the report is clearly identified and is the most recent available.

b) Estimation Methods

Not applicable.

c) Reporting Systems

The reporting system supporting the above assertions is current, reliable and an integral part of the agency's budget and management processes.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



***Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2017
Annual Accounting of Drug Control
Funds and Related Performance***

January 18, 2018

Reference Number: 2018-10-017

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Phone Number / 202-622-6500

E-mail Address / TIGTACommunications@tigta.treas.gov

Website / <http://www.treasury.gov/tigta>



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Information you provide is confidential and you may remain anonymous.



HIGHLIGHTS

INDEPENDENT ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2017 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Highlights

Final Report issued on January 18, 2018

Highlights of Reference Number: 2018-10-017
to the Internal Revenue Service Chief Financial
Officer and Chief, Criminal Investigation.

IMPACT ON TAXPAYERS

TIGTA reviewed the assertions in the IRS's Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission and Performance Summary Report for Fiscal Year 2017. IRS management is responsible for preparing the report.

The IRS supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. Complete and reliable financial and performance information is critical to the IRS's ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

WHY TIGTA DID THE AUDIT

This review was conducted as required by the ONDCP and ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year. Agencies also need to identify and document performance measures that show the results associated with these expenditures. Further, the ONDCP Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of

each assertion made in the report prior to its submission.

WHAT TIGTA FOUND

TIGTA previously recommended that the IRS set performance goals that are consistent with its documented methodology and are clearly explained. TIGTA found that the IRS addressed this recommendation for the Fiscal Year 2018 performance goals reported in the Fiscal Year 2017 submission. These performance goals are consistent with the IRS's documented methodology, which uses a newly implemented five-year average of prior performance results, and are clearly explained in the submission.

However, the Fiscal Year 2017 performance goals that were first reported in the Fiscal Year 2016 submission were not updated. TIGTA previously reported in January 2017 that the IRS did not update its reported performance goals for Fiscal Year 2017 to reflect its own documented methodology, which required the goals to be based on an average of the actual performance results achieved over the three prior fiscal years. The IRS advised us that updating the previously reported Fiscal Year 2017 goals was not feasible.

Otherwise, based on our review, nothing came to our attention that caused us to believe that the assertions in the IRS's Detailed Accounting Submission and Performance Summary Report are not fairly presented in all material respects in accordance with the ONDCP's established criteria.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations as a result of the work performed during this review. However, IRS officials reviewed this report and agreed with the facts and conclusions presented.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 18, 2018

MEMORANDUM FOR CHIEF FINANCIAL OFFICER
CHIEF, CRIMINAL INVESTIGATION

A handwritten signature in black ink, appearing to read "Michael E. McKenney".

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Independent Attestation Review of the Internal Revenue Service’s Fiscal Year 2017 Annual Accounting of Drug Control Funds and Related Performance (Audit # 201710023)

This report presents the results of our attestation review of the Internal Revenue Service’s Fiscal Year 2017 annual accounting of drug control funds and related performance. The overall objective of this review was to express a conclusion about the reliability of each assertion made in the Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report (the Report). This review is included in our Fiscal Year 2018 Annual Audit Plan and addresses the major management challenge of Achieving Program Efficiencies and Cost Savings.

The Treasury Inspector General for Tax Administration made no recommendations as a result of the work performed during this review. However, key Internal Revenue Service officials reviewed this report prior to its issuance and agreed with the fact and conclusions presented.

If you have any questions, please contact me or Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations).



***Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
of Drug Control Funds and Related Performance***

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***Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
of Drug Control Funds and Related Performance***

Abbreviations

FY	Fiscal Year
IRS	Internal Revenue Service
ONDCP	Office of National Drug Control Policy



***Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
of Drug Control Funds and Related Performance***

Background

The Anti-Drug Abuse Act of 1988¹ established the Office of National Drug Control Policy (ONDCP) to set priorities, implement a national strategy, and certify Federal Government drug control budgets. The Internal Revenue Service (IRS) supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. The mission of IRS Criminal Investigation in Federal law enforcement's anti-drug efforts is to reduce or eliminate the financial gains (profits) of major narcotics trafficking and money laundering organizations through the use of its unique financial investigative expertise and statutory jurisdiction.

This review was conducted as required by the ONDCP and ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The National Drug Control Program agencies² are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year.³ Agencies also need to identify and document performance measures that show the results associated with these expenditures. The Chief Financial Officer, or another accountable senior-level executive, of each agency for which a Detailed Accounting Submission is required shall provide a Performance Summary Report to the Director of the ONDCP. Further, the ONDCP Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

Since Fiscal Year (FY) 2014, the IRS has modified the methodology it uses to report ONDCP expenditures to include costs applicable to all narcotics investigations. Previously, the IRS reported only costs applicable to narcotics investigations performed as part of a coordinated task force. The IRS told us this change was made to allow for more comprehensive reporting of the resources it devotes to the National Drug Control Strategy. This change was approved by the ONDCP. The reporting of performance measures was similarly modified to include accomplishments applicable to all narcotics investigations.

This review was performed at the IRS Headquarters offices of the Chief Financial Officer and the Chief, Criminal Investigation, in Washington, D.C., during the period July 2017 through December 2017. Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally

¹ Pub. L. No. 100-690, 102 Stat. 4181 (1988).

² A National Drug Control Program agency is defined as any agency that is responsible for implementing any integral aspect of the National Drug Control Strategy.

³ Any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.



***Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
of Drug Control Funds and Related Performance***

accepted government auditing standards. In general, our review procedures were limited to inquiries and analytical procedures appropriate for an attestation review based upon the criteria in the ONDCP Circular. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2017 Annual Accounting of Drug Control Funds and Related Performance

Results of Review

Summary of the Independent Attestation Review of the Fiscal Year 2017 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report

We reviewed the assertions in the IRS's ONDCP Detailed Accounting Submission and Performance Summary Report (the Report) for FY 2017, which ended September 30, 2017 (see Appendix IV). The Report was prepared pursuant to 21 United States Code 1704(d) and the ONDCP Circular. IRS management is responsible for preparing the Report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Report. Accordingly, we do not express such an opinion.

TIGTA previously recommended that the IRS set performance goals that are consistent with its documented methodology and are clearly explained.⁴ We found that the IRS addressed this recommendation for the FY 2018 performance goals reported in the FY 2017 submission. These performance goals are consistent with the IRS's documented methodology, which uses a newly implemented five-year average of prior performance results, and are clearly explained in the submission.

However, the FY 2017 performance goals that were first reported in the FY 2016 submission were not updated. We previously reported, in January 2017,⁵ that the IRS did not update its reported performance goals for FY 2017 to reflect its own documented methodology, which required the goals to be based on an average of the actual performance results achieved over the three prior fiscal years. The IRS advised us that updating the previously reported FY 2017 goals was not feasible.

⁴ Treasury Inspector General for Tax Administration, Ref. No. 2016-10-014, *Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2015 Annual Accounting of Drug Control Funds and Related Performance* p. 4 (Jan. 2016).

⁵ Treasury Inspector General for Tax Administration, Ref. No. 2017-10-016, *Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2016 Annual Accounting of Drug Control Funds and Related Performance* p. 3 (Jan. 2017).



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2017 Annual Accounting of Drug Control Funds and Related Performance

Otherwise, based on our review, nothing came to our attention that caused us to believe that the assertions in the Report are not fairly presented in all material respects in accordance with the ONDCP's established criteria.

While this report is an unrestricted public document, the information it contains is intended solely for the use of the IRS, the U.S. Department of the Treasury, the ONDCP, and Congress. It is not intended to be used by anyone other than the specified parties.



***Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to perform an independent attestation review of the IRS's reporting of FY¹ 2017 ONDCP expenditures and related performance for the purpose of expressing a conclusion about the reliability of each assertion made in the Detailed Accounting Submission and Performance Summary Report. To accomplish our objective, we:

- I. Obtained an understanding of the process used to prepare the FY 2017 Detailed Accounting Submission and Performance Summary Report.
 - A. Discussed the process used to record ONDCP expenditures and performance information with responsible IRS personnel.
 - B. Obtained any documents, such as written procedures and supporting worksheets, that evidence the methodology used.
- II. Evaluated the reasonableness of the drug methodology process for detailed accounting submissions.
 - A. Reviewed data supporting the Detailed Accounting Submission to establish the relationship to the amounts being reported.
 - B. Verified whether all drug-related activities are reflected in the drug methodology.
 - C. Obtained documentation to support any modifications to the initial drug methodology and verified that the modifications were submitted to the ONDCP for review prior to implementation.
- III. Performed selected reviews of reported obligations in the Detailed Accounting Submission.
 - A. Verified that the Detailed Accounting Submission included all of the elements specified in Section 6 of ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.
 - B. Verified the mathematical accuracy of the obligations presented in the Table of FY 2017 Drug Control Obligations.
 - C. Traced the information contained in the Table of FY 2017 Drug Control Obligations to the supporting documentation.

¹ Any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.



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- D. Reviewed the supporting documentation for reasonableness.
- IV. Evaluated the reasonableness of the methodology used to report performance information for National Drug Control Program activities.
 - A. Reviewed data supporting the Performance Summary Report to establish the relationship to the National Drug Control Program activities.
 - B. Verified whether all drug-related activities are reflected in the performance information.
- V. Performed sufficient verifications of reported performance information to support our conclusion on the reliability of the assertions.
 - A. Verified that the Performance Summary Report included all of the elements specified in Section 7 of the ONDCP Circular.
 - B. Verified the mathematical accuracy of the performance information presented.
 - C. Traced the performance information presented to the supporting documentation.
 - D. Reviewed the supporting documentation for reasonableness.



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Appendix II

Major Contributors to This Report

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)
Alicia P. Mrozowski, Director
Anthony J. Choma, Audit Manager
Paige K. Krivda, Lead Auditor
Angela Garner, Senior Auditor



***Independent Attestation Review of the Internal
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Appendix III

Report Distribution List

Commissioner
Office of the Commissioner – Attn: Chief of Staff
Deputy Commissioner for Operations Support
Deputy Commissioner for Services and Enforcement
Deputy Chief Financial Officer
Deputy Chief, Criminal Investigation
Director, Office of Audit Coordination



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2017 Annual Accounting of Drug Control Funds and Related Performance

Appendix IV

The Internal Revenue Service's Fiscal Year 2017 Detailed Accounting Submission and Performance Summary Report



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

December 4, 2017

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Ursula S. Gillis *Ursula S. Gillis*
Chief Financial Officer

SUBJECT: Annual Accounting and Authentication of Fiscal Year (FY) 2017 Drug Control Funds, Related Performance, and Assertion of Performance Information

The purpose of this memorandum is to transmit the IRS FY 2017 Annual Accounting and Authentication of Drug Control Funds and Related Performance Report, as directed in the Office of National Drug Control Policy (ONDCP) Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. This circular requires the Treasury Inspector General for Tax Administration (TIGTA) to perform an attestation review before the IRS submits this document to the ONDCP. After IRS receives TIGTA's conclusion as to the reliability of each assertion, I will forward the document to the ONDCP.

If you have any questions, please contact me at 202-317-6400, or have a member of your staff contact Jeffrey Zottola, Associate Chief Financial Officer for Corporate Budget, at 202-317-4038.

Attachment



**Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
of Drug Control Funds and Related Performance**

Attachment

**INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related Performance**

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2017 Drug Control Obligations

	Narcotics
Drug Resources by Function	
Investigations	\$63,009,079
Total	\$63,009,079
Drug Resources by Decision Unit	
Narcotics Crimes	\$63,009,079
Total	\$63,009,079

1) Drug Methodology

- a) All Drug Control Obligations (the resources appropriated and available for these activities) are reported under one Drug Control Function and one Budget Decision Unit, as shown in the chart above.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics Program¹. CI's overall Direct Investigative Time (DIT) applied to narcotics investigations for FY 2017 was 11.60 percent of total DIT.

The methodology for computing the resources appropriated and realized for the Narcotics Program is applying the DIT attributable to narcotics investigations and applying the DIT percentage to the total realized appropriated resources, reduced by reimbursable funds and Earned Income Tax Credit (EITC) resources, for the year that the resources are being reported. The result is determined to be the amount of resources expended on the Narcotics Program. This methodology was approved by CI, the IRS Chief Financial Officer, and the Office of National Drug Control Policy (ONDCP) during FY 2014 and was effective for FY 2014 and all subsequent fiscal years.

¹ The IRS-CI Narcotics Program consists of five sub-programs: Organized Crime Drug Enforcement Task Forces (OCDETF), High Intensity Drug Trafficking Area (HIDTA), HIDTA-OCDETF, Terrorism-OCDETF, and Narcotics-Other.



***Independent Attestation Review of the Internal
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2) Methodology Modifications

No changes or modifications in the methodology from the prior year.

3) Material Weaknesses or Other Findings

None

4) Reprogramming or Transfers

None

5) Other Disclosures

None

B. Assertions

1) Obligations by Budget Decision Unit

Obligations reported by the Budget Decision Unit are a result of applying DIT data derived from the Criminal Investigation Management Information System (CIMIS) to the actual obligations from the CI realized Financial Plan, less reimbursements and EITC funds.

2) Drug Methodology

The current methodology used to calculate obligations of prior-year budgetary resources did not change from FY 2016 to FY 2017. There was no effect on the methodology in FY 2017 since the methodology in FY 2016 did not change.

a) Data

Data is derived from CIMIS to determine the DIT applied to the Narcotics Program. Each special agent submits CIMIS time reports monthly detailing their activities relating to specific investigations. Each investigation is associated with a specific program and sub-program area. The percentage of DIT applied to each program area is calculated monthly with a final annual percentage determined after the close of the fiscal year to determine the total resources expended to support the U.S. Government's National Drug Control Strategy. The annual percentage of DIT relating to all narcotics sub-programs is applied to the total resources expended for FY 2017 in the CI Appropriated Enforcement Budget (excluding reimbursements and EITC).



***Independent Attestation Review of the Internal
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b) Other Estimation Methods

None

c) Financial Systems

The IRS Integrated Financial System (IFS) is the final authority for the IRS resource obligations and yields data which fairly presents drug-related obligation estimates.

3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the required table and meets all requirements described in Section 6 of the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary. Calculations made using this methodology are documented sufficiently to independently reproduce all data and ensure consistency between reporting years.

4) Reprogramming or Transfers

The data presented is associated with obligations against a financial plan and properly reflects any revisions occurring during the fiscal year.

5) Fund Control Notices

Criminal Investigation asserts the data presented is associated with obligations against a financial plan that fully complied with all fund control notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular: Budget Execution, as applicable.

C. Performance Summary Report

1) Performance Reporting

a) Performance Measures

The IRS reviewed performance measures used by other agencies that support the National Drug Control Strategy and budget-level performance measures that are already used to address the effectiveness of CI activities. As a result of the review, the IRS determined that, in addition to the number of subject criminal investigations completed, the most appropriate performance measures to evaluate its contribution to the National Drug Control Strategy were number of convictions and conviction rate. These are both budget-level performance measures already used by CI to evaluate its performance as a whole. Criminal investigations completed for the Narcotics Program and all



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2017 Annual Accounting of Drug Control Funds and Related Performance

other programs are defined as total subject criminal investigations completed during the fiscal year, including those resulting in a prosecution recommendation to the DOJ, discontinuance due to lack of evidence, or a finding that the allegation was false (or other reasons). Convictions are defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty. Conviction rate is defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty divided by the status codes of nolle prosequi, judge dismissed, and jury acquittal.

These measures assess CI's performance of its mission to serve the public by conducting investigations of potential violations of the Internal Revenue Code and related financial crimes (which narcotics investigations are an important component), to foster confidence in the tax system and enhance voluntary compliance. In addition, it reduces or eliminates the profits and financial gains from narcotics trafficking and money laundering.

Criminal Investigation's Narcotics Program supports the goals of the President's Strategy to Combat Transnational Organized Crime, the U.S. National Drug Control Strategy, and the National Money Laundering Strategy, by seeking to reduce or eliminate the profits and financial gains from Transnational Criminal Organizations involved in narcotics trafficking and money laundering. CI has participated in the OCDETF program since its inception in 1982 and focuses its narcotics efforts almost exclusively on high-priority OCDETF cases where its contributions will have the greatest effect.

b) Prior Years Performance Targets and Results

The performance results for FY 2012 through FY 2016 are shown below:

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Investigations Completed	904	943	862	1039	788
Convictions	559	621	584	601	695
Conviction Rate	90%	88%	91%	92%	90%

Note: The performance results for FY 2012 – FY 2013 listed in the table above were based on the prior drug methodology and only include investigations coded as OCDETF.



**Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
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c) Current Year Performance Targets and Results

CI calculated its year-end performance using the status date of investigations. The results for FY 2017 are shown below:

FY 2017 Narcotics Targets & Performance	FY 2017 Narcotics Targets	FY 2017 Performance Results Narcotics
Investigations Completed	800	693
Convictions	500	542
Conviction Rate	86.0%	87.4%

- The decrease in the number of investigations completed is due to reduced CI special agent staffing and agents being directed to work the most complex investigations, focusing resources on fewer but more significant investigations.

d) Fiscal Year 2018 Performance Targets Narcotics Cases:

The performance information for the IRS CI Narcotics program for FY 2018, as submitted to ONDCP (ONDCP Budget Submission):

Criminal Investigations Completed	936
Convictions	634
Conviction Rate	90.5%

- The FY 2018 statistics were calculated using five years of performance results for criminal investigations completed, convictions and conviction rate.

e) Quality of Performance Data

To ensure the reliability of the data, all cases have unique numbers assigned in CIMIS which contain validity and business rule checks. The CIMIS database tracks the status of the investigations from initiation through final disposition. The system has sufficient internal checks and balances to assure status updates are input in the proper order.



***Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2017 Annual Accounting
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D. Annual Accounting and Authentication of Drug Control Funds and Related Performance

1) Performance Measures Assertions

a) Performance Reporting System is appropriate and applied

The IRS uses the CIMIS to capture performance information accurately and that system was applied properly to generate the performance data.

b) Explanations for not meeting performance targets are reasonable

Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

c) Methodology to establish performance targets is reasonable and applied

The methodology described in the Performance Summary Report for FY 2017 to establish performance targets for the current year is reasonable given past performance and available resources.

d) Adequate performance measures exist for all significant drug control activities

The IRS established at least one acceptable performance measure for each Drug Control Decision Unit identified in its Detailed Accounting of FY 2017 Drug Control Funds as required by § 6a(1)(A) for which a significant amount of obligations were incurred in the previous year.

2) Criteria for Assertions

a) Data

The sources of the data used are well-documented and the data used in the report is clearly identified and is the most recent available.

b) Estimation Methods

Not applicable.

c) Reporting Systems

The reporting system supporting the above assertions is current, reliable and an integral part of the agency's budget and management processes.

Tab N

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Health Administration

*Independent Review of
VA's FY 2017
Detailed Accounting
Submission to the Office of
National Drug Control Policy*

March 26, 2018
18-00836-147

ACRONYMS

FY	Fiscal Year
OIG	Office of Inspector General
ONDCP	Office of National Drug Control Policy
VA	Department of Veterans Affairs

To report suspected wrongdoing in VA programs and operations,

contact the VA OIG Hotline:

Website: www.va.gov/oig/hotline

Telephone: 1-800-488-8244

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Department of Veterans Affairs

Memorandum

Date: March 26, 2018

From: Assistant Inspector General for Audits and Evaluations (52)

Subj: Final Report: *Independent Review of VA's Fiscal Year 2017 Detailed Accounting Submission to the Office of National Drug Control Policy*

To: Chief Financial Officer, Veterans Health Administration (10A3)

1. The Office of Inspector General is required to review the Department of Veterans Affairs' (VA) Fiscal Year 2017 Detailed Accounting Submission (Submission) to the Director, Office of National Drug Control Policy (ONDCP), pursuant to ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary* (Circular), dated January 18, 2013, and as authorized by 21 U.S.C. § 1704(d)(A).¹ The Submission is the responsibility of VA's management and is included in this report as an Attachment.

2. We reviewed VA's management's assertions, as required by the Circular, concerning its drug methodology, application of methodology, reprogrammings or transfers, and fund control notices. The assertions are found in the Submission on page 10 of this report.

3. We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the applicable *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination. The objective of an examination is the expression of an opinion on the assertions in the Submission. Accordingly, we do not express such an opinion.

4. Our report, *Audit of VA's Financial Statements for Fiscal Years 2017 and 2016* (Report No. 17-01219-24, dated November 15, 2017) included six material weaknesses, five of which were repeat weaknesses from the FY 2016 audit, plus one that was elevated from a significant deficiency:

- information technology security controls;
- compensation, pension, burial, and education actuarial estimates;
- community care obligations, reconciliations, and accrued expenses;
- financial reporting;
- Chief Financial Officer organizational structure; and

¹ To view the Circular, please visit https://obamawhitehouse.archives.gov/sites/default/files/docs/2013_circular-accounting_of_drug_control_funding_and_performance_summary.pdf.

- loan guarantee liability; this was elevated to a material weakness from a significant deficiency in the prior fiscal year audit report.

We also identified a significant deficiency related to Procurement, Undelivered Orders, Accrued Expenses, and Reconciliations, which was also reported as a significant deficiency in FY 2016. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements, that is more than inconsequential, will not be prevented or detected.

5. Based upon our review, except for the effects, if any, of the material weaknesses discussed in paragraph four, nothing came to our attention that caused us to believe that management's assertions included in the accompanying Submission of this report are not fairly stated in all material respects based on the criteria set forth in the Circular.

6. This report is intended for the information and use of the ONDCP in meeting its statutory obligation to provide the U.S. Congress an accounting of VA's FY 2017 Detailed Accounting Submission. As a result, this report is not intended to be used for any other purpose.

7. We provided the Veterans Health Administration our draft report for review and comment. The Acting Chief of Staff concurred with our report without further comments.



LARRY M. REINKEMEYER

Attachments

VA's Management Representation Letter

Department of Veterans Affairs Memorandum

Date: January 5, 2018

From: Chief Financial Officer, Veterans Health Administration
Associate Chief Financial Officer, Veterans Health Administration
Director of Budget Services, Veterans Health Administration

Subj: Management Representation Letter for the Independent Review of VA's FY 2017 Detailed Accounting Submission to the Office of National Drug Control Policy (Project Number 2017-00836-BA-0031)

To: Assistant Inspector General for Audits and Evaluations (52)

We are providing this letter in connection with your attestation review of our Detailed Accounting Submission to the Director, Office of National Drug Control Policy (ONDCP).

We confirm, to the best of our knowledge and belief, that the following representations made to you during your attestation review are accurate and pertain to the fiscal year ending on September 30, 2017.

1. We confirm that we are responsible for and have made available to you the following:
 - a. The Table of Drug Control Obligations and related assertions;
 - b. All financial records and related data relevant to the Detailed Accounting Submission; and,
 - c. Communications from the Office of National Drug Control Policy and other oversight bodies concerning the Detailed Accounting Submission.
2. No reprogramming or transfer of funds from drug related resources, as identified in the Fiscal Year 2017 financial plan, occurred in Fiscal Year 2017.
3. We understand your review will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination and accordingly, you will not express an opinion on the Table of Drug Control Obligations and related disclosures.
4. No events have occurred subsequent to September 30, 2017, that would have an effect on the Detailed Accounting Submission.

(original signed by:)

Mark Yow
Chief Financial Officer (10A3)
Veterans Health Administration

(original signed by:)

Ed Bernard
Associate VHA Chief Financial Officer
Resource Management (10A3B)

(original signed by:)

Calvin L. Seay, Jr.
Director of Budget Services
Resource Management (10A3B)

cc: Veterans Health Administration Audit Liaison (10B5)

For accessibility, the format of the original document has been modified to fit in this document.

Attachment

Statement of Disclosures and Assertions for FY 2017 Drug Control Obligations Submitted to Office of National Drug Control Policy (ONDCP) for Fiscal Year Ending September 30, 2017

In accordance with ONDCP's Circular, Drug Control Accounting, dated January 18, 2013, the Veterans Health Administration asserts that the VHA system of accounting, use of obligations, and systems of internal controls provide reasonable assurance that:

Obligations are based upon the actual expenditures as reported by the Decision Support System (DSS), which is the designated Managerial Cost Accounting (MCA) System of the Department of Veterans Affairs.

The methodology used to calculate obligations of budgetary resources is reasonable and accurate in all material respects and as described herein was the actual methodology used to generate the costs.

Accounting changes are as shown in the disclosures that follow.

**DEPARTMENT OF VETERANS AFFAIRS
VETERANS HEALTH ADMINISTRATION
Annual Reporting of FY 2017 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION

A. Table of FY 2017 Drug Control Obligations

(In Millions)

Description	FY 2017 Actual
Drug Resources by Budget Decision Unit:	
Medical Care.....	\$733.877
Medical & Prosthetic Research.....	\$16.559
Total.....	\$750.436
Drug Resources by Drug Control Function:	
Treatment.....	\$733.877
Research & Development.....	\$16.559
Total.....	\$750.436

1. Drug Control Methodology

The Table of FY 2017 Drug Control Obligations (above) and the Resource Summary (page 9) showing obligations and FTE (Full-Time Equivalent) for Substance Use Disorder treatment in VHA are based on specific patient encounters. This includes all inpatient and outpatient episodes of care either provided by VHA staff or purchased in the community. The source data for VHA inpatient care is the Patient Treatment File (PTF). For Outpatient Care, it is the National Patient Care Database Encounter file (SEFILE). For contract care, it is either the PTF or the hospital payment file. For traditional outpatient Medical Care in the Community (MCC) and Provider Agreements (PA), it is the Provider Payment file. For Third Party Agreements (TPA) Choice, it is the expedited payments from the Office of Community Care (OCC) which also resides in the Corporate Data Warehouse (CDW).

All encounters have an associated diagnosis. The primary diagnosis is considered the reason the patient is being treated and is used to determine whether the treatment provided is substance abuse treatment and which type of substance abuse. A list of Diagnosis groups is shown in the following table.

Diagnosis Code	Description (ICD10 – DSM-5)
F11xx	Opioid Related Disorders
F12xx	Cannabis Related Disorders
F13xx	Sedative Hypnotic/Anxiolytic Related Disorders
F14xx	Cocaine Related Disorders
F15xx	Other Stimulant Related Disorders
F16xx	Hallucinogen Related Disorders
F19xx	Other Psychoactive Substance Related Disorders

It should be noted that Prescriptions and Lab tests do not have linkages to a specific diagnosis and are not included in the report.

The cost of VHA provided services is calculated by the Decision Support System (DSS), which is the designated Managerial Cost Accounting (MCA) System of the Department of Veterans Affairs. MCA cost data is used at all levels of the VA for important functions, such as cost recovery (billing), budgeting and resource allocation. Additionally, the system contains a rich repository of clinical information, which is used to promote a more proactive approach to the care of high risk (i.e., diabetes and acute coronary patients) and high cost patients. VA MCA data is also used to calculate and measure the productivity of physicians and other care providers.

The basic unit of MCA cost is the product. For VHA a product can range from a prescription fill made through a mail-out pharmacy, to an outpatient dental exam, to a bed-day of care in an Intensive Care Unit. Every product that is delivered is fully costed. This means that all direct labor, direct supply and associated indirect costs (to include local and national overhead costs) are applied. Once they are fully costed, products are then assigned to the applicable patient encounter.

MCA costs are the basis for the obligations displayed in the ONDCP report. The Allocation Resource Center (ARC) develops ARC cost, which is computed by taking the MCA cost and removing the non-patient specific costs, such as Operating costs for Headquarters, VISN Support, National Programs, and Capital and State Home costs, and adding in the FEE payments.

For budget purposes, ARC costs are transformed into obligations to account for the entire VHA Budget. It is a multi-step methodology that is implemented to compute obligations.

- The ARC costs are divided into their appropriations using cost centers identified in their Monthly Program Cost Report (MPCR), which is a MCA Account Level Budget (ALB) based report that accounts for all the costs that comprise the MCA system.
- A facility specific ratio of obligations to ARC cost for non-capital costs is created and multiplied by the expenditures to create medical center specific obligations.
- Assign the medical center capital obligations to VHA services proportional to cost.
- Aggregate the national overhead obligations by cost center into their appropriations and assign them to patient services proportional to cost.
- Balance the final obligations nationally to the SF133 Report on Budget Execution total proportionately.

MEDICAL CARE

Year in Review

VA provides two types of 24-hour-a-day care to patients having particularly severe substance use disorders (SUD). VA offers 24-hour care in residential rehabilitation treatment programs for substance use disorders. Additionally, 24-hour care is provided for detoxification in numerous inpatient medical and general mental health units throughout the VA system. Outpatient detoxification is available for patients who are medically stable and who have sufficient social support systems to monitor their status.

Most Veterans with substance use disorders are treated in outpatient programs. Intensive substance use disorder outpatient programs provide at least three hours of service per day to each patient, and patients attend them three or more days per week. Standard outpatient programs typically treat patients for an hour or two per treatment day and patients attend one or two days a week.

In FY 2017, VHA provided services by mental health clinicians in a variety of outpatient settings to 199,903 patients with any diagnosis of a drug use disorder. Of these, 32 percent used cocaine, 30 percent used opioids, and 49 percent used cannabis. Nearly 88 percent had co-existing psychiatric diagnoses. (These categories are not mutually exclusive.)

VHA has continued to improve service delivery and efficiency by integrating services for mental health disorders, including SUD, into primary care settings. Veterans from Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn/Operation Inherent Resolve (OEF/OIF/OND/OIR) and Veterans from other eras are served in primary care teams (Patient Aligned Care Teams; PACTs) that have co-located mental health staff to identify and address potential mental health needs. Secondary prevention services include diagnosis and assessment of possible substance use disorders in patients presenting medical problems that suggest elevated risk of substance use disorders (e.g. treatment for Hepatitis C).

VA continues to pursue a comprehensive strategy to promote safe prescribing of opioids when indicated for effective pain management. The purpose of the Opioid Safety Initiative is to ensure pain management is addressed thoughtfully, compassionately, and safely. Based on comparisons of national data between the quarter beginning in July 2012 and the quarter ending in September 2017, several aspects of the Opioid Safety Initiative have begun to show positive results. Despite an increase of 157,923 veterans who were dispensed any medication from a VA pharmacy, 192,742 fewer veterans were on long-term opioids, and 82,285 fewer veterans received opioid and benzodiazepine medications together. There has been an increase in the percentage of veterans on opioid therapy who have had at least one urine drug screen from 37 percent to 88 percent. The average dose of selected opioids has continued to decline as 33,565 fewer patients were receiving daily doses greater than or equal to 100 milligrams of morphine equivalent, demonstrating that prescribing and consumption behaviors are changing.

VHA is steadily expanding the availability of opioid agonist treatment for veterans with opioid use disorder (OUD). VA monitors the percentage of patients with OUD who receive medication-assisted treatment (35 percent during FY 2017) as part of the Psychotropic Drug Safety Initiative (PDSI). PDSI is a nationwide psychopharmacology quality improvement (QI) program that supports facility-level QI through: quarterly quality metrics, clinical decision support tools, technical assistance for QI strategic implementation, and a virtual learning collaborative. Compared to FY 2016, during FY 2017, 11 percent more unique Veterans received treatment with buprenorphine (total of 14,660) and the number of prescribers increased by 12 percent (to 1,150). In FY 2017, evidence-based medication-assisted treatment (MAT) for opioid use disorder, including office-based treatment with buprenorphine, was accessible to patients seen at 100 percent of VA Medical Centers. Including VA Medical Centers, Community-Based Outpatient Clinics, and other sites of care separate from the medical centers, over 550 total sites of service provided at least some MAT. VA operates federally regulated opioid treatment programs that can provide methadone maintenance on-site at 32 larger urban locations, and at a growing number of VHA facilities that maintain contractual arrangements or arrange non-VA care for providing these services through community-based licensed opioid treatment programs.

Independent Review of VA's FY 2017 Detailed Accounting Submission Report to ONDCP

Programs to end Homelessness among veterans have SUD specialists to support the Department of Housing and Urban Development – VA Supportive Housing (HUD-VASH) program. In addition, there are SUD Specialists working in Health Care for Homeless Veterans (HCHV) programs. These specialists emphasize early identification of SUD as a risk for maintaining permanent housing, promote engagement or re-engagement in SUD specialty care programs and serve as linkages between Homeless and SUD programs. All VA medical centers have at least one designated Veterans Justice Outreach (VJO) Specialist.

During FY 2017, VHA continued implementation of clinical symptom monitoring using the Brief Addiction Monitor that transmits responses to the national database. The Brief Addiction Monitor assists substance use disorder specialty care clinicians in initial treatment planning and monitoring the progress of patients while they are receiving care for a substance use disorder. This also serves as a basis for giving feedback to enhance each patient's motivation for change and informing clinical decisions, such as the intensity of care required for the patient. In addition to items addressing risk and protective factors for recovery, the Brief Addiction Monitor assesses self-reported substance use in the prior 30 days, which includes the use of any illicit and non-prescribed drugs, as well as specific substances.

VHA has supplemented its current suite of internal indicators of substance use disorder care processes using administrative data related to a patient reported outcome measure derived from the Brief Addiction Monitor: abstinence from drug use at follow-up in a substance use disorder specialty treatment population. During the first three quarters of FY 2017 (allowing time for follow-up assessment during Quarter 4), VHA substance use disorder specialty outpatient programs assessed self-reported abstinence among 2,620 veterans with substance use disorder diagnoses documented at admission. Among the veterans who remained engaged in care and were reassessed 30 to 90 days after admission, 80 percent reported abstinence from drugs during the previous 30 days. Over 7,555 veterans were assessed at the beginning of substance use disorder specialty care during the 4th quarter of FY 2017.

The accompanying Department of Veterans Affairs Resource Summary (page 9) was prepared in accordance with the following Office of National Drug Control Policy (ONDCP) circulars (a) Accounting of Drug Control Funding and Performance Summary dated January 18, 2013, (b) Budget Formulation, dated January 18, 2013, and (c) Budget Execution, dated January 18, 2013. In accordance with the guidance provided in the Office of National Drug Control Policy's letter of September 7, 2004, VA's methodology only incorporates Specialized Treatment costs.

Independent Review of VA's FY 2017 Detailed Accounting Submission Report to ONDCP

Specialized Treatment Costs (Dollars in Millions)

Specialized Treatment	VHA Obligations	Care in the Community Obligations	Total Obligations	FTE
Inpatient	\$176.470	\$19.295	\$195.765	831
Outpatient	\$292.889	\$21.621	\$314.510	1287
Residential Rehabilitation & Treatment	\$223.602	\$0.000	223.602	1181
Total	\$692.961	\$40.917	\$733.877	3,299

VA does not track obligations by ONDCP function. In the absence of such capability, obligations by specialized treatment costs have been furnished, as indicated.

MEDICAL & PROSTHETIC RESEARCH

The dollars VHA invests in research helps aid efforts to improve the prevention, diagnosis and treatment of substance use disorders, while improving the effectiveness, efficiency, accessibility and quality of Veterans' health care.

Specialized Function	Obligations (Millions)	Drug Control Related Percent	FTE
Research & Development	\$16.559	N/A	N/A

2. **Methodology Modifications** – In accordance with the guidance provided in the Office of National Drug Control Policy's letter of September 7, 2004, VA's methodology only incorporates Specialized Treatment costs and no longer takes into consideration Other Related Treatment costs. Drug control methodology detailed in A.1 was the actual methodology used to generate the Resource Summary.
3. **Material Weaknesses or Other Findings** – CliftonLarsonAllen LLP provided an unmodified opinion on VA's FY 2017 consolidated financial statements. They identified six material weaknesses and one significant deficiency. The material weaknesses relate to: a) Compensation, Pension, Burial and Education Actuarial Estimates (partial repeat); b) Community Care Obligations, Reconciliations and Accrued Expenses (repeat); c) Financial Reporting (repeat); d) Loan Guarantee Liability (repeat); e) CFO Organizational Structure (repeat); and f) Information Technology Security Controls (repeat). The significant deficiency relates to: Procurement, Undelivered Orders, Accrued Expenses, and Reconciliations (repeat).
4. **Reprogrammings or Transfers** – There were no reprogramming of funds or transfers that adjusted drug control-related funding because drug control expenditures are reported on the basis of patients served in various VA clinical settings for specialized substance abuse treatment programs.
5. **Other Disclosures** – This budget accounts for drug control-related costs for VHA Medical Care and Research. It does not include all drug-related costs for the agency. VA incurs costs related to accounting and security of narcotics and other controlled substances and costs of law enforcement related to illegal drug activity; however, these costs are assumed to be relatively small and would not have a material effect on the reported costs.

B. Assertions

1. Drug Methodology – VA asserts that the methodology used to estimate FY 2017 drug control obligations by function and budget decision unit is reasonable and accurate based on the criteria set forth in the ONDCP Circular dated January 18, 2013.
2. Application of Methodology – The methodology described in Section A.1 above was used to prepare the estimates contained in this report.
3. Reprogrammings or Transfers – No changes were made to VA's Financial Plan that required ONDCP approval per the ONDCP Circular dated January 18, 2013.
4. Fund Control Notices – The data presented are associated with obligations against a financial plan that was based upon a methodology in accordance with all Fund Control Notices issued by the Director under 21 U.S.C., § 1703 (f) and Section 9 of the ONDCP Circular, Budget Execution.

Independent Review of VA's FY 2017 Detailed Accounting Submission Report to ONDCP

(original signed by:)

1/5/2018

Mark Yow
Chief Financial Officer (10A3)
Veterans Health Administration

Date

(original signed by:)

1/4/2018

Ed Bernard
Associate VHA Chief Financial Officer
Resource Management (10A3B)

Date

(original signed by:)

1/4/2018

Calvin L. Seay, Jr.
Director of Budget Services
Resource Management (10A3B)

Date

Department of Veterans Affairs Resource Summary Obligations (In Millions)	
	2017 Actual
Medical Care:	
Specialized Treatment	
Inpatient.....	\$195.765
Residential Rehabilitation & Treatment.....	\$223.602
Outpatient.....	\$314.510
Specialized Treatment.....	<u>\$733.877</u>
Medical & Prosthetics Research:	
Research & Development.....	<u>\$16.559</u>
Drug Control Resources by Function & Decision Unit Total....	<u>\$750.436</u>
Drug Control Resources Personnel Summary	
Total FTE.....	<u>3,299</u>
Total Enacted Appropriations.....	\$183,564.000
Drug Control Percentage.....	0.41%

For accessibility, the format of the original document has been modified to fit in this document.

Appendix A OIG Contact and Staff Acknowledgments

Contact

For more information about this report, please contact the Office of Inspector General at (202) 461-4720.

Acknowledgments

Murray Leigh, Director
Tesia Basso
Nathan Fong
D. Stephen Nose

Appendix B Report Distribution

VA Distribution

Office of the Secretary
Office of Under Secretary for Health, Veterans Health Administration
Principal Deputy Under Secretary for Health, Veterans Health Administration
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Office of Finance, Veterans Health Administration
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National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget
Office of National Drug Control Policy

This report is available on the OIG website at www.va.gov/oig.

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Health Administration

*Independent Review of
VA's FY 2017
Performance Summary
Report to the Office of
National Drug Control Policy*

March 26, 2018
18-00835-146

ACRONYMS

BAM	Brief Addiction Monitor
FY	Fiscal Year
OIG	Office of Inspector General
ONDCP	Office of National Drug Control Policy
ORD	Office of Research and Development
SUD	Substance Use Disorder
VA	Department of Veterans Affairs
VHA	Veterans Health Administration

**To report suspected wrongdoing in VA programs and operations,
contact the VA OIG Hotline:**

Website: www.va.gov/oig/hotline

Telephone: 1-800-488-8244

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**Department of
Veterans Affairs**

Memorandum

Date: March 26, 2018

From: Assistant Inspector General for Audits and Evaluations (52)

Subj: Final Report: *Independent Review of VA's Fiscal Year 2017 Performance Summary Report to the Office of National Drug Control Policy*

To: Deputy Under Secretary for Health for Organizational Excellence (10E)

1. The Office of Inspector General is required to review the Department of Veterans Affairs' Fiscal Year 2017 Performance Summary Report to the Director, Office of National Drug Control Policy (ONDCP), pursuant to ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary* (Circular), dated January 18, 2013, and as authorized by 21 U.S.C. § 1703(d)(7).¹ The Performance Summary Report is the responsibility of VA's management and is included in this report as Attachment A (*Patient Reported Abstinence*) and Attachment B (*Research and Development*).

2. We reviewed, according to the Circular's criteria and requirements, whether VA has a system to capture performance information accurately and whether that system was properly applied to generate the performance data reported in the Performance Summary Report. We also reviewed whether VA offered a reasonable explanation for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets. Furthermore, we reviewed whether the methodology described in the Performance Summary Report and used to establish performance targets for the current year is reasonable, given past performance and available resources; and whether VA established at least one acceptable performance measure for each Drug Control Decision Unit, as defined by the Circular, for which a significant amount of obligations were incurred.

3. We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the applicable *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially narrower in scope than an examination. Specifically, the objective of an examination is the expression of an opinion on the assertions in the Performance Summary Report. Accordingly, we do not express such an opinion on the assertions in the Performance Summary Report.

¹ To view the circular, please visit https://obamawhitehouse.archives.gov/sites/default/files/docs/2013_circular-accounting_of_drug_control_funding_and_performance_summary.pdf.

Independent Review of VA's FY 2017 Performance Summary Report to ONDCP

4. Based upon our review and the Circular's criteria:

- Nothing came to our attention that caused us to believe VA lacked a system to capture performance information accurately or that the system was not properly applied to generate the performance data in the Performance Summary Report.
- VA did not meet its FY 2017 target for the Patient Reported Abstinence performance measure. VA reported that the performance target was set with an expectation that performance would improve in FY 2017 from the levels observed in FY 2015 and FY 2016; however, there was not a compelling benchmark to use as the basis for the increased target. VA reported that FY 2017 performance was derived from a convenience sample rather than a representative sample of the full patient population. The decline in FY 2017 performance may reflect differences over time in the addiction severity of patients sampled. VA reported that samples are expected to be more representative once measurement-based care is implemented routinely, and more appropriate target levels will continue to be refined. VA reported that targets are set to promote performance improvement while considering changes in the healthcare delivery system and the effect on case mix in Substance Use Disorder specialty care. Based on consideration of all these factors, VA reported the FY 2018 target for patient-reported abstinence will remain at the same level as the FY 2017 target.
- Nothing came to our attention that caused us to believe VA did not meet its FY 2017 Research and Development target for the substance use disorder ongoing studies performance measure. As a result, VA is not required to offer an explanation for failing to meet a performance target, for recommendations concerning plans and schedules for meeting future targets, or for revising or eliminating performance targets for this measure.
- Nothing came to our attention that caused us to believe the methodology described in the Performance Summary Report establishing performance targets for the current year is not reasonable, given past performance and available resources.
- Nothing came to our attention that caused us to believe VA did not establish at least one acceptable performance measure for each Drug Control Decision Unit, as defined by the Circular, for which a significant amount of obligations were incurred in the previous fiscal year.

5. This report is intended for the information and use of the ONDCP in meeting its statutory obligation to provide the U.S. Congress an accounting of VA's FY 2017 Performance Summary Report. As a result, this report is not intended to be used for any other purpose

6. We provided the Veterans Health Administration our draft report for comment. The Acting Chief of Staff concurred with our report without further comments.

A handwritten signature in black ink, reading "Larry M. Reinkemeyer". The signature is written in a cursive style with a large initial "L".

LARRY M. REINKEMEYER

Attachments

VA's Management Representation Letter

Department of Veterans Affairs Memorandum

Date: January 18, 2018

From: Acting Deputy Under Secretary for Health for Organizational Excellence

Subj: Management Representation Letter for the Independent Review of the VA's FY 2017 Performance Summary Report to the Office of National Drug Control Policy (Project Number 2018-00835-BA-0030)

To: Assistant Inspector General for Audits and Evaluations (52)

1. We are providing this letter in connection with your attestation review of our Performance Summary Report to the Director, Office of National Drug Control Policy (ONDCP). We confirm, to the best of our knowledge and belief that the following representations made to you during your attestation review are accurate and pertain to the fiscal year (FY) ended September 30, 2017.
2. We confirm that we are responsible for and have made available to you the following:
 - a. The Performance Summary Report for FY 2017 required by the Circular.
 - b. All supporting records and related information and data relevant to the performance measures within the FY 2017 Performance Summary Report; and
 - c. Communications, if any, from the ONDCP and other oversight bodies concerning the FY 2017 Performance Summary Report and information therein.
3. We confirm that the FY 2017 Performance Summary Report was prepared in accordance with the requirements and criteria of the Office of National Drug Control Policy (ONDCP) Circular, Drug Control Accounting, January 18, 2013.
4. We understand your review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and the applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination and accordingly, you will not express an opinion on the Performance Summary Report and related disclosures.
5. No events have occurred subsequent to September 30, 2017, that would have an effect on the Performance Summary Report and the information therein.

(original signed by:)

Gerard R. Cox, MD, MHA

For accessibility, the format of the original document in this attachment has been modified to fit in this document.

Attachment A Patient Reported Abstinence

**Department of Veterans Affairs
Veterans Health Administration
FY 2017 Performance Summary Report**

I. PERFORMANCE INFORMATION

Decision Unit 1: Veterans Health Administration

Measure 1: Patient Reported Abstinence

FY 2014 Actual	FY2015 Target	FY 2015 Actual	FY2016 Target	FY2016 Actual	FY2017 Target	FY 2017 Actual	FY 2018 Target
85%	88%	83%	88%	81%	88%	80%	88%

(a) This measure was established at the request of the Office of National Drug Control Policy to reflect patient reported outcomes of recent abstinence rather than the previously reported process measure on continuity of care. It applies to patients diagnosed with drug use disorders entering specialty outpatient treatment for Substance Use Disorder (SUD). During FY 2017, VHA continued implementation of clinical symptom monitoring using the Brief Addiction Monitor (BAM) that transmits responses to the national data base with over 7,555 Veterans assessed at the beginning of a new episode of SUD specialty care during the 4th quarter of FY 2017. The BAM is designed to assist SUD specialty care clinicians in initial treatment planning, as well as in monitoring the progress of patients while they are receiving care for a SUD, and serves as a basis for providing patient feedback to enhance motivation for change, and for informing clinical decisions such as the intensity of care required for the patient. In addition to items addressing risk and protective factors for recovery, the BAM assesses self-reported substance use in the prior 30 days, including an item inquiring as to days of any use of illicit or non-prescribed drugs, as well as items on use of specific substances.

Indicator: Percent of patients beginning a new episode of treatment for SUD who report abstinence from drug use at follow-up assessment.

Numerator: Veterans with a drug use disorder diagnosis who reported not using any illegal/street drugs or abuse of any prescription medications in the past 30 days when reassessed 30-90 days after their first encounter in outpatient SUD specialty care.

Denominator: Veterans who remain engaged for at least 30 days in a new episode of care in an outpatient specialty care program with a diagnosis of drug use disorder.

(b) During the first three quarters of FY 2017 (allowing time for follow-up assessment during Quarter 4), VHA substance use disorder specialty outpatient programs assessed self-reported abstinence from drug use at follow-up among 2,620 Veterans with drug use disorder diagnoses documented at admission. Among the Veterans who remained engaged in care and were reassessed 30-90 days after admission, 80 percent reported abstinence from drugs during the previous 30 days.

(c) In FY 2017, VHA continued implementation of clinical symptom monitoring using the Brief Addiction Monitor (BAM), which transmits responses to the national data base with an average of approximately 2500 administrations per month to patients beginning new episodes of SUD specialty care. VHA specialty care programs are now able to use BAM as part of software that integrates the assessment process with our electronic health record; however, VA does not yet have the capability to incorporate patient generated data directly into the electronic health record (e.g., using waiting room computer tablets or

remote web-based data entry), and this limits clinical feasibility for efficient collection and entry of these patient reported outcomes during treatment. Higher rates across programs of initial assessment and re-assessment during treatment may provide more representative estimates of self-reported recovery during early abstinence than the estimates based on the selected samples collected from programs that have begun implementation to date. As implementation continues, VA will monitor assessment rates and self-reported abstinence to inform future performance targets that do not provide disincentives for retaining in care Veterans with conditions that may take longer to respond to treatment interventions. The BAM is designed to assist SUD specialty care clinicians in monitoring the progress of patients while they are receiving care for a SUD, serving as a basis for providing patient feedback to enhance motivation for change, and for informing clinical decisions such as the intensity of care required for the patient. Consultation regarding implementation of measurement based care continues to be offered through national resources, including the two Centers of Excellence in Substance Abuse Treatment and Education.

(d) Performance Measures are maintained by the VHA Office of Reporting, Analytics, Performance, Improvement & Deployment. In the case of the SUD measure, patient reported outcomes are collected by clinical staff, entered into the electronic health record using VistA software, and transmitted to the Corporate Data Warehouse from which they are extracted for aggregate analyses. The extraction methodology uses the appropriate DSS identifier codes (stop codes) and diagnostic codes to select the patients who meet the criteria for inclusion in the measure.

II. MANAGEMENT'S ASSERTIONS

(1) **Performance reporting systems appropriate and applied.** Performance Measures are maintained by the VHA Office of Reporting, Analytics, Performance, Improvement & Deployment. In the case of the SUD measure, workload data generated at the facility is transmitted to the VHA Austin Data Center. The extraction methodology uses the appropriate DSS identifier codes (stop codes) and diagnosis codes to select the patients who meet the criteria for inclusion in the measure. The patient data is then extracted from the Corporate Data Warehouse for aggregate analysis. The system was properly applied to generate the performance data.

(2) **Explanations for not meeting performance targets are reasonable.** In FY 2017 the performance target was set at 88% with an expectation that performance would improve from the 81% level observed in FY2016; however there was not a compelling benchmark to use as the basis for the target. The 88% target was originally set in FY2015 and has been continued year after year without a compelling justification for doing so. As in previous years, the resulting FY2017 performance of 80% was derived from a sample that is assessed at intake and reassessed early in recovery and thus constitutes a convenience sample rather than a systematically derived sample that is representative of the full patient population. Comparison of samples across years is thus subject to sampling bias. The apparent decline in performance from FY 2015 may also reflect differences over time in the addiction severity of patients sampled as well as improvement in guideline recommended efforts to retain patients in treatment despite early relapse. In FY2017, VA developed and tested a quality improvement initiative to increase use of the BAM which will be implemented in FY2018. Once measurement based care using the BAM is implemented routinely throughout the healthcare system, the representativeness of samples is expected to improve and appropriate target levels will be refined.

(3) **Methodology to establish performance targets is reasonable and applied.** In consultation with the program office in Patient Care Services and the Office of Reporting, Analytics, Performance, Improvement & Deployment, targets are set to promote performance improvement while considering changes in the healthcare delivery system and the impact on case mix in SUD specialty care. Based on consideration of all these factors, VA has identified for FY 2018, a target of 88 percent patient reported abstinence from drugs during early recovery among patients with drug use disorders engaged in a new episode of SUD specialty treatment.

(4) **Adequate performance measures exist for all significant drug control activities** VHA is measuring outcomes related to treatment of Veterans with SUD.

Performance

This section on FY 2017 performance is based on agency Government Performance and Results Act (GPRA) documents, an OMB assessment, and other agency information. VHA reports performance for two separate drug-related initiatives:

(1) health care and (2) research and development. VHA's health care performance measure for ONDCP reporting purposes is "patient reported abstinence" (i.e., percent of patients with drug use disorders remain engaged for at least 30 days in a new episode of care in an outpatient specialty care program, and who report abstinence from drug use at follow-up assessment).

The dollars expended in VHA research help to acquire new knowledge to improve the prevention, diagnosis, and treatment of disease. These funds also generate new knowledge to improve the effectiveness, efficiency, accessibility, and quality of veterans' health care.

Discussion of Current Program

In FY 2017, VHA provided services by mental health clinicians in a variety of outpatient settings to 199,903 patients with any diagnosis of a drug use disorder. Of these, 32 percent used cocaine, 30 percent used opioids, and 49 percent used cannabis. Nearly 88 percent had co-existing psychiatric diagnoses. (These categories are not mutually exclusive.)

VA provides two types of 24-hour-a-day care to patients having particularly severe substance use disorders. VA offers 24-hour care in residential rehabilitation treatment programs for substance use disorders. Additionally, 24-hour care is provided for detoxification in numerous inpatient medical and general mental health units throughout the VA system. Outpatient detoxification is available for patients who are medically stable and who have sufficient social support systems to monitor their status. Most Veterans with substance use disorders are treated in outpatient programs. Intensive substance use disorder outpatient programs provide at least three hours of service per day to each patient, and patients attend them three or more days per week. Standard outpatient programs typically treat patients for an hour or two per treatment day and patients attend one or two days a week.

VHA is steadily expanding the availability of medication assisted treatment for veterans with opioid use disorder (OUD). VA monitors the percentage of patients with OUD who receive medication-assisted treatment (35 percent during FY 2017) as part of the Psychotropic Drug Safety Initiative (PDSI). PDSI is a nationwide psychopharmacology quality improvement (QI) program that supports facility-level QI through: quarterly quality metrics, clinical decision support tools, technical assistance for QI strategic implementation, and a virtual learning collaborative. Compared to FY 2016, during FY 2017, 11 percent more unique Veterans received treatment with buprenorphine (total of 14,660) and the number of prescribers increased by 12 percent (to 1,150). In FY 2017, evidence-based medication assisted treatment for opioid use disorder, including office-based treatment with buprenorphine, was provided to patients at 100 percent of VA Medical Centers. Including Community-Based Outpatient Clinics separate from the medical centers, over 500 total sites of service provided at least some buprenorphine. VA operates federally regulated Opioid Treatment Programs that can provide methadone maintenance on-site at 32 larger urban locations, and at a growing number of VHA facilities that maintain contractual arrangements or arrange non-VA care for providing these services through community-based licensed Opioid Treatment Programs.

In light of the frequent co-occurrence of substance use disorders with post-traumatic stress disorder, VHA has also assigned a substance use disorder specialist to each of its hospital-level post-traumatic stress disorder services or teams. The staff person is an integral member of the post-traumatic stress disorder clinical services team and works to integrate substance use disorder care with all other aspects of post-traumatic stress disorder-related care. Among the specialists' responsibilities are identification and treatment of veterans with co-occurring substance use disorder and post-traumatic stress disorder. Specialists also promote preventive services for veterans with post-traumatic stress disorder who are at risk for developing a substance use disorder.

VA continues to pursue a comprehensive strategy to promote safe prescribing of opioids when indicated for effective pain management. The purpose of the Opioid Safety Initiative is to ensure pain management is addressed thoughtfully, compassionately and safely. Based on comparisons of national data between the quarter beginning in July 2012 and the quarter ending in September 2017, several aspects of the Opioid Safety Initiative have begun to show positive results. Despite an increase of 157,923 veterans who were dispensed any medication from a VA pharmacy, 192,742 fewer veterans were on long-term opioids, and 82,285 fewer veterans received opioid and benzodiazepine medications together. There has been an increase in the percentage of veterans on opioid therapy who have had at least one urine drug screen from 37 percent to 88 percent. The average dose of selected opioids has continued to decline as 33,565 fewer patients were receiving daily doses greater than or equal to 100 milligrams of morphine equivalent, demonstrating that prescribing and consumption behaviors are changing. Programs to end Homelessness among veterans have SUD specialists to support the Department of Housing and Urban Development – VA Supportive Housing (HUD-VASH) program. In addition, there are SUD Specialists working in Health Care for Homeless Veterans (HCHV) programs. These specialists emphasize early identification of SUD as a risk for maintaining permanent housing, promote engagement or re-engagement in SUD specialty care programs, and serve as links between Homeless and SUD programs.

For accessibility, the format of the original document in this attachment has been modified to fit in this document.

Attachment B Research and Development

Office of Research and Development,
Department of Veterans Affairs
Fiscal Year 2017 Performance Summary Report
To the Office of National Drug Control Policy

1. Performance Information

Performance Measure: Each fiscal year the Office of Research and Development (ORD) will have at least 10 ongoing studies directly related to substance abuse disorder: 5 ongoing studies related to alcohol abuse and 5 ongoing studies related to other substance abuse.

How the measure is used in the program: Most ORD-funded studies are investigator-initiated. Many clinicians who treat patients also perform research, so their research is targeted at diseases and disorders that they treat. Investigators will be encouraged to undertake research in this important area.

Performance results for the previous fiscal years: In fiscal year (FY) 2008, ORD funded 17 studies related to substance abuse disorder, 38 related to alcohol abuse, and 14 that were related to both substance abuse disorder and alcohol abuse. In FY 2009, ORD funded 20 studies related to substance abuse disorder, 45 related to alcohol abuse, and 10 related to both. In FY 2010, ORD funded 21 studies related to substance abuse disorder, 46 related to alcohol abuse, and 14 related to both. In FY 2011, ORD funded 37 studies related to substance abuse disorder, 51 related to alcohol abuse, and 8 related to both. In FY 2012, ORD funded 32 studies related to substance abuse disorder, 56 related to alcohol abuse, and 10 related to both. In FY 2013, ORD funded 30 studies related to substance abuse disorder, 59 related to alcohol abuse, and 17 related to both. In FY 2014, ORD funded 32 studies related to substance abuse disorder, 67 related to alcohol abuse, and 25 related to both. In FY 2015, ORD funded 31 studies related to substance abuse disorder, 67 related to alcohol abuse, and 22 related to both. In FY 2016, ORD funded 23 studies related to substance abuse disorder, 54 related to alcohol abuse, and 20 related to both. In FY 2017, ORD funded 19 studies related to substance abuse disorder, 52 related to alcohol abuse, and 15 related to both.

Comparison of the most recent fiscal year to its target: The targets for FY 2017 were exceeded. See Table 1.

Target for the current fiscal year: Although the actual values (number of studies) exceeded the target for FY 2017, we have not increased the target for FY 2018. This is because there is wide variation in the amount of funding per project. The more expensive studies are usually multisite clinical trials. Leaving the target at its present level would allow flexibility in the types of studies that are funded.

Procedures used to ensure that the performance data is accurate, complete, and unbiased. The data is obtained from the Office of Research and Development's (ORD's) database that lists all of its funded projects. A report is produced that lists all funds sent to the VA medical centers for projects on drug and alcohol dependence for the four ORD services for a given fiscal year. The number of projects in the list is counted.

Table 1

Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
Number of ongoing research studies related to substance abuse disorder	32	30	32	31	23	5	19
Number of ongoing research studies related to alcohol abuse	56	59	67	67	54	5	52
Number of ongoing research studies related to both substance abuse disorder and alcohol abuse	10	17	25	22	20	N/A*	15

*Targets have not been established.

2. Management Assertions

Performance reporting system is appropriate and applied.

The VA Office of Research and Development (ORD) consists of four main divisions:

Biomedical Laboratory: Supports preclinical research to understand life processes from the molecular, genomic, and physiological level in regard to diseases affecting Veterans.

Clinical Science: Administers investigations, including human subject research, to determine feasibility or effectiveness of new treatments (e.g., drugs, therapy, or devices) in small clinical trials or multi-center cooperative studies, aimed at learning more about the causes of disease and developing more effective clinical care.

The Cooperative Studies Program (CSP) is a major division within Clinical Science R&D that specializes in designing, conducting, and managing national and international multi-site clinical trials and epidemiological research.

Health Services: Supports studies to identify and promote effective and efficient strategies to improve the organization, cost-effectiveness, and delivery of quality healthcare to Veterans.

Rehabilitation: Develops novel approaches to restore Veterans with traumatic amputation, central nervous system injuries, loss of sight and/or hearing, or other physical and cognitive impairments to full and productive lives.

In order for funds to be allocated to a project, they must be entered into the Research Analysis Forecasting Tool (RAFT) database.

Starting in FY 2009, all Merit Review proposals (our major funding mechanism) were submitted electronically via the eRA Commons system, and projects that were approved for funding were identified. Funding data for these projects were transferred electronically to RAFT. A few Career Development proposals are included in the list of projects. The capability to submit Career Development proposals electronically via eRA Commons was in place near the end of FY 2010.

Preparation of the list of projects.

The ORD Operations Management Analyst extracted all funded projects for the fiscal year from RAFT and exported the data into an Excel spreadsheet. The alcohol and drug abuse projects were identified by reviewing the title. Any questionable projects were verified as relevant or not relevant upon review of the abstract. In some cases, the title listed was the type of investigator award. For those, the title was obtained from the abstract. Project start and end dates were included in the spreadsheet. If there were multiple researchers or a researcher with multiple funds for the same project (e.g., salary award plus Merit Review award), then the earliest start date and latest end date were used. Although great care is taken to provide an inclusive list of projects, our database management system does not have robust reporting capabilities, so some projects may have been omitted.

Explanations for not meeting performance targets are reasonable.

Not applicable. The targets were met.

Methodology to establish performance targets is reasonable and applied.

VA Research and Development focuses on research on the special healthcare needs of Veterans and strives to balance the discovery of new knowledge and the application of these discoveries to Veterans' healthcare. VA Research and Development's mission is to "discover knowledge and create innovations that advance the health and care of Veterans and the Nation." ORD supports preclinical, clinical, health services, and rehabilitation research. This research ranges from studies relevant to our aging Veterans (e.g., cancer, heart disease, Alzheimer's disease) to those relevant to younger Veterans returning from the most recent conflicts (e.g., PTSD, traumatic brain injury, spinal cord injury). The targets were set at that level to allow flexibility in the projects funded in terms of both subject (e.g., cancer, addiction, heart disease) and type (e.g., preclinical, clinical trials).

Adequate performance measures exist for all significant drug control activities.

Since many of the projects do not involve direct interaction with patients, the measure looks at the number of projects rather than specific activities.

For accessibility, the format of the original document in this attachment has been modified to fit in this document.

Appendix A **OIG Contact and Staff Acknowledgments**

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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Acknowledgments	Murray Leigh, Director Zachary Beres D. Stephen Nose
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Appendix B Report Distribution

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