

**FY 2018 Accounting
of Drug Control Funds
and Performance Summary**

Office of National Drug Control Policy

FY 2018 Accounting of Drug Control Funds and Performance Summary

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Introduction

Background

This Summary presents for Congress the *Fiscal Year 2018 Accounting of Drug Control Funds and Performance Summary*. Pursuant to 21 U.S.C. § 1704(d)(1) “Not later than February 1 of each year, in accordance with guidance issued by the Director, the head of each National Drug Control Program Agency shall submit to the Director a detailed accounting of all funds expended...” (Office of National Drug Control Policy (ONDCP) guidance refers to this as a Detailed Accounting Submission¹) “...by the agency for National Drug Control Program activities during the previous fiscal year and shall ensure such detailed accounting is authenticated for the previous fiscal year by the Inspector General for such agency prior to the submission to the Director as frequently as determined by the Inspector General but not less frequently than every 3 years.” and “(B) submit to Congress not later than April 1 of each year the information submitted to the Director under subparagraph (1).” 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...” (ONDCP guidance refers to this as a Performance Summary Report); “...and (B) requesting assistance from the Inspector General of the relevant agency in such audits and evaluations....”

In assessing reliability, ONDCP anticipates each Office of Inspector General (OIG) 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 ONDCP guidance, indicates that nothing came to the attention of the OIG that would cause them to believe an agency’s submission was presented other than fairly in all material respects.

ONDCP guidance permits an agency to request an “Unreasonable Burden Exception,” if the drug-related obligation is less than \$50 million. If an “Unreasonable Burden Exception” is requested the agency or bureau may submit an alternative report that includes the report and assertions accompanied by statements from an accountable senior executive, attesting that full compliance with the ONDCP guidance 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 2018, all requested exceptions were granted.

¹ See the appendix for ONDCP’s Guidance for Preparing the Detailed Accounting Summary and Performance Summary Report.

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For this reporting period, and consistent with 21 U.S.C. § 1704(d)(1), the OIG's from the Departments of Education and Health and Human Services elected not to conduct an attestation review for the fiscal year ending September 30, 2018.

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Department Compliance and Attestation Reviews

The following Departments and agencies did not comply with 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1704(d)(1) and ONDCP guidance.

- Department of Defense’s Defense Health Program, Counternarcotics OPTEMPO, and the Defense Security Cooperation Agency (DSCA) did not provide a Detailed Accounting Submission (DAS) or the Performance Summary Report (PSR). The Deputy Assistant Secretary of Defense (DASD) (Counternarcotics and Global Threats) provided the DAS and PSR but did not provide the required assertions.
- Department of Homeland Security’s (DHS):
 - Customs and Border Protection’s (CBP) DAS failed OIG’s attestation review;
 - Immigration and Customs Enforcement’s (ICE) PSR failed the OIG’s attestation review;
 - Federal Law Enforcement Training Center (FLETC) did not submit a DAS or PSR; and
 - Federal Emergency Management Agency (FEMA) did not submit a DAS or PSR.
- The Department of State’s (DoS) United States Agency for International Development (USAID) did not submit a DAS or PSR.

Where the OIG found material weaknesses or compliance issues where noted regarding established guidance, ONDCP will work with the agency to address prior to the submission of the FY 2019 reports.

The table below shows compliance for each agency. For the purpose of this report, “pass” indicates an agency’s compliance with 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). Conversely, “fail” indicates that an agency’s assertions regarding its FY 2018 Detailed Accounting Submission and Performance Summary Report were not in compliance. 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. ²	N.A. ²	Yes	N.A. ²	Yes
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	Yes	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	Fail	Yes
Veterans Affairs						
Veterans Health Administration	Yes	Pass	Yes	Yes	Pass	Yes

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

² Agency does not have an OIG.

³ OIG notified they chose not to authenticate in accordance with 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7).

⁴ OIG did not authenticate in accordance with 21 U.S.C. § 1704(d)(1) 21 U.S.C. § 1703(d)(7), but did not notify ONDCP.

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Summary of Agency Reports

Department of Agriculture

The Department of Agriculture's (USDA) accounting of FY 2018 DAS (Tab A) satisfies requirements established by 21 U.S.C. § 1704(d)(1). USDA fell below the \$50 million threshold for FY 2018 and was given a waiver. USDA also provided a PSR, which included the required performance measures, targets, results, and management attestations in compliance with established guidance. USDA is assessed a rating of "pass."

Court Services and Offender Supervision Agency

The Court Services and Offender Supervision Agency (CSOSA) FY 2018 DAS and PSR (Tab B) requested an exception from certain provisions relating to review of their report by an IG as required under 21 U.S.C. § 1704(d)(1) because CSOSA does not have an OIG 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 2018 reporting period. The agency includes tables with FY 2018 obligations and relevant performance information. CSOSA complied with ONDCP guidance.

Department of Defense

The Department of Defense's (DoD) accounting of FY 2018 drug control obligations (Tab C) did not fully comply 21 U.S.C. § 1704(d)(1). The OIG concluded that "DoD did not conform in all material respects..." and "[s]pecifically, Defense Health Program, Counternarcotics OPTEMPO, and the DSCA did not provide detailed accounting submissions for FY 2018..." With respect to DASD (CN>), the DoD OIG stated that nothing came to their attention that caused them to believe the submission was presented inaccurately in all material aspects. While the IG found no material weaknesses, the DAS for DASD (CN>) did not include the required disclosures. DoD did not provide the required PSR. DoD is assessed a rating of "fail."

Department of Education

The Department of Education's (Education) accounting of FY 2018 drug control obligations (Tab D) satisfies requirements established by 21 U.S.C. § 1704(d)(1). Education submitted as required a DAS (with appropriate disclosures) by the agency for National Drug Control Program activities during fiscal year 2018. In accordance with 21 U.S.C. § 1704(d)(1), the OIG has notified Education that they have chosen not to authenticate the material noted for fiscal year ending September 30, 2018. Education provided the required PSR. Education is assessed a rating of "pass" for its DAS and PSR.

Department of Health and Human Services

The Department of Health and Human Services' (HHS) FY 2018 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 Alcohol Abuse and Alcoholism (NIAAA) and National Institute on Drug Abuse (NIDA), and the Substance Abuse and Mental Health Services

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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. In accordance with 21 U.S.C. § 1704(d)(1), the OIG has notified HHS that they have chosen not to authenticate the material noted for fiscal year ending September 30, 2018. HHS is assessed a rating of “pass” for both its DASs and its PSRs.

ACF: ACF’s accounting of FY 2018 drug control obligations satisfies requirements established by 21 U.S.C. § 1704(d)(1). ACF submitted a PSR on its Regional Partnership grants in compliance with the established guidance.

CDC: The CDC’s FY 2018 DAS and management assertions complied with the requirements established by 21 U.S.C. § 1704(d)(1). CDC submitted a PSR that continues to track the rate of opioid overdose deaths, in compliance with established guidance.

HRSA: The HRSA’s FY 2018 DAS and management assertions complied with the requirements established by 21 U.S.C. § 1704(d)(1). HRSA also submitted a PSR, which included the required performance measures, targets, results, and management attestations in compliance with established guidance.

IHS: The IHS’s FY 2018 DAS and management assertions complied with all but one of the requirements established by 21 U.S.C. § 1704(d)(1). IHS identified a reprogramming that was not provided to ONDCP for review. IHS also submitted a PSR, which included the required performance measures, targets, results, and management attestations in compliance with established guidance.

NIAAA: The NIH-NIAAA’s FY 2018 DAS and management assertion complied with the requirements established by 21 U.S.C. § 1704(d)(1). NIH-NIAAA also submitted a joint PSR with NIDA, which included the required performance measures, targets, results, and management attestations in compliance with established guidance.

NIDA: The NIH-NIDA’s FY 2018 DAS and management assertion complied with the requirements established by 21 U.S.C. § 1704(d)(1). The NIH-NIDA-NIAAA joint PSR included performance measures, targets, results, and management attestations in compliance with the established guidance.

SAMHSA: The SAMHSA’s FY 2018 DAS and management assertions complied with the requirements established by 21 U.S.C. § 1704(d)(1). SAMHSA also submitted a PSR, which included the required performance measures, trends, results and management assertions in compliance with the established guidance.

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Department of Homeland Security

The Department of Homeland Security's (DHS) DAS (Tab F) includes separate reports for CBP, ICE, and the United States Coast Guard (USCG). FEMA and FLETC did not submit a DAS or PSR.

CBP: Consistent with 21 U.S.C. § 1704(d)(1) the OIG, reviewed CBP's management's assertions related to their DAS and found the following concern: "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." Given the lack of supporting documentation, the OIG was not able to assess the reasonableness and accuracy of the methodologies used. Except for the issue of supporting methodology documentation, the OIG was not aware of any material modifications that should be made to the DAS or the DAS assertions for the year ended September 30, 2018. While CBP complied with the reporting requirements of 21 U.S.C. § 1704(d)(1), they did not pass the OIG's attestation review and therefore are assessed a rating of "fail."

CBP did provide the required PSR as required by 21 U.S.C. § 1703(d)(7). Based on their review, nothing came to the attention of the OIG that caused them to believe that management's assertions contained in the PSR were not fairly stated in all material respects. CBP is assessed a rating of "pass."

FEMA: FEMA did not provide the FY 2018 DAS as required by 21 U.S.C. § 1704(d)(1). FEMA also did not submit a PSR as required by 21 U.S.C. § 1703(d)(7).

FLETC: FLETC did not provide the FY 2018 DAS as required by 21 U.S.C. § 1704(d)(1). FLETC also did not submit a PSR as required by 21 U.S.C. § 1703(d)(7).

ICE: ICE submitted an FY 2018 DAS as required by 21 U.S.C. § 1704(d)(1). The OIG was not aware of any material modifications that should be made to the DAS. ICE is assessed a rating of "pass."

ICE submitted a PSR as required by 21 U.S.C. § 1703(d)(7). The OIG's review noted the following: "Based on our review of actual performance results for the Analytical Framework for Intelligence drug related products, we were unable to assess the accuracy of the number of products reported in Metric 2 ["Number of counter-narcotics intelligence requests satisfied"] as part of the PSR." The OIG noted, except for Metric 2, they were not aware of any material modifications that should be made to the PSR or the PSR assertions for the year ended September 30, 2018. ICE's PSR complied with established guidance and, therefore, is assessed a rating of "pass." However, since there was a noted issue with Metric 2 by the OIG, the attestation review is assessed a rating of "fail."

USCG: The USCG's FY 2018 DAS report met the requirements established by 21 U.S.C. § 1704(d)(1). The OIG was not aware of any material modifications that should be made to the DAS. The USCG is assessed a rating of "pass." The USCG did submit a PSR as required by 21

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U.S.C. § 1703(d)(7). Based on their review, nothing came to the attention of the OIG that caused them to believe that management's assertions contained in the PSR were not fairly stated in all material respects. USCG is assessed a rating of "pass."

Department of Housing and Urban Development

The Department of Housing and Urban Development's (HUD's) Office of Special Needs Assistance met both the DAS and the PSR (Tab G) requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). The reports complied with established guidance and the OIG "passed" the program under their assessment. Therefore, HUD is assessed a rating of "pass."

Department of the Interior

DOI's DAS and PSR (Tab H) includes separate reports for the Bureau of Land Management (BLM) and National Park Service (NPS). The funding level for both bureaus' FY 2018 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 2018 drug-related obligations. The submissions satisfy all requirements established by ONDCP guidance. BIA did not comply with established ONDCP guidance.

BIA: BIA fully complied with the requirements of the ONDCP Circular. BIA submitted an alternative DAS 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 DAS 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 DAS 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.

DOI, for this reporting period, submitted a PSR for BLM and NPS. The submissions satisfy all requirements established by 21 U.S.C. § 1703(d)(7) and therefore is assessed a rating of "pass." However, BIA did not submit the required PSR as required by 21 U.S.C. § 1703(d)(7).

Department of Justice

The Department of Justice's (DOJ) DAS and PSR (Tab I) 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: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements

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established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). An Independent Auditors' Report noted one material weakness in the AFF/Seized Asset Deposit Fund's internal controls related to improvements needed in controls over reporting budget related information presented in financial statements and the processes related to revenue cut-off and recognition. However, this did not affect the OIG's opinion on AFF's FY 2018 drug control obligations and found no material weaknesses and therefore AFF is assessed a rating of "pass."

CRM: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). A DOJ consolidated audit reported one significant deficiency in which they noted that the emphasis placed on the Department's financial statement preparation and review processes had not achieved the level of rigor that is necessary to prepare timely and accurate financial statements in accordance with generally accepted accounting principles, and OMB Circular No. A-136, *Financial Reporting Requirements*. CRM did not contribute directly to the significant deficiency identified above and the audit findings did not impair CRM's ability to report complete and accurate obligation data in their FY 2018 Table of Drug Control. CRM is assessed a rating of "pass."

DEA The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). DEA is assessed a rating of "pass."

BOP: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). BOP is assessed a rating of "pass."

OJP: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). OJP is assessed a rating of "pass."

USA: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). A DOJ consolidate audit reported one significant deficiency in which they noted that the emphasis placed on the Department's financial statement preparation and review processes had not achieved the level of rigor that is necessary to prepare timely and accurate financial statements in accordance with generally accepted accounting principles, and OMB Circular No. A-136, *Financial Reporting Requirements*. USAs did not contribute directly to the significant deficiency identified above and this audit's findings did not impair USAs ability to report

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complete and accurate obligation data in the FY 2018 Table of Drug Control. USA is assessed a rating of “pass.”

OCDETF: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). OCDETF is assessed a rating of “pass.”

USMS: The DOJ OIG identified no material modifications that should be made in the DAS or the PSR for the fiscal year ended September 30, 2018 and found them to satisfy all requirements established by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). USMS is assessed a rating of “pass.”

Department of Labor

The Department of Labor’s Employment and Training Administration (ETA) and Office of Workers’ Compensation Programs (OWCP) provided the FY 2018 DAS and the PSR (Tab J) as required by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). The funding levels for ETA’s and OWCP’s FY 2018 DAS fell below the reporting threshold of \$50 million; therefore, ONDCP granted the exception that allowed the submissions to consist of a limited report that includes a table of FY 2018 drug-related obligations. ETA and OWCP complied with ONDCP guidance.

Department of State and Other International Programs

DoS’s DAS and PSR (Tab K) is included for the Bureau of International Narcotics and Law Enforcement Affairs (INL). DoS did not indicate if the OIG made a determination to conduct the review of INL’s DAS and PSR for the fiscal year ending September 30, 2018. USAID did not submit the DAS or PSR.

INL: INL did submit a FY 2018 DAS and a PSR to ONDCP as part of its requirement under 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). However, INL did not indicate if the OIG had performed an attestation review or elected not to conduct a review—as permissible under the new requirements of 21 U.S.C. § 1704(d)(1). INL complied with ONDCP guidance.

USAID: The FY 2018 DAS and PSR was not submitted as required by 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7).

Department of Transportation

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

FAA: The OIG attested that the FAA DAS and management assertions complied with the ONDCP established guidance. No material weaknesses were found. FAA is assessed a rating of “pass.” FAA also submitted a PSR, 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

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the Performance Summary Report were not fairly stated in all material respects. FAA is assessed a rating of “pass.”

NHTSA: The OIG attested that the NHTSA DAS and management assertions complied with the ONDCP established guidance. No material weaknesses were found. NHTSA is assessed a rating of “pass.” NHTSA also submitted a PSR, 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 PSR were not fairly stated in all material respects. NHTSA is assessed a rating of “pass.”

Department of the Treasury

The Department of the Treasury’s Internal Revenue Service (IRS) submitted an FY 2018 DAS and a PSR (Tab M) to ONDCP as part of its requirement under 21 U.S.C. § 1704(d)(1) and 21 U.S.C. § 1703(d)(7). The IRS OIG identified significant variances reported between IRS actual results and its performance goals. The IRS asserted that the explanation provided in the Fiscal Year 2018 PSR for not meeting its performance goals were reasonable. However, the IRS was unable to provide any analysis supporting its explanation. As such, IRS OIG was unable to determine if the IRS assertions are reliable, therefore the IRS’s PRS is assessed a rating of “fail.” The IRS OIG found no material weaknesses in the DAS report and therefore is assessed a rating of “pass.”

Department of Veterans Affairs

The Department of Veterans Affairs (VA), Veterans Health Administration’s (VHA) FY 2018 DAS (Tab N) satisfies all requirements established by 21 U.S.C. § 1704(d)(1). 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 2018 and 2019 (Report No. 18-01642-09, dated November 26, 2018) included five material weaknesses, all of which were repeat weaknesses from prior fiscal years (FYs). They are defined as:

- information technology security controls;
- community care obligations, reconciliations, and accrued expenses;
- financial systems and reporting;
- Compensation, pension, burial, and education actuarial estimates; and
- Entity-level controls, including Chief Financial Officer organizational structure.

However, the OIG still passed VHA, noting there was no evidence drug control obligations were affected by these material weaknesses. Therefore, VHA is assessed a rating of “pass.”

The VA PSR focuses on Continuity of Care and Research & Development in the Veterans Health Administration. Based on its review the OIG concluded that VA has a system in place to capture performance information accurately and the system was properly applied to generate the

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performance data reported in the Performance Summary Report in all material respects. VA did not reach its FY 2018 target for its Patient Reported Abstinence measure (Target: 88%; Actual: 79%). VHA has reset the target to 80 percent in FY 2019. VHA is assessed a rating of “pass.”

Tab A

Performance Summary Review

Drug Resources by Function	FY2016	FY2017	FY 2018
Investigations	\$11.400	\$11.300	\$13.800
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	\$12.300	\$14.800
Drug Resources by Decision Unit			
Detection & Monitoring	0.000	0.000	0.000
Law Enforcement Agency Support	\$12.400	\$12.300	\$14.800
Demand Reduction	0.000	0.000	0.000
Total	\$12.400	\$12.300	\$14.800
Drug Resources Personnel Summary			
Total FTEs	58	56	56
Information			
Total Agency Budget	\$5.680	\$5.289	\$5.955
Drug Percentage	0.35%	0.30%	0.25%

Budget Authority in Millions

Performance Introduction

The United States Department of Agriculture, Forest Service (FS) in 2018 confronted continued illicit drug activity on National Forest System (NFS) lands. The information and analysis in this summary report reflect data and outcomes based on analysis of counter drug activities of Forest Service Law Enforcement and Investigation (LEI). This analysis includes measures derived from the number of marijuana plants eradicated, marijuana cultivation sites dismantled, and percentage of drug related incidents per 100,000 forest visitors. Also, included in this summary; performance measures, targets, and achievements for the years 2016 through 2018 as described in the following tables. These measures provide meaningful assessments of performance related to marijuana control activities conducted by LEI. Data compiled and reported in this summary is from LEI's Law Enforcement and Investigations Management Attainment Reporting System (LEIMARS), internal evaluations, and another agency information.

Performance Measure: Drug Cases Referred for Adjudication

Percent of Drug Cases Referred for Adjudication			
Fiscal Year	2016	2017	2018
Target	29.0	30.0	31.0
Actual	30.2	34.9	38.3

Description

Drug Cases Referred for Adjudication quantifies the percentage of assigned drug cases referred for prosecution that resulted in sanctions against defendants that were cultivating marijuana on NFS lands. This serves as an indicator of successful investigations and reflects significant effort expended by LEI to combat illicit drug production and associated unlawful occupancy of public lands. Production of controlled substances and marijuana on NFS lands is a continuing significant issue. These activities pose significant risk to public health and safety and Forest Service employees. These activities also impede the Forest Service’s ability to effectively manage NFS resources and threaten the continued viability of the nation’s natural resources. Efforts and initiatives to *Eradicate Marijuana Cultivation* are a priority of the *Disrupt Domestic Drug Trafficking and Production* section of the National Drug Control Strategy.

FY 2018 Actual Performance Results

In FY 2018, LEI opened 176 marijuana cultivation investigations and closed 129 of these cases. Sixty of these FY 2018 cases were referred for prosecution and 23 were successfully prosecuted with sanctions against the defendant(s). LEI further closed 47 prior year(s) cases, some of which were long-term investigations that exceeded five years. Five of 15 (33.3 percentage) of these long-term cases lead to successful prosecutions resulting in sanctions against the defendants.

Thirty-eight percent of assigned drug cases referred for adjudication in FY 2018 resulted in sanctions against the defendant, and the identified target for FY 2018 was 30 percent. LEI exceeded this target by 7.3 percent and increased the percentage of successful prosecutions from FY 2017 by 3.4 percent. LEI believes that this increase in successful prosecutions was at least partially the result of the additional appropriation of \$2.5M received in FY 2018. The appropriation was provided to LEI to combatting illicit marijuana cultivation and allowed for focused and more intensive operations and provided more resources for investigation of these crimes on NFS lands.

Marijuana Plants Eradicated

Marijuana Plants Eradicated			
Fiscal Year	2016	2017	2018
Actual	1,172,696	1,487,509	526,330

In FY 2018, 526,330 marijuana plants were eradicated from NFS lands compared to 1,487,509 eradicated in FY 2017, and 1,172,696 plants in FY 2016. This represents an approximate 65 percent decrease in eradicated plants from FY 2017. LEI believes several factors contributed to this decrease. Marijuana growers have moved from NFS lands to private lands due to increased law enforcement pressure over the past several years and “Legalization” has created a situation where it is advantageous to grow on private lands due to a variety of factors such as, easy access to domestic or municipal water sources in drought ridden California, and ease of “farm” to market access is more readily realized on private lands close to market centers as opposed to the difficult and remote locations of grows located on NFS lands. Additionally, LEI’s ability to effectively utilize State and local cooperators in combating marijuana cultivation was reduced due to State and local resources being committed to addressing regulatory concerns or crimes related to “legal” growing activities on private lands. Also, in response to the widespread and historic wildland fire activity experienced in California in 2018, LEI and other law enforcement agencies diverted significant resources to assist with evacuations and security in support of suppression and prevention activities. The reduction of these resources negatively impacts LEI’s ability to detect and interdict marijuana growing operations on NFS lands.

Legalization in the various States, and an increasing market demand for marijuana creates a situation where LEI believes that as municipalities begin to regulate “legalized” marijuana, production of this illicit crop will in turn increase on NFS lands. In Southern California where counties are stepping up regulatory enforcement of marijuana growing on private lands there is anecdotal evidence that this is already happening.

Although there was a significant reduction in the number of sites and plants eradicated LEI seized nearly the same amount of processed marijuana. In 2017, Region 5 LEI seized 20,568 and in FY 2018 19,474 which only represents a five percent decrease in processed marijuana seized. LEI believes that this is a result of the extra efforts expended in FY 2018.

Marijuana Cultivation Sites Dismantled

Marijuana Cultivation Sites Dismantled			
Fiscal Year	2016	2017	2018
Actual	261	293	183

In FY 2018, LEI dismantled 183 marijuana cultivation sites on NFS lands compared to 293 in FY 2017 a significant reduction in dismantled sites. LEI believes this is due to the reduction in sites discovered as discussed above.

A significant trend in marijuana cultivation sites has emerged that significantly impairs the Forest Service’s ability to raid and rehabilitate these sites. Over the past several years, marijuana growers began utilizing banned pesticides in the carbamate class, Carbofuran (tradename Furadan) to treat their illicit crop. This trend has primarily been observed in Region 5, California, but has been sporadically observed elsewhere. The presence of this and other highly toxic chemicals severely limits LEI’s ability to raid and rehabilitate these sites. In FY 2018, LEI in Region 5 encountered these types of chemicals in nearly every site. In some instances, the contamination levels were so extensive that LEI ceased eradication and rehabilitation efforts. Additionally, there were several LEI personnel exposed to these chemicals that resulted in referral for medical treatment.

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

Percent of Drug Related Incidents on NFS Lands			
Fiscal Year	2016	2017	2018
Actual	0.033	0.019	0.10

In FY 2018, there were 0.10 percent drug related incidents on NFS lands per 100,000 forest visitors compared to 0.033 percent in FY 2016. LEI believes that this minor statistical increase is due to a greater emphasis on interdicting, investigating, and prosecuting drug crimes. With this emphasis more, drug crimes are discovered resulting in the increase.

FY 2018 Performance Targets

For FY 2018, LEI previously established a bench mark of 31 percent for successful prosecution of drug cases. Successful prosecution is measured by cases referred for prosecution resulting in sanctions against the defendant. Sanctions can be restitution, fines or imprisonment or any combination thereof. In FY 2018, LEI achieved a 38.3 percent success rate of cases submitted for prosecution, a 7.3 percent increase above the target. For FY 2019, LEI is setting a target of 32 percent and for FY 2020 33 percent. Based on the trends of the past three years, trends LEI expects that 33 percent will most likely be the target for future success.

Quality of Performance Data

This 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.

Additional Information

The Forest Service, in a continuing 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. The Forest Service dismantles and reclaims marijuana grow sites within the resources available. The Forest Service works diligently to mitigate the dangerous and far-reaching adverse environmental effects to deny continued use by illegal cultivators.

In FY 2018, as previously mentioned, 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 80 percent of marijuana grow sites compared to 25 percent of marijuana grow sites in FY 2016. This significant increase poses a tremendous risk to the public, employees, and the environment.

In FY 2018, LEI in partnership with other Federal, State, and local partners conducted numerous successful counter-marijuana operations. Major operations in California include 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 339,098 marijuana plants in 76 grow sites. These efforts also resulted in the seizure of 19,474 pounds of processed marijuana, 46 firearms, and 31 arrests. Reclamation and cleanup efforts included the removal of over 25 tons of infrastructure; 145 miles of irrigation pipe; 13 tons of fertilizers; 157 pounds of common pesticides and approximately 850 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, 123 man-made dams/reservoirs were dismantled, and 355 propane tanks and 63 car batteries were removed.

The above data represents significant and measurable impacts to NFS lands, LEI operations and State and local cooperators. Based on resource availability LEI will continue to provide personnel, support, and leadership necessary to protect natural resources from the harmful effects of drug production and trafficking on public lands. LEI continues to support the *National Drug Control Strategy* and will to the best of its ability continue as stewards to 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.

LEI exceeded the prosecution performance target for FY 2018.

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.

LEI established additional performance measures. These additional measures provide a broader means of assessing performance related to all significant drug control activities conducted by the Forest Service.



February 7, 2019

Date

Tracy S. Perry
Director
U.S. Forest Service
Law Enforcement & Investigations

Tab B



Court Services and Offender Supervision Agency

Office of the Director

March 1, 2019

James W. Carroll, Jr.
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Carroll:

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 May 8, 2018, to present assertions concerning the accounting of all FY 2018 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 2018 accounting and performance assertions presented by CSOSA are accurate and complete.

Sincerely,

Richard S. Tischner
Director

Enclosures

CSOSA Community Supervision Program Accounting Submission / Assertions: dated February 26, 2019

CSOSA Community Supervision Program Performance Reporting Submission / Assertions; dated February 26, 2019

CSOSA Pretrial Services Agency for the District of Columbia Accounting and Performance Reporting Submission / Assertions; dated March 1, 2019



Court Services and Offender Supervision Agency

February 26, 2019

James W. Carroll, Jr.
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Carroll:

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 2018). CSP is one of two programs (Decision Units) within the CSOSA appropriation.

FY 2018 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 2018 Actual (Millions)
Prevention	\$11.224
Treatment	\$25.227
Total Drug Resources by Function	\$36.451

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 2018) 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 2020 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 2019 budget cycle. However, CSP's ONDCP drug Budget methodology will change for the FY 2021 budget cycle to represent our new FY 2018 – 2022 Strategic Plan framework.

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 2018 Strategic Objective Resources [Actual Obligations]	FY 2018 ONDCP Drug Budget Resources (Millions)	ONDCP Function
1.2: Close Supervision	\$56.119	\$11.224	Prevention/Drug Testing
2.1: Treatment and Support Services	\$50.455	\$25.227	Treatment
Total CSP FY 2018 Drug Resources		\$36.451	

Material Weaknesses and Other Findings:

CSOSA received an “unmodified” (clean) opinion on our FY 2018 consolidated financial statements by our independent auditing firm Williams, Adley, and Company LLP-DC. The independent auditor identified no material control weaknesses as part of the FY 2018 audit.

Re-programmings or Transfers:

CSOSA's FY 2018 Enacted (P.L 115-141 dated 3/23/2018) contains re-programming criteria and thresholds outlined in Division E, Title VIII, Section 803. In FY 2018, there were no re-

programmings or transfers that met or exceeded those contained in FY 2018 Enacted or affected ONDCP Prevention or Treatment resources.

CSP did not reprogram or transfer resources from our FY 2018 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**

Paul Girardo
Chief Financial Officer

Digitally signed by PAUL
GIRARDO
Date: 2019.02.26
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**Court Services and Offender Supervision Agency
for the District of Columbia**

*Office of the Director
Office of Research and Evaluation*

MEMORANDUM

TO: James W. Carroll, Jr.
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
Associate Director, Office of Research and Evaluation
Court Services and Offender Supervision Agency

DATE: February 26, 2019

SUBJECT: CSP Performance Summary Report and Assertions

Digitally signed by DAVID
HUFFER
Date: 2019.02.26 13:17:41
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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 2018, approximately 84 percent of the offenders beginning CSP supervision self-reported a history of illicit substance use. Further, of the 4,135 offenders tested for illicit substances in September 2018, 42 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 2016 through 2018. 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.

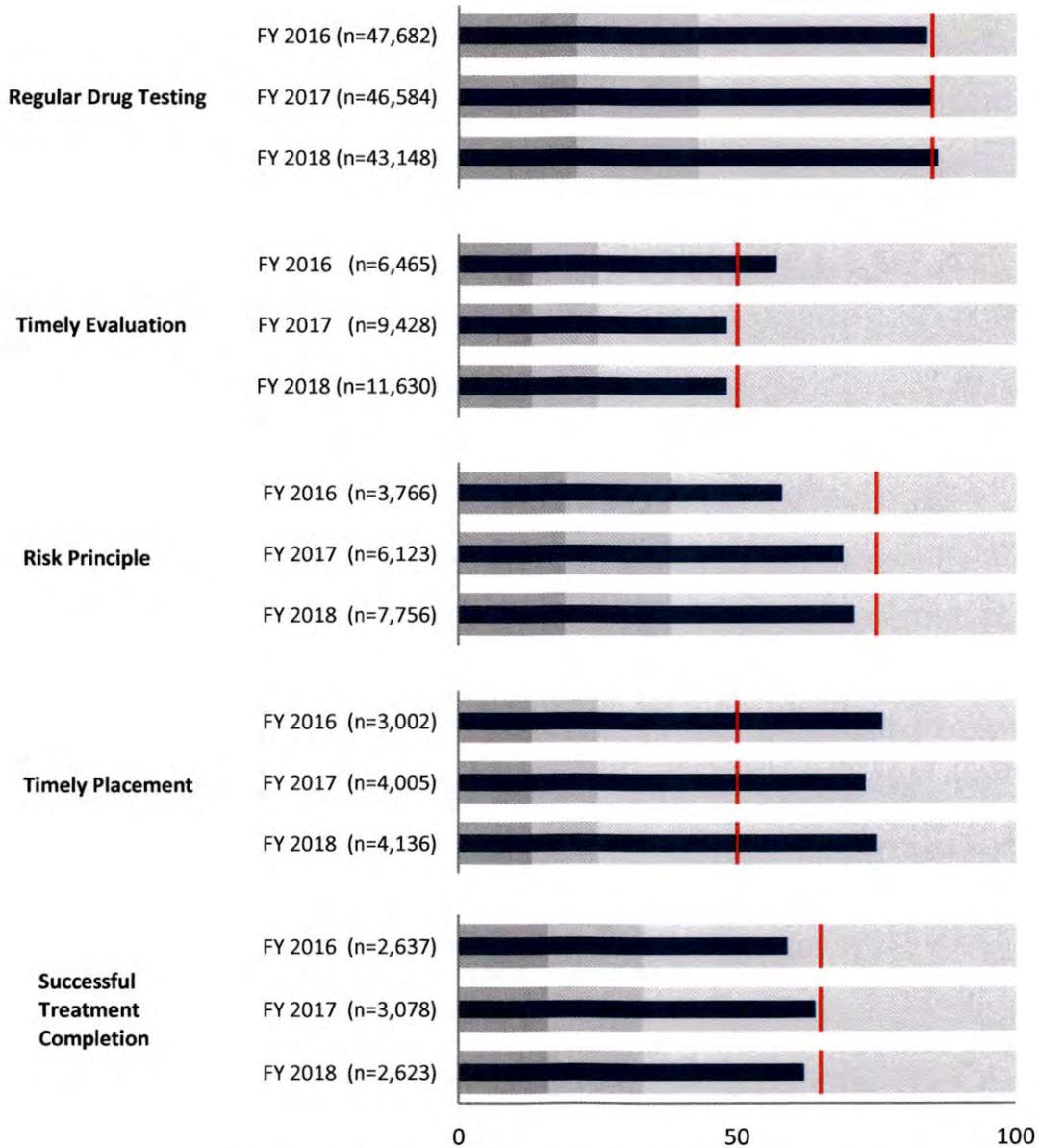


Figure 1. CSP performance on goals related to drug testing and treatment, FYs 2016–2018.

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 2018 (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 2018, 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, residential and outpatient treatment contributed to CSP not meeting its FY 2018 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 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 2018, 57 percent of offenders referred to substance abuse treatment or treatment readiness programs received a formal evaluation of need in a timely manner, and 75 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 2018, 67 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

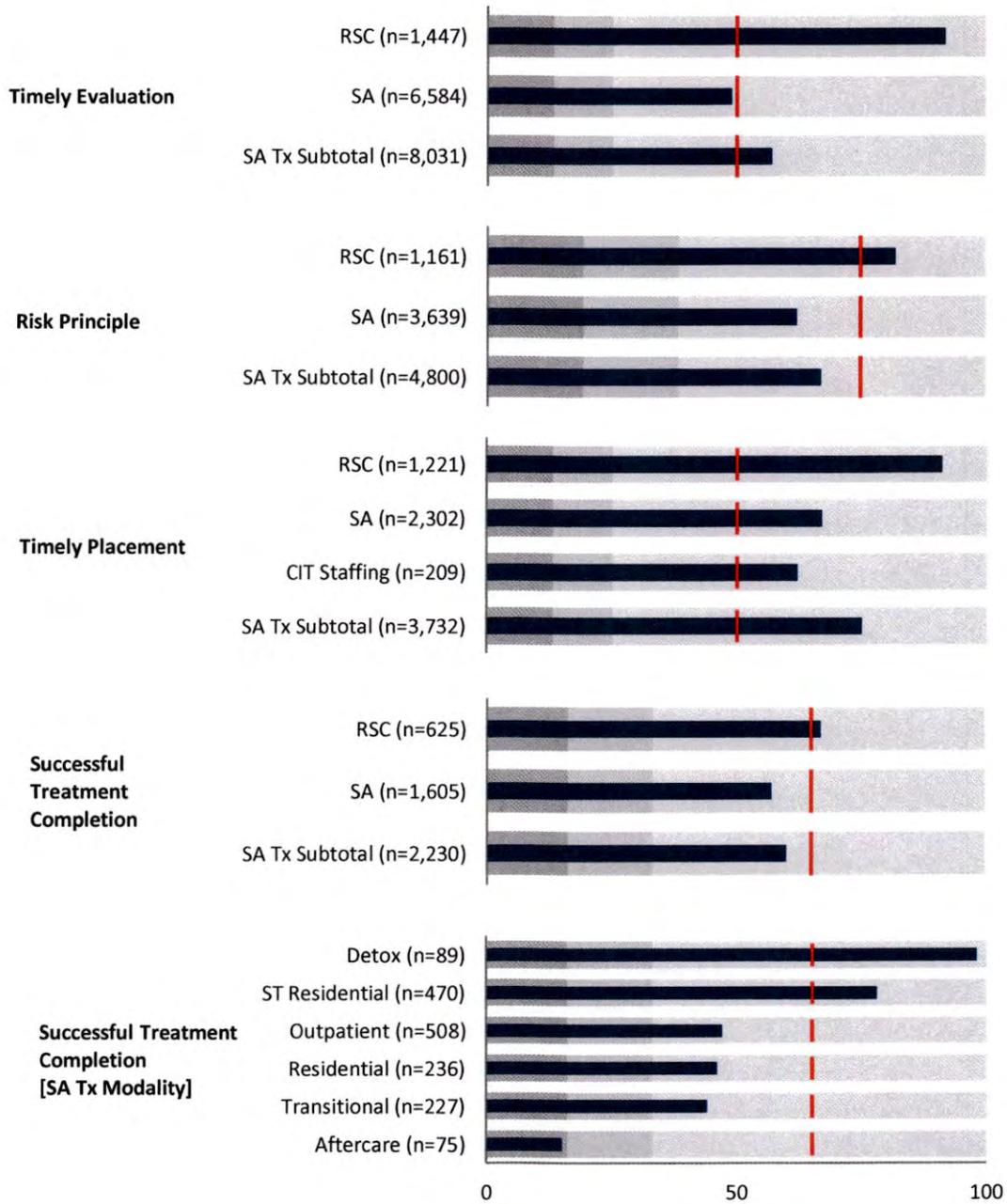


Figure 2. CSP performance on goals related to drug testing and treatment, by treatment type and drug treatment modality, FY 2018.



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

March 1, 2019

James W. Carroll, Jr.
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Carroll:

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 Pretrial Services Agency for the District of Columbia (PSA) for fiscal year 2018. Full compliance with this Circular constitutes an unreasonable reporting burden for PSA.

PSA is an independent agency within the Court Services and Offender Supervision Agency (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.

During its more than 50 years of service to the Nation's Capital, PSA 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 2018 drug control budgetary resources by drug control function.

	FY 2018 Actuals (in millions)
Drug Resources by Drug Control Function	
Prevention	\$12.808
Treatment	\$5.395
Total Drug Resources by Function	\$18.203
Drug Resources Personnel Summary	
Total FTEs (direct only)	109

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

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.



provides centralized case management for defendants, with Drug Court also providing direct 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 on-site 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 2018 Strategic Goals:

Strategic Goal 1: Judicial Concurrence with PSA Recommendations. Rate at which judicial officers impose release conditions consistent with PSA's recommendations at initial appearance.

Strategic Goal 2: Continued Pretrial Release: Percentage of defendants on pretrial release who remain on release for the duration of the pretrial period.

Strategic Goal 3: Minimize Rearrest. Percentage of supervised defendants who are not arrested for a new, papered offense during the pretrial period.

Strategic Goal 4: Maximize Court Appearance. Percentage of defendants on pretrial release who make all schedule court appearances during the pendency of their cases.



Material Weaknesses or Other Findings

CSOSA received an unmodified (clean) opinion on the FY 2018 financial statements. The independent auditing firm of Williams, Adley & Company-DC, LLP, found no material weaknesses in internal control over financial reporting and a reportable instance of noncompliance in the risk management process.

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 2018 obligations is reasonable and accurate.

PERFORMANCE SUMMARY REPORT

Performance Reporting

Drug use is a proven contributor to pretrial misconduct. For example, in FY 2018, the rearrest rate for drug-using defendants was more than double those of non-users (20% vs. 8%). 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. 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. OFTS continues to conduct research on synthetic cannabinoids and the DC Office of the Chief Medical Examiner (OCME) confirmed the use of 11 new varieties of SC metabolites in FY 2018.

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."



In FY 2018, PSA’s OFTS conducted a study to determine trends in fentanyl use among the DC criminal justice population. A sample population of 2,463 specimens collected over a four month period from both the defendant and offender populations was tested for fentanyl use. The study revealed a 7.56 percent positive rate among the PSA defendant surveillance population and a 4.84 percent positive rate among the lockup population. The study also revealed a 5.69 percent positive rate among CSOSA offenders. Users in all groups did not use fentanyl alone, but mixed it with other illegal drugs. PSA plans to begin screening for fentanyl in the second half of 2019 and is requesting additional resources to fully implement routine testing in FY 2020.

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

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target
91%	84%	85%	83%	74%

FY 2018 Actual Performance Results

The final performance result for the metric in FY 2018 was 83%, 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 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 2018.

If you have any questions concerning this report, please contact Juan Cristiani at juan.cristiani@psa.gov or 202-220-5341

Sincerely,

Wendy L. Miller

Tab C



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

DEC 18 2018

Mr. Scott Chronister
Office of Performance and Budget
Office of National Drug Control Policy
9th Floor
1800 G Street, NW
Washington, DC 20503

Dear Mr. Chronister:

This is the Department of Defense's (DoD) Detailed Accounting Submission for Fiscal Year (FY) 2018. The aggregate prior year drug control obligations data may be found at Tab A; the data was derived from actual obligations reports generated by the various accounting systems of record within DoD. The previously approved methodology used to generate FY 2018 obligations data by drug control function is reasonable and accurate; the methodology employed may be found 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 Mr. Michael Golden, (703) 614-8845, michael.c.golden2.civ@mail.mil.

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

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

Enclosures:
As stated

CF:
DoD OIG

UNCLASSIFIED

**Counternarcotics Central Transfer Account Obligations
(\$ 000)**

ONDCP Resource Categories	FY-18
Intelligence: Dom Law Enforcement	12,163
Intelligence: Interdiction	32,803
Intelligence: International	71,724
Interdiction	263,518
International	187,959
Prevention	102,244
State and Local Assistance	234,846
TOTAL	905.257 *

* This amount includes a 94.66% obligation rate for MILPERS and a 81.12% obligation rate for O&M. Investment appropriations, which are multi-year, are currently obligated at 2.15%.

DRUG RESOURCES PERSONNEL SUMMARY

Total FTEs	1,538
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UNCLASSIFIED

National Drug Control Budget 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 for prior year Department of Defense (DoD) budgetary resources in terms of the drug control functions identified in the National Drug Control Budget. As background, the majority of DoD counterdrug activities are funded from a transfer appropriation and account both titled *Drug Interdiction and Counterdrug Activities, Defense*. Funds appropriated to this account are subsequently transferred by DoD to the various Military Departments and Defense Agencies for program execution. As designed, the transfer account supports centralized oversight and decentralized program management and execution.

The account is structured into projects, each identified by a unique Project Code. A Project Code may identify a discrete function, or may represent the aggregate of similar activities executed by the various geographic combatant commands. However, although the entirety of the account supports DoD counterdrug-related activities, the account 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 to the drug control functions, each Project Code is statistically weighed among the functions, either in its entirety or proportionally, using an interactive financial management database. This methodology provides a reasonable basis for consistently estimating DoD counterdrug program support to the National Drug Control Budget functions.

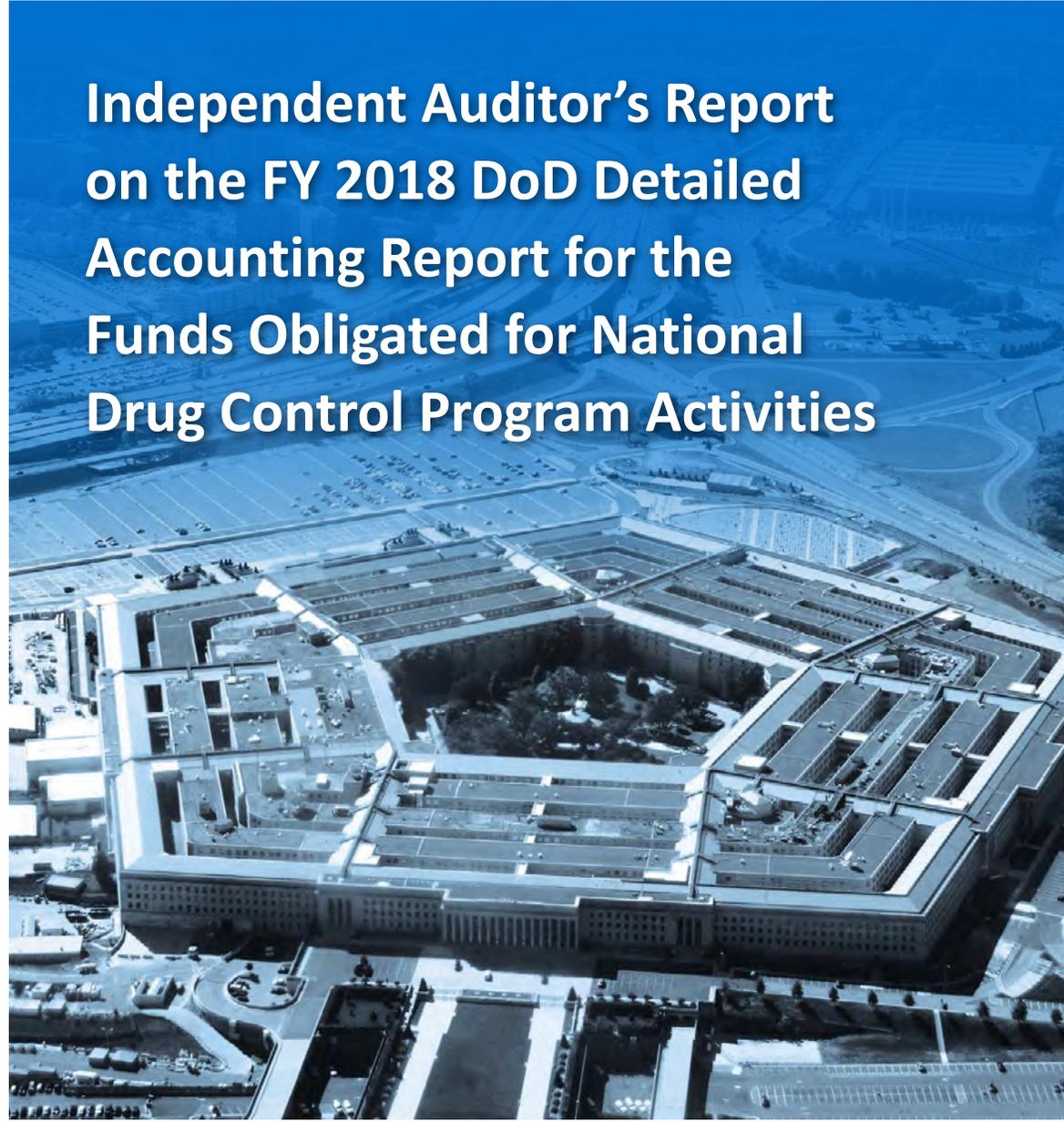
The Military Departments and Defense Agencies use accounting systems of record for tracking obligations of funds transferred from the *Drug Interdiction and Counterdrug Activities, Defense* appropriation. These accounting systems do not interface directly with the counterdrug financial management database; the Military Departments and Defense Agencies manually enter obligations by Project Code into this database on a quarterly basis. At the end of each fiscal year, the Military Departments and Defense Agencies submit detailed transaction listings of actual Service/Agency obligations, which are compared to the aggregate data contained within the counterdrug database. The aggregate data is then compiled into a single obligations report by drug control function, using the methodology described above. The report further informs the DoD Detailed Accounting Submission and Annual Statement of Assurance provided to the Office of National Drug Control Policy.



INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 31, 2019



Independent Auditor's Report on the FY 2018 DoD Detailed Accounting Report for the Funds Obligated for National Drug Control Program Activities

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





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

January 31, 2019

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(COUNTERNARCOTICS AND GLOBAL THREATS)
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

SUBJECT: Independent Auditor's Report on the FY 2018 DoD Detailed Accounting Report for the Funds Obligated for National Drug Control Program Activities (Project No. D2019-D000FT-0037.000, Report No. DODIG-2019-049)

Public Law 105-277, title VII, "Office of National Drug Control Policy Reauthorization Act of 1998" (the Act), October 21, 1998, requires National Drug Control Program agencies to submit detailed accounting each year to the Director, Office of National Drug Control Policy (ONDCP). The detailed accounting reports all funds expended by the agencies for National Drug Control Program activities during the previous fiscal year. The Act also requires each agency Inspector General to authenticate the detailed accounting before it is submitted to the ONDCP Director (section 1704[d], title 21, United States Code).

The ONDCP Circular, "Budget Formulation," May 8, 2018, (the Budget Formulation Circular) identifies the DoD as a National Drug Control Program agency with three entities or bureaus submitting National Drug Control Budgets for four DoD accounts or appropriations. The three DoD bureaus are the Office of the Assistant Secretary of Defense (Health Affairs); the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD [CN>]); and the Defense Security Cooperation Agency (DSCA). The Budget Formulation Circular, Attachment B, identifies the Office of the Assistant Secretary of Defense (Health Affairs) and the DSCA as multi-mission bureaus. The ONDCP National Drug Control Budget, "FY 2018 Funding Highlights," May 2017, identified that the DoD requested \$1.2 billion in FY 2018 for DoD drug control spending. The following table shows a summary of the DoD's National Drug Control Program bureaus and their respective appropriations.

Table. The DoD's National Drug Control Program

DoD Entity/Bureau Submitting Budgets	DoD Account/Appropriation	National Drug Control Budget Funding
Office of the Assistant Secretary of Defense (Health Affairs)	Defense Health Program	\$77 million
DASD (CN>)	Drug Interdiction and Counterdrug Activities	\$1.128 billion
	Counternarcotics Operations Tempo (OPTEMPO)	
DSCA	DSCA	

The ONDCP Circular, “Accounting of Drug Control Funding and Performance Summary,” May 8, 2018, (the Accounting Circular) provides the policies and procedures the DoD must use to prepare the detailed accounting and authentication of all funds expended on National Drug Control Program activities. The Accounting Circular specifies, for agencies with bureaus like the DoD, that the detailed accounting submission shall consist of reports from the agency’s bureaus.

The Accounting Circular also states that for multi-mission bureaus, the Office of the Assistant Secretary of Defense (Health Affairs) and DSCA, drug control obligations shall be calculated pursuant to an approved drug methodology. Each detailed accounting report must contain a table of prior-year drug control obligations listed by drug control 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 of prior year budgetary resources 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 detailed accounting to ensure compliance with the Circulars. 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.

Office of the Assistant Secretary of Defense (Health Affairs)

On December 18, 2018, ONDCP approved the Defense Health Program detailed accounting drug methodology, as required by the Accounting Circular. However, the Office of the Assistant Secretary of Defense (Health Affairs) was unable to provide a timely FY 2018 detailed accounting submission for the Defense Health Program to the DoD OIG for authentication.

DASD (CN>)

Drug Interdiction and Counterdrug Activities

We reviewed four DoD reprogramming actions for the Drug Interdiction and Counterdrug Activities appropriation that allocated \$990.4 million 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 project codes intended for the DoD Counterdrug Program.

The DASD (CN>) provided the DoD OIG the Drug Interdiction and Counterdrug Activities detailed accounting report, dated December 18, 2018, which we reviewed to determine compliance with the Accounting Circular. The detailed accounting report indicated that during FY 2018, the DoD obligated \$905.2 million of the \$990.4 million allocated to the Counterdrug Program functional areas. The DASD (CN>) compiled the detailed accounting report from data submitted by the Military Departments and other DoD Components. The DASD (CN>) detailed accounting report is attached.

Based on our review, we are not aware of any material modifications that should be made to DASD (CN>)'s Drug Interdiction and Counterdrug Activities detailed accounting report in order for it to be in accordance with the Accounting Circular.

Counternarcotics OPTEMPO

DASD (CN>) did not provide the DoD OIG with a separate detailed accounting submission for Counternarcotics OPTEMPO funds. Although DASD (CN>) identified \$91.4 million in Counternarcotics OPTEMPO funds executed in FY 2018 in its performance summary report submission to ONDCP, the submission was not suitable for our detailed accounting review. The submission did not include a table of prior-year drug-control obligations listed by drug control functional area and did not include assertions relating to the obligation data, as required by the Accounting Circular.

DSCA

The DSCA did not provide the DoD OIG with a detailed accounting submission for FY 2018. According to the DSCA, it is currently developing a methodology, subject to approval by the ONDCP, for tracking counterdrug activities. Upon ONDCP approval of the DSCA methodology, the DSCA plans to provide the requested information for FY 2019.

Conclusion

Based on our review, the DoD did not conform in all material respects to the Accounting Circular. Specifically, Defense Health Program, Counternarcotics OPTEMPO, and the DSCA did not provide detailed accounting submissions for FY 2018, as required by the Accounting Circular. Except for the deficiencies noted above, we are not aware of any material modifications that should be made for the DoD to be in accordance with the Accounting Circular.



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

Attachment:
As stated

Attachment

DASD (CN>)'s Drug Interdiction and Counterdrug Activities



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

DEC 18 2018

Mr. Scott Chronister
Office of Performance and Budget
Office of National Drug Control Policy
9th Floor
1800 G Street, NW
Washington, DC 20503

Dear Mr. Chronister:

This is the Department of Defense's (DoD) Detailed Accounting Submission for Fiscal Year (FY) 2018. The aggregate prior year drug control obligations data may be found at Tab A; the data was derived from actual obligations reports generated by the various accounting systems of record within DoD. The previously approved methodology used to generate FY 2018 obligations data by drug control function is reasonable and accurate; the methodology employed may be found 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 black ink, appearing to be "T. Alexander".

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

Enclosures:
As stated

CF:
DoD OIG

DASD (CN>)'s Drug Interdiction and Counterdrug Activities (cont'd)

UNCLASSIFIED
Counter narcotics Central Transfer Account Obligations
 (\$ 000)

ONDCP Resource Categories	FY-18
Intelligence: Dom Law Enforcement	12,163
Intelligence: Interdiction	32,803
Intelligence: International	71,724
Interdiction	263,518
International	187,959
Prevention	102,244
State and Local Assistance	234,846
TOTAL	905,257 *

* This amount includes a 94.66% obligation rate for MILPERS and a 81.12% obligation rate for O&M. Investment appropriations, which are multi-year, are currently obligated at 2.15%.

DRUG RESOURCES PERSONNEL SUMMARY

Total FTEs 1,538

UNCLASSIFIED

DASD (CN>)'s Drug Interdiction and Counterdrug Activities (cont'd)

National Drug Control Budget 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 for prior year Department of Defense (DoD) budgetary resources in terms of the drug control functions identified in the National Drug Control Budget. As background, the majority of DoD counterdrug activities are funded from a transfer appropriation and account both titled *Drug Interdiction and Counterdrug Activities, Defense*. Funds appropriated to this account are subsequently transferred by DoD to the various Military Departments and Defense Agencies for program execution. As designed, the transfer account supports centralized oversight and decentralized program management and execution.

The account is structured into projects, each identified by a unique Project Code. A Project Code may identify a discrete function, or may represent the aggregate of similar activities executed by the various geographic combatant commands. However, although the entirety of the account supports DoD counterdrug-related activities, the account 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 to the drug control functions, each Project Code is statistically weighed among the functions, either in its entirety or proportionally, using an interactive financial management database. This methodology provides a reasonable basis for consistently estimating DoD counterdrug program support to the National Drug Control Budget functions.

The Military Departments and Defense Agencies use accounting systems of record for tracking obligations of funds transferred from the *Drug Interdiction and Counterdrug Activities, Defense* appropriation. These accounting systems do not interface directly with the counterdrug financial management database; the Military Departments and Defense Agencies manually enter obligations by Project Code into this database on a quarterly basis. At the end of each fiscal year, the Military Departments and Defense Agencies submit detailed transaction listings of actual Service/Agency obligations, which are compared to the aggregate data contained within the counterdrug database. The aggregate data is then compiled into a single obligations report by drug control function, using the methodology described above. The report further informs the DoD Detailed Accounting Submission and Annual Statement of Assurance provided 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/programs/whistleblower.

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

Congressional Liaison

congressional@dodig.mil; 703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324

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DoD Hotline

www.dodig.mil/hotline



DEPARTMENT OF DEFENSE | INSPECTOR GENERAL

4800 Mark Center Drive
Alexandria, VA 22350-1500
www.dodig.mil
Defense Hotline 1.800.424.9098



Tab D

DEPARTMENT OF EDUCATION



DETAILED ACCOUNTING OF FISCAL YEAR 2018 DRUG CONTROL FUNDS

IN SUPPORT OF THE
NATIONAL DRUG CONTROL STRATEGY
AS REQUIRED BY SECTION 705(d) OF THE OFFICE OF NATIONAL
DRUG CONTROL POLICY REAUTHORIZATION ACT OF 1998
(21 U.S.C. 1704(d))

MARCH 6, 2019

DEPARTMENT OF EDUCATION
DETAILED ACCOUNTING OF FISCAL YEAR 2018 DRUG CONTROL FUNDS

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF FINANCE AND OPERATIONS

March 6, 2019

Dr. Terry Zobeck
Assistant Deputy Director, Office of Policy, Research, and Budget
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Dr. Zobeck:

In accordance with section 705(d) of the Office of National Drug Control Policy (ONDCP) Reauthorization Act of 1998 (21 U.S.C. 1704(d)), enclosed please find the Department of Education's accounting of fiscal year 2018 drug control funds in support of the National Drug Control Strategy. As indicated in the enclosed letter (dated March 1, 2019) from Byron Gordon, Assistant Inspector General for Audit, the Department's Office of Inspector General has chosen not to conduct an authentication review of this fiscal year 2018 accounting of funds.

Sincerely,

Larry Kean
Director, Budget Service

Enclosure

400 MARYLAND AVE. S.W., WASHINGTON, DC 20202-4500
www.ed.gov

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

TABLE OF PRIOR-YEAR DRUG CONTROL OBLIGATIONS

Fiscal Year 2018 Obligations
(in millions)

Drug Resources by Function

Prevention	\$60.912
Total	60.912

Drug Resources by Decision Unit

School Safety National Activities	\$60.912
Total	60.912

PROGRAM DESCRIPTION

A subset of projects funded under School Safety National Activities, which is a broad discretionary authority under Title IV, Part F, Section 4631 of the Elementary and Secondary Education Act (ESEA), as amended, comprise the only Department of Education activities included in the national drug control budget in fiscal year 2018. School Safety National Activities support a range of strategies to assist State and local efforts to improve students' safety and well-being.

Activities supported under School Safety National Activities that have a clear drug control nexus, and for which funds are thereby included in this accounting of drug control funds, include (1) School Climate Transformation Grants and related technical assistance to help create positive school climates by developing and adopting, or expanding to more schools, the use of multi-tiered decision-making frameworks that guide the selection, integration, and implementation of evidence-based behavioral practices for improving school climate and behavioral outcomes for all students; and (2) data collection, dissemination, outreach, and other technical assistance activities that support and improve drug and violence prevention efforts.

In addition to activities that include drug prevention, School Safety National Activities carried out by the Department in 2018 also included: (1) Project SERV (School Emergency Response to Violence), which provides education-related services to LEAs and institutions of higher education (IHEs) in which the learning environment has been disrupted due to a violent or traumatic crisis; (2) Project Prevent grants to LEAs to help schools in communities with pervasive violence break the cycle of violence; (3) School Emergency Management Activities, such as Grants to States for Emergency Management and the Department's Readiness and Emergency Management for Schools Technical Assistance Center, which helps schools, school districts, and IHEs in the development and implementation of high-quality emergency operations plans; and (4) support for the Federal Commission on School Safety. Although the Department obligated funds for all four of these activities in fiscal year 2018, funds for these four components of School Safety National Activities are not included in the ONDCP drug budget and, therefore, they are not included in this obligations report.

DISCLOSURES

Drug Methodology

This accounting submission includes all fiscal year 2018 obligations of funds under School Safety National Activities, with the exception of activities that have no clear drug control nexus. Accordingly, the amounts in the enclosed table of prior-year drug control obligations include all funding for School Safety National Activities, with the exclusion of obligations of funds for (1) Project SERV; (2) Project Prevent; (3) School Emergency Management Activities; and (4) the Federal Commission on School Safety.

Obligations by Drug Control Function

All obligations of funds for the School Safety National Activities program shown in the table on page 2 of this report fall under the ONDCP drug control function category of prevention.

Obligations by Budget Decision Unit

All obligations of drug control funds in the table on page 2 of this report are displayed using the School Safety National Activities program as the budget decision unit.

Methodology Modifications

The Department does not have any drug control budget methodological modifications to disclose.

Material Weaknesses or Other Findings

The Department does not have any material weaknesses to disclose that affect the presentation of fiscal year 2018 drug-related obligations in this report. All other known weaknesses that affect the presentation of drug-related obligations in this report are explained in the disclosures below.

Reprogrammings or Transfers

There were no reprogrammings or transfers of drug-related budgetary resources in the Department of Education in fiscal year 2018.

Other Disclosures

The Department acknowledges the following limitation in the methodology described above for deriving the obligations of fiscal year 2018 drug control funds attributable to the School Safety National Activities program: Although the budgetary resources in this report include 100 percent of obligations for School Safety National Activities (exclusive of Project SERV, Project Prevent, School Emergency Management Activities, and the Federal Commission on School Safety), not all obligations of funds included in the resource summary of this report support drug prevention activities — some of these funds support violence prevention and school safety activities that have no drug control-related nexus.

ASSERTIONS

Obligations by Decision Unit

The fiscal year 2018 obligations of drug control funds shown in this report for the School Safety National Activities drug budget decision unit are the actual 2018 obligations of funds from the Department's accounting system of record for the School Safety National Activities program.

Drug Methodology

The methodology used to calculate the fiscal year 2018 obligations of drug prevention funds presented in this report is reasonable and accurate, because: (1) the methodology captures all of the obligations of funds under the School Safety National Activities program that reasonably have a drug control-related nexus, and (2) these obligations of funds largely correspond to the display of resources for the School Safety National Activities program in the Department's budget justifications to Congress that accompany the President's budget.

Data

No workload or other statistical information was applied in the methodology used to generate the fiscal year 2018 obligations of drug control funds presented in the table on page 2 of this report.

Other Estimation Methods

Where assumptions based on professional judgment were used as part of the drug methodology, the association between these assumptions and the drug control obligations being estimated is thoroughly explained and documented in the drug methodology disclosure and in the other disclosures on page 3 of this accounting report.

Financial Systems

Financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which the drug-related obligation estimates are derived.

Application of Drug Methodology

The methodology disclosed in the narrative of this report was the actual methodology used to generate the fiscal year 2018 obligations of drug control funds presented in the table on page 2.

Reprogrammings or Transfers

There were no reprogrammings or transfers of Department of Education drug control funds in fiscal year 2018. However, subsequent to ONDCP's approval of the Department's fiscal year 2018 financial plan, the Department reallocated various funds across activities within School Safety National Activities. As a result of these reallocations the Department's drug control budgetary resources increased by \$571,633, from \$60.3 million (as estimated in the financial plan) to the final amount of \$60.9 million.

Fund Control Notices

The Director of ONDCP has never issued to the Department of Education any Fund Control Notices under 21 U.S.C. 1703(f) or the applicable ONDCP Circular, *Budget Execution*. Therefore, the required assertion that the data presented in this report accurately reflect obligations of drug control funds that comply with all such Fund Control Notices is not applicable.



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**

AUDIT SERVICES

March 1, 2019

TO: Larry Kean
Director, Budget Service
Office of Finance and Operations

Paul Kesner
Acting Director, Office of Safe and Supportive Schools
Office of Elementary and Secondary Education

FROM: Bryon Gordon /s/
Assistant Inspector General for Audit

SUBJECT: Office of Inspector General's Authentication of the U.S. Department of Education's *Detailed Accounting of Fiscal Year 2018 Drug Control Funds and Related Performance*

As provided by 21 U.S.C. § 1704(d)(1), "Not later than February 1 of each year, in accordance with guidance issued by the Director, the head of each National Drug Control Program Agency shall submit to the Director a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous fiscal year and shall ensure such detailed accounting is authenticated for the previous year by the Inspector General for such agency prior to the submission to the Director as frequently as determined by the Inspector General but not less frequently than every 3 years."

This is to notify you that we have chosen not to authenticate the material noted for the fiscal year ending September 30, 2018.

If you have any questions, please contact Michele.Weaver-Dugan@ed.gov or at (202) 245-6941.

U.S. Department of Education



Performance Summary Report

Fiscal Year 2018

In Support of the
National Drug Control Strategy

April 1, 2019

400 MARYLAND AVE., S.W., WASHINGTON, D.C. 20202

www.ed.gov

U.S. Department of Education
Performance Summary Report for Fiscal Year 2018

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

April 1, 2019

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 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*.

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 "Rita Foy-Moss".

Rita Foy-Moss
Acting Director, Office of Safe and Supportive Schools

FY 2018 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 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 five continuation awards were made to these grantees in FY 2018. Drug prevention is an allowable activity and 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 as evidenced by decreasing student disciplinary actions and increased student attendance. Among those measures, the two discussed below are 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
2015	N/A	N/A	N/A	N/A
2016		524		51%
2017	540	698	53%	59%
2018	719	781	61%	53%
2019	804		63%	

The Measure: ED established several GPRA performance measures for assessing the effectiveness of the School Climate Transformation Grant – Local Educational Agency (LEA) 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 was expected that grantees would 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 2018 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 698 to 781 between 2017 and 2018. The target set for 2018 was 61 percent and this goal was not achieved. The actual number of schools reporting decreases was 53 percent. Results for 2018 are based on 69 grantees with 1,483 schools implementing the MTBF that reported valid and complete data as compared to 64 grantees with 1,033 schools reporting in 2017.

FY 2019 Performance Target: The 2019 performance targets reflect a 3 percent increase from the FY 2018 actuals.

Methodology: These measures constitute the Department’s indicators of success for the School Climate Transformation Grant – Local Educational Agency (LEA) 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 towards 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 other drugs (only).

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. However, In FY 2018...

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 Behavior 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	FY2018 Actual
N/A	N/A	40%	41%	N/A

Table 3: Number and percentage of schools that report an annual decrease in suspensions and expulsions related to possession or use of 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	FY2018 Actual
N/A	N/A	41%	20%	N/A

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	FY2018 Actual
N/A	N/A	N/A	46%	N/A

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
2015	N/A	N/A	N/A	N/A
2016	589	584	52%	55%
2017	677	814	60%	65%
2018	936	920	69%	64%
2019	1,077		79%	

The Measure: ED established several GPRA performance measures for assessing the effectiveness of the School Climate Transformation Grant – Local Educational Agency (LEA) 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 groups of 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) and 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 increased capacity.

FY 2018 Performance Results: The number and percentage of schools that are implementing the multi-tiered behavioral framework with fidelity increased from 814 to 920 between 2017 and 2018. The target set for 2018 was 69 percent and this goal was not achieved. The actual number of schools that

reported implementing the multi-tiered behavioral framework with fidelity was percent. Results for 2018 are based on 69 grantees with 1,483 schools implementing the MTBF that reported valid and complete data as compared to 67 grantees with 1,250 schools implementing the MTBF in 2017.

FY 2019 Performance Target: The 2019 performance targets reflect a 15 percent increase from the FY 2018 actuals.

Methodology: These measures constitute the Department’s indicators of success for the School Climate Transformation Grant – Local Educational Agency (LEA) 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, in its annual performance reports data about 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 towards 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 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 Behavior 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 in included in this Performance Summary Report for Fiscal year 2018 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

Explained in the performance results section.

Methodology for Establishing Performance Targets

The methodology described in the Performance Summary Report for Fiscal Year 2018 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 2018 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 judgement was used to make the required assertions. When professional judgement was used, the objectivity and strength of those judgements were explained and documented. Professional 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 judgement 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 For Finance and Deputy Chief Financial Officer
Department of Health and Human Services

FROM: Amanda Barlow
Director
Office of Legislative Affairs and Budget

SUBJECT: Administration for Children and Families Detailed Accounting
Submission for Fiscal Year 2018

DATE: November 16, 2018

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 2018 Drug Control Obligation Summary 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
Detailed Accounting Submission**

Within the Promoting Safe and Stable Families 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.

Resource Summary	FY 2016 Obligations *(\$ in millions)
Drug Resources by Function	
Regional Partnership Grants	\$40
Total, Drug Resources by Function	\$40
Drug Resources by Decision Unit	
Administration for Children Youth and Families	\$40
Total, Drug Resources by Decision Unit	\$40

1. Methodology: The Administration for Children and Families is unable to estimate the total costs of substance abuse services from the total funding amount of \$40 million provided to the Regional Partnership grantees.
2. Methodology Modification: None.
3. Material Weaknesses or Other Findings: None.
4. Reprogrammings or Transfers: None.
5. Other Disclosures: None.



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: 7 November 2018

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 2017 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
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)	2018	92.4% (Prior Result +0.2PP)	Oct-19
	2017	92.2% (Prior Result +0.2PP)	92.2% (Target Met)
	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)

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 year 2017 and \$39M, approximately 10 percent, in fiscal year 2018), 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=165,153 children in FY 2017) *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=179,215 children in FY 2017).

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 submit 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.



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)

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 the 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 Opioid Overdose Prevention and Surveillance program appropriated under P.L. 115-141, Consolidated Appropriations Act, 2018.

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

The obligations data presented are associated with budget activity lines defined in the FY 2018 Conference Report. CDC did not reprogram or transfer any FY 2018 appropriated funds included in its drug control budget. Prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were carried over in support of the FY 2018 Opioid Overdose Prevention and Surveillance program.

Funds Control Notices

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 May 8, 2018.



Christa Capozzola

Attachments

Drug Resources by Decision Unit Table

FY 2018 Drug Resources by Decision Unit	FY 2018 Enacted	FY 2018 Obligations
Opioid Overdose Prevention and Surveillance	\$475,579,000	\$420,442,847
<i>Opioid Awareness and Education Campaign (non-add)</i>	<i>\$10,000,000</i>	<i>\$9,194,610</i>
Prescription Drug Overdose (PDO) - PPHF prior year balances ¹	N/A	\$339,912
Total	\$475,579,000	\$420,782,759

¹ Consolidated Appropriations Act, 2018 (PL 115-141) included 2 year period of availability for Opioid Overdose Prevention and Surveillance funds

² In FY2016, Prevention and Public Health Fund (PPHF) prior year balances from FY 2010-2013 were reallocated to support the PDQ Program. In FY18, the carryover amount of these balances remained available for obligation.

Drug Resources Table by Function Table

FY 2018 Drug Resources by Budget Function	FY 2018 Enacted	
Prevention ¹	\$475,579,000	\$420,782,759
Total Drug Resources by	\$475,579,000	\$420,782,759

¹ In FY2016, Prevention and Public Health Fund (PPHF) prior year balances from FY 2010-2013 were reallocated to support the PDQ Program. In FY18, the carryover amount of these balances remained available for obligation.



November 21, 2018

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

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 2018 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

Attachment: FY 2018 Performance Summary Report for National Drug Control Activities

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.

2014 ¹ Historical Actual	2015 ² Historical Actual	2016 ³ Actual	2017 Target	2017 Actual	2018 Target	2019 Target
13.3 per 100,000 residents	11.8 per 100,000 residents	15.0 per 100,000 residents	11.8 per 100,000 residents	Data available Dec. 2018	11.8 per 100,000 residents	10.8 per 100,000 residents

¹ 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 a broader drug overdose death category to better represent the opioids recently associated with drug overdose mortality (including prescription, heroin, and synthetic other than methadone) in recognition of the evolving nature of the opioid overdose epidemic in the United States.

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.

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.

In FY 2018, CDC initiated the Opioid Prevention in State Surge Support (OPIS S2) program with the increase in appropriations. These dollars complement the PfS, DDPI, and ESOOS programs in states, and act as a bridge into the new three-year combined program, Data to Action, that will begin in FY 2019. OPIS S2 awarded funding to 49 states, Washington D.C., and 4 territories to support recipients in getting high quality and timely data, and to then use those data to inform response and prevention efforts at the state, local, and territorial level. Recipients were funded to make improvements in the following domains:

- Strengthen Incident Management for Early Crisis Response
- Strengthen Jurisdictional Recovery
- Strengthen Biosurveillance
- Strengthen Information Management
- Strengthen Countermeasures and Mitigation

- Strengthen Surge Management

These improvements, such as to surveillance, will allow for a more targeted and focused response to changes in the epidemic. This is one year funding.

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 new baseline was derived using 2016 data from these 29 states for overdose deaths involving opioids (including prescription, heroin, and synthetic other than methadone). The data were made publicly available in December 2017. Given the initiation of the PfS program in FY 2015, using 2016 mortality data is an appropriate means to establish a baseline from which new target metrics for 2017 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 2016 mortality data to establish a new baseline from which targets for 2017, 2018 and 2019 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 opioids per 100,000 are based on death certificate data captured in NVSS.

- Numerator=Annual number of drug poisoning deaths (also referred to as drug overdose deaths) involving opioids 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)



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: November 13, 2018

SUBJECT: Health Resources and Services Administration
Drug Control Accounting for FY 2018

In accordance with the Office of National Drug Control Policy Circular (ONDCP): Drug Control Accounting issued May 8, 2018, HRSA's FY 2018 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 2018 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 2018 Obligated
Drug Resources by Function	
Prevention	\$54
Treatment	\$490
Total Drug Resources by Function	\$544
Drug Resources by Decision Unit	
Bureau of Primary Health Care	\$544
Total Drug Resources by Decision Unit	\$544

1. Methodology:

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

In FY 2017, the HCP awarded an additional \$200 million in a targeted supplemental funding opportunity for SUD and mental health (MH) services in existing health centers. Of these awards, \$100 million was provided as ongoing supplemental funding, to be included in health centers' annual base continuation awards, and \$100 million was provided as one-time supplemental funding.

In FY 2018, the HCP awarded an additional \$350 million in a targeted supplemental funding opportunity for SUD/MH services in existing health centers. Of these awards, \$150 million was provided as ongoing supplemental funding, to be included in health centers' annual base continuation awards, and \$200 million was provided as one-time supplemental funding.

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

FY 2018 Obligated Level: \$544 million

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

\$100 million A total of \$100 million in ongoing targeted SUD/MH funding initially awarded to health centers in FY 2017.

\$350 million A total of \$350 million in targeted SUD/MH funding awarded to health centers in FY 2018.

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

Due to the FYs 2016, 2017 and 2018 SUD/MH funding focus on treatment services, it is estimated that the percentage of drug control funding from targeted SUD/MH awards spent on prevention services is approximately 10 percent of total targeted SA funding. The estimates for the breakout of prevention and treatment services are calculated as follows:

Total Prevention Funding: \$54 million

- Targeted SUD/MH funding: \$544 million x 10% = approximately \$54 million.

2. **Methodology Modification:** Yes – inclusion of only targeted SUD/MH HCP funding.
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: November 13, 2018

SUBJECT: Health Resources and Services Administration
Performance Summary Report for FY 2018

Elizabeth A. DeVoss

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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 2018 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.

FY 2018 Performance Summary Report for National Drug Control Activities

Decision Unit: Bureau for Primary Health Care (BPHC)

Table 1: Measure 1

Performance Measures	CY 2017 Target	CY 2017 Results	CY 2018 Target	CY 2018 Results	CY 2019 Target	Data Source
Number of Health Center recipients providing substance abuse counseling and treatment services.	425	491	515	Available Aug. 1, 2019	540	Uniform Data System

The Health Center Program (HCP) 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 recipients and reported at the recipient, state, and national levels. In the annual UDS report (Table 5 – Staffing and Utilization), each health center reports on the number of full-time equivalents (FTE), patients and patient visits supported by their HCP grant, separated into clinical service categories, including substance abuse services. A total of 1,373 health centers were reported in the 2017 UDS. In a query of the 2017 UDS, a total of 491 health centers reported FTEs, patients, and/or patient visits in the substance abuse category, exceeding the program target.

The performance targets for 2018 and 2019 were set using a methodology based on the number of health centers providing substance abuse services. The targets were set at 515 health centers and 540 health centers, respectively, and are increases from the number reported in 2017, reflecting known HCP awards for substance abuse services in FY 2018 and the level of HCP appropriations enacted in FY 2019.

Procedures used to ensure quality of performance data – UDS

BPHC requires that recipients 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 information technology practices. Reviewers receive annual training.

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

1. **At recipient, prior to submission.** As the recipients enter data into the Electronic Handbooks (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, the EHB system checks to determine that all required information has been submitted. Missing tables and, especially, missing sub-tables relating to individual programs, are identified and recipients are contacted to obtain the missing information. These submissions are held until complete.
2. **By reviewers.** Once submitted, the EHB system forwards the reports to reviewers for actual review, and correction (as needed).
3. **Quality Control.** After the reviews, the reports are forwarded to quality control for quality assurance reviews as the final step.



NOV 15 2018

MEMORANDUM TO: Director
Office of National Drug Control Policy

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

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

SUBJECT: FY 2018 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 Unified Financial Management System (UFMS), 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 all Areas and Operating Offices 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 list

of programs. This table reflects estimated amounts. When originally authorized and appropriated, the funds were allocated to Tribes in their Indian Self-Determination 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 Unit: 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 Indian Self-Determination 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

A \$3.6 million reprogramming was made from the Alcohol and Substance Abuse funding line from funds appropriated for inflationary costs and transferred to meet court imposed lease costs associated with tribal health facilities reducing the resources available for this activity.

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 May 8, 2018.



Ann M. Church

Attachments:

1. Table – Alcoholism and Substance Abuse Treatment and Prevention Program Authorized Under P.L. 102-573
2. Table – FY 2018 Drug Control Obligations

The 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. However, funds are not appropriated or accounted for by these specific categories, but rather as the lump sum funds of ASA, Urban Health, and the Prescription Drug Monitoring Program. 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 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	FY 2018 Enacted	Drug Control & Moyer Reports
ALCOHOL & SUBSTANCE ABUSE					
Adult Treatment.....	\$101,312	\$103,807	\$107,587	\$109,916	Excluded*
Regional Treatment Centers	\$20,922	\$21,438	\$22,218	\$22,700	Treatment
Community Education & Training.....	\$9,408	\$9,640	\$9,991	\$10,207	Prevention
Community Rehabilitation/ Aftercare.....	\$30,560	\$31,313	\$32,453	\$33,156	Treatment
Gila River.....	\$234	\$240	\$248	\$254	Treatment
Contract Health Service.....	\$10,758	\$11,023	\$11,424	\$11,672	Treatment
Navajo Rehab. Program....	\$414	\$424	\$440	\$449	Treatment
Urban Clinical Services.....	\$882	\$904	\$937	\$957	Treatment
Wellness Beyond Abstinence.....	\$1,016	\$1,041	\$1,079	\$1,102	Prevention
Meth Prev & Treatment.....	\$15,475	\$25,475	\$31,975	\$33,775	50/50 Tx & Prev
Total.....	\$190,981	\$205,305	\$218,353	\$224,188	

URBAN HEALTH PROGRAM 1/

Amount of Funds	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	FY 2018 Enacted	
Expand Urban Programs....	\$4,492	\$3,211	\$3,604	\$3,669	Treatment

INDIAN HEALTH FACILITIES 2/

Amount of Funds	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	FY 2018 Enacted	
Construction.....	\$17,161	\$0	\$0	\$0	
Alcohol/Substance Abuse	\$190,982	\$205,305	\$218,353	\$224,188	
Urban Health Program	\$4,492	\$3,211	\$3,604	3,669	
Facilities Construction	\$17,161	\$0	\$0	0	
GRAND TOTAL.....	\$212,635	\$208,516	\$221,957	\$231,363	

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

2/ These funds are 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 2018 Drug Control Obligations
(in thousands)

	<u>Enacted</u>	<u>Obligated</u>
Drug Resources by Function		
Prevention	\$28,196	\$25,158
Treatment	\$89,745	\$86,508
	<u>\$117,941</u>	<u>\$111,666</u>
 Drug Resources by Decision Unit		
Alcohol and Substance Abuse	\$114,272	\$107,997
Urban Indian Health Program	\$3,669	\$3,669
	<u>\$117,941</u>	<u>\$111,666</u>



NOV 14 2018

Indian Health Service
Rockville, MD 20857

TO: Director
Office of National Drug Control Policy

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

FROM: Chief Medical Officer
Indian Health Service

SUBJECT: Assertions Concerning FY 2018 Performance Summary Report

In accordance with the requirement 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 FY 2018 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 of 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. Beginning in FY 2018, IHS reports three measures for drug control activities.

RADM Michael Toedt, M.D., F.A.A.F.P.
Assistant Surgeon General, U.S. Public Health Service

Attachment: FY 2018 Performance Summary Report, National Drug Control Activities,
Indian Health Service (IHS)

FY 2018 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 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 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 2018.

- (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 2019 performance target for the YRTC's remains unchanged at 100 percent for accreditation status. The methodology used to establish the fiscal year (FY) 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 FY is the number of accredited YRTC's as the numerator and the total number of YRTC's as the denominator. In FY 2018, 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.**

Annually, 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: 9 through 75 years of age

Universal Alcohol Screening Table 2: Measure 2						
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
N/A	N/A	N/A	Baseline	68.0%	Retired*	N/A

*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 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
N/A	N/A	N/A	N/A	37.0%**	TBD#	37.0%

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

Final Result available December 2018 (See Section 4, Quality of Performance Data)

- (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, reported alcohol screening among patients ages 12 through 75 years of age. In FY 2018, this measure changed to expand screening among patients ages 9 through 75 years, in an 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 2018 is 37.0 percent and the performance data is from the IHS's Integrated Data Collection System Data Mart (IDCS DM). The actual result is expected to be available in December 2018.

- (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 2019 for Universal Alcohol Screening is 37.0 percent. The result will be reported from the IHS IDCS DM.

- (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.**

FY 2018 is the first year that the IHS will report many clinical GPRA results from the IHS IDCS DM. The IHS IDCS DM uses the Annual IHS User Population estimates as its denominator. The FY 2018 User Population denominators will be uploaded into the IHS IDCS DM in December 2018. The final FY 2018 results for the clinical IHS IDCS DM GPRA measures will be available at that time.

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 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
N/A	N/A	N/A	Baseline	3.0%	Retired*	N/A

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

SBIRT Table 3: Measure 3						
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
N/A	N/A	N/A	N/A	8.9%**	TBD#	8.9%

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

Final Result available December 2018 (See Measure 2 Section 4, Quality of Performance Data)

- (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): The SBIRT measure will assess patients 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 Electronic Health Record. 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 performance target for FY 2018 is 8.9 percent and the performance data is from the IHS IDCS DM. The actual result is expected to be available in December 2018.

- (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 2019 for the SBIRT measure is 8.9 percent and will be reported from the IHS IDCS DM.

- (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 IHS IDCS DM. Please refer to Universal Alcohol screening measure Quality of Performance Data section for further detail.



January 29, 2019

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 Branch
National Institute on Alcohol Abuse and Alcoholism

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 misuse and alcohol use disorder in minors (youth under the legal drinking age of 21). It includes all alcohol related research involving youth, 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 2018 ACTUAL OBLIGATIONS
(Dollars in Thousands)**

	FY 2018 Actual
Drug Resources by Decision Unit:	
National Institute on Alcohol Abuse and Alcoholism	<u>\$55,891</u>
Total Drug Resources by Decision Unit	<u>\$55,891</u>
Drug Resources by Function:	
Research and Development: Prevention	\$49,034
Research and Development: Treatment	<u>\$6,857</u>
Total Drug Resources by Function	<u>\$55,891</u>

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



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* 11/19/18
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 2018 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 2018 Annualized CR budget from the FY 2019 President's Budget (PB) was \$1,083,445,000. In April of 2018, NIDA received the FY 2018 Enacted budget of \$1,383,603,000 (\$1,133,603,000 for direct and \$250,000,000 for research relating to Opioids). The annual appropriation was \$50,158,000 more than the FY 2019 CJ. The additional \$250,000,000 for Opioid research was not mentioned in the FY 2019 President's Budget. There was a Permissive Transfer in the amount of \$2,283,000 and an HIV/AIDS transfer in the amount of \$6,946,000. NIDA obligated \$1,124,272,995 of the Annual Appropriation and \$101,005 lapsed. NIDA obligated \$36,876,450 of the two-year Opioid appropriation with the remainder to be spent in FY 2019.

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 2018 are for the same reasons described above for the FY 2018 column of the FY 2019 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 Budget Execution Circular.

- (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, Budget Formulation Circular. 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 2018 Actual Obligations
(Dollars in Thousands)**

I. RESOURCE SUMMARY - ANNUAL APPROP

	FY 2018 Actual
Drug Resources by Decision Unit:	
National Institute on Drug Abuse	1,124,273
Total	1,124,273
Drug Resources by Function:	
Research and Development Prevention	436,291
Research and Development Treatment	687,982
Total	1,124,273

I. RESOURCE SUMMARY - OPIOID APPROP

	FY 2018 Actual
Drug Resources by Decision Unit:	
National Institute on Drug Abuse	36,876
Total	36,876
Drug Resources by Function:	
Research and Development Prevention	977
Research and Development Treatment	35,899
Total	36,876

**Differences Between (1) Actual Obligations and (2) the FY 18 Column of the
FY 19 CJ and the National Drug Control Strategy Budget Summary
(Dollars in Thousands)**

Total 2018 Col. of the FY 2019 CJ; National Drug Control Strategy	1,083,445
Adjustment for Enacted FY 2018 Budget	50,158
Permissive Transfer	-2,283
HIV/AIDS Transfer	-6,946
Lapse of Funds	-101
Total Annual Obligations	1,124,273

National Institute on Drug Abuse Opioid Research (2 year funds)

Opioid (FY18/FY19)	250,000
Carry-over FY19	<u>-213,124</u>
Total Opioid Obligations	36,876

Breakdown of FY18 Appropriations

Annual Direct Appropriation	1,133,603
Research related to Opioid Addiction (2 year funds)	<u>250,000</u>
	1,383,603

**NATIONAL INSTITUTES OF HEALTH
National Institute on Drug Abuse**

Amounts Available for Obligation¹
(Dollars in Thousands)

Source of Funding	FY 2017 Final	FY 2018 Annualized CR	FY 2019 President's Budget
Appropriation	\$1,090,853	\$1,090,853	\$1,137,403
Mandatory Appropriation: (non-add)			
<i>Type 1 Diabetes</i>	(0)	(0)	(0)
<i>Other Mandatory financing</i>	(0)	(0)	(0)
Rescission	0	-7,408	0
Sequestration	0	0	0
Secretary's Transfer	-2,474	0	
Subtotal, adjusted appropriation	\$1,088,379	\$1,083,445	\$1,137,403
OAR HIV/AIDS Transfers	-17,533	0	0
Subtotal, adjusted budget authority	\$1,070,846	\$1,083,445	\$1,137,403
Unobligated balance, start of year	0	0	0
Unobligated balance, end of year	0	0	0
Subtotal, adjusted budget authority	\$1,070,846	\$1,083,445	\$1,137,403
Unobligated balance lapsing	-33	0	0
Total obligations	\$1,070,813	\$1,083,445	\$1,137,403

¹ Excludes the following amounts for reimbursable activities carried out by this account:
FY 2017 - \$96,193 FY 2018 - \$69,522 FY 2019 - \$41,501



DATE: November 13, 2018

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.



James M. Anderson, MD, PhD
Director, DPCPSI

FY 2018 Performance Summary Report for National Drug Control Activities

Decision Unit 1: NIDA

Prevention

Measure SRO-5.15: By 2025, 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. (Note: This measure has been extended from 2018 to 2025.)

Table 1: NIDA Annual Targets

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
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.	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.	The effect of an intervention to prevent prescription drug abuse in youth and young adult populations was tested, and several ongoing studies are assessing the efficacy or effectiveness of strategies to prevent prescription drug abuse in this target population.	Adapt or tailor at least one intervention or strategy to prevent prescription drug misuse and/or opioid use disorder in older adolescent and young adult populations.

(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 (SUD) 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 (SUD) and their consequences in underage populations and contributes to the [*President's Initiative to Stop Opioid Abuse and Reduce Drug Supply and Demand*](#). (No *National Drug Control Strategy* was in place in FY 2018.) NIDA's prevention efforts, in particular, advance the goal of supporting the research and development of innovative technologies and additional therapies to prevent addiction.

The efficacy and cost-effectiveness of primary prevention programs – designed to prevent substance use before it starts, or prevent escalation to SUD – 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 tailor 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 SUD 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 SUD 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 2018 actual performance results with the FY 2018 target, as well as prior year actuals. If the performance target was not achieved for FY 2018, 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 2018 target was partially achieved. NIDA tested the effect of one intervention to prevent prescription drug abuse in youth and young adult populations as part of its ongoing

portfolio of research. NIDA funds research to assess the Partnership Model for Diffusion of Proven Prevention (PROSPER), which is a partnership-based delivery system to support the implementation of effective universal family and youth preventive interventions (e.g., Strengthening Families Program, Life Skills Training, Project ALERT, All Stars) in communities targeting known risk and protective factors. Substance misuse, antisocial behavior and health-risk taking sexual behavior are increasingly prevalent in young adulthood. The environments in which adolescents socialize (e.g., school, family, peers) can exert substantial influence on both risk and protective factors for substance use and progression to misuse. As such, universal prevention interventions have been developed and tested to influence the family-, school-, and peer related risk and protective factors.

With a family-based prevention intervention delivered in 6th grade and school-based prevention intervention in 7th grade, NIDA-funded studies of PROSPER have demonstrated the model's sustained impact on substance use outcomes, including prescription drug use. A paper published in FY 2018⁷ reported the long-term impact of PROSPER on a 'Prescription Drug Misuse Index' which measured overall prescription drug misuse and included three items addressing lifetime non-prescribed use of narcotics (e.g., Vicodin, Oxycontin, Percocet) and barbiturates. When study participants were re-assessed at age 19, they were 20 percent less likely to report having misused prescription narcotics. These and other related findings provide support for the potential public health impact of the PROSPER delivery system on reducing the initiation of substance use into emerging adulthood.

NIDA's portfolio of prescription drug abuse prevention is in the early stages of expansion, in response to the Nation's opioid crisis. As part of this expansion, several ongoing studies testing strategies and interventions are underway, but have yet to publish findings on effectiveness, though there have been qualitative reports of the possible impact of novel approaches to prevent prescription drug abuse. One such report, Young et al,⁸ demonstrated both the acceptability and potential benefit of an online social media intervention, Harnessing Online Peer Education (HOPE), to prevent addiction and overdose among individuals receiving opioid therapy for chronic non-cancer pain. Now that acceptability and potential benefit have been demonstrated, the researchers are moving forward with additional testing.

NIDA believes that as its prevention portfolio continues to make progress, the FY 2018 target will be met in FY 2019 as studies are completed and their findings published. Due to this delay, NIDA has chosen an FY 2019 target to reflect the early stages of this overall research effort.

(3) The agency should describe the performance target for FY 2019 and how the agency plans to meet this target. If the target in FY 2018 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2019.

The FY 2019 target is to adapt or tailor at least one intervention or strategy to prevent prescription drug misuse and/or opioid use disorder (OUD) in older adolescent and young adult populations. Prevention of the initiation of drug use and the escalation to SUD 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; to 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 SUD if they do. The studies described under the previous question, for example, have direct relevance for the FY 2019 target, as promising strategies which have been used for non-prescription drug use or in other settings and populations are further adapted and evaluated for prescription drug use or adolescent populations. NIDA will use its portfolio of prevention research to achieve the FY 2019 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. 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
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.	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.	Research testing the feasibility and efficacy of 2 technology-based strategies to improve substance use disorder treatments and adherence was conducted, including (1) reSET-O which is under expedited review by FDA and (2) a web-delivered cognitive behavior therapy for veterans who screen positive for PTSD and SUD.	Develop and/or evaluate 2 HIT based interventions to prevent or treat substance use disorders or to improve medication adherence.

(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.⁹ Further, many treatment programs do not deliver current evidence-based practices – for example, less than 50 percent provide access to medications approved for the treatment of opioid use disorder¹⁰, 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 SUD – ranging from electronic health records, telehealth, wearable sensors, and mobile health technologies.¹¹ 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 focuses on developing and testing treatment interventions using HIT tools to improve patient identification, treatment delivery, or adherence to treatment for SUD and related health problems. This goal contributes to NIDA’s long-term strategy for improving drug use disorder treatment nationwide, thereby contributing to the [*President’s Initiative to Stop Opioid Abuse and Reduce Drug Supply and Demand*](#). (No *National Drug Control Strategy* was in place in FY 2018.) Specifically, NIDA invests in innovative research to develop and test mobile technologies to support the delivery of treatment and recovery services, with the goals of expanding opportunities for proven treatments for drug misuse and addiction and enabling routine screening for substance use and SUD in healthcare settings using mobile technologies.

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 SUD 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 SUD. 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 2018 actual performance results with the FY 2018 target, as well as prior year actuals. If the performance target was not achieved for FY 2018, 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 2018 target was met. Research testing the feasibility and efficacy of two technology-based strategies to improve SUD treatments and adherence was conducted in FY 2018. An additional byproduct of ongoing efforts in this area is a funding opportunity announcement designed to test technology-based treatments to increase adherence to FDA-approved

pharmacotherapies for SUD (<https://grants.nih.gov/grants/guide/rfa-files/RFA-DA-19-015.html>). Budget has been allocated to support 3-4 technology-based treatments.

The research findings leveraging technology-based treatments to address NIDA's research priority areas and the FY 2018 target are summarized below.

- *Approval of the ReSET and FDA review of ReSET-O mobile application for SUD Treatment* – A major development in mHealth (mobile health) was the 2017 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 SUD related to cocaine, other stimulants, cannabis, and alcohol. 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 was 40 percent, more than twice the abstinence rate for individuals who received standard care such as medication-assisted treatment with buprenorphine (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 FDA as the first prescription digital therapeutic to improve clinical outcomes in a disease.

The reSET app is not approved for treating opioid use disorder (OUD), but with a Small Business Innovation Research grant from NIDA in FY 2018, a new version of the app called reSET-O has been developed and tested for use as an adjunct to buprenorphine and standard treatment for patients with OUD. reSET-O, along with the evidence from the earlier CTN studies, are being reviewed by FDA under a process known as Breakthrough Therapy Designation, which is designed to expedite the development and review of products that are intended to treat a serious condition and preliminary clinical evidence indicates that the products may demonstrate substantial improvement over available therapy.

reSET-O delivers cognitive behavioral therapy, which aims to change behavior by changing an individual's cognitive processes. The app is composed of digital multimedia modules delivering validated cognitive behavioral therapy and contingency management to promote recovery from OUD. 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 SUD treatment options, particularly in rural and underserved communities.

- *Web-Delivered CBT in Veterans with SUD and PTSD* – The primary aim of this study was to test a web-based self-management intervention based on cognitive behavioral therapy (CBT), targeting post-traumatic stress disorder (PTSD) symptoms and hazardous substance use in a group of symptomatic combat veterans enrolled in VA primary care. Veterans with PTSD/subthreshold PTSD and hazardous substance use were randomized to primary care treatment as usual (TAU; $n = 81$) or to TAU plus a web-based CBT intervention called Thinking Forward ($n = 81$). Thinking Forward consisted of 24 sections (approximately 20 minutes each), accessible over 12 weeks. Participants completed baseline and 4-, 8-, 12-, 16-, and 24-week follow-up assessments. Three primary outcomes of PTSD, alcohol and other

drug use, and quality of life were examined. Significant treatment effects were found for heavy drinking, but not for PTSD symptoms or quality of life. The effect of the intervention on heavy drinking was mediated by intervening increases in coping, social support, self-efficacy, and hope for the future. These results demonstrate the promise of a web-based, self-management intervention for difficult-to-engage OEF (Operation Enduring Freedom) and OIF (Operation Iraqi Freedom) veterans with behavioral health and substance use concerns.¹²

(3) The agency should describe the performance target for FY 2019 and how the agency plans to meet this target. If the target in FY 2018 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2019.

The FY 2019 target is to develop and/or evaluate two HIT based interventions to prevent or treat substance use disorders or to improve medication adherence. 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., mHealth tools, web applications, telehealth, and electronic health records) to improve patient identification, treatment delivery, or adherence for SUD 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 2019 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.

Data Sources

For SRO-7.3's FY 2018 target, NIDA relied on annual progress reports provided by each grantee that outlined 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 2025, 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. (Note: This measure has been extended from 2018 to 2025.)

Table 1: NIAAA Annual Targets

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
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.	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).	Researchers supported by NIAAA developed and evaluated the effects of combined individual- and community-level interventions to reduce underage drinking by Native American youth on rural California reservations.	Develop an intervention to prevent or reduce alcohol misuse among college-age individuals.

(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.

Alcohol use is commonly initiated during adolescence, a developmental period characterized by complex social, physiological, behavioral, and neurobiological changes. The brain, particularly the frontal cortex, continues to develop throughout adolescence, reaching maturity at about age 25. Adolescents are particularly vulnerable to the adverse consequences of alcohol use. A growing body of evidence demonstrates that 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 consumption 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 [*President’s Initiative to Stop Opioid Abuse and Reduce Drug Supply and Demand*](#). (No *National Drug Control Strategy* was in place in FY 2018.) 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 at the individual-, school/college-, family-, community-, and policy-level in support of this effort.

(2) Provide narrative that examines the FY 2018 actual performance results with the FY 2018 target, as well as prior year actuals. If the performance target was not achieved for FY 2018, 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 2018 target was met. Researchers supported by NIAAA developed and evaluated the effects of combining individual- and community-level interventions to reduce underage drinking by American Indian youth living on rural California reservations.

In the individual-level intervention, eligible youth aged 13-20 years were assigned to receive either a culturally-tailored brief motivational interviewing intervention (a type of therapist-delivered counseling strategy for changing behavior) or an educational intervention that provided information about the consequences of drinking. Participation in either the motivational interviewing or educational intervention was associated with significant reductions in drinking and problem behaviors when assessed at a six-month follow up appointment.

The community-level intervention included a "recognition and reminder" program wherein shoppers aged 21 or older who posed as minors attempted to purchase alcoholic beverages from convenience stores on or near the reservations assigned to the intervention. Clerks who asked for identification were rewarded with gift cards and congratulatory letters; those who did not were reminded of the law regarding sales to minors. The community intervention also included outreach activities to raise awareness about the risks of underage drinking and to mobilize community support for the interventions.

To evaluate the impact of the overall intervention program, the researchers analyzed data from the California Healthy Kids Survey, specifically data that was collected from ninth- and eleventh-grade American Indian and non-American-Indian students who attended schools in the intervention area. This data was compared to survey data collected from American Indian students living outside the intervention area. Among current drinkers, researchers found significant reductions in the frequency of past-month alcohol use and heavy alcohol use (defined as drinking five or more drinks on an occasion within the past 30 days) in American Indian youth exposed to the combined interventions relative to the comparison groups.

Reference:

[Moore RS, Gilder DA, Grube JW, Lee JP, Geisler JA, Friese B, Calac DJ, Finan LJ, Ehlers CL. Prevention of Underage Drinking on California Indian Reservations Using Individual- and Community-Level Approaches. Am J Public Health. 2018 Aug;108\(8\):1035-1041. Epub 2018 Jun 21.](#)

(3) The agency should describe the performance target for FY 2019 and how the agency plans to meet this target. If the target in FY 2018 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2019.

The FY 2019 target is to develop an intervention to prevent or reduce alcohol misuse among college-age individuals. Prevention of alcohol misuse is an objective highlighted in [NIAAA's Strategic Plan](#), and the Institute currently supports multiple studies that are assessing innovative strategies for reducing alcohol use and adverse alcohol-related consequences in this population, including those that leverage social influence.

(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 field of alcohol 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. Peer-reviewed publications are also used as indicators of performance.

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. (Note: NIAAA’s contribution to SRO-8.7 ended in FY 2018.)

Replacement Measure SRO-4.15 (starting in FY 2019): By 2021, evaluate three interventions for facilitating treatment of alcohol misuse in underage populations.

Table 2: NIAAA Annual Targets

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target*
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.	NIAAA supported a multi-site, school-based study to evaluate <i>NIAAA’s 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.	NIAAA-supported investigators published research findings from an evaluation of NIAAA’s Youth Guide, and NIAAA staff disseminated information about studies evaluating the effectiveness of alcohol screening and brief intervention.	Test a screening and brief alcohol intervention in an underage population.

*FY 2019 target is for Replacement Measure SRO-4.15.

(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’s major focus on preventing and reducing underage drinking includes efforts to integrate alcohol screening and brief intervention for youth into routine healthcare. Research shows that while many youths are willing to discuss alcohol use with their doctors when assured of confidentiality, too few clinicians conduct alcohol screening with 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. As a result, they may miss the opportunity to express their concerns about early alcohol use to their young patients, to allow their young patients to ask questions about alcohol use, and to 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. NIAAA is supporting research to evaluate the use of the *Guide* in primary care as well as in other settings and encourages new studies to improve the effectiveness and uptake of alcohol screening and brief intervention. NIAAA is also developing a resource that will contain information that every health professional should know about alcohol to help them better recognize its effects in their patients and deliver improved care for those whose drinking may be affecting their health.

SRO-8.7 is focused on identifying the key factors influencing the scaling up of research-tested interventions, including alcohol screening and brief intervention, across large networks of services systems such as primary care, specialty care and community practice. SRO-8.7 reflects NIAAA's long-term strategy for improving AUD treatment nationwide, thereby contributing to the [*President's Initiative to Stop Opioid Abuse and Reduce Drug Supply and Demand*](#).

(2) Provide narrative that examines the FY 2018 actual performance results with the FY 2018 target, as well as prior year actuals. If the performance target was not achieved for FY 2018, 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 2018 target was met. NIAAA supported several activities to disseminate findings from studies evaluating the effectiveness of alcohol screening and brief intervention (SBI) in underage populations.

In FY 2018, NIAAA-supported investigators published the results of a study to evaluate *NIAAA's Alcohol Screening and Brief Intervention for Youth: A Practitioner's Guide*. The current study, one of six NIAAA-funded studies to evaluate the *Guide*, independently validated the *Guide's* utility in appropriately identifying youth at risk for AUD in primary care clinics serving racially and ethnically diverse patients. In the study, the researchers performed alcohol screening of youth aged 12-18 years and used statistical analyses to determine the optimal drinking threshold (number of reported days of drinking in the past year) for identifying those with AUD. The thresholds found varied by age and grade in school and were consistent with the risk thresholds presented in the *Guide*, with the exception of 18-year-olds for whom a lower drinking threshold was recommended.

In FY 2018, NIAAA staff disseminated information about studies evaluating the effectiveness of alcohol screening and brief intervention to the public. For example, findings from youth alcohol SBI studies were disseminated in presentations to the Community Anti-Drug Coalitions of America's National Leadership Forum and its Mid-Year Training Institute and to the Institute for Public Strategies.

Reference:

[Parast L, Meredith LS, Stein BD, Shadel WG, D'Amico EJ. Identifying adolescents with alcohol use disorder: Optimal screening using the National Institute on Alcohol Abuse and Alcoholism screening guide. *Psychol Addict Behav.* 2018 Aug;32\(5\):508-516.](#)

(3) The agency should describe the performance target for FY 2019 and how the agency plans to meet this target. If the target in FY 2018 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2019.

NIAAA's contribution to SRO-8.7 ended in FY 2018 as planned. In FY 2019, NIAAA will begin reporting on a new measure, SRO-4.15: By 2021, evaluate three interventions for facilitating treatment of alcohol misuse in underage populations. The FY 2019 target is to test an alcohol screening and brief intervention in an underage population. Alcohol screening and brief intervention in primary care has been recognized as a leading preventive service for reducing harmful alcohol use in adults, and a growing body of evidence demonstrates its effectiveness in preventing and reducing alcohol misuse in youth. NIAAA will continue to support studies that evaluate the effectiveness of alcohol screening and brief intervention in various underage populations.

(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 field of alcohol 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 programs and improve performance. These tools have been described in response to question 4 above.

Data Sources

Progress reports that outline project accomplishments allow NIH to evaluate progress achieved and/or to make course corrections as needed. Peer-reviewed publications are also used as indicators of performance.

Endnotes Related to Decision Unit 1: NIDA

¹ Spoth, R., et al., *Longitudinal Effects of Universal Preventive Intervention on Prescription Drug Misuse: Three Randomized Controlled Trials With Late Adolescents and Young Adults*. American Journal of Public Health, 2013. **103**(4): p. 665-672.

² Faggiano, F., et al., *Universal school-based prevention for illicit drug use*. Cochrane Database of Systematic Reviews, 2014(12).

³ Spoth, R., et al., *Long-term effects of universal preventive interventions on prescription drug misuse*. Addiction, 2008. **103**(7): p. 1160-1168.

⁴ Palmgreen, P., et al., *Television campaigns and adolescent marijuana use: tests of sensation seeking targeting*. Am J Public Health, 2001. **91**(2): p. 292-6.

⁵ Uhl G. Molecular genetics of addiction vulnerability. NeuroRx: the Journal of the American Society for Experimental NeuroTherapeutics. 2006;3:295-301.

⁶ Griffin, K.W. and G.J. Botvin, *Evidence-Based Interventions for Preventing Substance Use Disorders in Adolescents*. Child and Adolescent Psychiatric Clinics of North America, 2010. **19**(3): p. 505-+.

⁷ Spoth R, Redmond C, Shin C, Greenberg MT, Feinberg ME, Trudeau L. PROSPER delivery of universal preventive interventions with young adolescents: long-term effects on emerging adult substance misuse and associated risk behaviors. Psychol Med. 2017;47(13):2246-2259. doi: 10.1017/S0033291717000691.

⁸ Young SD, Heinzerling K. The Harnessing Online Peer Education (HOPE) Intervention for Reducing Prescription Drug Abuse: A Qualitative Study. J Subst Use. 2017;22(6):592-596. doi: 10.1080/14659891.2016.1271039. Epub 2017 Jan 31.

⁹ 2016 National Survey of Drug Use and Health. Available at: <https://www.samhsa.gov/samhsa-data-outcomes-quality/major-data-collections/reports-detailed-tables-2016-NSDUH>

¹⁰ Wheeler, E., et al., *Opioid overdose prevention programs providing naloxone to laypersons - United States, 2014*, in *MMWR Morb Mortal Wkly Rep*. 2015. p. 631-635.

¹¹ 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.

¹² Acosta et al. (2017). Web-Delivered CBT Reduces Heavy Drinking in OEF-OIF Veterans in Primary Care with Symptomatic Substance Use and PTSD. *Behavior Therapy*, 42(2), 262-276.

NOV 19 2018

To: Director
Office of National Drug Control Policy (ONDCP)

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 ONDCP Circular *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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 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 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 SAMHSA's financial plan to include funds received from ONDCP in support of the Drug Free Communities Program. There was a permissive transfer of \$6.3 million executed by SAMHSA under the Secretary's one percent transfer authority in FY 2018.

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 2018 Drug Control Obligations
- FY2018 Exhibit A – Drug Control Methodology

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

FY 2018 Drug Control Obligations

(Dollars in millions)

Drug Resources by Decision Unit and Function

Programs of Regional and National Significance (PRNS)

<i>Prevention</i> ¹	248.2
<i>Treatment</i> ¹	1,905.4
Total, PRNS	\$2,153.6
Substance Abuse Prevention and Treatment Block Grant (SABG)	
<i>Prevention</i> ²	371.6
<i>Treatment</i> ²	1,486.5
Total, SABG	\$1,858.1
Health Surveillance and Program Support (HSPS)	
<i>Prevention</i> ³	22.8
<i>Treatment</i> ³	91.1
Total, HSPS	\$113.9
Total Funding	\$4,125.6

Drug Resources Personnel Summary

*Total Full Time Equivalents (FTEs)*⁴ 409

Drug Resources as a Percent of Budget

*Total Agency Budget*⁵ (in billions) \$5.7

Drug Resources Percentage 72.9%

Drug Free Communities Program⁶ **\$98.7**

Total with Drug Free Communities **\$4,224.3**

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 Public Health Services (PHS) evaluation fund. Treatment includes State Target Response Opioid Crisis Grants and State Opioid Response Grants.

² SABG 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 2018 final FTEs (561) * Drug Resources Percentage (72.9%) = 409 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/Center of Substance Abuse Prevention (CSAP) via Interagency Agreements.

1) **Drug Methodology** - Actual obligations of prior-year drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), Program Support Center (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 May 8th, 2018. 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 Support ¹ - 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 2018 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.

- 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 PRNS direct funds, excluding reimbursable authority obligations;
- 20 percent of the actual obligations of the SABG funds, including obligations related to receipt of PHS evaluation funds;
- Drug Free Communities Program funds provided by Interagency Agreements with ONDCP²; and,
- Of the portion from SAMHSA HSPS funds, including obligations related to receipt of PHS evaluation funds and Prevention and Public Health Funds (PPHF), the assumptions are as follows:
 - 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;

¹ The HSPS appropriation funded activities are split between MH and SA as follows: Program Support, Health Surveillance, and Performance and Quality Information Systems (PQIS) are split the same percentage split as between MH and SA appropriations. PAS and Agency-wide are split 50/50 between MH and SA. The subsequent SA amounts are then divided into 20 percent for Prevention and 80 percent for Treatment.

² The Drug Free Communities 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.

- PQIS funds were split between MH and SA, the same percentage split as between the MH and 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 and 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 and SA appropriations and 20 percent of the SA portion is considered Prevention; and
- Behavioral Health Workforce Data and Development split 50/50 between SA and MH and 20 percent of the SA portion is considered Prevention.

Treatment: This total reflects the sum of the actual obligations for:

- CSAT's 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 SABG funds, including obligations related to receipt of PHS Evaluation funds; and,
 - Of the portion from SAMHSA HSPS funds, including obligations related to receipt of PHS evaluation funds and PPHF, the assumptions are as follows:
 - PAS funds were split 50/50 between SA and MH and 80 percent of the SA portion is considered Treatment;
 - PQIS funds were split between MH and SA, the same percentage split as between the MH and 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 and 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 and SA appropriations and 80 percent of the SA portion is considered Treatment; and
 - Behavioral Health Workforce Data and Development split 50/50 between SA and MH and 80 percent of the SA portion is considered Treatment.
- 2) **Methodology Modifications** – None.
- 3) **Reprogrammings or Transfers** – SAMHSA had no reportable reprogramming in FY 2018.
- 4) **Other Disclosures** – None.



Substance Abuse and Mental Health
Services Administration

5600 Fishers Lane • Rockville, MD 20857
www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)



TO: Associate Director for Performance and Budget,
Office of National Drug Control Policy (ONDCP)

FROM: Director, Center for Behavioral Health Statistics and Quality (CBHSQ)
Substance Abuse and Mental Health Services Administration (SAMHSA)

SUBJECT: Assertions Concerning Performance Summary Report

Information regarding SAMHSA's drug control performance efforts is based on data collected as part of agency GPRMA 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 from 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.

In order to effectively manage SAMHSA's grant portfolio and provide timely, accurate information to stakeholders and to Congress, SAMHSA began utilizing a unified data collection reporting system, SAMHSA's Performance Accountability and Reporting System (SPARS) in February 2017. SPARS provides 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, 2018, consistent with the assertions made by Center for Substance Abuse Treatment (CSAT) and Center for Substance Abuse Prevention (CSAP) to Center for Behavioral Health, Statistics and Quality (CBHSQ), 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.



Daryl W. Kade
Director,
Center for Behavioral Health Statistics and Quality

Attachment:

FY 2018 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: Percentage of clients reporting no drug use in the past month at discharge

Table 1: Measure 1

FY 2013 Target	FY 2013 Actual	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%	74.8% ¹	74%	72.9%	74%	72.3%	74%	69.6%	74%	TBR 12/2018

- (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 serve as a focus of discussion with the states, and aids in the management of the program.

The targets for FY 2015 and FY2016 were not met. 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 findings will increase our awareness of the opioid epidemic and the corresponding lagging response in the use of medicated assisted treatment (MAT) in response to the rising opioid use disorder (OUD) epidemic.

- (2) 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. Because of the lag in the reporting system, actual data for FY 2017 will not be available until December 2018.
- (3) 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

¹ Revised slightly from what was previously reported as data was cleaned and updated.

available at the following link:

http://www.dasis.samhsa.gov/dasis2/manuals/teds_adm_manual.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 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY2017 Actual
47.1%	19.6%	47.1%	35.3%	N/A	N/A	N/A	N/A	Baseline	TBD

****2015 and 2016 data not available due to break in trend with NSDUH data. Actuals for FY 2017 NSDUH data will be available in December 2018.**

(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 that report improved rates for perceived risk, aggregated for alcohol, cigarettes, and marijuana. The measure of “perceived risk of harm from substance use” has been used to inform prevention policy and programming since the 1960s,² as it remains a significant predictor of substance use behaviors³. For example, “Monitoring the Future,” tracks the trends in perceived risk with substance use since the 1970s⁴. 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 22⁵. In brief, tracking and monitoring levels of “perceived risk of harm” remains important for informing prevention policy and

²Morgan, 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.

³Elekes, 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.

⁴ 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.

⁵ 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 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% of states reported increased rates of moderate or great perceived risk of two or more substances. Although the actual did not meet the target in FY 2014, the perceived risk (actual) is higher than FY2012 or FY2013. Given that a break in trend occurred in the 2015 NSUDH data and estimates are generated from over a two year period, we have not been able to report data in recent years. Baseline FY 2017 data will be available in December 2018, and will be based upon pooled data from 2016 and 2017.
- (3) The general trend of lower numbers associated with perceived risk (not meeting targets) may be associated with recent contextual factors, such as marijuana legalization and decriminalization. Future targets take into account this change in environment which may be associated with lower rates of perceived risk.

The 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. 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 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. 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.

- (4) Program changes during FY 2011 and FY 2012 resulted in a need to monitor the data so that future targets would align with expectations. This measure was initially dropped and then added back due to its important relationship to subsequent substance use. During this lapse, no targets were calculated for future years. Rather than reduce targets to align with the lowest (possibly aberrant) performance report, SAMHSA's Center for Substance Abuse Prevention closely monitored the data during FY 2011 – FY 2015. We anticipate future targets will be met as they better align with the changing environment due to marijuana laws. Right now, it is too early to know how the changing marijuana laws will impact future targets, so no changes are being proposed.

(5) Data for levels of perceived risk of harm from substance use are obtained annually from the 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 States⁶. 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 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	FY 2018 Target	FY 2018 Actual
93%	96.5% ⁷	93%	96.7%	93%	97.9%	97.5%	97.6%	97.5%	TBR 10/2019

(1) Measure 3 is the percent of clients served by the capacity portion of the PRNS portfolio⁸ 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.

⁶ 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>

⁷ Revised from what was previously reported as all follow-up data was received and verified.

⁸ 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.

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 2016 and FY 2017 were exceeded, with data indicating that 97.9% and 97.6% respectively, of adults receiving services had no involvement with the criminal justice system.
- (3) The target for FY 2016 was 93%. In FY 2017 and FY 2018 targets were increased to 97.5%. The target adjustments reflects previous performance and anticipated funding levels. As this decision unit incorporates several different program activities, and because the mix of programs and grantees varies from year to year, adjustments are made accordingly and designed to promote performance improvement over time. Programs included in this measure are HIV/AIDS Outreach, Pregnant Postpartum Women, Recovery Community Services Program, SAT-ED, TCE/HIV, Targeted Capacity Expansion, Targeted Capacity Expansion-Technology Assisted Care, and Crisis Support programs.
- (4) CSAT anticipates that data for FY 2018 will be available starting in October 2019 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 Unit4: 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 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY2017 Actual
88%	88.1%	88%	87.3%	88%	90.6%	88%	89.4%	88%	84.7%

****The MAI participant level data reported here was collected in the PEP-C System through FY 2017**

(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,⁹ as it remains a significant predictor of substance use behaviors¹⁰. For example, “Monitoring the Future,” tracks the trends in perceived risk with substance use since the 1970s¹⁰. 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 22¹¹. Because it can assist in understanding and predicting changes in the

⁹ Bjarnason, T. & Jonsson, S. (2005). Contrast Effects in Perceived Risk of Substance Use. *Substance Use & Misuse*, 40:1733–1748.

¹⁰ 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.

¹¹ 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.

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.

In FY 2017, 84.7% of program participants rated the risk of substance abuse as great. This is slightly lower than the FY 2016 result of 89.4%. One possible explanation for the slight reduction in FY 2017 is the changing laws around marijuana use, which may be decreasing perceived risk.

Previously, SAMHSA reported the percent of program participants (age 18 and up) who 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

- (2) At the request of the Office of Management and Budget (OMB) and the Department of Health and Human Service’s Office of the Assistant Secretary for Financial Resources, SAMHSA underwent a performance measure reduction effort designed to decrease the total number of performance measures. As a result, the measure previously used for Decision Unit 3, Measure 4 was removed from SAMHSA’s current budget measure portfolio.
- (3) The performance targets for FY 2016 and FY 2017 were set at 88% for each year. Performance targets were set using analysis of the results from previous years combined with expected resources.
- (4) 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. Data reported here was collected and entered by grantees, and 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, who works 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. Starting in FY 2018, existing PEP-C data was transferred to SPARS. Going forward, this data will be collected and stored within SPARS.

Tab F



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

March 8, 2019

The Honorable James Carroll
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Carroll:

The enclosed report presents the results of our independent review of the U.S. Customs and Border Protection's (CBP) fiscal year 2018 Detailed Accounting Submission for drug control funds.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in CBP's Detailed Accounting Submission. We contracted with an independent public accounting firm to conduct the review of CBP's report as an attestation engagement consistent with attestation standards established by the American Institute of Certified Public Accountants and 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 Sondra F. McCauley, Assistant Inspector General for Audits, at (202) 981-6000.

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

**Review of U.S. Customs
and Border Protection's
Fiscal Year 2018 Detailed
Accounting Submission for
Drug Control Funds**





DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection's Fiscal Year 2018 Detailed Accounting Submission for Drug Control Funds

March 8, 2019

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires each National Drug Control Program agency to submit to the ONDCP Director a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

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) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountant's Report on U.S. Customs and Border Protection's (CBP) Detailed Accounting Submission. CBP management prepared the Table of FY 2018 Drug Control Obligations and related disclosures in accordance with requirements of ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular).

CBP's management was unable to provide supporting documentation for the drug control methodology used to estimate 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 2018 Drug Control Obligations presented in CBP's Detailed Accounting Submission. As a result, Williams Adley was unable to complete review procedures needed to assess 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 2018 Detailed Accounting Submission is not presented in conformity with the criteria in the Circular.



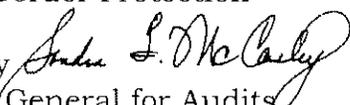
OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

March 8, 2019

MEMORANDUM FOR: Henry A. Moak, Jr.
Chief Accountability Officer
U.S. Customs and Border Protection

FROM: Sondra F. McCauley 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal Year 2018 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 2018 Detailed Accounting Submission for Drug Control Funds*. U.S. Customs and Border Protection (CBP) management prepared the Table of FY 2018 Drug Control Obligations and related disclosures to comply with requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018.

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 Accountant's Report, dated February 14, 2019, and the conclusions expressed in it. Williams Adley's 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 at (202) 981-6000, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Acting 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, 2018. CBP management is responsible for the preparation of the DAS in conformity with the requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (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 to obtain reasonable assurance about whether CBP's DAS and DAS assertions are in accordance with the Circular, 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.

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 2018 Drug Control Obligations presented in the DAS. As a result, we were not able to assess the reasonableness and accuracy of the methodologies used.

Based on our review, except for the effects of 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, 2018, in order for them to be in conformity with the requirements set forth in the Circular.

This report is intended solely for the information and use of CBP and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Arley & Company-DC, LLP

Washington, D.C.

February 14, 2019

1300 Pennsylvania Avenue
NW Washington, DC 20229



U.S. Customs and
Border Protection

Mr. James W. Carroll
Director, Office of National Drug Control Policy
Executive Office of the President
Office of National Drug Control Policy
Washington, DC 20503

Dear Mr. Carroll:

Enclosed is the U.S. Customs and Border Protection (CBP) Fiscal Year (FY) 2018 Detailed Accounting Submission on National Drug Control Funding. In FY 2018, CBP reported direct obligations of approximately \$3,064.6 million.

If you have any questions or would like additional information, please contact me at (202) 325-2254.

A handwritten signature in black ink, appearing to read "S. D. Grable", written over a horizontal line.

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 2018 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2018 Drug Control Obligations

Drug Resources by Budget Decision Unit	FY 2018 Final (\$ in Millions)
Operations and Support (O&S)	\$2,863.532
Procurement, Construction, and Improvements (PC&I)	\$201.067
Total Resources by Drug Control Unit	\$3,064.599
Drug Resources by Drug Control Function	
Intelligence	
United States Border Patrol	\$20.043
Office of Field Operations	\$275.632
Office of Information and Technology	\$10.412
Office of Training and Development	\$2.284
Air and Marine Operations	\$153.102
Intelligence - Total	\$461.473
Interdiction	
United States Border Patrol	\$762.372
Office of Field Operations	\$1,174.118
Office of Information and Technology	\$7.066
Office of Training and Development	\$61.134
Office of Acquisition	\$28.250
Air and Marine Operations	\$570.186
Interdiction - Total	\$2,603.126
Total Resources by Drug Control Function	\$3,064.599
Total Obligations	\$3,064.599
High Intensity Drug Trafficking Area (HIDTA)	\$0.213

Note: Drug resources broken down by unit and function as reflected in the budget structure enacted in the FY 2018 Department of Homeland Security (DHS) Appropriations Act (P.L. 115-141).

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: U.S. Border Patrol (USBP), the Offices of Field Operations (OFO), Information and Technology (OIT), Training and Development (OTD), Acquisition (OA), and Air and Marine Operations (AMO). In conformity with the requirements of ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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 2018. 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 borders between ports of entry with Canada and Mexico, and nearly 2,700 miles of coastal waters surrounding the Florida Peninsula and Puerto Rico. There were 19,555 Border Patrol agents, as of September 30, 2018, 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. USBP has determined that 15 percent of its 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. USBP resources come from (1) the Border Security Operations program, project, and activity (PPA) within CBP's Operations and Support (O&S) appropriation, and the Border Security Assets and Infrastructure PPA within CBP's Procurement, Construction, and Improvements (PC&I) appropriation.

Of the 15 percent of Fund 18500 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 18530/18560 obligations are related to drug interdiction only. These activities include staffing permanent border traffic checkpoints nationwide, including 888 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. Prior to FY 2017, CBP's Border Security Fencing, Infrastructure, and Technology (BSFIT) appropriation provided multi-year funding for USBP to develop and install technology and tactical infrastructure solutions, enabling a more effective and efficient method for controlling border security. While CBP still has multi-year funds available from previously enacted BSFIT appropriations, CBP transitioned to the DHS Common Appropriations Structure (CAS) beginning in FY 2017. Consequently, the BSFIT appropriation has been discontinued and counterdrug funding is now appropriated through CBP's

O&S and PC&I appropriations. All anticipated and actual obligations for drug control activities are now being accounted for through USBP. Obligations for FY 2018 BSFIT carryover funds were captured using the standard calculation of 15 percent of BSFIT obligations.

OFFICE OF FIELD OPERATIONS (OFO)

OFO estimates there were 3,316 CBP officer (CBPO) full-time equivalents related to drug enforcement on enforcement teams in FY 2018. 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 23,251 CBPOs in FY 2018, 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 three 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 Port of Entry (POE) along the southwest border.

CBP also uses three types of canine teams: narcotics/human, drug, and currency. CBP has 506 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 40 percent is spent on drug interdiction and 60 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 32.4 percent for interdiction and 1.2 percent for intelligence for FY 2018. These percentages vary during the year of execution depending upon actual course delivery obligation rates.

OFFICE OF ACQUISITION (OA)

In FY 2017, both funding and OA's Program Management Office were realigned to USBP as part of the DHS transition to the CAS, which has changed OA's role with respect to drug control activities. With the exception of support contracts, all counternarcotics-related funding is now budgeted through USBP. In FY 2018, OA used support contracts to assist in the development, deployment, operations, and maintenance of border technology as part of a Service Level Agreement to continue providing support to the Program Management Office as it transitioned to USBP. OA applies a 15 percent ratio to this funding, which matches the USBP counternarcotics methodology.

AIR AND MARINE OPERATIONS (AMO)

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 the Nation's borders and in the Source, Transit, and Arrival Zones. In FY 2018, AMO P-3 aircraft flew 6,124 hours in drug control efforts, which represent 98 percent of the 6,249 total hours flown 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 254,144 pounds of cocaine in the Source and Transit zones. This equates to 41.5 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, 22 percent were related to intelligence and 78 percent were related to interdiction in FY 2018.

The source data for the financial information/flight hour information is retrieved from AMO's official system of record, the Tasking, Operations, and Management Information System (TOMIS). TOMIS has undergone a verification and validation by DHS and has been referenced in several reviews by the Government Accountability Office (GAO) and the DHS Office of the Inspector General (OIG), and it provides reliable source data for the drug methodology described above.

2. Methodology Modifications

The drug control methodology for obligations used in FY 2018 remained the same as the methodology used in FY 2017 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. However, CBP's control deficiencies did not impair CBP's ability to report complete and accurate obligation data in the Table of FY 2018 Drug Control Obligations. While control deficiencies surrounding CBP's accounting system, SAP, was attributed to access controls, CBP had sufficient compensating controls to ensure accounting records were accurate.

CBP also contributed to the Department's 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 drawbacks.

4. Reprogrammings or Transfers

During FY 2018, CBP had reprogrammings and 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 2018, the Department determined one reprogramming request materially impacted CBP's drug-related obligations reported in the Table of FY 2018 Drug Control Obligations. This technical reprogramming in the amount of \$5.9M, entitled, "Laboratories and Scientific Services (LSSD) – Opioid Funding," moved funding from the Trade and Travel to the Integrated Operations PPA in order to execute funding in accordance with Congressional intent. There was no mission or policy impact as a result of this reprogramming.

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 May 8, 2018.

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 May 8, 2018.

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 controls 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 2018 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. ONDCP approved all reprogrammings or transfers in excess of \$1 million in FY 2018.

5. Fund Control Notices

The Director of National Drug Control Policy did not issue a Fund Control Notice for CBP for FY 2018.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

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OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

March 8, 2019

MEMORANDUM FOR: The Honorable Kevin K. McAleenan
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 2018 Drug Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2018 Drug Control Performance Summary Report*. 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 Sondra F. McCauley, Assistant Inspector General for Audits, at (202) 981-6000.

Attachment

**Review of U.S. Customs
and Border Protection's
Fiscal Year 2018 Drug Control
Performance Summary Report**





DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection's Fiscal Year 2018 Drug Control Performance Summary Report

March 8, 2019

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires each National Drug Control Program agency to submit to ONDCP Director a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

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) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountant's Report on U.S. Customs and Border Protection's (CBP) FY 2018 Drug Control Performance Summary Report. CBP's management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that CBP's FY 2018 Performance Summary Report is not presented in conformity with the criteria in the 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

March 8, 2019

MEMORANDUM FOR: Henry A. Moak, Jr.
Chief Accountability Officer
U.S. Customs and Border Protection

FROM: Sondra F. McCauley 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal Year 2018 Drug Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2018 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 May 8, 2018.

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 Accountant's Report, dated February 14, 2019, and the conclusions expressed in it. Williams Adley's 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 at (202) 981-6100, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Acting 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, 2018. CBP management is responsible for the preparation of the PSR in accordance with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Our responsibility is to express a conclusion on the PSR and management's assertions based on our review.

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 to obtain reasonable assurance about whether CBP's PSR and PSR assertions are in accordance with the Circular, 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 the PSR or the PSR assertions for the year ended September 30, 2018, in order for them to be in accordance with the requirements set forth in the Circular.

This report is intended solely for the information and use of CBP and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP

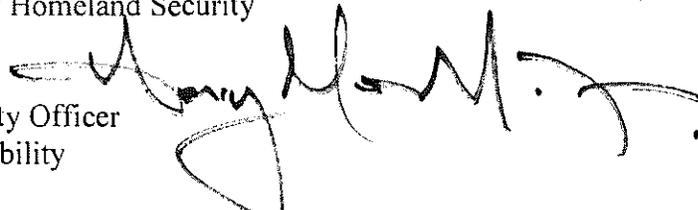
Washington, D.C.
February 14, 2019



U.S. Customs and
Border Protection

February 25, 2019

MEMORANDUM FOR: Mr. John V. Kelly
Acting Inspector General
U.S. Department of Homeland Security

FROM: Henry A. Moak 
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 May 8, 2018, 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) 2018 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 2018 performance period;
- (2) Explanations for not meeting performance targets are reasonable - Performance targets in FY 2018 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 2018 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, 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 2018**

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 May 8, 2018. 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 2017 *National Drug Control Strategy*. This measure is tracked by CBP's Office of Field Operations (OFO).

This measure provides an indicator of success for CBP's Outbound Enforcement Program (OEP) 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 OEP is part of CBP's effort to effectively monitor and control the flow of goods and people leaving the United States. The goal of OEP 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 2018 was \$38.7 million. This money was potentially destined for criminal organizations.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target:	\$30.0M	\$30.0M	\$30.0M	\$30.0M	\$30.0M
Actual:	\$37.7M	\$37.6M	\$28.9M	\$39.0M	\$38.7M

While the average dollar value of the amount per seizure increased from approximately \$32,000 in FY 2017 to over \$37,000 in FY 2018, there was a decrease in the total number of individual seizures, down nearly 17 percent. There was a significant decrease in the number of large seizures over \$100,000, which went from 48 in FY 2017 to 29 in FY 2018. A single seizure of over \$7.5 million contributed significantly to the increase in the average dollar value per seizure and CBP exceeding its target for FY 2018 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 2019
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 2019. The observed decrease in the total number of individual seizures during FY 2018 is not a significant indicator of any unusual fluctuation in seizure activity. CBP will retain the target of \$30.0M for FY 2019. CBP will consider revising the target in FY 2020 if the FY 2019 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, which details a baseline level of effort in terms of assets and resources. 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 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target:	100.0%	100.0%	100.0%	100.0%	100.0%
Actual:	100.0%	100.0%	100.0%	100.0%	100.0%

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.

In its annual Statement of Intent, DHS responds to the requirements in the NICCP. The FY 2018 DHS Statement of Intent included CBP's objective to provide 6,000 flight hours for detection and monitoring activities with aircraft in support of JIATF-S operations. During FY 2018, AMO flew a total of 7,400 hours in the transit zone, of which 6,249 were in direct coordination with JIATF-S. AMO exceeded the JIATF-S goal of 6,000 hours; the primary driver was the P-3 (6,124 hours).

(3) Current Year Performance Targets

Fiscal Year: FY 2019

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 2019 DHS Statement of Intent to the DHS Office of Policy. 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 2019 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 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target:	99.0%	99.0%	99.0%	99.0%	99.0%
Actual:	99.9%	99.9%	99.9%	100.0%	100.0%

TECS surpassed its goal this year with an availability of 100 percent.

(3) Current Year Performance Targets

Fiscal Year: FY 2019

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 2019 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 percent, but by the end of FY 2018, the IER had re-gained some ground, finishing FY 2018 at 79.7 percent.

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, the year when data integrity improved due to new mandatory reporting requirements, and an improvement in the IER since it was tracked in FY 2013. During FY 2018, the USBP seized 458,834 pounds of marijuana along the Southwest border, a decrease of 735,593 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 2014	FY 2015	FY 2016	FY 2017	FY 2018
Target:	77.0%	80.0%	81.0%	81.0%	81.0%
Actual:	79.3%	81.0%	82.7%	78.9%	79.7%

This performance measure was initially introduced as a DHS strategic measure in FY 2014. USBP did not meet the IER target for FY 2018 achieving only 79.7 percent, which is roughly a 0.8 percent increase from FY 2017 IER of 78.9 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 cumulative FY 2018 result was below the annual target, however, the USBP did steadily improve its IER each quarter for a final result of 79.7%. Ongoing staffing shortages of Border Patrol agents continue to present challenges to responding to illegal entries. In FY 2018 Q2, the Administration launched Operation Guardian Support, placing National Guard (NG) personnel in a supporting role for the USBP. The timing of the deployment of NG personnel, who largely assist with surveillance technology and maintenance functions, correlates with the steady, quarterly increase in the IER. Overall, the NG deployment intended to improve situational awareness closer to the border and give the Border Patrol flexibility to re-task and reprioritize response capabilities, leading to a contribution toward improved interdiction effectiveness.

(3) Current Year Performance Targets

Fiscal Year:	FY 2019
Target:	81.0%

The USBP is working closely with CBP's Office of Human Resources Management to enhance recruiting efforts and assist in streamlining hiring of new agents. In addition, the implementation of USBP's Operational Control framework will allow leadership to ensure that Southwest Border commanders focus annual operational planning on efforts that support the framework with the intent of increasing effectiveness, including interdiction effectiveness.

(4) Quality of Performance Data

Apprehension, gotaway, and turnback data is captured by Border Patrol Agents (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 Intelligent Computer Assisted Detection (ICAD) Tracking Sign-cutting and Modeling (TSM) application, which resides with the U.S. Border Patrol. TSM is under the purview of and is owned by the U.S. Border Patrol's Enforcement Systems Unit.

Apprehension data is entered into e3 by Border Patrol agents (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 BPAs follow evidence that indicate entries have occurred, such as foot sign, sensor activations, interviews with apprehended subjects, camera views, communication between and among stations and sectors, and other information. Data input into the TSM system occurs at the station level. The e3 Processing application and TSM are used continuously to document apprehension, gotaway, and turnback data. Calculation of the measure is done by the U.S. Border Patrol Headquarters Statistics and Data Integrity Unit (SDI) and is: $(\text{Apprehensions} + \text{Turnbacks}) / \text{Total Entries}$. Total entries is the sum of apprehensions, turnbacks, and gotaways.

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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Assistant Secretary for Office of Legislative Affairs

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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

March 7, 2019

MEMORANDUM FOR: The Honorable Ronald D. Vitiello
Deputy Director
U.S. Immigration and Customs Enforcement

FROM: John V. Kelly 
Acting Inspector General

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Fiscal Year 2018 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 2018 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 Sondra F. McCauley, Assistant Inspector General for Audits, at (202) 981-6000.

Attachment

**Review of U.S. Immigration
and Customs Enforcement's
Fiscal Year 2018 Detailed
Accounting Submission for
Drug Control Funds**





DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2018 Detailed Accounting Submission for Drug Control Funds

March 7, 2019

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires each National Drug Control Program agency to submit to ONDCP Director a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

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) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams, Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountant's Report on U.S. Immigration and Customs Enforcement's (ICE) Detailed Accounting Submission. ICE's management prepared the Table of FY 2018 Drug Control Obligations and related disclosures in accordance with the requirements of ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that ICE's FY 2018 Detailed Accounting Submission is not presented in conformity with the criteria in the 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

March 7, 2019

MEMORANDUM FOR: Stephen Roncone
Chief Financial Officer
U.S. Immigration and Customs Enforcement

FROM: Sondra F. McCauley 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Fiscal Year 2018 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 2018 Detailed Accounting Submission for Drug Control Funds*. U.S. Immigration and Customs Enforcement (ICE) management prepared the Table of FY 2018 Drug Control Obligations and related disclosures to comply with requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018.

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 Accountant's Report, dated February 19, 2019, and the conclusions expressed in it. Williams Adley's 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 at (202) 981-6000, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Acting 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) U.S. Immigration and Customs Enforcement (ICE) for the year ended September 30, 2018. ICE management is responsible for the preparation of the DAS in conformity with the requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (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 to obtain reasonable assurance about whether ICE's DAS and DAS assertions are in accordance with the Circular, 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 the DAS or the DAS assertions for the year ended September 30, 2018, in order for them to be in conformity with the requirements set forth in the Circular.

This report is intended solely for the information and use of ICE, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP

Washington, D.C.
February 19, 2019

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

February 28, 2019

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*, May 8, 2018, enclosed is Immigration and Customs Enforcement's report of FY 2018 drug obligations, drug control methodology and assertions.

If you require further assistance on this information, please contact me at (202) 732-4361.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Maiwurm".

Chris Maiwurm, Unit Chief
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 2018

A. Table of FY 2018 Drug Control Obligations

Drug Resources by Budget Decision Unit and Function:

FY 2018 Final		(In Millions)
Drug Resource by Drug Control Function		
Domestic Investigations		\$593.914
International Operations		\$10.753
Intelligence: Domestic		\$26.668
Intelligence: International		\$0.511
Total		\$631.846
Drug Resources by Budget Decision Unit		
Salaries and Expenses – Immigration Enforcement		\$0
Total		\$631.846
High Intensity Drug Trafficking Area (HIDTA) Transfer		\$2.820
HIDTA Funds represent total authorized and available during FY2018 (multi-year funds: FY17/18 and FY18/19)		

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 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.

Following the close of the fiscal year, ICE uses Investigative Case Management (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 Domestic investigative case hours. This percentage may fluctuate from year to year. For FY 2018, the actual percentage for Domestic Investigations was 31.51 percent. To calculate a dollar amount of obligation, the percentage is applied to the FY 2018 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 investigative case hours linked to drug-control activities by the total number of International investigative case hours. For IO, the actual percentage of hours that were general-narcotics related was 9.82 percent in FY 2018. To calculate the dollar amount of obligations for the IO drug control function, the percentage is applied to the FY 2018 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 general-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 Intelligence investigative case hours logged for the Office of Intelligence. For FY 2018, 31.96 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 2018 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 Intelligence Domestic and Intelligence 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 (1.88 percent) and domestic activities (98.12 percent) in FY 2018. 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 2018 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 2018 Drug Control Obligations.

4: Reprogrammings or Transfers

During FY 2018, 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 2018, the Department determined there were no reprogrammings or transfers that materially impacted ICE's drug-related obligations reported in the Table of FY 2018 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 May 8, 2018.

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, 2017 and September 30, 2018. 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 2018 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 2018.

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 2018.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
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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

March 8, 2019

The Honorable James Carroll
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Carroll:

The enclosed report presents the results of our independent review of U.S. Immigration and Customs Enforcement's (ICE) fiscal year 2018 Drug Control Performance Summary Report.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated June 8, 2018, 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 attestation standards established 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 Sondra McCauley, Assistant Inspector General for Audits, at (202) 981-6000.

Sincerely,

A handwritten signature in blue ink, which appears to read "John V. Kelly", is positioned above the printed name.

John V. Kelly
Acting Inspector General

Enclosure

**Review of U.S.
Immigration and Customs
Enforcement's Fiscal Year
2018 Drug Control
Performance Summary
Report**





DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2018 Drug Control Performance Summary Report

March 8, 2019

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires each National Drug Control Program agency to submit to ONDCP Director 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) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams, Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountant's Report on U.S. Immigration and Customs Enforcement's (ICE) FY 2018 Drug Control Performance Summary Report (PSR). ICE's management prepared the Performance Summary Report and the related disclosures in accordance with the requirements of ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Williams Adley was unable to assess the accuracy of the number of products reported in Metric 2, "Number of counter-narcotics intelligence requests satisfied," as part of the PSR. With the exception of the effects of this issue, Williams Adley is not aware of any material modifications that should be made to the PSR or related assertions for the year ended September 30, 2018, in order for them to be in accordance with the requirements set forth in the 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

March 8, 2019

MEMORANDUM FOR: Stephen Roncone
Chief Financial Officer
U.S. Immigration and Customs Enforcement

FROM: Sondra F. McCauley *Sandra F. McCauley*
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Fiscal Year 2018 Drug Control Performance Summary
Report*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2018 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 May 8, 2018.

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 Accountant's Report, dated February 19, 2019, 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 at (202) 981-6000, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.

Attachment



Independent Accountant's Report

Acting 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) U.S. Immigration and Customs Enforcement (ICE) for the year ended September 30, 2018. ICE management is responsible for the preparation of the PSR in accordance with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Our responsibility is to express a conclusion on the PSR and management's assertions based on our review.

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 to obtain reasonable assurance about whether ICE's PSR and PSR assertions are in accordance with the Circular, 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 of actual performance results for the Analytical Framework for Intelligence drug related products, we were unable to assess the accuracy of the number of products reported in Metric 2 "Number of counter-narcotics intelligence requests satisfied" as part of the PSR.

Based on our review, except for the effects of the matter described above, 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, 2018, in order for them to be in accordance with the requirements set forth in the Circular.

This report is intended solely for the information and use of ICE, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company DC, LLP
Washington, D.C.
February 19, 2019

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

February 28, 2019

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 May 8, 2018, enclosed is Immigration and Customs Enforcement's report of FY 2018 drug performance metrics and targets.

If you require further assistance on this information, please contact me at (202) 732-4361.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Maiwurm", followed by a horizontal line.

Chris Maiwurm, Unit Chief
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) 2018**

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 Department of Homeland Security's (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	Year End Actual
2014	6.90%	8.32%
2015	7.58%	7.56%
2016	8.00%	7.50%
2017	8.00%	7.40%
2018	7.86%	9.82%

For FY 2018, the IO actual percentage was 9.82 percent, therefore meeting the FY 2018 target of 7.86 percent. To calculate the dollar amount of obligations for the IO drug control function, the percentage is applied to the Continuing Resolution (through March 23, 2018) IO budget, excluding reimbursable authority.

(3) Performance Target for FY 2019

The performance target for FY 2019 is 7.95 percent, a target based on the average three prior years' performance targets 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. IO 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 Treasury Enforcement Communication System (TECS), which had 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 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 analyses on intelligence developments 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 2018

Fiscal Year	Target	Year End Actual
2014	656	686
2015	686	431
2016	431	275
2017	275	312
2018	312	283

In FY 2018, HSI-Intel produced a total of 283 drug-related products, therefore not meeting the FY 2018 target of 312. Of the 283 drug-related products, a total of one hundred thirteen (113) were AFI products and one hundred and seventy (170) were IRR products. Target numbers are based on the previous year's actual data, and changing mission priorities have contributed to the decline in AFI and IIR drug-related products.

(3) Performance Target for FY 2019

The performance target for FY 2019 is 283 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 that using the FY 2018 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 2018 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 FY 2018²

Fiscal Year	Target	Year End Actual
2014	19.00%	42.24%
2015	18.00%	15.83%
2016	16.00%	18.57%
2017	15.80%	22.91%
2018	15.90%	18.04%

In FY 2018, the actual percentage for the reportable Government Performance and Results Act (GPRA) metric is 18.04 percent; therefore, HSI has met the FY 2018 GPRA target of 15.90 percent.

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 years' 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.

(3) Performance Target for FY 2019

The performance target for FY 2019 is 16.00 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 2019 performance target 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 2018³

Fiscal Year	Target	Year End Actual
2014	44.00%	45.00%
2015	29.00%	14.51%
2016	15.00%	9.55%
2017	15.10%	19.03%
2018	15.20%	9.91%

In FY 2018, 9.91 percent of significant high-risk counter-narcotic, illicit trade, travel and finance investigations resulted in a disruption or dismantlement. Therefore, HSI has not met the FY 2018 target of 15.20 percent. This is likely due to the relatively late implementation of a new opioid/fentanyl significant case category under the drug-related illicit trade, travel, and finance rubric. HSI prioritized opioid/fentanyl investigations in FY 2018, but a commensurate opioid/fentanyl significant case category was not added until the 3rd quarter. However, HSI bolstered its resources to address the increasing opioid epidemic. In FY 2018, HSI's fentanyl cases initiated increased by 65%, and there was also an increase in fentanyl related arrests of 49.6%. In addition, HSI's Border Enforcement Security Task Forces have also increased task force staffing levels during this fiscal year, enhancing their collaboration with law enforcement partners in combatting opioid threats. HSI is spearheading the Opioid Fentanyl Collaboration Group, aimed at centralizing all actionable data in support of opioid investigations. Note that when SCRs increase, there is an expected lag in enforcement results since significant time is required to investigate and prosecute these complex cases.

(3) Performance Target for FY 2019

The performance target for FY 2019 is 15.20 percent. For those measures that did not meet their targets, an explanation with corrective action is provided. In addition, changes to measure targets from the previous year's report are identified and no modification is made for the following year. The target is based on the prior year actual data. The FY 2019 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 2019 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 into FY 2020.

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 years' 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.

(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 2018 performance period.
2. Explanations for not meeting performance targets are reasonable -- In FY 2018, 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 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. In reference to Office of Inspector General 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 continuing to work with the DHS to develop adequate outcome-based measures for these activities in FY 2019. HSI currently utilizes the SCR process to report its impact on the mission. The current measures reflect those of HSI domestic investigations but currently do not identify, categorize, and report international operations. To more accurately reflect current international operations HSI is looking to align future metrics for SCR investigations at the Attaché offices. HSI Intelligence is developing a Intel-specific Workload Staffing Model, in collaboration with Intel HQ and Field Point of Contacts, HSI has begun to improve Intel's workload data through ICM data entry policy clarifications for Intel Research Specialists (IRS). This effort has led to the development of the Intel Work Load Staffing

Model which provides HSI leadership with a data-driven justification for Intel IRS shortfalls, as well as an ability to track metrics that show Intel's impact on Domestic Operations. The two key metrics identified show Intel's impact on the likelihood of Domestic Operations performing at least one criminal arrest or indictment on both standard cases and SCR cases.

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
\$36.6 M	\$40.2 M	\$39.0 M	\$254.1 M

Statistic 2: Dollar value of seized currency and monetary instruments from drug operations.

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
\$154.0 M	\$140.9 M	\$434.6 M	\$688.8 M

Statistic 3: Percentage of total cocaine seizures considered high impact.

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
46%	49%	53%	50%

Statistic 4: Percentage of total fentanyl seizures considered high impact.

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
Measure did not exist in FY 2015	Measure did not exist in FY 2016	Measure did not exist in FY 2017	90%

Statistic 5: Percentage of heroin seizures considered high impact.

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
47%	45%	43%	49%

Statistic 6: Percentage of marijuana seizures considered high impact.

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
36%	38%	33%	22%

Statistic 7: Percentage of methamphetamine seizures considered high impact.

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
63%	62%	66%	69%



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

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Washington, DC 20528-0305



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

March 18, 2019

The Honorable James Carroll
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Mr. Carroll:

The enclosed report presents the results of our independent review of U.S. Coast Guard's (Coast Guard) fiscal year 2018 Detailed Accounting Submission for drug control funds.

The Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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 attestation standards established by the American Institute of Certified Public Accountants and 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 Sondra McCauley, Assistant Inspector General for Audits, at (202) 981-6000.

Sincerely,

A handwritten signature in black ink, 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 2018 Detailed
Accounting Submission
for Drug Control Funds**



Homeland
Security

**March 18, 2019
OIG-19-33**



DHS OIG HIGHLIGHTS

Review of U.S. Coast Guard's Fiscal Year 2018 Detailed Accounting Submission for Drug Control Funds

March 18, 2019

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires each National Drug Control Program agency to submit to the ONDCP Director a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

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) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams, Adley & Company –DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountant's Report on U.S. Coast Guard's (Coast Guard) Detailed Accounting Submission. Coast Guard management prepared the Table of FY 2018 Drug Control Obligations and related disclosures in accordance with requirements of ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that the Coast Guard's FY 2018 Detailed Accounting Submission is not presented in conformity with the criteria in the 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

March 18, 2019

MEMORANDUM FOR: Rear Admiral Thomas G. Allan, Jr.
Assistant Commandant for Resources and
Chief Financial Officer
United States Coast Guard

FROM: Sondra F. McCauley *Sandra F. McCauley*
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Coast Guard's Fiscal Year 2018
Detailed Accounting Submission for Drug Control Funds*

Attached for your information is our final report, *Review of U.S. Coast Guard's Fiscal Year 2018 Detailed Accounting Submission for Drug Control Funds*. Coast Guard management prepared the Table of FY 2018 Drug Control Obligations and related disclosures to comply with requirements of the Office of National Drug Control Policy's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018.

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 Accountant's Report, dated February 28, 2019, and the conclusions expressed in it. Williams Adley's 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 for the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions at (202) 981-6000, 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, 2018. USCG management is responsible for the preparation of the DAS in conformity with the requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (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 to obtain reasonable assurance about whether USCG's DAS and DAS assertions are in accordance with the Circular, 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 the DAS or the DAS assertions for the year ended September 30, 2018, in order for them to be in conformity with the requirements set forth in the Circular.

This report is intended solely for the information and use of USCG and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP

Washington, District of Columbia
February 28, 2019

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
February 22, 2019

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 May, 8th, 2018, enclosed is the Coast Guard's FY 2018 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 that reads "M. J. Brandhuber".

M. J. Brandhuber
Captain, U.S. Coast Guard
Chief, Office of Budget and Programs

Encl: USCG FY 2018 Detailed Accounting Submission

Copy: DHS Budget Office

**DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD
Detailed Accounting Submission of FY 2018 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION

A. Table of FY 2018 Drug Control Obligations

**RESOURCE SUMMARY
(Dollars in Millions)**

Drug Resources by Drug Control Function:	2018 Actual Obligations
• Interdiction	\$1,567.349
• Research and Development	\$2.685
Total Resources by Function	\$1,570.034
Drug Resources by Budget Decision Unit:	
• Operating Expenses (OE)	\$1,014.575
• Reserve Training (RT)	\$15.672
• Acquisition, Construction, and Improvements (AC&I)	\$537.102
• Research, Development, Test and Evaluation (RDT&E)	\$2.685
Total Drug Control Obligations	\$1,570.034

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 Office of National Drug Control Policy (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 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 Asset Logistics Management Information 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 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 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 obligations 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 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 FY18, 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 provided 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 the Coast Guard's ability to report complete and accurate obligation data in the Table of FY 2018 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.

4. Reprogrammings or Transfers

During FY 2018, the Coast Guard had reprogrammings and transfers. As a component of DHS, the 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 2018, the Department determined there were no reprogrammings or transfers that materially impacted Coast Guard's drug-related obligations reported in the Table of FY 2018 Drug Control Obligations.

5. Other Disclosures

The following provides a synopsis of the Coast Guard's FY 2018 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 O&S and RT appropriations and provides allocation percentages used to develop the drug control estimates for the PC&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(A)(1), dated May 8, 2018.

2) Drug Methodology

The methodology used 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 2018 financial and AOPS/ALMIS data, as presented in the Coast Guard’s FY 2018 OMB budget submission.

Financial Systems – The MCM uses costs from three general ledgers (GL). These include; the CAS GL, the NESSS GL, and the 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 May 8, 2018. Documentation on each decision unit is provided.

- 4) Reprogrammings or Transfers

During FY 2018, 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 2018.

**OPERATING EXPENSES (OE)
MISSION COST MODEL OUTPUT:**

		(dollars in thousands)	
		FY 2018	
		Obligations	% of total
1. Search and Rescue (SAR)		763,098	10.28802%
2. Marine Safety (MS)		555,536	7.48969%
3. Aids to Navigation (ATON)		1,271,580	17.14333%
4. Ice Operations (IO)		184,279	2.48443%
5. Marine Environmental Protection (MEP)		174,335	2.35037%
6. Living Marine Resources (LMR)		720,721	9.71670%
7. Drug Interdiction		1,014,575	13.67841%
8. Other Law Enforcement (OTH-LE)		96,021	1.29455%
9. Migrant Interdiction		567,425	7.64997%
10. Ports, Waterways & Coastal Security (PWCS)		1,557,861	21.00295%
11. Defense Readiness		511,914	6.90158%
Total OE Obligations		\$ 7,417,345	100.00000%

**RESERVE TRAINING (RT)
MISSION COST MODEL OUTPUT:**

	(dollars in thousands)	
	FY 2018	
	Obligations	% of total
1. Search and Rescue (SAR)	11,788	10.288368%
2. Marine Safety (MS)	8,581	7.489352%
3. Aids to Navigation (ATON)	19,642	17.143206%
4. Ice Operations (IO)	2,847	2.484814%
5. Marine Environmental Protection (MEP)	2,693	2.350405%
6. Living Marine Resources (LMR)	11,133	9.716695%
7. Drug Interdiction	15,672	13.678257%
8. Other Law Enforcement (OTH-LE)	1,483	1.294337%
9. Migrant Interdiction	8,765	7.649944%
10. Ports, Waterways & Coastal Security (PWCS)	24,064	21.002653%
11. Defense Readiness	7,908	6.901969%
Total RT Obligations	\$ 114,576	100.000000%

**ACQUISITION, CONSTRUCTION and IMPROVEMENTS
(AC&I) MISSION COST MODEL OUTPUT:**

	(dollars in thousands) FY 2018	
	Obligations	% of total
1. Search and Rescue (SAR)	85,936	5.36124%
2. Marine Safety (MS)	15,810	0.98633%
3. Aids to Navigation (ATON)	76,586	4.77793%
4. Ice Operations (IO)	38,036	2.37293%
5. Marine Environmental Protection (MEP)	9,956	0.62112%
6. Living Marine Resources (LMR)	255,840	15.96094%
7. Drug Interdiction	537,102	33.50787%
8. Other Law Enforcement (OTH-LE)	12,757	0.79586%
9. Migrant Interdiction	368,614	22.99651%
10. Ports, Waterways & Coastal Security (PWCS)	122,988	7.67278%
11. Defense Readiness	79,288	4.94649%
Total AC&I Obligations	\$ 1,602,913	100.00000%

**RESEARCH, DEVELOPMENT, TEST and EVALUATION
(RDT&E) MISSION COST MODEL OUTPUT:**

	(dollars in thousands)	
	FY 2018	
	Obligations	% of total
1. Search and Rescue (SAR)	1,834	9.66382%
2. Marine Safety (MS)	2,223	11.71356%
3. Aids to Navigation (ATON)	1,523	8.02508%
4. Ice Operations (IO)	308	1.62293%
5. Marine Environmental Protection (MEP)	3,835	20.20761%
6. Living Marine Resources (LMR)	1,507	7.94077%
7. Drug Interdiction	2,685	14.14796%
8. Other Law Enforcement (OTH-LE)	215	1.13289%
9. Migrant Interdiction	1,567	8.25693%
10. Ports, Waterways & Coastal Security (PWCS)	2,458	12.95184%
11. Defense Readiness	823	4.33660%
Total RDT&E Obligations	\$ 18,978	100.0000%



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Department of Homeland Security

Appendix A
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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

March 8, 2019

MEMORANDUM FOR: The Honorable Admiral Karl L. Schultz
Commandant
U.S. Coast Guard

FROM: John V. Kelly 
Acting Inspector General

SUBJECT: *Review of U.S. Coast Guard's Fiscal Year 2018 Drug
Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Coast Guard's Fiscal Year 2018 Drug Control Performance Summary Report*. 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 Sondra F. McCauley, Assistant Inspector General for Audits, at (202) 981-6000.

Attachment

**Review of U.S. Coast Guard's
Fiscal Year 2018
Drug Control Performance
Summary Report**





DHS OIG HIGHLIGHTS

Review of U.S. Coast Guard's Fiscal Year 2018 Drug Control Performance Summary Report

March 8, 2019

Why We Did This Review

The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires each National Drug Control Program agency to submit to ONDCP Director a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

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) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security OIG, issued an Independent Accountant's Report on U.S. Coast Guard's (Coast Guard) fiscal year (FY) 2018 Drug Control Performance Summary Report. Coast Guard's management prepared the Performance Summary Report and the related disclosures in accordance with requirements of ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Based on its review, nothing came to Williams Adley's attention that caused it to believe that the Coast Guard's FY 2018 Performance Summary Report is not presented in conformity with the criteria in the 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

March 8, 2019

MEMORANDUM FOR: Rear Admiral Thomas G. Allan, Jr.
Assistant Commandant for Resources and
Chief Financial Officer
U.S. Coast Guard

FROM: Sondra F. McCauley 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Coast Guard's Fiscal Year 2018
Drug Control Performance Summary Report*

Attached for your information is our final report, *Review of U.S. Coast Guard's Fiscal Year 2018 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 May 8, 2018.

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 Accountant's Report, dated February 28, 2019, and the conclusions expressed in it. Williams Adley's 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 at (202) 981-6100, 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 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, 2018. USCG management is responsible for the preparation of the PSR in accordance with requirements of the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018 (the Circular). Our responsibility is to express a conclusion on the PSR and management's assertions based on our review.

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 to obtain reasonable assurance about whether USCG's PSR and PSR assertions are in accordance with the Circular, 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 the PSR or the PSR assertions for the year ended September 30, 2018, in order for them to be in accordance with the requirements set forth in the Circular.

This report is intended solely for the information and use of USCG and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP

Washington, District of Columbia
February 28, 2019



16012
February 27, 2019

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 May 8, 2018, the 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) 2018 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 2018 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 FY 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. The Coast Guard is considering these suggested changes. However, the Coast Guard has determined the FY 2018 performance measure does not require material modification.

If you require further assistance on this information, please contact LCDR Christopher Kimrey, 202-372-3149.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathryn Clevenger-Herty', with a long horizontal flourish extending to the right.

Kathryn Clevenger-Herty
Captain, U.S. Coast Guard
Chief, Office of Performance Management
& Assessment

Enclosure (1) FY 2018 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 2018

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 2015 – 2018) compared to the target level. The table additionally presents the target established for the current fiscal year (FY 2019).

Year:	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target:	13.8%	11.5%	11.5%	10.0%	10.0%
Actual:	11.5%	7.1%	8.2%	7.4%	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 2015	FY 2016	FY 2017	FY 2018
Flow:	1,254	2,834	2,738	2,827.3
Removed:	144.8	201.3	223.8	209.6

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 increased by three percent in FY 2018 to 2,827.3 metric tons from 2,738 metric tons in FY 2017. The Coast Guard removed 209.6 metric tons of cocaine from the Transit Zone in FY 2018 equating to a 7.4 percent removal rate for non-commercial maritime cocaine flow. While the Coast Guard did not meet its performance target of removing 10% of non-commercial maritime cocaine flow, the Coast Guard did meet its removal target of 200 metric tons. Further, the Coast Guard removed more tonnage of cocaine per interdiction in FY 2018 than any time since FY 2008. It is important to note that although the tonnage per interdiction has increased, the number of total interdiction events decreased in FY 2018. The continuing high level of noncommercial maritime flow of cocaine will continue to make meeting the removal rate target very difficult even with high levels of effort provided by the Coast Guard and its partners. In FY 2018, 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. In FY 2018, the Coast Guard expressly made available a LEDET for every U.S. Navy vessel operating in support of Joint Interagency Task Force (JIATF) operations. Finally, higher mission demands for our National Security Cutters and long-range Maritime Patrol Aircraft whittled away some resource availability in these high-impact platforms.

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 evaluated 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 Coast Guard surface assets and USN or Allied surface assets with embarked USCG 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 2018, the Coast Guard dedicated additional focus and assets to transit zone interdiction operations commensurate with previous levels. The Coast Guard was able to reallocate ship deployments due to a decreased operational demand from other missions, and exceeded its target of 2,160 major cutter days to the transit zone with a total of 2,487 ship days deployed. Coast Guard Maritime Patrol Aircraft (MPA) support to Joint Interagency Task Force South (JIATF-S) was just under the Service's 3,181 hour commitment with 2,984 MPA hours deployed. The coverage loss is attributable to gaps created by unanticipated maintenance. Airborne Use of Force (AUF) helicopter deployed days exceeded the 1,314 day commitment with 1,344 days deployed aboard ship. 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 2018 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 2017, the Coast Guard's removal rate target for FY 2018 was lowered to 10% and continues into FY 2019. 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.



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OIG Hotline

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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

Tab H



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 12, 2018

Memorandum

To: **Director,
Office of National Drug Control Policy**

From: **Russell Roy, Jr.
Deputy Chief, Law Enforcement, Security and Emergency Services (LESES)**

Subject: **Fiscal Year 2018 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 2018 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 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 2018, 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 intercept and Organized Crime Drug Enforcement Task Forces (OCDETF) 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 2018, Indian Country saw a 47% increase in drug cases worked and a 26% 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. BIA DDE continued to provide technical assistance and training to Indian Country law enforcement.

Partnerships among DDE, DEA, BIA police 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 2018, DDE agents continued their 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 trafficking organizations that

continue to be the largest supplier of methamphetamine throughout Indian Country. DDE agents also continued to work prescription drug cases 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 2016	FY 2017	FY 2018	FY 2019 (CR Level)	FY 2020 Proposed
Function: Investigations					
A0J30 Criminal Investigations and Police Services	\$8,211,000	\$8,216,000	\$15,716,000	\$15,716,000	\$15,716,000
A0J33 Special Initiatives (Victim Assistance)	1,025,000	1,000,000	1,000,000	1,000,000	3,546,000
Substance Abuse – Drug Initiative	9,236,000	9,216,000	16,716,000	16,716,000	19,262,000
Function: Education					
A0J34 Indian Police Academy	480,000	500,000	500,000	500,000	500,000
TOTAL ALL Functions	\$9,716,000	\$9,716,000	\$17,216,000	\$17,216,000	\$19,762,000
Drug Resource Summary of Personnel					
Total FTE (Direct Only)	57	57	78	78	88

BIA Drug Initiative

FY 2018 Enacted: \$17.2 million (Reflects increase from FY 2017)

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 2018, \$14.2 million supported drug enforcement efforts that allowed BIA Drug Enforcement Officer’s (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. Although FY-18 increases were received for new agents, actually getting new agents hired and trained will take until late FY-19 to FY-20. New hires producing additional cases and seizures should be expected then.

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 2018 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

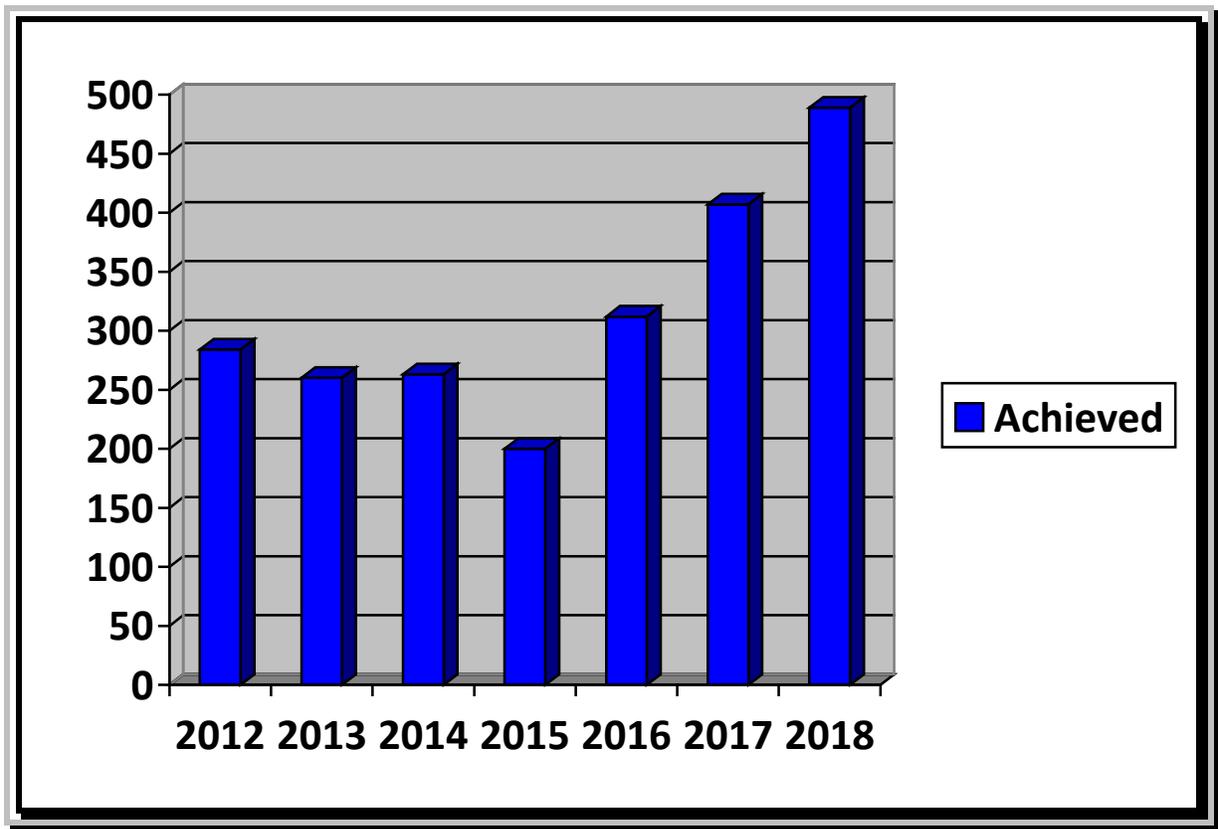
In 2018, a total of 489 law enforcement officers received drug training from BIA OJS, according to the BIA Indian Police Academy. This was a 20% increase over FY17 figures.

One Hundred fifty eight (158) 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. Seventeen (17) students graduated from FLETCs Criminal Investigator Training Program and the DOI Investigator Training Program, which also included an introduction to drug awareness and investigations. An additional three hundred fourteen (314) students graduated from the patrol officer drug investigations program, BIA-DEA-DOJ illicit drug trafficking program, and street crime training programs that include drug identification, evidence collection, and officer safety. An additional one thousand one hundred eight two (1,087) students graduated from opioid drug community training attended by service providers and tribal community members on location.

In FY 2018, BIA continued its preparedness for the opioid epidemic devastating many communities throughout the country. DDE continues to work with the Indian Health Service (IHS) and the Indian Police Academy to train current BIA law enforcement instructors 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. Every BIA 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	2018 Achieved
284	260	263	200	312	407	489



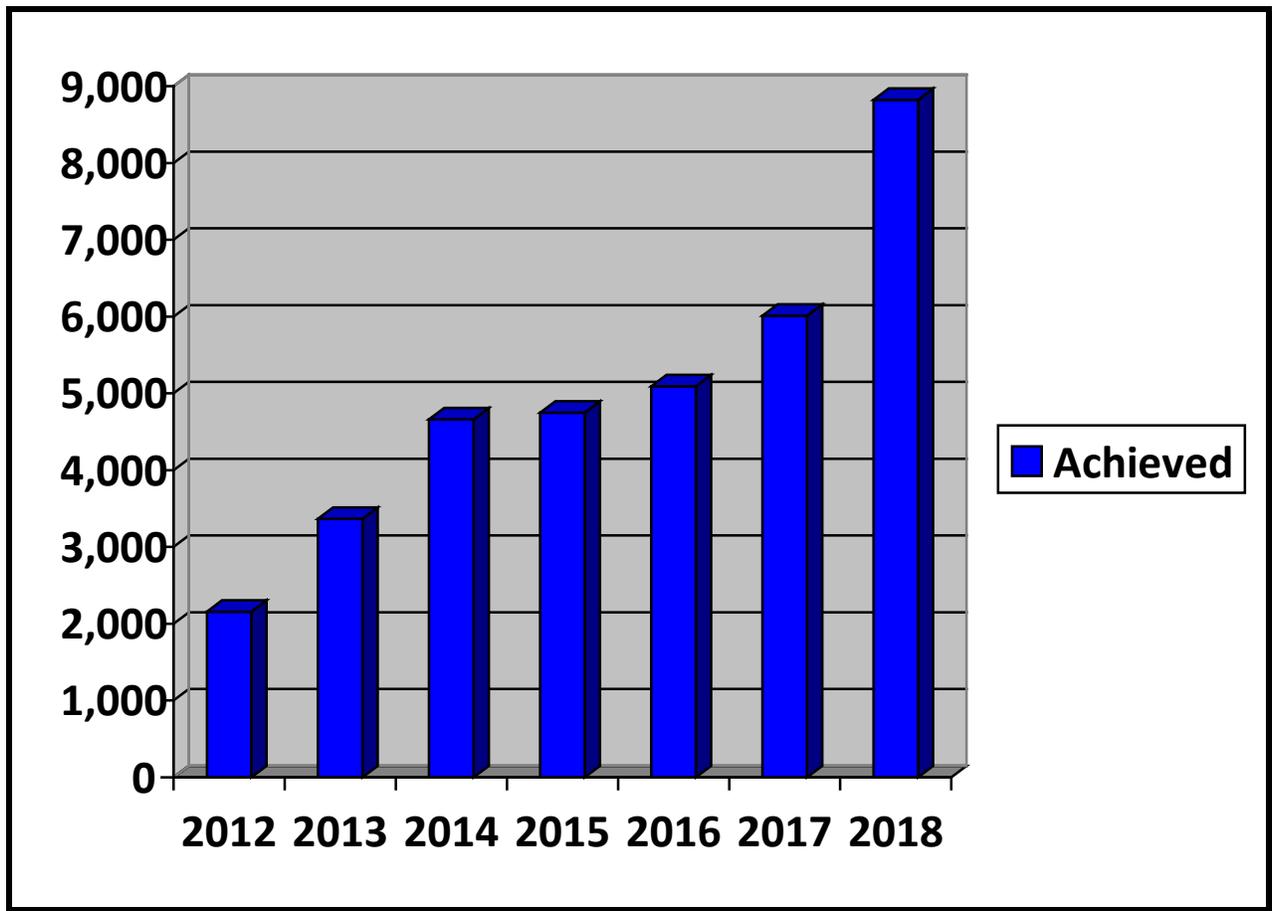
Performance Measure Two: Percent increase in drug cases worked

In FY 2018, there has been an overall increase of approximately 47% in the number of drug cases 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 distribution 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 below demonstrate an overall **increase** of approximately 47% drug cases worked in Indian Country in FY 2018.

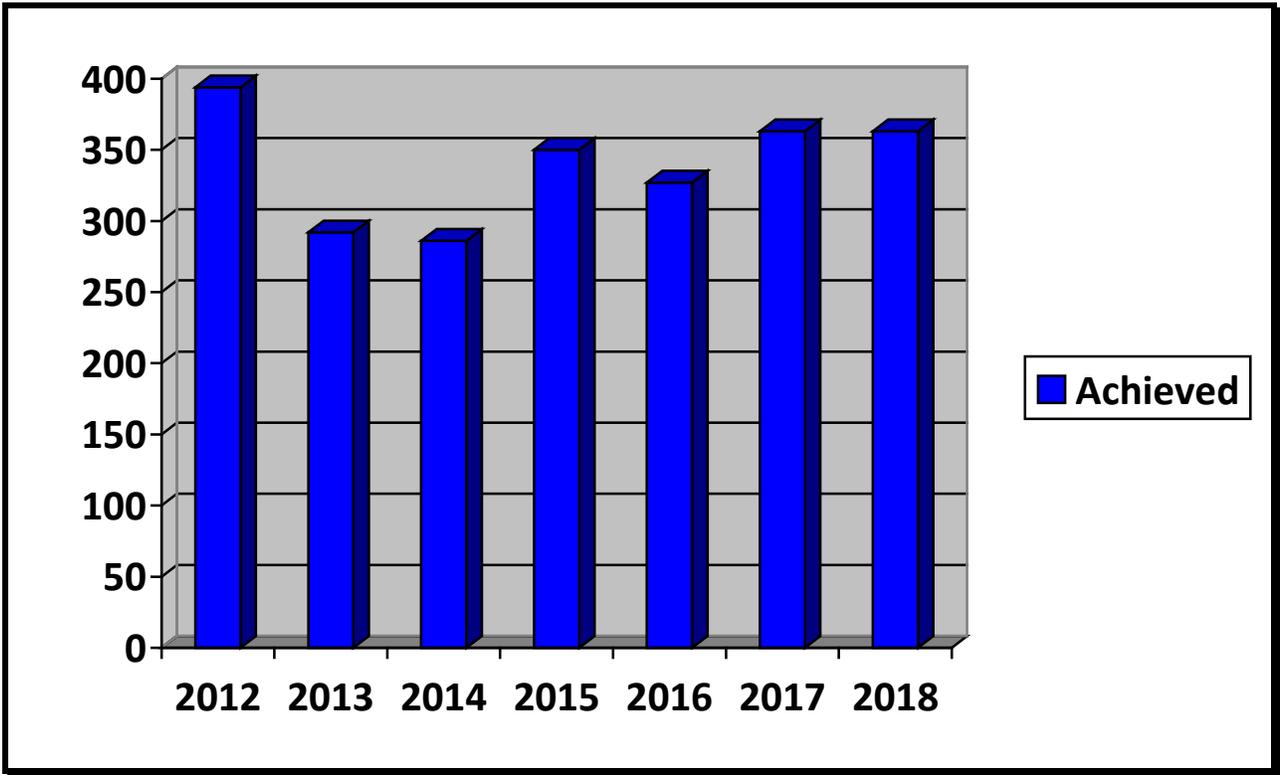
2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Achieved	2019 Proposed
2,157	3,364	4,750	5,093	6,013	8,821	9,000



The following information documents the cases worked as reported specifically by the **BIA-DDE**. These figures demonstrate no overall change in cases worked in FY 2018.

DDE agents worked to identify and disrupt larger drug trafficking organizations targeting Indian Country communities. DDE's continued focus on building partnerships in FY 2018 has provided additional support to field programs and has shown success as supported by the overall 47% 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 Achieved	2019 Proposed
394	292	286	350	327	363	363	380



Performance Measure Three: Increase in the amount of cases closed by arrest, indictment or referral.

In FY 2018, DDE achieved a 74% case closure rate.

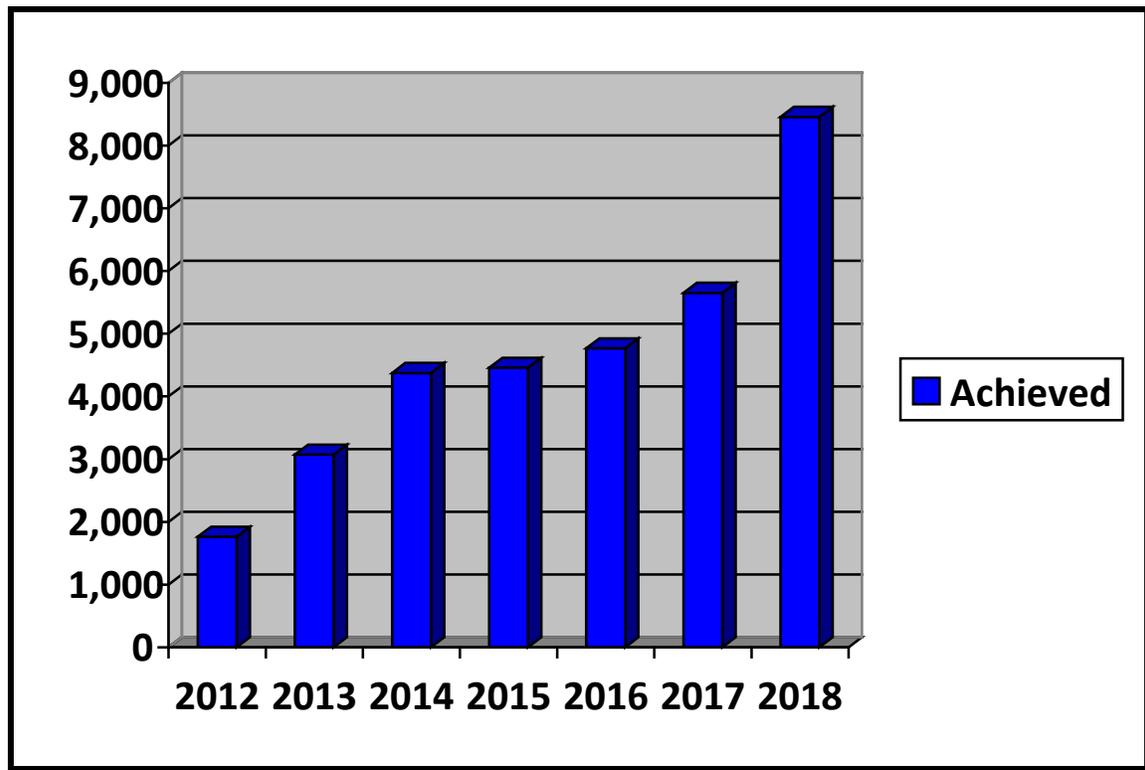
DDE opened 363 cases in FY 2018, 270 of which were closed by arrest, indictment, or referral to another agency; 93 cases remain open and under active investigation. All DDE investigations are conducted within reservation boundaries or upon trust/allotted lands and hold a direct nexus to Indian Country. Of the 363 cases opened, 332 investigations, or 91% of DDE investigations, occurred within reservation boundaries or upon trust/allotted lands. The remaining 9% of investigations held a direct nexus to Indian country.

2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Achieved	2019 Proposed
54%	55%	70%	72%	72%	74%	74%

The following information documents the cases worked as reported by **BIA Field Operations and tribal police departments**. These figures demonstrate an overall increase of approximately 49% in cases worked in FY 2018. 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 2018.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Achieved	2019 Proposed
1,763	3,072	4,374	4,457	4,766	5,650	8,458	8,500

(Total cases in IC 8821 minus 363 DDE gives you FY2018)



** The preceding information was obtained from the monthly statistical reports and IMARS database.*

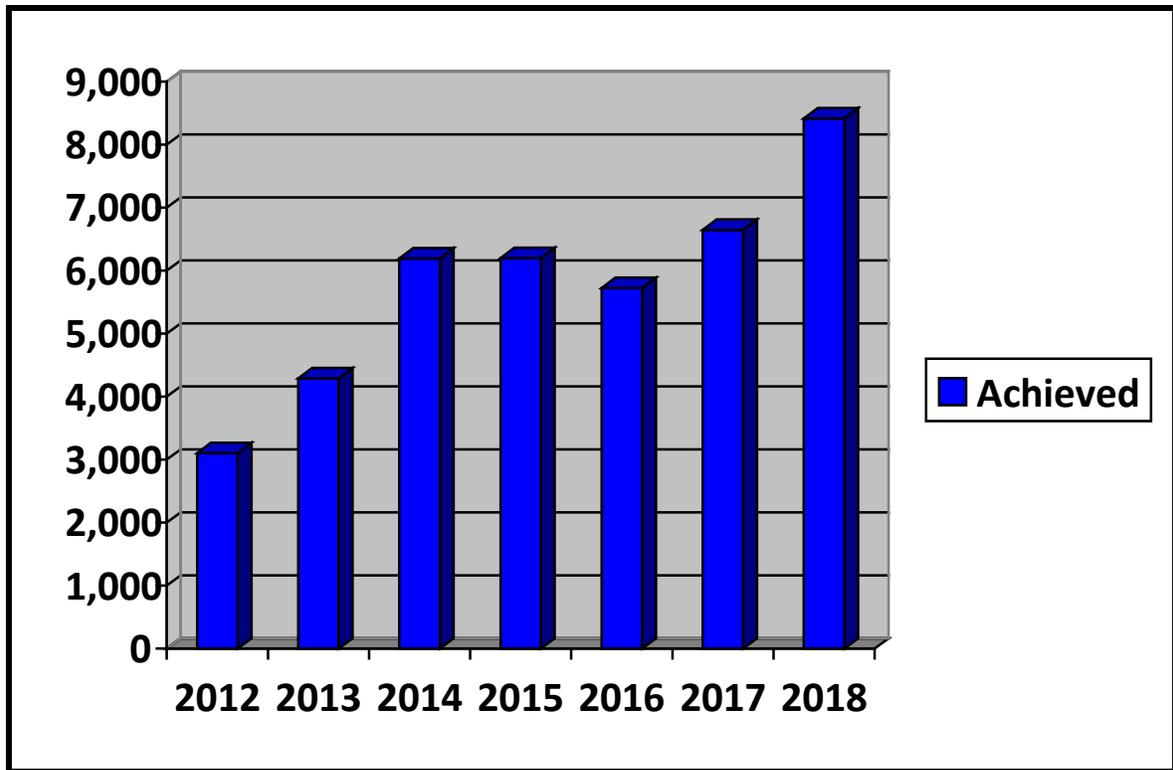
Information regarding the performance of the drug control efforts of BIA is based on agency 2010 Government Performance Results Modernization Act (GPRMA) documents and other information that measure the agency's contribution to the *Strategy*. The BIA OJS has historically experienced challenges gathering 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 tribal programs necessary to reduce the effects of drugs and drug-related crime in Indian Country. Through this technical assistance, the BIA has formed partnerships with tribal law enforcement programs. Tribal drug-related arrests showed an **increase** of 26% from the 2017 figures.

2012 Achieved	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Achieved	2019 Proposed
3,104	4,289	6,193	6,198	5,723	6,647	8,417	8,600



** 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 **increase** of approximately **385%** in total drugs seized by BIA law enforcement programs in FY 2018. Overall, Indian Country saw an exponential increase in methamphetamine seizures and marijuana eradication in FY 2018; consequently causing the 385% surge in the overall seizure total.

Methamphetamine continues to be the most prevalent drug seized from drug operations in Indian Country. Field agents reported a decrease in heroin being available in Indian Country due to an abundance of methamphetamine being distributed by Mexican cartels. This abundance has created lower pricing and easier access to methamphetamines. Heroin seizures had an increase of 190%; crystal methamphetamine had an increase of 342%, while powder methamphetamine had an increase of 658%, and marijuana plants had an increase of 592% due to a large eradication in the amount of 38,973 lbs, while processed marijuana has an increase of 211%.

The below numbers depict the overall Indian Country drugs seized in FY 2018. 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.

2018 All Submissions						
Increase in Amount of Drugs Seized	2013 Achieved	2014 Achieved	2015 Achieved	2016 Achieved	2017 Achieved	2018 Achieved
<i>FY 2013, 14, 15,16,17, 18 achieved totals represented in pounds:</i>	48,320	26,830	26,419	16,607	12,900	62,601.49
Cocaine Powder	182.12	28.45	1.00	105.70	54.15	34.19
Cocaine Crack	9.15	.541	.758	.375	0.60	110.56
Heroin	196.11	3.68	5.74	67.83	16.49	47.89
MDMA (Ecstasy)	130.04	1.29	.002	29.16	0.29	.33
Meth Crystal	98.11	19.80	64.90	64.21	56.13	248.21
Meth Powder	83.3	11.20	0	20.93	34.88	264.46
Processed Marijuana	9,535	14,883	1,725	2,173	6,223.89	19,413.62
Prescription Drugs Seized	76.15	101.03	96.58	96.21	8.0	53.66
Other Drugs Seized	20.2	84.86	72.29	70.78	409	227.63
Marijuana (# Plants = lbs)	37,990	11,697	24,453	13,979	6,097	42,201

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 allows 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 -

All performance measures were met. BIA Drug Agents showed no change in overall cases worked. This was due to agents being pulled away from drug investigations to assist with 12 high priority OPIOID Reduction Task Force Operations across Indian Country. The number of drug seizures increased due to these operations as well as our more experienced DDE agents working complex conspiracy cases targeting sources of supply.

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

The targets were projected for FY 2018 based upon statistical data reviewed over the past four 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 ONDCP activity.

Director, Bureau of Indian Affairs

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 22, 2019

In Reply Refer To:
9260 (WO120) I

Memorandum

To: Director,
Office of National Drug Control Policy

From: William Woody,
Director, Office of Law Enforcement and Security

pp SHANNON
TOKOS

Digitally signed by
SHANNON TOKOS
Date: 2019.02.22 14:00:59
-07'00'

Subject: Fiscal Year 2018 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 2018 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 2018 -

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 2018	
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 2018, the BLM maintained its drug enforcement efforts at the same level as FY 2017. 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, California, 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 2018 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 Lands ¹						
FY 2013 Achieved	FY 2014 Achieved	FY 2015 Achieved	FY 2016 Achieved	FY 2017 Achieved	FY 2018 Target	FY 2018 Achieved
195,417	225,291	319,511	149,101	155,502	158,612	254,010

In previous FYs, the Bureau saw a reduction each year 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 and a significant increase in FY 2018. 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 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 2018 a total of 12,167 pounds of processed marijuana were seized on public lands. This was an increase from the FY 2017 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 2013 Achieved	FY 2014 Achieved	FY 2015 Achieved	FY 2016 Achieved	FY 2017 Achieved	FY 2018 Achieved
12,355	11,076	22,586	16,724	6,187	26,765

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 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 2018 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 2018. 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.

pp **SHANNON TOKOS** Digitally signed by SHANNON TOKOS
Date: 2019.02.22 14:00:20 -07'00'

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 12, 2019

Memorandum

To: **Director,
Office of National Drug Control Policy**

From: **Russell Roy, Jr.
Deputy Chief, Law Enforcement, Security and Emergency Services (LESES)**

Subject: **Fiscal Year 2018 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 2018 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 2018 Accounting Report – National Park Service

FY 2018 RESOURCE SUMMARY

Prior Year Drug Control Obligations and Staffing	Amount
*See detailed report below	
FTE	26.7
TOTAL OBLIGATIONS	\$3,450,000

**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 ROY

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Signature

Title

Date

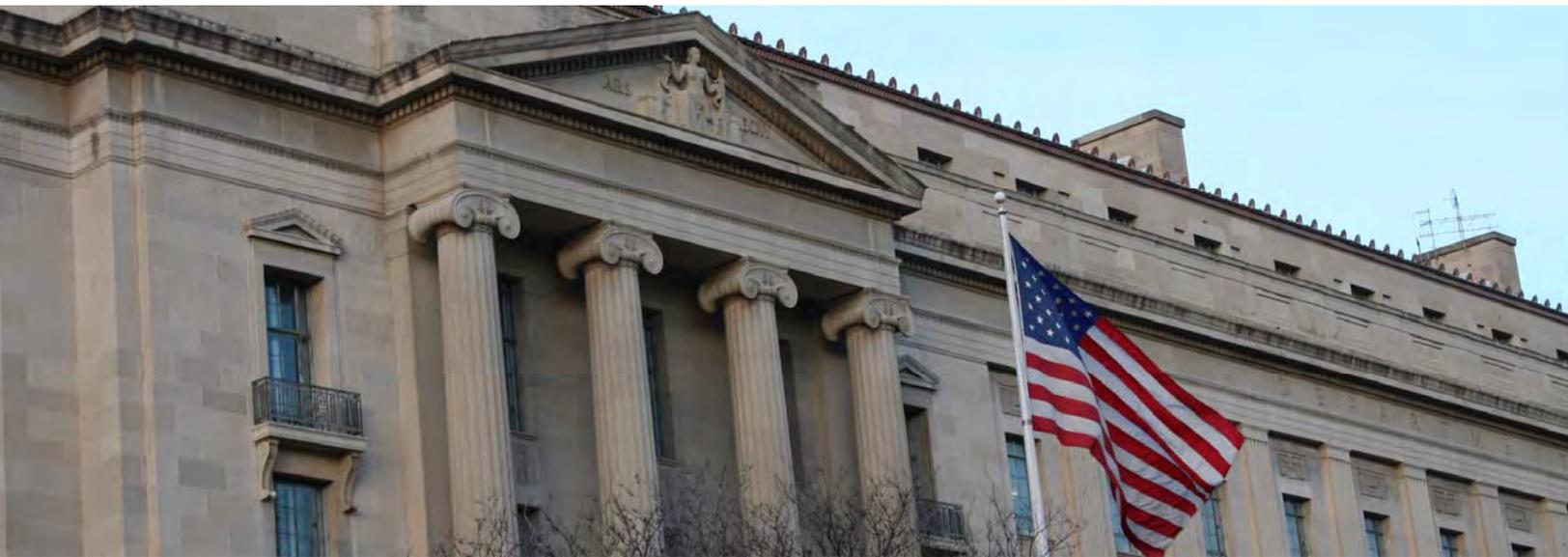
	North Cascades NP	Point Reyes NS	Sequoia & Kings Canyon NP	Whiskey- town NRA	Santa Monica Mountains NRA	Redwood NP	Yosemite NP	Washington Support Office	
NPS Summary									Total
Investigations	200	450	745	500	300	345	490	420	3,450
Total Expenditures	200	450	745	500	300	345	490	420	3,450
Total FTE	1.5	3.0	6.4	6.0	2.0	3.3	3.5	1.0	26.7

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 2018**



Executive Summary

Reviews of the Annual Accounting of Drug Control Funds and Related Performance Fiscal Year 2018

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 May 8, 2018, 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, 2018, in order for them to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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, 2018. The Department of Justice components reviewed, reported approximately \$8.2 billion of drug control obligations and 24 related performance measures for fiscal year 2018.

The OIG performed an independent attestation review of the DOJ's reporting of FY 2018 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 2018 Detailed Accounting Submissions and Performance Summary Reports.
- Evaluated the reasonableness of the drug methodology process for 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.

**REVIEWS OF THE ANNUAL ACCOUNTING OF
DRUG CONTROL FUNDS AND RELATED PERFORMANCE
FISCAL YEAR 2018**

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ASSETS FORFEITURE FUND



Washington, D.C. 20530

Office of the Inspector General's Independent Report on the Annual Accounting of Drug Control Funds and Related Performance

Acting Director
Assets Forfeiture Management Staff
U.S. Department of Justice

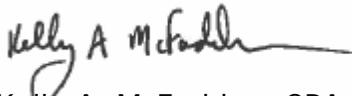
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Assets Forfeiture Fund (AFF) for the fiscal year ended September 30, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.



Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

February 22, 2019

**Assets Forfeiture Fund
Detailed Accounting Submission**



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, 2018**

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 May 8, 2018, 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 2018.
4. The AFF did not have any ONDCP Fund Control Notices issued in FY 2018.

Handwritten signature of Kevin Arnwine in black ink.

Kevin Arnwine, Assistant Director,
Asset Forfeiture Management Staff

Handwritten date "2/22/19" in black ink.

Date

U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)

	FY 2018
	Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit: Asset Forfeiture	
Investigations	\$ 149.89
State and Local Assistance	<u>75.72</u>
Total Asset Forfeiture	<u>\$ 225.61</u>
Total Drug Control Obligations	<u>\$ 225.61</u>

**U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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 2018 Financial Statements Audit, the Assets Forfeiture Fund (AFF)/Seized Asset Deposit Fund (SADF) received an unmodified audit opinion. However, the *Independent Auditors' Report* noted one material weakness in the AFF/SADF's internal controls related to improvements needed in controls over reporting budget related information presented in financial statements and the processes related to revenue cut-off and recognition. Specifically, the auditors noted that improvements are needed in the financial reporting processes to include implementing more effective procedures over review of the annual financial statements to supplement higher level management reviews over the financial statements and crosswalk to financial statements. Additionally, Asset Forfeiture Management Staff (AFMS) and federal agencies participating in the Asset Forfeiture Program (AFP) continue to have weaknesses in gathering and evaluating the supporting judicial information prior to recognizing revenue and evaluating adjustments to revenue accounts.

It should be noted that while the Statement of Budgetary Resources did contain classification errors, they had no impact on total budgetary resources reported in the financial statements. AFMS acknowledges that specific recommendations provided in the FY 2017 Internal Control Report to fully investigate and address differences between the statement of budgetary resources and the underlying Report on Budget Execution and Budgetary Resource (SF-133) prior to submission of the financial statements package were not implemented effectively to prevent misstatements identified by the auditors in FY 2018. Regarding the revenue cut-off and recognition finding, AFMS will continue to work with the AFP participating agencies to ensure that their agencies' policies for recording seizure and forfeiture information in the Consolidated Asset Tracking System is consistent with the goals of financial reporting.

Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings or transfers that affected drug-related budgetary resources.

**Assets Forfeiture Fund
Performance Summary Report**



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, 2018**

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 May 8, 2018, 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 2018.
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, 2018**

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 2015	FY 2016	FY 2017	FY 2018		FY 2019
	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



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

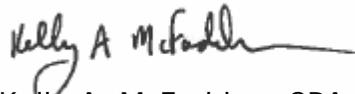
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Criminal Division (CRM) for the fiscal year ended September 30, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.

February 22, 2019

**Criminal Division
Detailed Accounting Submission**



U.S. Department of Justice

Criminal Division

Office of Administration

Washington, D.C. 20530

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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 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 2018.
4. CRM did not have any ONDCP Fund Control Notices issued in FY 2018.

JENNIFER MELTON

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MELTON
Date: 2019.02.22 14:00:18 -05'00'

February 22, 2019

Tracy Melton, Executive Officer

Date

U.S. Department of Justice
Criminal Division
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)

	FY 2018 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit: Enforcing Federal Criminal Laws	
Prosecution	\$ <u>37.36</u>
Total Enforcing Federal Criminal Laws	\$ <u>37.36</u>
Total Drug Control Obligations	\$ <u>37.36</u>

**U.S. Department of Justice
Criminal Division
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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. 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 CRM's accounting system, Department of Justice's (DOJ's) Unified Financial Management System (UFMS), 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 2018, the Division's drug resources as a percentage of its overall actual obligations were 20.6%.

Data – All accounting information for CRM is derived from DOJ's Unified Financial Management System (UFMS).

Financial Systems – UFMS 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

The Criminal Division (CRM) is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2018, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The FY 2018 audit resulted in an unmodified opinion on the financial statements. However, the auditors reported one significant deficiency in which they noted that the emphasis placed on the Department's financial statement preparation and review processes had not achieved the level of rigor that is necessary to prepare timely and accurate financial statements in accordance with generally accepted accounting principles, and OMB Circular No. A-136, *Financial Reporting Requirements*. The auditors noted that the DOJ's continued efforts in FY 2018 of the multi-year implementation of its new Unified Financial Management System (UFMS) resulted in competing priorities faced by DOJ personnel.

CRM did not contribute directly to the significant deficiency identified above and this audit's findings did not impair CRM's ability to report complete and accurate obligation data in the FY 2018 Table of Drug Control.

Disclosure 4: Reprogrammings or Transfers

No reprogrammings or transfers occurred that affected the CRM's drug-related budgetary resources.

**Criminal Division
Performance Summary Report**



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, 2018**

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 May 8, 2018, 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 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. 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.

JENNIFER
MELTON

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Date: 2019.02.22 14:01:02 -05'00'

February 22, 2019

Tracy Melton, Executive Officer

Date

**U.S. Department of Justice
Criminal Division
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2018**

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 its 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
21	34	39	30	36	30

In FY 2018, NDDS exceeded its target by 20%, opening a combined 36 new drug-related investigative matters and cases. NDDS set its FY 2018 targets for new drug-related prosecutions and investigations based on historical trend analysis, while taking into account the available litigation resources.

For FY 2019, NDDS’ target for the number of new drug-related investigative matters and cases is 30. This target was set based on historical trend analysis, in addition to the assumption of staffing and resources similar to 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 its 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
2,444	2,398	2,382	2,400	2,138	2,225

In FY 2018, OEO reviewed 10.9% fewer OCDETF Title III wiretaps than its projected target. While OEO anticipated an increase in numbers based on Department directives prioritizing the investigation and prosecution of violent crime and narcotics trafficking, OEO’s workload is wholly dependent on the needs of the field. Though significant resources have been committed to these areas, it is unclear when the effects of these additional resources will be demonstrable. The field also continues to face challenges associated with new and emerging communications technologies; this may have an impact on the use of Title III in certain investigations. Notwithstanding these uncertainties, OEO has continued to be flexible and responsive to the needs of the field and in FY 2018 reviewed a significant number of OCDETF wires. Of the total facilities reviewed by OEO in FY 2018, 72% were for OCDETF investigations. In FY 2019, OEO will continue its strong commitment to providing effective and robust training and outreach, producing efficient turnaround times and keeping abreast of issues important to the preservation and successful use of this important investigative tool. For FY 2019, OEO’s target for the number of OCDETF Title III wiretaps reviews is set at 2,225. This target was based on an analysis of recently implemented Department initiatives and the resulting increase in staffing and resources in key areas outside of OEO. OEO also relied on a review of historical trends and the assumption that staffing and resources within OEO remain similar to FY 2018 levels.

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 its 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
121	407	444	N/A	313	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 its 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
289	168	449 ¹	N/A	409	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.

¹ The FY 2017 value was previously reported, in error, as 168, and has been updated to reflect the actual total of 449. The correct FY 2017 number was reflected in previously-submitted supporting document, but not updated in the FY 2017 Performance Summary Report table.

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.

**DRUG ENFORCEMENT
ADMINISTRATION**



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

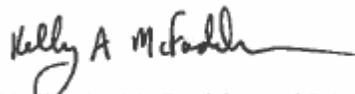
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the fiscal year ended September 30, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.

February 22, 2019

**Drug Enforcement Administration
Detailed Accounting Submission**



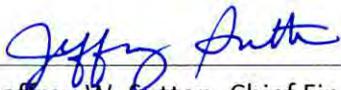
U. S. Department of Justice
Drug Enforcement Administration

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Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018

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 May 8, 2018, 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 did not require revision for reprogrammings or transfers during FY 2018.
5. DEA did not have any ONDCP Fund Control Notices issued in FY 2018.



Jeffrey W. Sutton, Chief Financial Officer

2/22/19

Date

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

	FY 2018 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Diversion Control Fee Account	
Intelligence	\$ 16.74
Investigations	482.76
Prevention	7.21
Total Diversion Control Fee Account	\$ 506.71
Domestic Enforcement	
Intelligence	\$ 148.53
Investigations	1,646.11
Prevention	3.07
Total Domestic Enforcement	\$ 1,797.71
International Enforcement	
Intelligence	\$ 22.39
International	451.78
Prevention	-
Total International Enforcement	\$ 474.18
State and Local Assistance	
State and Local Assistance	\$ 12.66
Total State and Local Assistance	\$ 12.66
Total Drug Control Obligations	\$ 2,791.25
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 14.31

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018 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	3.30%	Intelligence
	95.28%	Investigations
	1.42%	Prevention
Domestic Enforcement	91.57%	Investigations
	8.26%	Intelligence
	0.17%	Prevention
International Enforcement	95.28%	International
	4.72%	Intelligence
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 Equivalents (FTE): One hundred percent of the DEA FTEs are dedicated to drug enforcement efforts. The DEA's Direct FTE total for FY 2018, including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 8,258 through pay period 19, ending September 29, 2018.

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 Modifications

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 2018 obligations from four decision units to ONDCP's drug functions.

Disclosure 3: Material Weaknesses or Other Findings

For FY 2018, 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 2018 *Independent Auditors' Report* revealed no material weaknesses or significant deficiencies directed at DEA. Additionally, the DOJ's assessment of risk and internal control in FY 2018 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 2018.

The DEA had eight transfers during FY 2018 (see the attached Table of FY 2018 Reprogrammings

and Transfers) with individual transfer amounts that matched or exceeded the \$1,000,000 threshold. There were five internal transfers from DEA's prior year funded unobligated balances to DEA's S&E No-Year account for a total amount of \$53,116,939. One transfer of \$15,000,000 from an increase anticipated non-expenditure transfer for Land Mobile Radios to DEA's S&E No-Year account. Two transfers from HIDTA to DEA's 2018/2019 S&E account in the amount of \$14,034,917. 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 2018 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 and Transfers
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

Drug Resources by Budget Decision Unit and Function:	Transfers-in	Transfers-out	Total
Domestic Enforcement			
Intelligence	\$ 4.44	\$ -	\$ 4.44
Investigations	49.27	-	49.27
Prevention	0.09	-	0.09
Total Domestic Enforcement	<u>\$ 53.80</u>	<u>\$ -</u>	<u>\$ 53.80</u>
International Enforcement			
Intelligence	\$ 0.67	\$ -	\$ 0.67
International	13.63	-	13.63
Total International Enforcement	<u>\$ 14.30</u>	<u>\$ -</u>	<u>\$ 14.30</u>
Total	<u>\$ 68.10</u>	<u>\$ -</u>	<u>\$ 68.10</u>
High-Intensity Drug Trafficking Area (HIDTA) Transfers	\$ 14.03	\$ -	\$ 14.03

**Drug Enforcement Administration
Performance Summary Report**



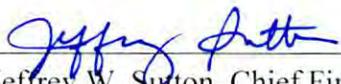
U. S. Department of Justice
Drug Enforcement Administration

www.dea.gov

Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018

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 May 8, 2018, 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

2/22/19

Date

**U.S. Department of Justice
Drug Enforcement Administration
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2018**

Performance Measure 1: Number of Active International and Domestic PTOs Linked to CPOT Targets Disrupted or Dismantled

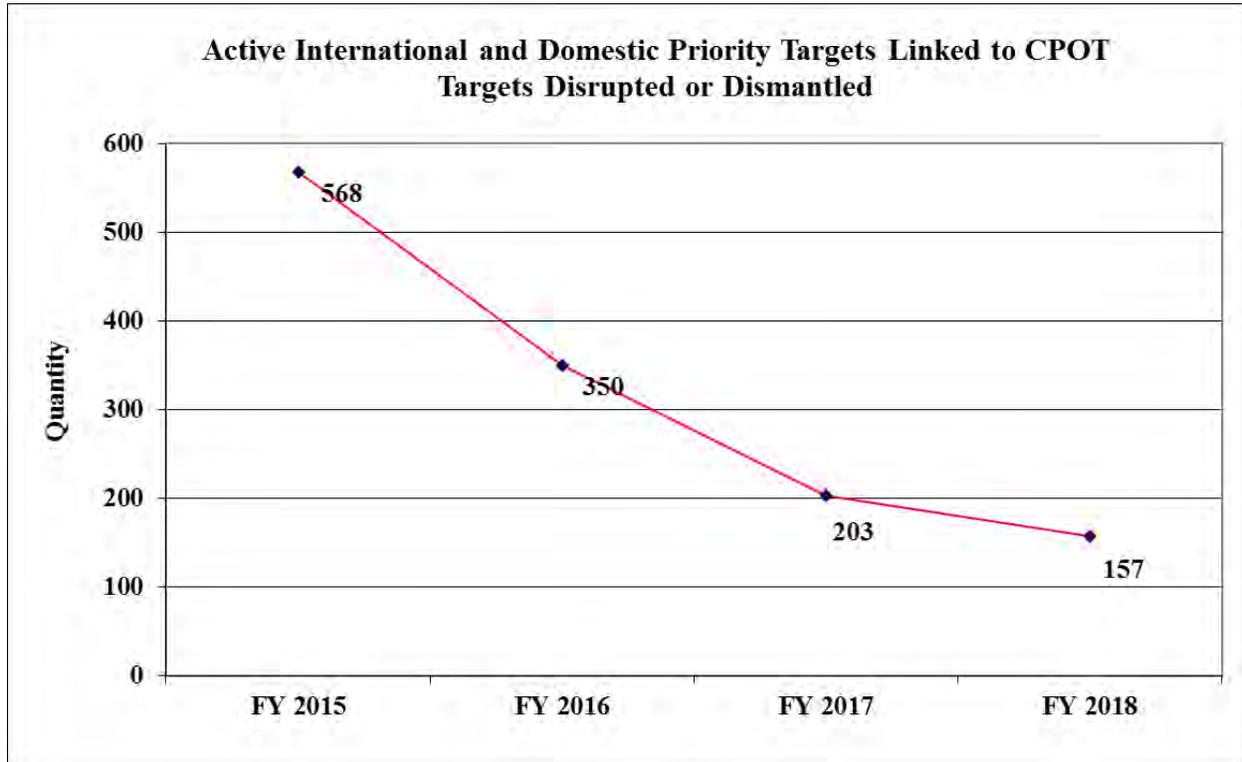
The Drug Enforcement Administration (DEA) is committed to bringing organizations involved in the growing, manufacturing, or distribution of controlled substances to the criminal and civil justice system of the U.S., or any other competent jurisdiction. To accomplish its mission, the DEA targets Priority 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 2018 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 2015 Actual	FY 2016 ¹ Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
568	350	203	170	157	185



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 (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

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.

exclude disruptions pending dismantlement from its year-end accounting of disruptions and dismantlements, effective FY 2016.

In FY 2018, DEA disrupted or dismantled 157 PTOs linked to CPOT targets, which is 92.4 percent of its FY 2018 target of 170. DEA missed the target by 13 PTOs linked to CPOTs. In general, DEA's FY 2018 PTO performance (CPOT-linked and Not-linked) has been tempered by declining Special Agent work hours.

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 4,890 and 4,493, respectively; a net decrease of 397 Special Agents or 8.1 percent. 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.

Coincidentally, in response to emerging threats and related challenges to drug enforcement (performance), DEA initiated the deployment of its new and plenary drug control strategy called, the Threat Enforcement Planning Process (TEPP) in FY 2017. Throughout its inception, TEPP has been aligned with the President's Executive Orders, and thereafter, the Department's FY 2018-2022 Strategic Plan to include evolving drug-related threats. As such, TEPP seeks to refine and develop DEA's drug control strategy in a manner that shifts agency performance from a quantitative based approach to a more qualitative, results oriented approach. The TEPP establishes agency wide, national level threat priorities that guide field enforcement strategies. 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. These efforts are then memorialized, reviewed, and analyzed as part of the TEPP. In FY 2018, Agency-wide TEPP deployment continued with improved performance over its adjusted targets; establishing a new baseline for DEA's PTO program under its emerging strategy (TEPP).

Moving forward, DEA has adjusted its targets for FY 2019 and restated targets for FY 2020 through FY 2022 to account for the drop in Special Agent work hours (staffing) and the commensurate decrease in the number of PTO investigations (CPOT-linked and Not-linked) initiated; the ultimate source of all PTO dispositions. In addition, Executive staff also determined that the "learning curve" associated with development and "wholesale" implementation of TEPP ostensibly contributed to both anticipated and actual declines in performance. As such, DEA leadership has amended TEPP's implementation schedule to a more prudent timeline of exploratory deployments prioritized by specific threats and anticipated, community-based outcomes that will challenge TEPP's feasibility and long term sustainability while accommodating its innovation with less risk to performance.

4 The number of Special Agents on board excludes new hires enrolled in Basic Agent Training (BAT).

Planned Future Performance:

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-linked) 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 FY 2018-2022 Strategic Plan which includes evolving constructs and performance measures that address the following threats to our nation:

- Transnational Criminal Organizations (organized crime/drug networks)
- Opioid Threats (e.g. Heroin, Fentanyl, controlled prescription drugs)
- Violent Domestic Drug Gangs (e.g. MS-13)
- Cyber Drug Threats⁵

While acknowledging decreased Special Agent on-board staffing levels and the impact of TEPP implementation on performance, it is anticipated that TEPP's amended deployment schedule will greatly enhance performance without jeopardizing the inherent quality of PTO investigations given the already stringent review and validation criteria to which PTOs are already held to account.

Moreover, DEA has set ambitious targets for this measure, designated the disruption and dismantlement of PTOs (CPOT linked and Not) as a legitimate priority, and as such it will continue to maintain its systems of review to ensure the integrity and accountability of this measure. Furthermore, DEA will continue to prioritize its efforts to disrupt and dismantle PTOs (linked to CPOT and Not) despite diminishing resources. Both DEA and the Department anticipate that the task at hand may be challenging as they realize and acknowledge the full impact that reduced funding levels and the inability to backfill critical positions will have on the success of mission.

Target Forecast Methodology

DEA FY 2019 target is 185 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 2018) 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].

⁵ New DEA Global threat for FY 2019

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 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.

As of September 30, 2018, the DEA disrupted or dismantled 1,158 PTOs not linked to CPOT targets, which is 100.6 percent of its FY 2018 target of 1,151. DEA has set its FY 2019 target for the Number of PTOs not-linked to CPOTs Disrupted and Dismantled at 1,254; an increase of 8.9% above its FY 2018 target of 1,151. This target was determined using a cascading algorithm that takes into account the distribution patterns of prior year (FY 2014 through FY 2018) PTO dispositions as well as the overall inventory of potential cases worked within the period of interest to

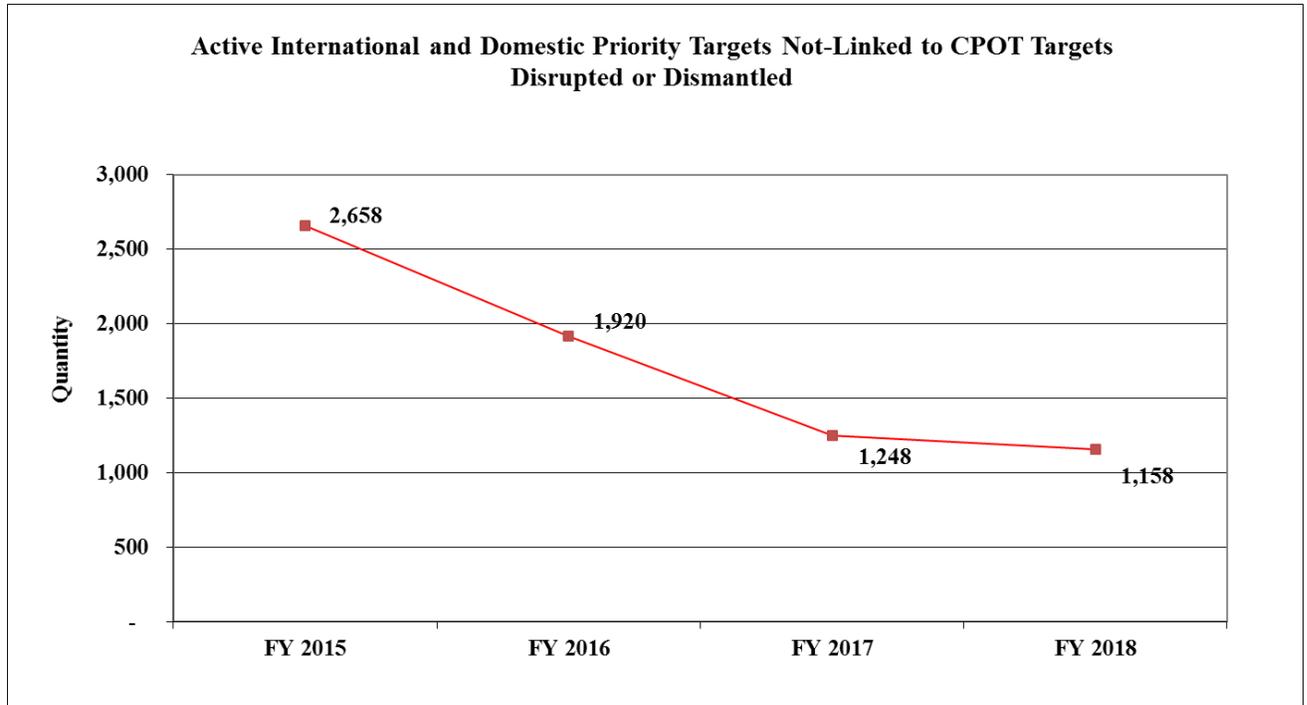
⁶ A disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

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.

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 2015 Actual	FY 2016 ⁸ Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
2,658	1,920	1,248	1,151	1,158	1,254



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.

⁸ Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled (Cat Code Ds) in our actual and target totals.

Performance Measure 3: Number of DCP-related PTOs Disrupted/Dismantled

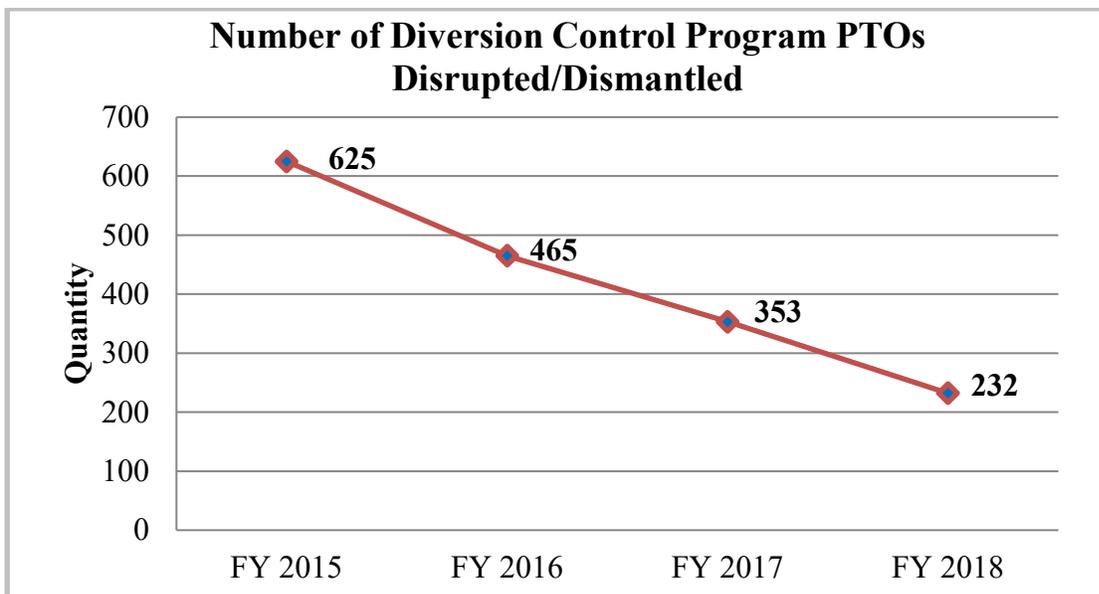
The Diversion Control Program (DCP) has been working diligently to address the growing problem of diversion and prescription drug abuse. Criminal entrepreneurs have, over the past few years, leveraged technology to advance their criminal schemes and reap huge profits while diverting millions of dosages 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 2015 Actual	FY 2016⁹ Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
625	465	353	324	232	246

9 Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled (Cat Code Ds) 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 (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 has decided to exclude disruptions pending dismantlement from its year-end accounting of disruptions and dismantlements.

For FY 2018, the DEA disrupted or dismantled 232 DCP PTOs linked/not linked to CPOTs, which is 71.6 percent of its FY 2018 target of 324. In FY 2017, DEA attempted to establish targets for Diversion CPOT linked PTO Dispositions (n=5, rare events), with spurious results. In FY 2018 DEA decided to track and report Diversion CPOT linked PTOs, but it will not target these rare outcomes. Hence the FY 2018 original target of 329 was restated at 324 to reflect that change.

DCP PTOs depositions are also subject to TEPP protocols. DEA has acknowledged the impact that decreased Special Agent on-board staffing levels and TEPP implementation have had on performance. Therefore, DEA has determined that TEPP's amended deployment schedule will greatly enhance performance without jeopardizing the inherent quality of PTO investigations given the already stringent review and validation criteria to which PTOs are already held to account.

Moreover, DEA has set ambitious targets for this measure, designated the disruption and dismantlement of PTOs (CPOT linked and Not) as a legitimate priority, and as such it will continue

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.

to maintain its systems of review to ensure the integrity and accountability of this measure. Furthermore, DEA will continue to prioritize its efforts to disrupt and dismantle PTOs (linked to CPOT and Not) despite diminishing resources. Both DEA and the Department anticipate that the task at hand may be challenging as they realize and acknowledge the full impact that reduced funding levels and the inability to backfill critical positions will have on the success of mission.

DEA FY 2019 target is 246 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 2018) 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.

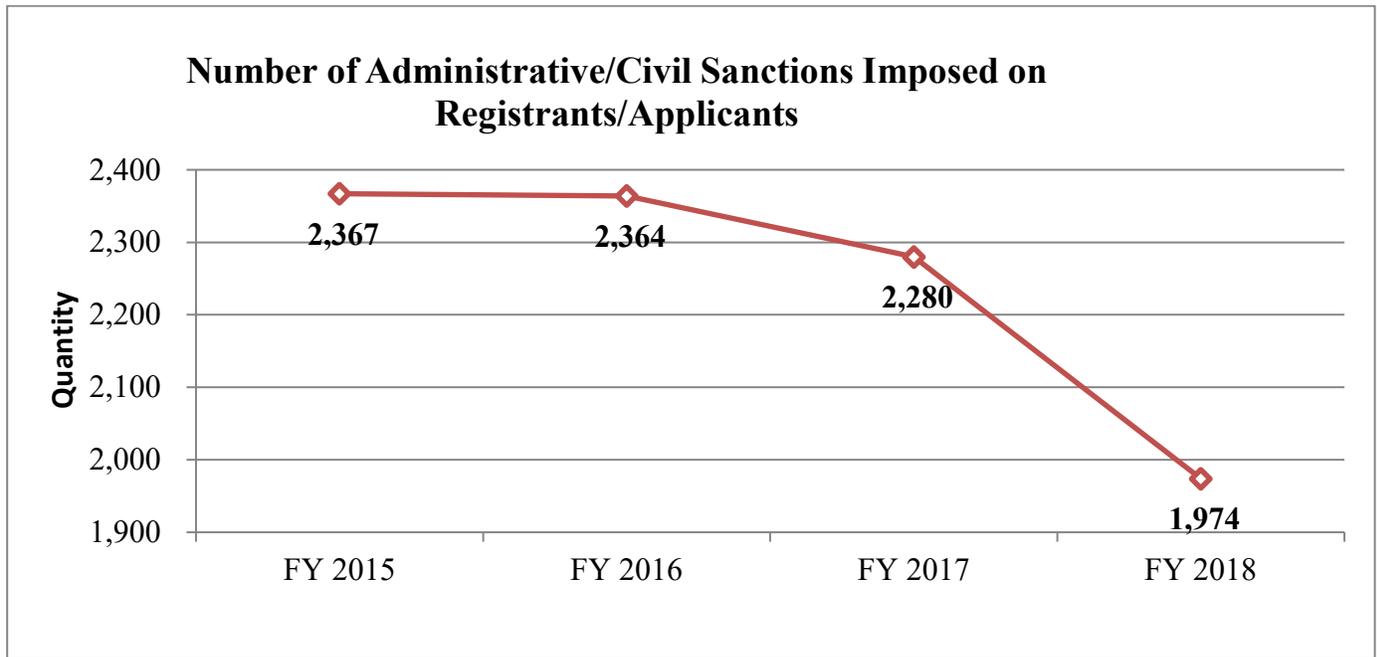
Performance Measure 4: Number of Administrative/Civil Sanctions Imposed on Registrants/Applicants

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 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
2,367	2,364	2,280	2,066	1,974	2,095



For FY 2018, the DCP imposed 1,974 Administrative/Civil Sanctions on its registrants/applicants, which is 95.5 percent of its FY 2018 target of 2,066. For FY 2019, DCP’s target for Administrative/Civil Sanctions is 2,095 based on prior year actuals.

DEA targets for the number of Diversion Civil Fines levied reflect an optimal inventory of active investigations worked and disposed based on anticipated resources. The performance for this metric is mixed. Quarterly targets were achieved in three (3) of the four (4) quarters reported. The failure to meet its target in the second quarter dramatically impacted Diversion's ability to meet its EOY target; reported at 93% to target. With this in mind, Diversion will review its multi-year performance for this metric with a goal to better quantify its quarterly targets. Forecasting Civil Fines within the limitation of a fiscal year is inherently more difficult in light of the clandestine nature of traffickers, the complexities of their organizational structure and their operational agility. Diversion considers these factors and other challenges in its forecasts, but it is an evolutionary process. Nevertheless, Diversion will hold fast to its current forecast for FY 2019 in anticipation of an improved enforcement effort buttressed by enhanced resources and continued increases in the number of Diversion Investigators on-board.

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.

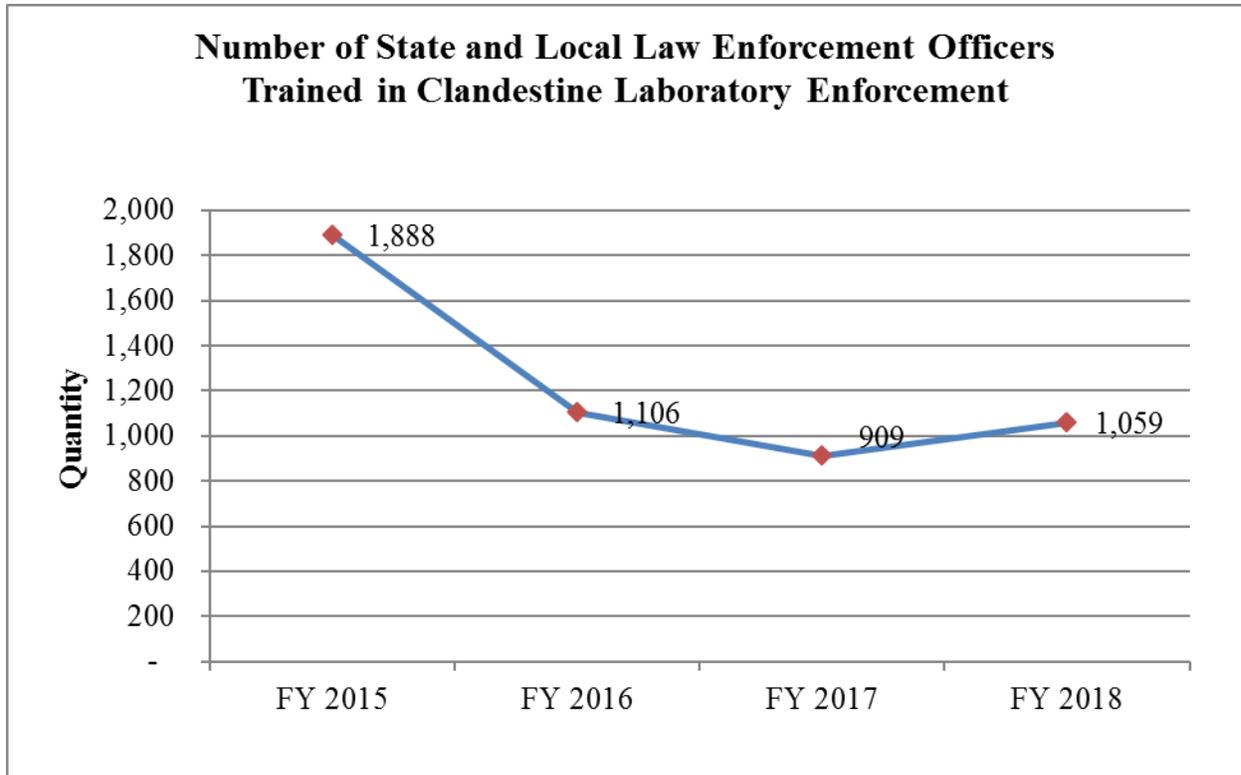
Performance Measure 5: Number of State and Local Law Enforcements Officers Trained in Clandestine Laboratory Enforcement

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
1,888	1,106	909	950	1,059	900



During FY 2018, DEA conducted training for a total of 1,059 state and local law enforcement officers. This includes State and Local Clandestine Laboratory Certification Training, Site Safety Training, Tactical Training, and Authorized Central Storage Program Training. This training was supported by \$10 million transferred to DEA from the Community Oriented Policing Services (COPS) program to assist state and local law enforcement with clandestine methamphetamine labs cleanup, equipment, and training. DEA initially set its FY 2018 target at 1,300 officers trained but adjusted it to 950 for FY 2018 after a significant analytical exercise that factored in FY 2017 actuals and historical trends. DEA did meet its target of 950.

The FY 2019 target is 900. DEA believes that it would be prudent to adjust the targets due to demolition/construction at the Clan Lab Building starting in early 2019, it anticipates unpredictable class and venue disruptions while the building is being reconfigured. Based upon these circumstances, our SAC, ASAC and Clan Lab Unit Chief are in agreement to moderately decrease the target for FY 2019. Finally, in recognition of the potential for disparate assessments of its targets and actuals, DEA will continue to utilize more robust analytical methods that incorporates policy and operational decisions in concert with historical patterns to better forecast its annual targets.

Data Validation and Verification

The DEA Training Academy receives quarterly training data from the field on training provided by Division Training Coordinators (DTC). The field data is combined with the data generated by the DEA’s Training Academy for total training provided by the DEA. Data is tabulated quarterly based on the fiscal year.

FEDERAL BUREAU OF PRISONS



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

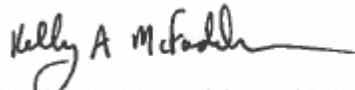
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.

February 22, 2019

**Federal Bureau of Prisons
Detailed Accounting Submission**

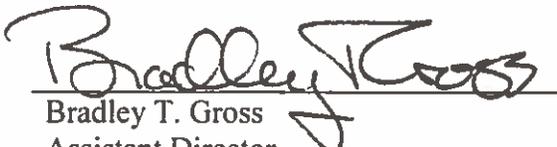


Washington, DC 20534

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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 reprogrammings or transfers during FY 2018.
4. BOP did not have any ONDCP Fund Control Notices issued in FY 2018.


Bradley T. Gross
Assistant Director
for Administration

February 22, 2019

Date

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

	FY 2018 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Inmate Care and Programs	
Treatment	\$ 82.91
Corrections	\$ 1,175.25
Total Inmate Care and Programs	\$ 1,258.16
Decision Unit #2: Institution Security and Administration	
Corrections	\$ 1,511.27
Total Institution Security and Administration	\$ 1,511.27
Decision Unit #3: Contract Confinement	
Treatment	\$ 26.33
Corrections	\$ 372.60
Total Contract Confinement	\$ 398.93
Decision Unit #4: Management and Administration	
Corrections	\$ 103.09
Total Management and Administration	\$ 103.09
Decision Unit #5: New Construction	
Corrections	\$ 1.05
Total New Construction	\$ 1.05
Decision Unit #6: Modernization and Repair	
Corrections	\$ 62.84
Total Modernization and Repair	\$ 62.84
Total Drug Control Obligations	\$ 3,335.34

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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 (46.1%).

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 May 8, 2018. 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 2017).

Disclosure 3: Material Weaknesses or Other Findings

In FY 2018, 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 2018 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 2018, \$1,283,427 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 nine PHS Full Time Equivalents in relations to drug treatment. Therefore, the allocated obligations were included in BOP's Table of Drug Control Obligations.

U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Table of Reprogrammings and Transfers
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Reprogrammings	Transfers -in	Transfers-out	Total
Decision Unit: Inmate Care and Programs				
Corrections	\$ 0.00	\$ 49.32	\$ (49.32)	\$ 0.00
Total Inmate Care and Programs	<u>\$ 0.00</u>	<u>\$ 49.32</u>	<u>\$ -49.32</u>	<u>\$ 0.00</u>
Decision Unit: Institution Security & Administration				
Corrections	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Institution Security & Administration	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Decision Unit: Contract Confinement				
Corrections	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Contract Confinement	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Decision Unit: Management & Administration				
Corrections	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Management and Administration	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total	<u>\$ 0.00</u>	<u>\$ 49.32</u>	<u>\$ -49.32</u>	<u>\$ 0.00</u>

**Federal Bureau of Prisons
Performance Summary Report**

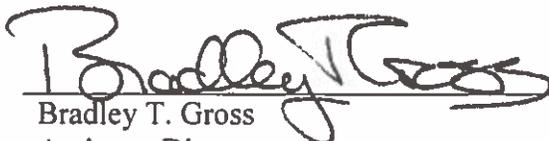


Washington, DC 20534

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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 2018.
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

February 22, 2019

Date

**U.S. Department of Justice
Federal Bureau of Prisons
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2018**

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 2018, the BOP achieved a total capacity of 6,719 (capacity is based on number of treatment staff) that was available for the fiscal year and 6,435 actual participants (participants are actual inmates enrolled in the program at year end) thus exceeding the target level of 95%.

For FY 2019, the capacity of BOP’s RDAP is projected to be 6,719 with total participants of 6,435. This is based on past performance of FY 2018.

Fiscal year-end Residential Drug Abuse Treatment Program Capacity and Enrollment

Fiscal Year	Capacity	Participants*	Utilization
FY 2015 Actual	7,829	7,535	96%
FY 2016 Actual	7,833	7,410	95%
FY 2017 Actual	7,022	6,781	97%
FY 2018 Target	7,022	6,671	95%
FY 2018 Actual	6,719	6,435	96%
FY 2019 Target	6,719	6,435	96%

*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.

OFFICE OF JUSTICE PROGRAMS



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

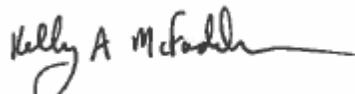
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.

February 22, 2019

**Office of Justice Programs
Detailed Accounting Submission**

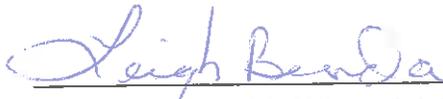


Washington, D.C. 20531

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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. OJP did not have any ONDCP Fund Control Notices issued in fiscal year 2018.


Leigh Benda, Chief Financial Officer


Date

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

	FY 2018 Actual Obligations ^{1/}
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Regional Information Sharing System Program	
State and Local Assistance	\$ 11.81
Total, Regional Information Sharing System Program	\$ 11.81
Decision Unit #2: Drug Court Program	
Treatment	\$ 70.45
Total, Drug Court Program	\$ 70.45
Decision Unit #3: Justice and Mental Health Collaborations ^{2/}	
Treatment	\$ 4.55
Total, Justice and Mental Health Collaborations	\$ 4.55
Decision Unit #4: Residential Substance Abuse Treatment Program	
Treatment	\$ 27.82
Total, Residential Substance Abuse Treatment Program	\$ 27.82
Decision Unit #5: Harold Rogers Prescription Drug Monitoring Program	
State and Local Assistance	\$ 27.93
Total, Harold Rogers Prescription Drug Monitoring Program	\$ 27.93
Decision Unit #6: Second Chance Act Program	
Treatment	\$ 23.02
Total, Second Chance Act Program	\$ 23.02
Decision Unit #7: Project Hope Opportunity Probation with Enforcement (HOPE) ^{2/}	
State and Local Assistance	\$ 3.63
Total, Project Hope	\$ 3.63
Decision Unit #8: Byrne Criminal Justice Innovation Program	
State and Local Assistance	\$ 4.78
Total, Byrne Criminal Justice Innovation Program	\$ 4.78
Decision Unit #9: Edward Byrne Memorial Justice Assistance Grant Program	
State and Local Assistance	\$ 32.33
Total, Edward Byrne Memorial Justice Assistance Grant Program	\$ 32.33
Decision Unit #10: Tribal Youth Program ^{3/}	
Prevention	\$ 2.02
Total, Tribal Youth Program	\$ 2.02

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Drug Control Obligations - Continued
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

Decision Unit #11: Veterans Treatment Courts Program	
Treatment	\$ 18.46
Total, Veterans Treatment Courts Program	<u>\$ 18.46</u>
Decision Unit #12: Comprehensive Opioid Abuse Program	
Treatment	\$ 133.00
Total, Comprehensive Opioid Abuse Program	<u>\$ 133.00</u>
Decision Unit #13: Tribal Courts Program ^{3/}	
Treatment	\$ 0.99
Total, Tribal Courts Program	<u>\$ 0.99</u>
Decision Unit #14: Indian Alcohol and Substance Abuse Program ^{3/}	
Prevention	\$ 16.32
Total, Indian Alcohol and Substance Abuse Program	<u>\$ 16.32</u>
Decision Unit #15: Forensic Support for Opioid and Synthetic Drug Investigations ^{4/}	
State and Local Assistance	\$ 15.65
Total, Forensic Support	<u>\$ 15.65</u>
Decision Unit #16: Opioid-Affected Youth Initiative ^{4/}	
Prevention	\$ 7.54
Total, Opioid-Affected Youth Initiative	<u>\$ 7.54</u>
Decision Unit #17: Mentoring for Youth Affected by the Opioid Crisis ^{4/}	
Prevention	\$ 13.09
Total, Mentoring for Youth Affected by the Opioid Crisis	<u>\$ 13.09</u>
Total, Drug Control Obligations	<u>\$ 413.39</u>

NOTE: OJP is not reporting on the Enforcing Underage Drinking Laws program in this table, as there were no obligations for this program in FY 2018.

^{1/} Actual obligations reflect direct program obligations plus estimated direct and support management and administration obligations.

^{2/} The Justice and Mental Health Collaborations and Project Hope Programs are included in the FY 2018 Attestation, per the new OJP drug budget methodology negotiated by OJP and ONDCP in January 2018.

^{3/} In FY 2018, Congress provided funding for OJP's tribal programs on the Tribal Assistance and Tribal Youth Program line items, rather than under the 7% discretionary tribal justice assistance set aside that was implemented in FY 2017. OJP has removed the 7% Tribal Set Aside - CTAS Purpose Area 3 and 7% Tribal Set Aside - CTAS Purpose Area 9 decision units shown in last year's attestation and consolidated reporting of funding for tribal justice assistance programs under the Tribal Courts, Indian Alcohol and Substance Abuse, and Tribal Youth Program decision units. The Tribal Courts, Indian Alcohol and Substance Abuse programs are supported by a portion of the funding appropriated to OJP under the Tribal Assistance appropriations line item. Funding for the Tribal Youth Program is appropriated to OJP as a carveout under the Delinquency Prevention Program.

^{4/} New program in FY 2018.

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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 Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018. The OJP obligations reported for the FY 2018 attestation reflect a revised drug budget methodology established by OJP and ONDCP in January 2018. This new methodology was implemented to better reflect OJP contributions to the ONDCP drug strategy. Because this revised methodology is based on program and performance data that predate expenditures of program funds, the revised methodology is a better reflection of how OJP spent drug control program funds in 2018.

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) 2018 drug obligations have a total of 18 decision units identified for the National Drug Control Budget. Of this amount, three decision units are new in FY 2018: 1) Forensic Support for Opioid and Synthetic Drug Investigations; 2) Opioid-Affected Youth Initiative; and 3) Mentoring for Youth Affected by the Opioid Crisis. In addition, the Justice and Mental Health Collaborations and Project Hope Opportunity Probation with Enforcement programs were added in FY 2018 to align with the new drug budget methodology.

The following programs are not being reported, as Congress did not enact the set aside in FY 2018: 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 Program.

The 18 decision units in FY 2018 include the following:

- Regional Information Sharing System Program
- Drug Court Program
- Justice and Mental Health Collaborations
- Residential Substance Abuse Treatment Program
- Harold Rogers Prescription Drug Monitoring Program
- Second Chance Act Program
- Project Hope

- Byrne Criminal Justice Innovation Program
- Edward Byrne Memorial Justice Assistance Grant Program
- Tribal Youth Program
- Veterans Treatment Courts Program
- Comprehensive Opioid Abuse Program
- Tribal Courts Program
- Indian Alcohol and Substance Abuse Program
- Enforcing Underage Drinking Laws Program
- Forensic Support for Opioid and Synthetic Drug Investigations
- Opioid-Affected Youth Initiative
- Mentoring for Youth Affected by the Opioid Crisis

Of the 18 decision units listed above, OJP is not reporting obligations for the Enforcing Underage Drinking Laws Program in FY 2018, as the program has not been funded since FY 2014; however, there are drug-related transfers and recoveries for this program, which are being reported.

In determining the level of resources used in support of the 17 active budget decision units, OJP used the following methodology:

Drug Program Obligations by Decision Unit

Data on obligations, as of September 30, 2018, 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 17 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 2018, the 17 active budget decision units had a function allocation of 100 percent.
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Decision Unit: In accordance with the ONDCP Circulars and OJP’s drug budget methodology, 100 percent of the actual obligations for 7 of the 17 active budget decision units are included in the Table of Drug Control Obligations.

As specified in the current OJP drug budget methodology:

- Only 35% of the actual obligations for the Regional Information Sharing System Program are included;
- Only 15% of the actual obligations for Justice and Mental Health Collaborations are included;
- Only 35% of the actual obligations administered by the Bureau of Justice Assistance (BJA) and 12% of the actual obligations administered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) under the Second Chance Act are included;
- Only 30% of the actual obligations for the Byrne Criminal Justice Innovation Program and Tribal Youth Program are included;
- Only 10% of the actual obligations for the Edward Byrne Memorial Justice Assistance Grants Program are included;
- Only 80% of the actual obligations for the Tribal Courts Program and Indian Alcohol and Substance Abuse Program are included;
- Only 57% of total actual obligations for the Paul Coverdell Forensic Science Improvement Grants Program are included for the Forensic Support for Opioid and Synthetic Drug Investigations decision unit; and
- Only 15% of total actual obligations for the Youth Mentoring Program are included for the Mentoring for Youth Affected by the Opioid Crisis decision unit

Disclosure 2: Methodology Modifications

As noted above, OJP and ONDCP agreed to a new drug budget methodology for OJP programs in January 2018. In addition to adding decision units for two existing programs (the Justice and Mental Health Collaborations and Project Hope programs), the revised methodology made changes to the percentage of funding reported as drug-related in the drug budget process for many of the programs listed above. Aside from these changes, OJP’s methodology for reporting obligations has not changed significantly from the prior year methodology.

The Consolidated Appropriations Act, 2018 (P.L. 115-141) created three new programs (Forensic Support for Opioid and Synthetic Drug Investigations, the Opioid-Affected Youth Initiative, and Mentoring for Youth Affected by the Opioid Crisis) designed to combat the consequences of opioid abuse as carveouts from existing OJP programs, which have been included in this FY 2018 attestation review.

The Consolidated Appropriations Act, 2018 also enacted funding for OJP programs in the traditional line item structure used prior to FY 2017, rather than authorizing the 7% tribal justice assistance set aside that was implemented in FY 2017. Therefore, OJP has removed the decision units for the 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. Funding for OJP tribal programs in the FY 2018 attestation is reported under:

- The Tribal Courts and Indian Alcohol and Substance Abuse decision units (both of which are funded from the Tribal Assistance line item appropriation); and
- The Tribal Youth Program (which is funded as a carveout from the Delinquency Prevention Program line item appropriation).

Disclosure 3: Material Weaknesses or Other Findings

For FY 2018, OJP was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2018 *Independent Auditors' Report* revealed no material weaknesses or significant deficiencies directed at OJP. Additionally, the Department's assessment of risk and internal controls in FY 2018 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 May 8, 2018, OJP has provided the attached Table of Reprogrammings and Transfers. In FY 2018, OJP had no reprogrammings, and \$54.0 million and \$82.6 million in drug-related transfers-in and transfers-out, respectively. The transfers-in amounts include OJP's FY 2018 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 and M&A assessments against OJP programs.

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 2018, Congress provided OJP the authority to assess programs for administrative purposes.

Disclosure 5: Other Disclosures

In FY 2018, OJP's drug-related programs were supported by \$26.3 million in unobligated resources carried forward from previous fiscal years.

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Reprogrammings and Transfers
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

Drug Resources by Budget Decision Unit and Function:	Reprogrammings ^{1/}	Transfers-in ^{2/}	Transfers-out ^{3/}	Total
Decision Unit #1: Regional Information Sharing System Program				
State and Local Assistance	\$ -	\$ 36.00	\$ (3.18)	\$ 32.82
Total, Regional Information Sharing System Program	<u>\$ -</u>	<u>\$ 36.00</u>	<u>\$ (3.18)</u>	<u>\$ 32.82</u>
Decision Unit #2: Drug Court Program				
Treatment	\$ -	\$ 3.63	\$ (6.64)	\$ (3.01)
Total, Drug Court Program	<u>\$ -</u>	<u>\$ 3.63</u>	<u>\$ (6.64)</u>	<u>\$ (3.01)</u>
Decision Unit #3: Justice and Mental Health Collaborations^{4/}				
Treatment	\$ -	\$ 1.11	\$ (2.65)	\$ (1.54)
Total, Justice and Mental Health Collaborations	<u>\$ -</u>	<u>\$ 1.11</u>	<u>\$ (2.65)</u>	<u>\$ (1.54)</u>
Decision Unit #4: Residential Substance Abuse Treatment Program				
Treatment	\$ -	\$ 0.39	\$ (2.65)	\$ (2.26)
Total, Residential Substance Abuse Treatment Program	<u>\$ -</u>	<u>\$ 0.39</u>	<u>\$ (2.65)</u>	<u>\$ (2.26)</u>
Decision Unit #5: Harold Rogers' Prescription Drug Monitoring Program				
State and Local Assistance	\$ -	\$ 0.50	\$ (2.65)	\$ (2.15)
Total, Harold Rogers' Prescription Drug Monitoring Program	<u>\$ -</u>	<u>\$ 0.50</u>	<u>\$ (2.65)</u>	<u>\$ (2.15)</u>
Decision Unit #6: Second Chance Act Program				
Treatment	\$ -	\$ 3.04	\$ (6.19)	\$ (3.15)
Total, Second Chance Act Program	<u>\$ -</u>	<u>\$ 3.04</u>	<u>\$ (6.19)</u>	<u>\$ (3.15)</u>
Decision Unit #7: Project Hope Opportunity Probation with Enforcement (HOPE)^{5/}				
State and Local Assistance	\$ -	\$ 0.01	\$ (0.35)	\$ (0.34)
Total, Project Hope	<u>\$ -</u>	<u>\$ 0.01</u>	<u>\$ (0.35)</u>	<u>\$ (0.34)</u>
Decision Unit #8: Byrne Criminal Justice Innovation Program				
State and Local Assistance	\$ -	\$ 0.43	\$ (1.55)	\$ (1.12)
Total, Byrne Criminal Justice Innovation Program	<u>\$ -</u>	<u>\$ 0.43</u>	<u>\$ (1.55)</u>	<u>\$ (1.12)</u>
Decision Unit #9: Edward Byrne Memorial Justice Assistance Grant Program				
State and Local Assistance	\$ -	\$ 4.14	\$ (30.04)	\$ (25.90)
Total, Edward Byrne Memorial Justice Assistance Grant Program	<u>\$ -</u>	<u>\$ 4.14</u>	<u>\$ (30.04)</u>	<u>\$ (25.90)</u>
Decision Unit #10: Tribal Youth Program^{6/}				
Prevention	\$ -	\$ 0.50	\$ (0.44)	\$ 0.06
Total, Tribal Youth Program	<u>\$ -</u>	<u>\$ 0.50</u>	<u>\$ (0.44)</u>	<u>\$ 0.06</u>
Decision Unit #11: Veterans Treatment Courts Program				
Treatment	\$ -	\$ 0.92	\$ (1.77)	\$ (0.85)
Total, Veterans Treatment Courts Program	<u>\$ -</u>	<u>\$ 0.92</u>	<u>\$ (1.77)</u>	<u>\$ (0.85)</u>
Decision Unit #12: Comprehensive Opioid Abuse Program				
Treatment	\$ -	\$ -	\$ (12.83)	\$ (12.83)
Total, Comprehensive Opioid Abuse Program	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12.83)</u>	<u>\$ (12.83)</u>
Decision Unit #13: Tribal Courts Program^{6/}				
Treatment	\$ -	\$ 0.85	\$ -	\$ 0.85
Total, Tribal Courts Program	<u>\$ -</u>	<u>\$ 0.85</u>	<u>\$ -</u>	<u>\$ 0.85</u>
Decision Unit #14: Indian Alcohol and Substance Abuse Program^{6/}				
Prevention	\$ -	\$ 0.64	\$ -	\$ 0.64
Total, Indian Alcohol and Substance Abuse Program	<u>\$ -</u>	<u>\$ 0.64</u>	<u>\$ -</u>	<u>\$ 0.64</u>

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Reprogrammings and Transfers - Continued
For Fiscal Year Ended September 30, 2018
(Dollars in Millions)**

Drug Resources by Budget Decision Unit and Function:	Reprogrammings ^{1/}	Transfers-in ^{2/}	Transfers-out ^{3/}	Total
Decision Unit #15: Enforcing Underage Drinking Laws Program				
Prevention	\$ -	\$ 0.18	\$ -	\$ 0.18
Total, Enforcing Underage Drinking Laws Program	<u>\$ -</u>	<u>\$ 0.18</u>	<u>\$ -</u>	<u>\$ 0.18</u>
Decision Unit #16: Forensic Support for Opioid and Synthetic Drug Investigations ^{4/}				
State and Local Assistance	\$ -	\$ 0.46	\$ (2.65)	\$ (2.19)
Total, Forensic Support	<u>\$ -</u>	<u>\$ 0.46</u>	<u>\$ (2.65)</u>	<u>\$ (2.19)</u>
Decision Unit #17: Opioid-Affected Youth Initiative ^{4/}				
Prevention	\$ -	\$ -	\$ (0.71)	\$ (0.71)
Total, Opioid-Affected Youth Initiative	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.71)</u>	<u>\$ (0.71)</u>
Decision Unit #18: Mentoring for Youth Affected by the Opioid Crisis ^{4/}				
Prevention	\$ -	\$ 1.22	\$ (8.32)	\$ (7.10)
Total, Mentoring for Youth Affected by the Opioid Crisis	<u>\$ -</u>	<u>\$ 1.22</u>	<u>\$ (8.32)</u>	<u>\$ (7.10)</u>
Total	<u>\$ -</u>	<u>\$ 54.02</u>	<u>\$ (82.62)</u>	<u>\$ (28.60)</u>
Methamphetamine Enforcement and Lab Cleanup ^{7/}	\$ -	\$ -	\$ -	\$ -

^{1/} There were no reprogrammings related to the programs displayed in this table in FY 2018.

^{2/} Transfers-in reflect FY 2018 recoveries for all programs, a Congressionally-direct \$33.54 million transfer from COPS to fund the Regional Information Sharing System program, and two transfers of \$200,000 each from COPS and OVW (totaling \$400,000) to support training and technical assistance under OJP's Tribal Courts program.

^{3/} Amounts reported for Transfers-out include all funding assessed from these programs to support the 2% Research, Evaluation, and Statistics set aside, OJP Management and Administration, and the 7% Tribal Justice Assistance Programs set aside.

^{4/} New program in FY 2018.

^{5/} Added to the FY 2018 Attestation per the new OJDP drug budget methodology negotiated by OJP and ONDCP in January of 2018.

^{6/} In FY 2018, Congress provided funding for OJP's tribal programs on the Tribal Assistance and Tribal Youth Program line items, rather than under the 7% discretionary tribal justice assistance set aside that was implemented in FY 2017. OJP has removed the 7% Tribal Set Aside - CTAS Purpose Area 3 and 7% Tribal Set Aside - CTAS Purpose Area 9 decision units shown in last year's attestation and consolidated reporting of funding for tribal justice assistance programs under the Tribal Courts, Indian Alcohol and Substance Abuse, and Tribal Youth Program decision units. The Tribal Courts, Indian Alcohol and Substance Abuse programs are supported by a portion of the funding appropriated to OJP under the Tribal Assistance appropriations line item. Funding for the Tribal Youth Program is appropriated to OJP as a carveout under the Delinquency Prevention Program.

^{7/} ONDCP previously required OJP to report on the Methamphetamine Enforcement and Lab Cleanup Program, which is appropriated to the Office of Community Oriented Policing Services (COPS), an office within the Department of Justice's (DOJ's) Offices, Boards, and Divisions (OBDs), and transferred to the Drug Enforcement Administration (DEA) for administration. In FY 2018, the Consolidated Appropriations Act, 2018 transferred responsibility for administering this program from COPS to DEA and appropriated funding for this program directly to the DEA.

**Office of Justice Programs
Performance Summary Report**



Washington, D.C. 20531

**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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.¹ Each performance measure considers the intended purpose of the National Drug Control Program activity.



Leigh Benda, Chief Financial Officer



Date

¹ Per OJP's January 25, 2018 agreement with ONDCP, performance measures and targets for the Byrne Criminal Justice Innovation Program and the Project Hope Opportunity Probation with Enforcement will not be included in the attestation until FY 2019.

**Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2018**

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 in FY 2018 are found in the: Drug Court Program (which includes Veteran's Treatment Courts); Edward Byrne Memorial Justice Assistance Grant (JAG) program; Harold Rogers' Prescription Drug Monitoring Program (PDMP); Regional Information Sharing System (RISS) Program; 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 May 8, 2018, 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 program²
- 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 OJP's most recent agreement with ONDCP from January 25, 2018, OJP is not required to report performance measures for the following legacy programs/decision units: Enforcing Underage Drinking Laws program, Tribal Courts program, Indian Alcohol and Substance Abuse program, and Tribal Youth program. Starting in fiscal year 2019, OJP will report actuals on current measures as well as provide new performance measures for some current and several new programs included in the FY 2018 drug budget.³

² 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, 2018, Veteran's Treatment Court participants accounted for approximately 17% of all individuals enrolled in treatment court programs funded by OJP.

³ Per the January 25, 2018 agreement with ONDCP, the FY 2019 attestation will include new measures with FY 2020 targets for: Comprehensive Opioid Abuse Program, Forensic Support for Opioid and Synthetics Drug Investigation, Justice and Mental Health Collaboration, Mentoring for Youth Affected by the Opioid Crisis, Opioid-Affected Youth Initiative, PDMP, RISS, RSAT, SCA, and the 7% Tribal Set Aside Purpose Areas 3 and 9. Since the Innovations in Community Based Crime Reduction Program (previously called the Byrne Criminal Justice Innovation Program and Project Hope Opportunity with Enforcement Program currently do not have a drug related focus, OJP will not report on them unless their focus changes.

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
53%	56%	48%	51%	52%	55%

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 3,057 drug courts and problem-solving courts operating throughout all 50 states and U.S. territories.⁴

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 5.35 million violent victimizations of those aged 12 or older in 2016.⁵ 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.⁶ Further, 58 percent of state prisoners and 53% of sentenced jail inmates met the criteria for drug dependence based on the criteria specified in the *Diagnostic and Statistical Manual of Mental Disorders (DSM-IV)* according to a study of inmates in 2007-2009.⁷

⁴ National Association of Drug Court Professionals <http://www.nadcp.org/learn/about-nadcp>

⁵ 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>

⁶ 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>

⁷ Bronson, Jennifer, et. al. 2017. *Drug Use, Dependence, and Abuse Among State Prisoners and Jail Inmates, 2007-2009*. U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics. NCJ250546. <https://www.bjs.gov/content/pub/pdf/dudaspi0709.pdf>

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 2018 is 52 percent, which is 1 percentage point higher than the target of 51 percent. The FY 2019 target is 55 percent or a 3 percentage point increase from the 5 year average (52 percent). The average graduation rate according to a nationwide survey of drug courts was 59 percent.⁸ The majority of drug courts responding to the survey had graduation rates ranging from 50 to 75 percent.

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.

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
63%	62%	63%	57%	47%	59%

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

⁸ Marlow, D.B., Hardin, C. and Fox, C. (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.ndci.org/wp-content/uploads/2016/05/Painting-the-Current-Picture-2016.pdf>

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.

The completion rate for individuals participating in drug related JAG programs for FY 2018 is 47% which is 10 percentage points lower than the target number for successful completion. This lower completion rate is likely due to one grantee who had an extremely low completion rate of 8%. For this one grantee 180 participants unsuccessfully completed the program, while only 16 participants successfully completed. When removing this one outlier from the analysis and reducing the number of grantees data to 25, the completion rate is 54%, which is more in-line with the target and findings from years past.

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 2015 Actual	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target	CY 2018 Actual	CY 2019 Target
1,248,742	63,840,510	4,000,000	132,430,898	8,600,000	Available March 2019	Available March 2019

Table 4: Total number of interstate unsolicited reports produced

CY 2015 Actual	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target	CY 2018 Actual	CY 2019 Target
6,030	3,033,593	2,500	903,010	16,208	Available March 2019	Available March 2019

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 2017, the number of solicited and unsolicited reports was significantly higher than the targets. In CY 2017, the number of interstate solicited reports was 132,430,898 and the number of interstate unsolicited reports was 903,010. 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, Wisconsin, and Florida, which are populous states with a documented problem with opioid overdose deaths.

The target for CY 2017 was 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 CY 2018 target for solicited reports is 8,600,000, more than twice the CY 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 2017. It is not yet clear if the unprecedented increase experienced in CY 2017 is the beginning of a trend or an anomaly. Due to outside factors (such as, unprecedented rates of prescription drug abuse), it's likely that PDMP reports are on the upswing.

Data for this measure are reported on a calendar year basis and, as a result, 2018 data will not be available until March 2019. The FY 2019 target will also be provided at that time.

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
1%	-8%	-6%	3%	-1%	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, the RISS Officer Safety Event Deconfliction System (RISSafe), 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. In FY 2019, it is anticipated that this project will expand under the Southern Shield (System-to-System Connectivity) Project. RISS hosts 37 Law Enforcement Websites on RISSNET, such as the Utah Drug Enforcement Teams 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 Street Gangs in Narcotics Investigations, Mexican Drug Cartel Investigations, investigative techniques, and emerging crimes are available. RISS also publishes law enforcement-sensitive briefings and reports on important narcotics-related topics, such as Fentanyl: Killer Opioid Report, Fentanyl/Naxolone Drug Report, and Heroin Drug Report. In FY 2018, law enforcement officers using RISS services seized more than \$92.8 million in narcotics, more than \$19.4 million in property, and more than \$11.5 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 RISS Money Counter Project (MCP), the RISS 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 50 RISS and partner intelligence databases.

The FY 2018 goal for the number of inquiries to RISS resources was to increase by 3%. The actual number was 5,133,813. Compared to FY 2017, the number fell slightly by approximately 1%. 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.

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. With 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.

The target for FY 2019 remains at 3 percent.

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 via the RISS Quarterly Database housed at the Institute for Intergovernmental Research (IIR), the technical assistance provider grantee for the RISS Program. IIR reviews and aggregates the data to develop a RISS-wide quarterly report as well as generating RISS Center reports (as part of IIR’s reporting requirement for its grant requirements). The RISS Centers submit their individual reports to BJA through GMS. At the end of the fiscal year, performance data for RISS is provided in quarterly reports and a FY-end report via IIR 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 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 for State Prisoners Program

Decision Unit: Residential Substance Abuse Treatment Program

Table 6: Number of Participants in the RSAT Program

CY 2015 Actual	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target	CY 2018 Actual	CY 2019 Target
24,162	24,029	25,000 ⁹	19,628	25,000	Available March 2019	Available March 2019

The Residential Substance Abuse Treatment (RSAT) for State Prisoners 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.

⁹ The FY 2017 target was revised downward from 27,000 to 25,000 in the FY President's Budget Request due to the reduced appropriations and the trend showing lower numbers of people in the RSAT programs.

In CY 2017, BJA served 19,628 participants in the RSAT program. The target for CY 2017 was 25,000 participants; however, the goal was not met by 5,372 participants, or a 21% decrease from the target. The reduction accounts for reduced appropriations from over \$28 million in FY 2010 to \$10.3 million in FY 2016 (RSAT awards are typically used over a 3 year period). This has resulted in fewer and lower valued sub-awards at the state level. However, in the following years, this factor should phase out since RSAT appropriations have increased in FY 2017 and FY 2018. Other factors that contribute to not meeting the goal, include the number of eligible offenders, an increased emphasis on high risk/high need offenders (who are more costly to treat), treatment providers; security issues; and the state's ability to provide the required 25 percent in matching funds.

The target for CY 2018 is to have 22,000 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 2014-FY 2016 are starting to close. Higher value grants (i.e., those with higher levels of funding in FY 2017 and FY 2018) 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 participants served being near its 3 year average, or about 22,000 participants.

Data for this measure are reported on a calendar year (CY) basis and, as a result, 2018 data will not be available until March 2019. The FY 2019 target will also be provided at that time.

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
6,006	6,222	5,352	4,356	5,042	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 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 Second Chance Act Improving Reentry for Adults with Co-Occurring Substance Abuse and Mental Illness (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 for the Family-Based Prisoner Substance Abuse Treatment Program closed on, or before, September 30, 2016. As a result, moving forward, OJP will only reporting on performance for the SCA Co-Occurring Program.

The total number of participants in the SCA Co-Occurring program 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 and mental health challenges. The total number of participants' measure demonstrates how many of those reentering the community have participated in substance abuse-focused reentry services.¹⁰

In FY 2018, 5,042 individuals were served in SCA Co-Occurring programs, which exceeds the target by about 16% (686 individuals). The FY 2018 target was kept the same as the FY 2017 target, which was conservatively set by assuming a reduction from FY 2016 numbers served, partly due to the SCA Family-Based Prisoner Substance Use Treatment program ceasing grant activity in FY 2017. The SCA Co-Occurring Disorder program provided substance use treatment services at levels that exceeded the FY 2016 target, but it is not clear this is an indicator of an ongoing upward trend for this measure. Thus, the FY 2019 target is kept steady at the FY 2017 and FY 2018 levels.

Data Validation and Verification

BJA implemented the PMT to support grantees' ability to identify, collect, and 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.

¹⁰ 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 Targeting Offenders with Co-Occurring Substance Abuse and Mental Health Program.

**OFFICES OF THE
UNITED STATES ATTORNEYS**



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

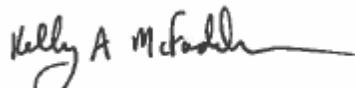
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.

February 22, 2019

**Offices of the United States Attorneys
Detailed Accounting Submission**



U.S. Department of Justice

Executive Office for United States Attorneys

Resource Management and Planning Staff

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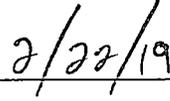
**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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 2018.
4. The United States Attorneys did not have any ONDCP Fund Control Notices issued in FY 2018.



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, 2018
(Dollars in Millions)

	FY 2018
	Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Criminal	
Prosecution	\$ 99.29
Total Criminal Decision Unit	\$ 99.29
 Total Drug Control Obligations	 \$ 99.29
 High-Intensity Drug Trafficking Area (HIDTA) Obligations	 \$ 0.59

**U.S. Department of Justice
United States Attorneys
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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 Federal 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 USAO's drug control mission. 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 – In FY 2018, all financial information for the United States Attorneys was derived from Department of Justice's (DOJ's) Unified Financial Management System (UFMS). Workload information was derived from the United States Attorneys' USA-5 Reporting System.

Financial Systems –UFMS 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' offices (USAOs) community is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2018, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The FY 2018 audit resulted in an unmodified opinion on the financial statements. However, the auditors reported one significant deficiency in which they noted that the emphasis placed on the Department's financial statement preparation and review processes had not achieved the level of rigor that is necessary to prepare timely and accurate financial statements in accordance with generally accepted accounting principles, and OMB Circular No. A-136, *Financial Reporting Requirements*. The auditors noted that the DOJ's continued efforts in FY 2018 of the multi-year implementation of its new Unified Financial Management System (UFMS) resulted in competing priorities faced by DOJ personnel.

USAOs did not contribute directly to the significant deficiency identified above and this audit's findings did not impair USAOs ability to report complete and accurate obligation data in the FY 2018 Table of Drug Control.

Disclosure 4: Reprogrammings or Transfers

There were no drug related reprogrammings or transfers in FY 2018.

**Offices of the United States Attorneys
Performance Summary Report**



U.S. Department of Justice

Executive Office for United States Attorneys

Resource Management and Planning Staff

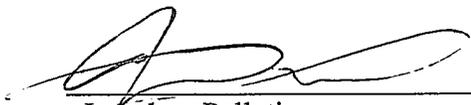
Suite 6.500, 3CON Building
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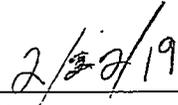
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**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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 was 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.


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, 2018**

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 2018 National Drug Control Strategy through reducing the threat, trafficking, use, and related violence of illegal drugs. The FY 2018 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 CaseView system (formerly the Legal Information Online Network System). 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 2018:

U.S. Attorneys							
Selected Measures of Performance	FY 2015 Achieved	FY 2016 Achieved	FY 2017 Achieved	FY 2018 Target*	FY 2018 Achieved	FY 2019 Target*	
» Conviction Rate for drug related defendants	93%	93%	93%	NA	93%	NA	
» Percentage of defendants sentenced to prison	88%	88%	88%	NA	90%	NA	

* The USAOs do not set conviction rate targets. Therefore the targets for FY 2019 are not available. Actual conviction rate for FY 2019 will be presented in the FY 2019 submission.

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 CaseView, 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. 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.

**ORGANIZED CRIME DRUG ENFORCEMENT
TASK FORCES PROGRAM**



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

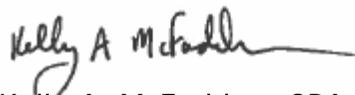
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2018. 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 May 8, 2018, 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, 2018, in order for them to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, and as otherwise agreed to with the ONDCP.

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.

February 22, 2019

**Organized Crime Drug Enforcement
Task Forces Program
Detailed Accounting Submission**



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, 2018**

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 May 8, 2018, 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 2018.
5. OCDETF did not have any ONDCP Fund Control Notices issued in FY 2018.

A handwritten signature in black ink, appearing to read "Peter Maxey", is written over a horizontal line.

Peter Maxey, Executive Officer

A handwritten date "2/22/19" is written in black ink above a horizontal line.

**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, 2018**

Dollars in Millions

	Total FY 2018 Actual Obligations
Drug Obligations by Decision Unit and Function	
Investigations:	
Drug Enforcement Administration (DEA)	\$ 201.91
Federal Bureau of Investigation (FBI)	136.24
U.S. Marshals Service (USMS)	9.87
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	12.03
OCDETF Fusion Center (OFC)	12.35
International Organized Crime Intelligence and Operations Center (IOC-2)	1.87
Transnational Investigative Operations	3.14
TOTAL INVESTIGATIVE DECISION UNIT	\$ 377.41
Prosecutions:	
U.S. Attorneys (USAs)	\$ 162.21
Criminal Division (CRM)	3.13
EXO Threat Response Unit (TRU)	0.21
TOTAL PROSECUTORIAL DECISION UNIT	\$ 165.56
Total Drug Control Obligations	\$ 542.97

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces Program
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018. 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 2018, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2018 *Independent Auditors' Report* revealed no material weaknesses or significant deficiencies directed at OCDETF. Additionally, the Department's assessment of risk and internal control in FY 2018 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 or transfers in FY 2018.

**Organized Crime Drug Enforcement
Task Forces Program
Performance Summary Report**



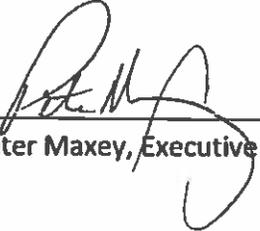
U.S. Department of Justice

Executive Office for Organized Crime Drug
Enforcement Task Forces

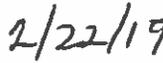
**Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018 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.
2. OCDETF met the reported performance targets for FY 2018.
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



2/22/19

**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, 2018**

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
Dismantlements	110	115	*	68	75**	***
Disruptions	226	153	*	102	142	***
Total	326	268	*	170	217	192

* Due to changes in DEA's reporting protocols and systems, the entire number for the Performance Measure is not available in FY 2017.

**The breakdown by agency is DEA with 56 and FBI with 20; there is an overlap of one case which reduces OCDETF's total

***The Department now lists targets as a single, combined total of dismantlements and disruptions

Despite a policy change, which impacted performance targets, OCDETF achieved impressive results during FY 2018 in dismantling and disrupting CPOT-linked drug trafficking organizations. OCDETF dismantled 75 CPOT-linked organizations and disrupted 142 CPOT-linked organizations in FY 2018. 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 FY 2019 OCDETF Dismantlements and Disruptions (D&D) target is based on the percentage of FY 2018 OCDETF D&Ds to FY 2018 Department D&Ds, and the Department's FY 2019 target. In FY 2018, OCDETF D&Ds accounted for 73% of the Department's disruptions and 78% of the Department's dismantlements. The Department's targets for FY 2019 is 255 disruptions and dismantlements. Therefore, the OCDETF D&D target for FY 2019 is 192 disruptions and dismantlements.

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.

UNITED STATES MARSHALS SERVICE



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

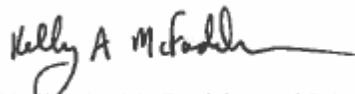
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2018. 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 May 8, 2018, 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, 2018, in order for them

to be in accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018, 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.

February 22, 2019

**United States Marshals Service
Detailed Accounting Submission**



U.S. Department of Justice

United States Marshals Service

Financial Services Division

Washington, D.C. 20530-1000

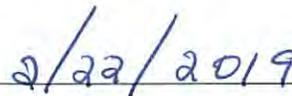
**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2018**

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 May 8, 2018, 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 2018.
4. The USMS did not have any ONDCP Fund Control Notices issued in FY 2018.



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, 2018
(Dollars in Millions)**

	FY 2018 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Fugitive Apprehension	
International	\$ 1.47
Investigations	145.54
Total Fugitive Apprehension	\$ 147.01
 Decision Unit #2: Judicial & Courthouse Security	
Prosecution	\$ 72.47
Total Judicial & Courthouse Security	\$ 72.47
 Decision Unit #3: Prisoner Security & Transportation	
Prosecution	\$ 38.99
Total Prisoner Security & Transportation	\$ 38.99
 Decision Unit #4: Detention Services	
Corrections	\$ 537.57
Total Detention Services	\$ 537.57
 Total Drug Control Obligations	 \$ 796.04

**U.S. Department of Justice
United States Marshals Service
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2018**

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

The USMS is a component within the DOJ Offices. For Fiscal Year (FY) 2018, the USMS was included in the DOJ consolidated audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2018 *Independent Auditors' Report* revealed no material weaknesses or significant deficiencies directed at USMS. Additionally, the Department's review of the USMS internal controls as well as program activity for FY 2018 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**



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, 2018**

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 May 8, 2018, 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, 2018**

The USMS did not have drug-related targets for FY 2018 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
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 Actual	28.9%	112,077	32,337
2019 Estimate	30.6%		

For FY 2019, the USMS estimates 30.6% 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 October, 2018.

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
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 Actual	16.3%	118,488	19,367
2019 Estimate	19.2%		

For FY 2019, the USMS estimates 19.2% 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 the USMS can

² JDIS data reports were generated October, 2018.

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 2018 per day jail cost was \$84.51, or \$1.42 above the target level. The difference between the 2018 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 was 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 2015 Actual	\$79.24
FY 2016 Actual	\$81.13
FY 2017 Actual	\$83.54
FY 2018 Target	\$83.09
FY 2018 Actual	\$84.51
FY 2019 Target	\$85.31

The FY 2019 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 October, 2018.



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Tab J

DEPARTMENT OF LABOR
Employment and Training Administration
Dislocated Worker National Reserve
Accounting and Performance Summary

Budget Authority (in Millions)		
Resource Summary	FY 2018 Enacted	FY 2018 Final
Drug Resources by Function National Health Emergency Grants	TBD	TBD
Drug Resources by Decision Unit National Health Emergency Grants	TBD	TBD

The HHS declaration of opioid abuse as a national health emergency permits the Department to award Disaster Recovery Dislocated Worker grants. This appropriation may be used for these grants until HHS’s health emergency declaration expires.

METHODOLOGY

Opioid abuse impacts both employed and unemployed workers. Research has shown that the number of opioid prescriptions correlates in many areas with a reduction of labor force participation rates, as well as an increase in unemployment rates coincident with increases in opioid-related hospitalizations, although it is unclear whether opioid addiction is a cause of unemployment or an effect of scarce employment opportunities. Additionally, lost workforce productivity in American businesses as a result of opioid abuse—as demonstrated through diminished job performance, absenteeism, incarceration, and even death—has approached \$20 billion annually. Researchers have estimated lost wages due to overdose deaths at \$800,000 per person.

In Program Year 2018, the Department provided guidance for how states can apply for Disaster Recovery Dislocated Worker Grants (DWGs) to respond to the opioid crisis. Disaster Recovery DWGs will create temporary employment opportunities aimed at alleviating humanitarian and other needs created by the opioid crisis. Grantees may also use these funds to provide services to reintegrate into the workforce eligible participants affected by the crisis and train individuals to work in mental health treatment, addiction treatment, and pain management. Successful opioid Disaster Recovery DWG projects will accomplish the following: facilitate community partnerships that are central to dealing with this complex health crisis; provide training that builds the skilled workforce in professions that could impact the causes and treatment of the opioid crisis; ensure timely delivery of appropriate, necessary career, training, and support activities; and create temporary disaster-relief employment that addresses the unique impacts of the opioid crisis in affected communities.

The Dislocated Worker National Reserve runs on a program year. Program Year 2018 runs from July 1, 2018 through September 30, 2019. The availability for the opioid crisis DWGs is subject to continuation of the HHS's health emergency declaration and will be affected by other DWG needs, such as natural disasters. The Department will consider and award opioid crisis Disaster Recovery DWGs to applicants who meet the Department's requirements until HHS's health emergency declaration expires. The Department cannot provide an estimate of how much will be obligated during Program Year 2018.

PERFORMANCE MEASURES

Successful opioid crisis Disaster Recovery DWG projects will facilitate community partnerships that are central to dealing with this complex public health crisis; provide training that builds the skilled workforce in professions that could impact the causes and treatment of the opioid crisis; ensure the timely delivery of appropriate, necessary career, training, and support activities to dislocated workers, individuals laid off due to the opioid crisis, long-term unemployed individuals, and self-employed individuals who are unemployed or significantly underemployed as a result of the opioid public health emergency; and create temporary disaster-relief employment that addresses the unique impacts of the opioid crisis in affected communities.

Current Year Performance Targets

National Reserve		
Selected Measures of Performance	PY 2018 Target	PY 2018 Achieved
» Number of people served	TBD	TBD
» Employment rate, second quarter after exit	TBD	TBD
» Employment rate, fourth quarter after exit	TBD	TBD

Quality of Performance Data

The National Reserve runs on a program year, with FY 2018 money available for federal obligation from July 1, 2018 through September 30, 2019. Outcome measurements are calculated after participants exit from the program, and by definition, are unable to be reported until the conclusion of the services.

Management Assertions

1. Performance reporting system is appropriate and applied.

The measures listed align with the metrics the Department captures for participants served through other programs authorized by the Workforce Innovation and Opportunity Act.

2. Explanations for not meeting performance targets are reasonable.

Program Year 2018 is ongoing. Grants awarded under PY 2018 will continue past the end of FY 2018. Outcome measurements are lagged, as they cannot be captured until the second and fourth quarter after exiting.

3. Methodology to establish targets is reasonable and applied

Targets are to be determined.

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

The existing performance measures are adequate and reflect all significant drug-related activities.

**Employment and Training Administration
Office of Job Corps
Accounting and Performance Summary**

Budget Authority (in Millions)		
Resource Summary	FY 2018 Enacted	FY 2018 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	PY15 Target	PY15 Achieved	PY16 Target	PY16 Achieved	PY17 Target	PY17 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	70%	77.7%	*	*	*	*

*Not a reportable measure in PY16 or 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.

Current Year Performance Targets

Job Corps		
Selected Measures of Performance	PY 2018 Target	PY 2018 Achieved
» Percent of students tested for drugs upon entry	100%	100%

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.

Office of Workers' Compensation Programs
Special Benefits
Accounting and Performance Summary

Budget Authority (in Millions)		
Resource Summary	FY 2018 Enacted	FY 2018 Final
Drug Resources by Function Prevention	\$4.18	\$4.18
Drug Resources by Decision Unit Prescription Management Unit	\$4.18	\$4.18

MISSION

The Department of Labor's Office of Workers' Compensation Programs (OWCP) administers the Federal Employees' Compensation Act (FECA), as amended, with extensions. The Special Benefits fund comprises two accounts, one of which represents obligations for benefits under the FECA. The Special Benefits funding provides resources necessary to meet required payments for compensation, medical costs, vocational rehabilitation, and other benefits made to eligible federal employees or their survivors as mandated by the FECA. Under extensions of FECA, the program also pays benefits to certain groups such as War Hazards Compensation Act claimants, non-Federal law enforcement officers, Job Corps enrollees, and certain Federally supported volunteers. As a component of providing payments for reasonable and necessary medical treatment related to the accepted work injury, OWCP may consider the medical necessity of opioids while reducing the potential for opioid misuse and addiction among injured federal workers.

METHODOLOGY

The requested resources for the FECA Prescription Management Unit (PMU) will improve monitoring of opioid drug use among injured workers receiving benefits under the FECA. The funding will support the actions required to monitor and approve opioid medication use including administrative functions, medical management, and claims adjudication, so that injured workers only receive opioids that are medically necessary, and have the chance to appropriately ease off high dosages that carry risk of overdose or creating dependence.

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

Prior Year Performance Targets and Results

Special Benefits						
Selected Measures of Performance	FY15 Target	FY15 Achieved	FY16 Target	FY16 Achieved	FY17 Target	FY17 Achieved
Percent decrease of initial opioid prescriptions and duration of new opioid prescriptions for Federal employees with work-related injuries.	*	*	*	*	*	*

*Program initiated in FY 2018 with passage of P.L. 115-141, signed March 23, 2018.

Current Year Performance Targets

Special Benefits		
Selected Measures of Performance	FY 2018 Target	FY 2018 Achieved
» Percent decrease of initial opioid prescriptions and duration of new opioid prescriptions for Federal employees with work-related injuries.	4.0%	56.0%

*This is a preliminary result.

Quality of Performance Data

The performance data provided are accurate and complete.

MANAGEMENT ASSERTIONS

- Performance reporting system is appropriate and applied.**
OWCP’s performance information is accurate and uniquely applied to properly generate the performance data related to the mission and objectives.

2. Explanations for not meeting performance targets are reasonable.

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

**U.S. Department of State
Bureau of International Narcotics and Law Enforcement Affairs**

**Accounting and Authentication of FY 2018 Drug Control Funds and Related
Performance Report**

Reference: ONDCP Circular: Accounting of Drug Control Funding and Performance Summary (May 8, 2018)

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 Office of National Drug Control Policy (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 2018 by Drug Control Function and Budget Decision Unit.

**Bureau of International Narcotics and Law Enforcement Affairs
Drug Control Obligations
(\$Millions)**

	<u>FY 2018 Actual</u>
Drug Resources by Drug Control Function*	
International	600.251
Total	600.251
Drug Resources by Decision Unit	
International Narcotics Control and Law Enforcement (INCLE)	600.251
Total	600.251
Information	
Total INCLE Budget	2,822.559

* Includes total of all FY 2018 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 2018) that are associated with original obligations that occurred in a prior year (e.g., FY 2017), 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 2017 data, the Spending Lines Reports from Data Warehouse was used to gather the obligation

data from the Global Financial Management System (GFMS), the Department's system of record. All Program Development and Support (PD&S) funds, regardless of project code, were included. In addition, all obligations for the Andean countries (Colombia, Brazil, Ecuador, and Peru) were included, based on the assessment that they were all drug related. 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 2018 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 2018, 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 the FY 2018 reporting period, INL and the Department processed a total of 16 notification actions with counternarcotics funding related to FY 2013, FY 2014, and FY 2017 INCLE and INCLE-OCO funds.

The notifications are delineated in the table below.

Fiscal Year of Funds	Program (Country, Regional Centrally Managed)	Total Notification Amount	Of which, Counternarcotics (CN)	Congressional Notification #	Comments
FY 2013 & FY 2014	Mexico	\$20,524,000 (of which \$12M-FY 2013 & \$8.524M-FY 2014)	\$ 20,524,000	18-029	Special notification country and internal reprogramming of transnational crime, rule of law/human rights and good governance funding for CN activities
FY 2017	Pakistan	\$ 30,700,000	\$ 8,500,000	18-218	Special notification country; no reprogramming of CN funding
FY 2017	Afghanistan	\$ 157,500,000	\$ 58,037,000	18-239	Special notification country; no reprogramming of CN funding
FY 2017	WHA Regional - Central America Strategy (El Salvador)	\$ 41,730,000	\$ 6,550,000	18-101	Special notification country; no reprogramming of CN funding.
FY 2017	WHA Regional - Central America Strategy (Honduras)	\$ 44,230,000	\$ 5,200,000	18-117	Special notification country; no reprogramming of CN funding.
FY 2017	WHA Regional - Central America Strategy (Guatemala)	\$ 17,643,250	\$ 893,250	18-161	Special notification country; no reprogramming of CN funding

Fiscal Year of Funds	Program (Country, Regional Centrally Managed)	Total Notification Amount	Of which, Counternarcotics (CN)	Congressional Notification #	Comments
FY 2017	WHA Regional - Caribbean Basin Security Initiative	\$ 5,200,000	\$ 163,000	18-100	Increase over 10% of the FY 2018 CBJ levels
FY 2017	Colombia	\$ 45,000,000	\$ 45,000,000	18-077	Special notification country; no reprogramming of CN funding
FY 2017	Colombia	\$ 89,500,000	\$ 52,000,000	18-155	Special notification country; no reprogramming of CN funding
FY 2017	Mexico	\$ 76,500,000	\$ 30,683,000	18-060	Special notification country and internal reprogramming of transnational crime, rule of law/human rights and good governance funding for CN activities
FY 2017	Centrally Managed Drug Demand Reduction	\$ 3,450,000	\$ 3,450,000	18-046	Special notification country; no reprogramming of CN funding.
FY 2017	Burma	\$ 2,200,000	\$ 700,000	18-187	Special notification country; no reprogramming of CN funding
FY 2017	Democratic Republic of the Congo, Kenya, Liberia	\$ 1,378,000	\$ 720,000	18-138	The \$720K in CN funding was all for Liberia and represents a 10% increase over their originally notified CN funding levels

Fiscal Year of Funds	Program (Country, Regional Centrally Managed)	Total Notification Amount	Of which, Counternarcotics (CN)	Congressional Notification #	Comments
FY 2017	Philippines	\$ 6,200,000	\$ 2,000,000	18-177	Special notification country; no reprogramming of CN funding
FY 2013 & FY 2014	Centrally Managed International Organizations (IO) and Fighting Corruption	\$5,900,000 (of which \$2,599,539-FY 2013 & \$3,300,461-FY 2014)	\$ 5,000,000	18-165	The \$5M in CN funding was all for IO activities and a 10% increase over their originally notified CN funding levels.
FY 2017	Centrally Managed International Organizations	\$ 950,000	\$ 750,000	18-066	This includes the amount benefiting special notification countries

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 order to ensure that ONDCP was properly notified of all shifts in counternarcotics funding, INL changed their methodology this year. In addition to complying with ONDCP's policy to approve counternarcotics-related reprogramming actions above \$1,000,000, ONDCP also approved all congressional notifications that included counternarcotics funding to satisfy Congressional reporting requirements, such as Special Notification countries.

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 issued new circulars on May 8, 2018 for the following: 1) Budget Formulation, 2) Budget Execution, 3) Policy Coordination and 4) Accounting of Drug Control Funding and Performance Summary.

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.



Erin M. Barclay, Executive Director

Bureau of International Narcotics and Law Enforcement Affairs

SECTION 7a Reporting – Performance Summary

Indicators for INL's performance data 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 FY18 for the purposes of this report. For this FY 2018 report, INL submits the best data available on January 31, 2019, which includes FY data spanning 2017 and 2018. For the Afghanistan indicator, the United Nations Office on Drug and Crime (UNODC) Afghanistan Opium Survey publication is available in Q1 of FY2019 which allows INL to report on the results for all quarters of FY 2018 for this indicator. For the Hectares of Coca Eradication indicator for Colombia and Peru, INL is only able to report up until Q1 of FY 2018 by sourcing that data from the Performance Plan Reports (PPR)'s for Colombia and Peru that were last reported in January of 2018. The data for Q2 through Q4 of FY 2018 are not yet available.

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 2014 Actual	CY 2015 Actual	CY 2016 Actual	CY 2017 Actual	CY 2018 Target	CY 2018 Actual	CY 2019 Target
22 total of PFP and PRC	23 total of PFP and PRC	17 total of PFP and PRC	11 total of PFP and PRC	28 total of PFP and PRC	24 total of PFP and PRC	25 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 2018 Performance Results: The CY 2018 goal was for 18 of Afghanistan's 34 provinces to be poppy-free and for an additional 10 provinces to reduce cultivation by 10 percent or more in 2018. The number of PFP in 2018 was 10, equal to 2017 as Nuristan regained poppy-free status lost in 2017, but Takhar, which had been poppy-free since 2008 lost its designation. There were 14 PRC. The United Nations Office on Drugs and Crime (UNODC) observed continued cultivation in almost all opium poppy-growing provinces. Over half of the total national cultivation occurred in Helmand province, with a cultivation of 136,798 hectares.

The UNODC Afghanistan Opium Survey states that opium poppy cultivation in Afghanistan covered 263,000 hectares, which represented a 20 percent decrease in 2018 from the 328,000 hectares recorded the previous year. Potential opium production decreased by 29 percent over the same period, from 9,000 to 6,400 tons. A total of 406 hectares of verified poppy eradication was carried out under the Afghan Ministry of Counter Narcotics' (MCN) Governor-Led Eradication (GLE) program, representing a decrease of 46 percent compared to 2017, when 750 hectares of poppy were eradicated.

UNODC identifies heavy drought and low and continuously falling opium prices as the two key factors contributing to the decrease in poppy cultivation. Rule of law-related challenges, such as political instability, lack of government control and security, as well as corruption, continue to be key drivers of illicit cultivation. Socio-economic factors, such as scarce employment opportunities, lack of quality education, and limited access to markets and financial services also impact farmers' crop cultivation decisions. 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 and falling prices.

CY 2019 Performance Target: The target for CY 2019 is 15 PFP and 10 PRC.

Data Collection and Validation:

Data Source: Annual results are reported in the annual Afghanistan Opium Survey 2018 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 2018 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 ONDCP 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 2013 Actual	CY 2014 Actual	CY 2015 Actual	CY 2016 Actual	CY 2017 Target	CY 2017 Actual	CY 2018 Target
92,956 Hectares	98,456 Hectares	Peru (35,868) + Colombia (50,761) = 86,629 Hectares	Peru (30,150) + Colombia (17,650) = 47,800 Hectares	Peru (25,000) + Colombia (50,000) = 75,000 Hectares	Peru (25,784) + Colombia (52,001) = 77,785 Hectares	Peru (25,000) + Colombia (70,000) = 95,000 Hectares

* CY 2013-2016 targets and actual data do not include Bolivia because U.S. direct operational support ended in 2013.

* CY2015 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 2017 target for Peru was originally set at 10,000 before Coca Monitoring and Reduction Agency (CORAH) amended it to 25,000.

*The hectares of coca eradicated in this report represent the most current data reported to INL as of December 31, 2018.

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 forced and 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.

CY 2017 Performance Results: The information available to INL in the following section is the best available data as of December 31, 2018. 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. Peru surpassed its amended goal while Colombia exceeded its original goal by 2,001 hectares. 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. Initially in the FY2017 Drug Control Funds and Related Performance Report, the CY2017 manual eradication targets were set at 50,000 hectares for Colombia and 10,000 hectares for Peru. The total therefore was set at 60,000 combined hectares. By mid-year, the target for Peru was amended to 25,000 hectares. The original combined 60,000 target was therefore amended to 75,000 hectares. In CY2017, Colombia eradicated 52,001 hectares, a 194 percent increase in eradication over 2016. Peru extended its CY2017 eradication operations through January 2018, to account for a late start due to devastating flooding and a national emergency response in the early months of 2017. Ultimately, Peru's eradication operations for 2017 went from April 2017 through January 2018 and exceeded the goal by eradicating 25,784 hectares. Combined, the two countries eradicated a total of 77,785 hectares.

CY 2018 Performance Target: The information available to INL in the following section is the best available data as of December 31, 2018. 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 2018 manual eradication performance target for Colombia is currently set at 50,000 hectares. Additionally, Colombia expects to eradicate 20,000 via the crop substitution program that originated from the peace agreement between the

Colombian government and the FARC. The total eradication goal for Colombia is 70,000 hectares. The 2018 eradication target for Peru remains 25,000 hectares.

With continued increases in coca cultivation levels, Colombia has focused its efforts largely on interdiction, manual eradication, and the crop substitution program.

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 originating from the Ministry of Defense, and the data is validated by the Ministry of Justice.

Methodology for Setting Targets and Reporting Results: The embassy country teams consult subject area experts in Washington and in the field to consider past performance and trends, policy priorities, 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.

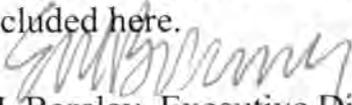
All of the performance information presented here is gathered from third party sources. These sources are reputable and, I believe, provide the best data available for these performance measures. The Office of U.S. Foreign Assistance Resources maintains a data collection system known as Foreign Assistance 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.



Erin M. Barclay, 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 2018
Drug Control Funds and Performance
Summary Reporting**

Report No. FI2019018

February 27, 2019



Inspector General Review of the Federal Aviation Administration's Fiscal Year 2018 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

FI2019018 | February 27, 2019

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. For this reason, the Federal Aviation Administration (FAA) submitted alternative Drug Control Obligation Summary and the Performance Summary Reports. We reviewed the 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 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 report identified \$18,809,602 of obligations from two of FAA's drug control decision units. When we traced those obligations, we found no exceptions. The performance targets in FAA's Performance Summary report for fiscal year 2018 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 of a conviction or notification by law enforcement; 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.

FAA conducted the activities in its alternative reports in accordance with a past Circular, instead of the current May 8, 2018 version. We conducted our review using the current version, and did not identify any issues with FAA's accounting of drug control activities or compliance with ONDCP's current standards. Based on our review, we are not aware of any material modifications that should be made to FAA's FY2018 Drug Control Obligations Summary and Performance Summary reports in order for them to be in accordance with the Circular.



U.S. Department of
Transportation

February 27, 2019

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 2018 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). We received FAA's reports on December 20, 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 May 8, 2018.

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 2018 totaled less than \$50 million, FAA submitted alternative reports. We reviewed FAA'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 FAA'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 FAA's fiscal year 2018 Drug Control Obligation Summary (enclosure 1) according to the Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we tested selected accounting internal controls to ensure drug control funds were properly identified in the accounting system.

We reviewed \$18,809,602 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 2018 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 of a conviction or notification by law enforcement; (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 2018 Performance Summary Report (enclosure 1) 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 2018 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with ONDCP's Circular.

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

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 2018 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 2018 and one performance measure for Security and Hazardous Materials (ASH) for FY 2018 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. 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
(Dollars in Millions)

RESOURCE SUMMARY

	FY 2018 Enacted	FY 2018 Actual
Drug Resources by Budget Decision Unit and Function:		
Decision Unit: Air Traffic Organization		
Intelligence Interdiction	\$11.670	\$11.670
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
Total, Air Traffic Organization	\$11.670	\$11.670
Decision Unit: Aviation Safety/Aerospace Medicine		
Intelligence Interdiction	\$0.000	\$0.000
International	\$0.000	\$0.000
Investigations	\$0.820	\$0.820
Prevention	\$16.680	\$14.632
<i>Industry</i>	\$11.080	\$9.895
<i>Internal</i>	\$5.600	\$4.737
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
Total, Aviation Safety/Aerospace Medicine	\$17.500	\$15.452
Decision Unit: Security and Hazardous Material Safety		
Intelligence Interdiction	\$1.878	\$1.679
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$1.878	\$1.679
Treatment	\$0.000	\$0.000
Total, Security and Hazardous Material Safety	\$3.756	\$3.357
Total Funding	\$32.926	\$30.480
Drug Resources Personnel Summary		
Air Traffic Organization	59	59
Aviation Safety/Aerospace Medicine		
Investigations: Industry Drug Abatement	6	6
Prevention: Industry Drug Abatement	70	64
Prevention: Internal Substance Abuse Program	15	13
Security & Hazardous Materials	21	20
Total FTEs (direct only)	171	162

**Federal Aviation Administration
Law Enforcement Assistance Program
Performance Summary Report
Fiscal Year 2018**

(1) Performance Measure

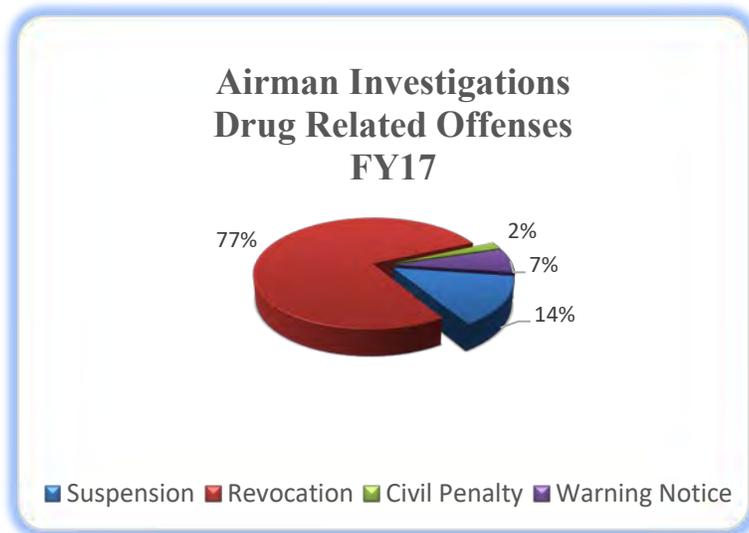
The Federal Aviation Administration’s (FAA) Law Enforcement Assistance Program (LEAP) contributes to the National Drug Control Strategy by reducing access to the National Airspace System (NAS) by airmen known to the FAA to be involved in the sale or distribution of illegal drugs. The LEAP special agents 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 (2017) Performance Target and Results

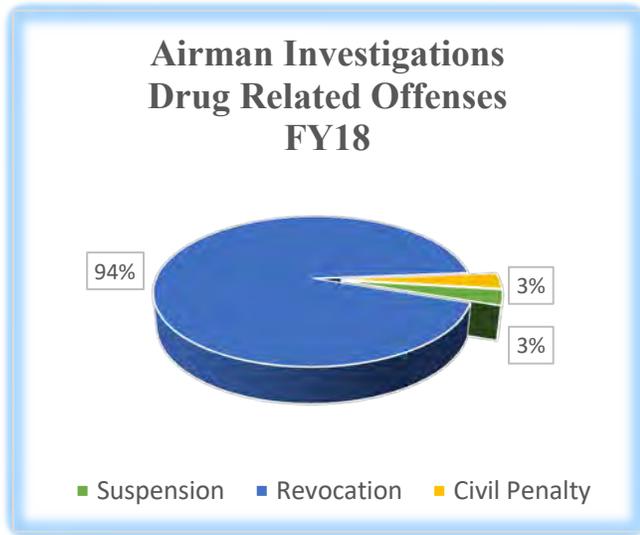


In FY17, FAA LEAP special agents initiated 46 investigations based on 46 notifications (100%) regarding airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement.¹ FAA later took regulatory actions against 56² of the airmen (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).

¹ This number includes 15 investigations, not previously accounted for in FY17, which commenced in FY17, but for which investigation record numbers were assigned in FY18.

² This includes regulatory action that was finalized from prior year investigations.

(3) Current Year (2018) Performance Target and Results



In FY18, FAA LEAP special agents initiated 16 investigations based on 16 notifications (100%) regarding airmen involved in the use, 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 31⁴ 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 100% of the time (31 of 31 investigations).

(4) Summary of 2017 and 2018 Results

FY 2017 Target	FY 2017 Achieved	FY 2018 Target	FY 2018 Achieved
95%	100%	95%	100%

(5) 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.

³ This number includes 5 investigations, not previously accounted for in FY17, which commenced in FY18 but for which investigation record numbers were assigned in FY18.

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 2018**

(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 2017 by March 15, 2018. In an effort to ensure the most accurate data, the DOT allowed for late submissions until October 1, 2018, at which time no more entries were allowed. The most current reported data available is for calendar year 2017.

(2) Prior Years' Performance Targets and Results

The prior year targets for 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 Random Positive Drug Tests	Total Alcohol Tests Reported	Percentage of Random Alcohol Violations
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%
2016	234,690	0.610%	58,581	0.121%

(3) Current Performance Targets

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2017. For this calendar year, the total drug tests reported were 240,254, resulting in 0.659% positive random drug tests. The total alcohol tests reported were 60,407, resulting in 0.108% random alcohol violations.

(4) Quality of Performance Data

For calendar year 2017, 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 6,828 regulated employers as of December 18, 2018.)

During our compliance inspections of covered employers, our inspectors verify the data submitted to DAMIS to ensure its integrity. In FY 2018, the Drug Abatement Division conducted 1,289 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
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%
2017	6,434	6,437	99.98%

U.S. DOT IG Fraud & Safety Hotline

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<https://www.oig.dot.gov/hotline>

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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



www.oig.dot.gov



U.S. DEPARTMENT OF TRANSPORTATION

OFFICE OF INSPECTOR GENERAL

**Inspector General Review of the National
Highway Traffic Safety Administration's
Fiscal Year 2018 Drug Control Funds and
Performance Summary Reporting**

Report No. FI2019022

March 13, 2019



Inspector General Review of the National Highway Traffic Safety Administration's Fiscal Year 2018 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

FI2019022 | March 13, 2019

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. For this reason, the National Highway Traffic Safety Administration (NHTSA) submitted alternative Drug Control Obligation Summary and the Performance Summary reports. We reviewed the 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 \$11,013,185 in total obligations. When we traced those obligations to the Department of Transportation's accounting system and underlying contracts, we found no exceptions. The performance target in NHTSA's Performance Summary report for fiscal year 2018 was to complete testing of oral fluid drug screening devices by determining the sensitivity, specificity, and false positive and false negative rates for each device tested. NHTSA indicated that it met its performance target.

Based on our review, we are not aware of any material modifications that should be made to NHTSA's fiscal year 2018 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with the Circular.



U.S. Department of
Transportation

Office of Inspector General
Washington, D.C. 20590

March 13, 2019

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 2018 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). We received NHTSA's final reports on March 1, 2019. 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 May 8, 2018.

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 2018 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 2018 Drug Control Obligation Summary (enclosure 1) according to the Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we tested selected accounting internal controls to ensure drug control funds were properly identified in the accounting system.

We reviewed \$11,013,185 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

NHTSA's performance target for fiscal year 2018 was to complete testing of oral fluid drug screening devices to determine the sensitivity, specificity, and false positive and false negative rates for each device tested. NHTSA indicated that it met its performance target.

We performed review procedures on NHTSA's fiscal year 2018 Performance Summary report and management's assertions (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 2018 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with ONDCP's Circular.

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

February 27, 2019

James W. Carroll Jr.
Acting Director
Office of National Drug Control Policy
Executive Office of the President
750 17th Street, NW
Washington, DC 20503

Dear Acting Director Carroll:

In accordance with the Office of National Drug Control Policy Circular: Accounting of Drug Control Funding and Performance, issued May 8, 2018, the National Highway Traffic Safety Administration's (NHTSA) Fiscal Year (FY) 2018 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 Fiscal Year 2018 NHTSA obligated \$11,013,185.16 on drug control activities. Of that amount, \$1,336,328.91 was obligated for research directed at drug impaired driving and measures to reduce it. Activities during FY 2018 included research to identify the potential of a wide range of drugs that might impair driving and updates of drugs and human performance fact sheets. An effort to compile a State of the Knowledge report on drugs and driving also began in FY2018. These reports have been issued periodically over the last 40 years. In the past, NHTSA provided national trend data on alcohol and drug use by drivers; but we are currently prohibited from continuing that data collection effort.

An additional \$2,028,687.25 was obligated for program development and support activities. These included technical support to 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.

Continued support for the National Sobriety Testing Resource Center and the Drug Recognition Expert Data System continued during FY2018. The system is currently in transition as a new platform is developed. Funding obligations to both SVC Stars II, LLC for new system development and Syneren Technologies, Inc. for continued operation and maintenance were made during FY2018.

During FY 2018, NHTSA obligated \$548,169.00 in support of drug-related emergency medical services (EMS) activities. In response to the FY2020 National Drug Control Program Agency-Specific Guidance to the Department of Transportation, NHTSA began tracking funding obligations during FY 2018 to add education guidelines on Naloxone administration for EMS

practitioners. Specifically, a revision to the 2018 National EMS Scope of Practice Model and incorporating the revision's changes into the National EMS Education Standards. The revision added use of narcotic antagonists, i.e. Naloxone, at all levels of EMS personnel. Unit-dose, premeasured, intranasal, and autoinjector narcotic antagonists were added to the Emergency Medical Responder (EMR) and Emergency Medical Technician (EMT) levels.

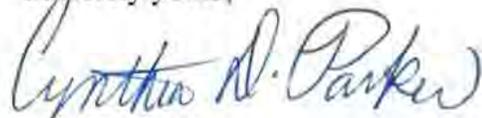
Additionally, NHTSA kicked off a drug-impaired driving initiative beginning on Thursday, March 15, 2018, with a summit at the US DOT Headquarters to heighten efforts and identify enhanced measures to combat drug-impaired driving. As part of this initiative, NHTSA obligated \$7,100,000.00 on a new communications and media campaign to raise awareness about the dangers of drug-impaired driving.

Finally, *The Consolidated Appropriations Act, 2018* authorized additional highway safety funding to NHTSA in the amount of \$5,000,000.00 to be available "for grants, pilot program activities, and other innovative solutions to reduce impaired-driving fatalities, including efforts to expand awareness and use of Drug Recognition Expert (DRE) and Advanced Roadside Impaired Driving Enforcement (ARIDE) training. Such activities shall be in collaboration with appropriate State and local governments and law enforcement organizations." These funds are two-year funds of which \$2,000,000.00 of the aforementioned \$7,100,000.00 were obligated during FY 2018 to support the Communications/Media Campaign detailed in the enclosed FY 2018 Drug Impaired Driving Obligations table. The remainder of the funds will be obligated during FY 2019.

The Table of FY 2018 Drug Impaired Driving Obligations is enclosed.

NHTSA's point of contact for this report is John Marshall, Director, Office of Safety Programs. He can be reached at (202) 366-3803, if further assistance is required.

Sincerely yours,



Cynthia Parker
Chief Financial Officer
NHTSA

Enclosure

Table of NHTSA's FY 2018 Drug Impaired Driving Obligations

RESEARCH

<u>Item</u>	<u>Procurement Title</u>	<u>Amount</u>
<u>Sub-BPAC 80161718HS.2018.2002000100.NPD0300000</u>		
1	Research Triangle Institute National Survey of Drinking, Drug Use, and Driving Attitudes	\$ 27,282.50
2	Acclaro Research Solutions Determine Potential of Drugs to Impair Driving	\$498,537.00
3	University of Iowa Systematic Review of Baseline Driving Simulator Data	\$217,139.88
<u>Sub-BPAC 80161818HS.2018.2002000100.NPD0300000</u>		
1	Research Triangle Institute National Survey of Drinking, Drug Use, and Driving Attitudes	\$ 71,973.50
2	University of Iowa Systematic Review of Baseline Driving Simulator Data	\$117,901.93
3	University of Massachusetts Toxicology Consultant Services	\$178,722.75
4	Alan C. Katz – Toxcel, LLC NHTSA Drug Fact Sheets	\$212,817.00
<u>Sub-BPAC 80161818HS.2018.2002010000.NPD0110000</u>		
1	University of Iowa Systematic Review of Baseline Driving Simulator Data	\$ 11,954.35
<i>Total Highway Safety Research Obligations =</i>		<i>\$1,336,328.91</i>

PROGRAM

<u>Item</u>	<u>Procurement Title</u>	<u>Amount</u>
<u>Sub-BPAC 80161818HS.2018.2002070000.NPD0220000</u>		
1	Transportation Safety Institute – Support for Impaired Driving Technical Assistance Task (One-Year)	\$48,354.36
2	Transportation Safety Institute – Support for Impaired Driving Technical Assistance Task (Two-Year)	\$45,698.63

3	International Association of Chiefs of Police Annual Drugs, Alcohol and Impaired Driving Conference	\$61,526.26
4	International Association of Chiefs of Police Drug Evaluation and Classification Program	\$771,639.00
5	SVD Stars II LLC* Drug Recognition Expert (DRE) Data System	\$157,916.00
6	SVD Stars II LLC Drug Recognition Expert (DRE) Data System	\$725,000.00
7	Syneren Technologies Corp Drug Recognition Expert (DRE) Data System	\$ 22,398.00
8	Syneren Technologies Corp Drug Recognition Expert (DRE) Data System	\$113,801.00

Sub-BPAC 80161819HS.2018.2002080000.NPD0220000

1	SVD Stars II LLC Drug Recognition Expert (DRE) Data System	\$ 67,354.00
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Sub-BPAC 80161818HS.2018.5206340000.NIO0100000**

1	SVD Stars II LLC Drug Recognition Expert (DRE) Data System	\$ 15,000.00
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Total Highway Safety Program Obligations = \$2,028,687.25

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, SVD Stars II LLC. During the FY, the previous contractor, Syneren, provided support for the data system during development of the new data system.

**Funds for this project were awarded in error under Sub-BPAC: 06501818VS.2018.5206340000.NIO0100000.25215.61006600. The funds were reclassified to Sub-BPAC: 80161818HS.2018.5206340000.NIO0100000.

EMERGENCY MEDICAL SERVICES

Sub-BPAC 80161818HS.2018.2002090000.NPD0400000

1	KGB Media, LLC Revise National EMS Education Standards	\$198,169.00
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Sub-BPAC 80161819RA.2018.2002090000

1	KGB Media, LLC Revise National EMS Education Standards	\$350,000.00
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Total Highway Safety EMS Obligations = **\$548,169.00*****

***Note: In the National Drug Control Strategy: FY2020 Budget and Performance Summary Report submitted to ONDCP, NHTSA estimated \$350,000.00 for Emergency Medical Services Drug Resources by Function and Drug Resources by Decision Unit in FY 2018. This estimate was submitted before final award of the National EMS Education Standards Revision Project.

COMMUNICATIONS/MEDIA CAMPAIGN

<u>Item</u>	<u>Procurement Title</u>	<u>Amount</u>
<u>Sub-BPAC 18X9202009.2018.2402090000.NCO0010000</u>		
1	Statutorily-Mandated Funding – HVE	\$4,500,000.00****
<u>Sub-BPAC 80161818HS.2018.5205750000.NCO0010000</u>		
1	Advertising Council Inc. Drugged Impaired Driving Social Norming Campaign	\$600,000.00
<u>Sub-BPAC 06501819ID.2018.520575000.NCO0010000</u>		
1	Advertising Council Inc. Drugged Impaired Driving Social Norming Campaign	\$900,000.00
2	Tombras Group National and Regional Media and Communications Support Services – Drug-Impaired Driving	\$1,100,000.00

Total Highway Safety Media Obligations =

\$7,100,000.00

****Note: Of the \$21,900,000.00 obligated for the Statutorily-Mandated Funding – HVE, \$4,500,000.00 was obligated for drug-impaired driving messages. The remainder was used for other behavioral highway safety communications and media messaging.



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

James W. Carroll Jr.
Acting Director
Office of National Drug Control Policy
Executive Office of the President
750 17th Street NW
Washington, DC 20503

February 28, 2019

Dear Acting Director Carroll:

In accordance with the Office of National Drug Control Policy Circular: Accounting of Drug Control Funding and Performance, issued May 8, 2018, the National Highway Traffic Safety Administration's Fiscal Year 2018 Drug Control Performance Summary Report 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.

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 accuracy of oral fluid drug screening devices. This is essential in developing meaningful measures of drug-impaired driving. In 2018, NHTSA completed a study of oral fluid drug screening devices to determine their accuracy and reliability.

ASSERTIONS

1. **Performance reporting system is appropriate and applied:** In FY 2018, NHTSA completed a study of laboratory testing of oral fluid drug screening devices to determine accuracy and reliability by determining the sensitivity, specificity, false positive and false negative rates for each device tested.

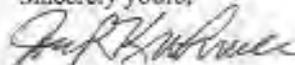
Typically, on drugged driving stops and arrests, law enforcement officers must take offenders to a police station or some other facility to collect a blood sample for toxicological testing. The blood samples are then sent to laboratories for testing, after which it can be many weeks or even months before the toxicological results are provided to law enforcement officers and prosecutors. On-site oral fluid drug screeners can provide an indication of recent drug use within a few minutes of administering the screener test. While these drug screeners are not of evidentiary quality, they do provide important information for the officer at the time and location of a traffic stop on how to proceed with the case, including whether they should arrest the driver for drugged driving and, if arrested, what type of drugs to test for in the subsequent confirmatory blood testing.

NHTSA has engaged efforts to support the use of oral fluid drug testing to expedite and more efficiently identify drugs used in the arrest and prosecution of drug-impaired drivers. Increasing information on the extent of drug use by 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:** NHTSA selected five oral fluid drug screening devices for evaluation that are currently available for use by law enforcement. The devices were selected based upon them having an appropriate test for several drug categories including, at a minimum, cannabinoids, opiates, cocaine/metabolite, methamphetamine/amphetamine, and in some cases, methadone or benzodiazepines. Each device was evaluated using oral fluid samples with a variety of drug concentration levels. Devices were first tested to determine their performance relative to the manufacturers claimed cut-off concentrations. The devices were then tested for cross-reactivity of drug metabolites and other therapeutic or abused drugs. Next, the devices were tested to determine if other common substances, such as coffee, soda, juice, oral care products or tobacco, caused interference with drug detection. Finally, the devices were tested to determine the impact of temperature, humidity and shelf life on the devices' ability to identify the presence of specific drugs. In each phase of testing, devices were evaluated for individual drug classes and combinations of drug classes.
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 and program activities 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, Director, Office of Safety Programs. He can be reached at 202-366-3803, if further assistance is required.

Sincerely yours,



Jon Krohner
Acting Associate Administrator for
Research and Program Development

Enclosure

**National Highway Traffic Safety Administration
Drug-Impaired-Driving Program**

**Performance Summary Report
Fiscal Year 2018**

(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 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.

The FY 2017 performance measure assessed NHTSA's progress in increasing the standardization of toxicology testing in post-mortem and DUID cases. The study provides detailed information on the participating laboratories standard practices and procedures, including information on the volume of cases handled in the past year, the types of drugs tested for, the thresholds of detection for individual drugs, and the number and types of drugs found in impaired-driving cases. The study provides information to all toxicology laboratories on consistent procedures for drug testing in post-mortem and DUID cases. The study supports NHTSA's efforts to achieve greater standardization through voluntary compliance with recommendations for toxicology testing.

Current and Future Performance Measures

The FY 2018 performance measure completed testing of 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.

The FY 2020 National Drug Control Program Agency-Specific Guidance to the Department of Transportation included guidance to “identify in its budget submission any resources that contribute to our joint nationwide effort to reverse the Nation’s opioid epidemic and reduce the incidence of overdose death.” Although the FY 2020 performance measure seeks to increase the number of States using the NEMESIS Version 3 data system, NHTSA began a project in FY 2018 to revise the National EMS Scope of Practice Model by adding the use of narcotic antagonists, i.e. Naloxone at all levels of EMS personnel. Unit-dose, premeasured, intranasal, and autoinjector narcotic antagonists were added to the Emergency Medical Responder (EMR) and Emergency Medical Technician (EMT) levels.

(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 2016, along with current and future performance targets:

(3) Current and Future Years 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-Washington-Statedrugstudy.pdf
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	Data Collection completed. The draft contractor report is attached. It is not for public dissemination.

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	
2020	Number of States and Territories submitting NEMSIS Version 3 data to the National EMS Database.	Increase to 44 the number of States and Territories submitting NEMSIS Version 3 data to the National EMS Database	

(4) Quality of Performance Data

This most recent effort to evaluate the accuracy and reliability of oral fluid drug screening devices was carried out, under contract, by forensic toxicologists that are leaders in their field. An appropriate scope of testing and cutoff concentrations was based on two important previous studies using oral fluid drug screening devices; the Roadside Testing Assessment (ROSITA) and the Driving Under the Influence of Drugs, Alcohol and Medicines (DRUID) project. The ROSITA and DRUID studies were the first large scale evaluations of using oral fluid screening devices in the field and recommended performance criteria for oral fluid drug screening devices designed for use in the field (point-of-contact testing). It is expected that further progress in the development of accurate on-site oral fluid drug screening devices 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.

(5) Additional FY 2018 Performance Information

During FY 2018 NHTSA initiated a drug-impaired driving initiative beginning on Thursday, March 15, 2018 with a summit at the US DOT Headquarters that brought together key stakeholders, including safety partners, data and policy experts, law enforcement and criminal justice professionals, toxicologists and drug recognition experts to start a national dialogue on how to combat drug-impaired driving. This initiative has continued with a series of meetings across the Nation to develop "Ideas to Impact" the drug-impaired driving problem and includes the establishment of two expert panels – State Criminal Justice Systems and Toxicology and Data Collection – to inform the Call to Action initiative. The initiative has also developed new safety campaign messaging, *If You Feel Different, You Drive Different*. The campaign builds on national efforts to combat drunk driving and the emerging trend of drug-impaired driving with the message *If You Feel Different, You Drive Different. Drive High. Get a DUI.*

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Tab M



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2018
Annual Accounting of Drug Control Funds
and Related Performance*

February 26, 2019

Reference Number: 2019-10-020

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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By Web:

www.treasury.gov/tigta/

Or Write:

Treasury Inspector General for Tax Administration
P.O. Box 589
Ben Franklin Station
Washington, D.C. 20044-0589

Information you provide is confidential and you may remain anonymous.



HIGHLIGHTS

INDEPENDENT ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2018 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Highlights

Final Report issued on February 26, 2019

Highlights of Reference Number: 2019-10-020
to the Commissioner of Internal Revenue.

IMPACT ON TAXPAYERS

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.

IRS management is responsible for preparing the annual Office of the National Drug Control Policy (ONDCP) Detailed Accounting Submission and Performance Summary Report. TIGTA reviewed the assertions in the IRS's Fiscal Year 2018 report.

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 May 8, 2018. 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 must also identify and document performance measures that show the results associated with these expenditures.

Further, the ONDCP Circular requires that the agency provide the report to the agency's Inspector General prior to its submission for the

purpose of expressing a conclusion about the reliability of each assertion made in the report.

WHAT TIGTA FOUND

TIGTA identified significant variances reported between IRS actual results and its performance goals. The IRS asserted that the explanation provided in the Fiscal Year 2018 Detailed Accounting Submission and Performance Summary Report for not meeting its performance goals (*i.e.*, completed cases, convictions, conviction rate) were reasonable. However, the IRS was unable to provide any analysis supporting its explanation. As such, TIGTA was unable to determine if the IRS assertions are reliable.

Additionally, the ONDCP Circular requires an agency to provide a description of its plans and schedules for meeting future goals if any performance goal for the most recent fiscal year was not met. TIGTA found that the IRS did not include this information in its report.

With the exception of the concerns identified above, nothing came to our attention that caused us to believe that the assertions in the 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 recommended that the Chief, Criminal Investigation, analyze the causes of any significant variances between the performance goals and actual accomplishments. In addition, the ONDCP assertions should be based on this analysis and include a detailed explanation. Finally, a description of the IRS's plans and schedules for meeting future goals should be included in the Detailed Accounting Submission and Performance Summary Reports when the most recent fiscal year goals are not met.

In their response, IRS management agreed with the recommendation.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

February 26, 2019

MEMORANDUM FOR COMMISSIONER OF INTERNAL REVENUE

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Independent Attestation Review of the Internal Revenue Service’s Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance (Audit # 201810030)

This report presents the results of our attestation review of the Internal Revenue Service’s Fiscal Year 2018 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 Internal Revenue Service’s report. This review is included in our Fiscal Year 2019 Annual Audit Plan and addresses the major management challenge of Achieving Program Efficiencies and Cost Savings.

Management’s complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the Internal Revenue Service managers affected by the report recommendation. If you have any questions, please contact me or Deann L. Baiza, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations).



*Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2018 Annual Accounting
of Drug Control Funds and Related Performance*

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*Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2018 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 2018 Annual Accounting
of Drug Control Funds and Related Performance*

Background

The Anti-Drug Abuse Act of 1988 established the Office of National Drug Control Policy (ONDCP) to set priorities, implement a national strategy, and certify Federal Government drug control budgets.¹ 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's 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.

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 must also identify and document performance measure(s) that show the results associated with these expenditures. The Chief Financial Officer, or other accountable senior-level executive, of each agency for which a Detailed Accounting Submission is required must 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 prior to its submission for the purpose of expressing a conclusion about the reliability of each assertion made in the report.

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. IRS officials stated that 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 conducted as required by the ONDCP and ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated May 8, 2018. We performed this review at the IRS Headquarters offices of the Chief Financial Officer and Chief, Criminal Investigation, in Washington, D.C., during the period July 2018 through December 2018. 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

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 2018 Annual Accounting
of Drug Control Funds and Related Performance*

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. 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 2018 Annual Accounting of Drug Control Funds and Related Performance

Results of Review

Summary of the Independent Attestation Review of the Fiscal Year 2018 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 2018, which ended September 30, 2018.⁴ The report was prepared pursuant to 21 United States Code Section 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.

We identified significant variances reported between IRS actual results and its performance goals. The IRS asserted that the explanation it provided for not meeting the performance goals (*i.e.*, completed cases, convictions, conviction rate) is reasonable. However, the explanation provided was insufficient to adequately address the significant variances reported between the actual results and goals. Figure 1 shows the performance goals the IRS missed for FY 2018.

Figure 1: IRS's FY 2018 Missed Performance Goals

Performance Measure	Goal	Actual	Variance
Investigations Completed	936	767	-18%
Convictions	634	483	-24%
Conviction Rate	90.5%	89.6%	-0.9%

Source: IRS's FY 2018 ONDCP Detailed Accounting Submission and Performance Summary Report.

IRS management stated that the IRS did not meet its FY 2018 performance goals due to a reduction in Criminal Investigation special agent staffing. IRS management also stated that agents are being directed to work the most complex investigations, which focuses resources on

⁴ Appendix IV presents the IRS's Fiscal Year 2018 ONDCP Detailed Accounting Submission and Performance Summary Report.



*Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2018 Annual Accounting
of Drug Control Funds and Related Performance*

fewer but more significant investigations. Although the explanation provided generally appears reasonable, the IRS was unable to provide any analysis showing the impact of these trends on the narcotics program. Given the IRS's explanation, the total hours charged to narcotics cases and the number of closed cases should logically decrease from FY 2017. The Detailed Accounting Submission and Performance Summary Report shows the number of closed cases increased from 693 cases in FY 2017 to 767 cases in FY 2018. In addition, the total hours charged to narcotics cases in FY 2018 decreased by less than 1 percent compared to FY 2017. IRS management was unable to provide us with additional support for the variances identified. As such, we are unable to determine if the statements are reliable.

In addition, the ONDCP Circular requires a description of the agency's plans and schedules for meeting future goals if any performance goal for the most recent fiscal year was not met. TIGTA found that the IRS did not include this information in the report. IRS management advised us that they plan to expand the FY 2019 goals to provide additional clarity regarding program performance.

With the exception of the concerns identified above, 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.

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.

Recommendation

Recommendation 1: The Chief, Criminal Investigation, should analyze the causes of any significant variances between the narcotics program performance goals and actual accomplishments. The ONDCP assertions should be based on this analysis and include a detailed explanation. In addition, a description of the plans and schedules for meeting future goals should be included in the Detailed Accounting Submission and Performance Summary Report when the most recent fiscal year goals are not met.

Management's Response: Criminal Investigation officials indicated that they will work with the ONDCP to update the methodology associated with performance measures/goals for the Criminal Investigation's narcotics program. Moreover, Criminal Investigation management indicated they would ensure that plans and schedules for meeting future performance measures are included in the Detailed Accounting Submission and Performance Summary report when there is a significant variance and provide analysis and a detailed explanation.



*Independent Attestation Review of the Internal
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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 2018 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 2018 Detailed Accounting Submission and Performance Summary Report.
 - A. Discussed with responsible IRS personnel the process used to record ONDCP expenditures and performance information.
 - 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*.
 - B. Verified the mathematical accuracy of the obligations presented in the Table of FY 2018 Drug Control Obligations.
 - C. Traced the information contained in the Table of FY 2018 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.
 - E. Verified that explanations for not meeting performance targets are reasonable.



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Appendix II

Major Contributors to This Report

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Deann L. Baiza, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Troy D. Paterson, Acting 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

Deputy Commissioner for Operations Support
Deputy Commissioner for Services and Enforcement
Deputy Chief Financial Officer
Deputy Chief, Criminal Investigation
Director, Office of Audit Coordination



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Appendix IV

*Internal Revenue Service's Fiscal Year 2018
Detailed Accounting Submission
and Performance Summary Report*



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

November 16, 2018

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

For Ursula S. Gillis
Chief Financial Officer 

SUBJECT:

Annual Accounting and Authentication of Fiscal Year (FY) 2018
Drug Control Funds, Related Performance, and Assertion of
Performance Information

The purpose of this memorandum is to transmit the IRS FY 2018 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 Jason Bumiller, Director, Budget Execution, at (202) 317-4307.

Attachment



*Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2018 Annual Accounting
of Drug Control Funds and Related Performance*

INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related Performance

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2018 Drug Control Obligations

Narcotics	
Drug Resources by Function	
Investigations	<u>\$63,075,897</u>
Total	\$63,075,897
Drug Resources by Decision Unit	
Narcotics Crimes	<u>\$63,075,897</u>
Total	\$63,075,897

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 above chart.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics Program¹. Criminal Investigation's overall Direct Investigative Time (DIT) applied to narcotics investigations for FY 2018 was 11.81 percent of total DIT.

The methodology for computing the resources appropriated and realized for the Narcotics Program is the application of 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 for which the resources are being reported. The result is determined to be the amount of resources expended

¹ The IRS-CI Narcotics Program consist of 5 sub-programs which include, 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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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 2017 and was effective for FY2018 and all subsequent fiscal years.

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 has not changed from FY 2017 to FY 2018. There was no impact in the methodology in FY 2018 since the methodology in FY 2017 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



*Independent Attestation Review of the Internal
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Strategy. The annual percentage of DIT relating to all narcotics sub-programs is applied to the total resources expended for FY 2018 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 sufficiently documented 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 as well as 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



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance

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 these status codes 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. Criminal Investigation 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 impact.

b) Prior Years Performance Targets and Results

The performance results for FY 2013 through FY 2017 are shown below:

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Investigations Completed	943	862	1039	788	693
Convictions	621	584	601	695	542
Conviction Rate	88%	91%	92.0%	90.6%	87.4%

Note: The performance results for FY2013 indicated in the above table was based on the prior drug methodology and only include investigations coded as OCDETF.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance

c) Current Year Performance Targets and Results

Criminal Investigation calculated its year-end performance using the status date of investigations. The results for FY 2018 are shown below:

FY 2018 Narcotics Targets & Performance	FY 2018 Narcotics Targets	FY 2018 Performance Results Narcotics
Investigations Completed	936	767
Convictions	634	483
Conviction Rate	90.5%	89.6%

- The decrease in the performance targets is due to the reduction in CI special agent staffing and that agents are being directed to work the most complex investigations, which focuses resources on fewer but more significant investigations.

d) Fiscal Year 2019 Performance Targets Narcotics Cases:

The performance information for the IRS CI Narcotics program for FY 2019, as submitted to ONDCP (ONDCP Budget Submission):

Criminal Investigations Completed	830
Convictions	581
Conviction Rate	90.1%

- The FY19 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



*Independent Attestation Review of the Internal
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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 properly applied 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 2018 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 2018 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.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance

Appendix V

Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

February 15, 2019

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) 2018
Drug Control Funds, Related Performance and Assertion of
Performance

The purpose of this memorandum is to transmit the IRS's FY 2018 Annual Accounting and Authentication of Drug Control Funds and Related Performance Report, as directed in the Office of National Drug Control Policy (ONDCP) Circular: Drug Control Accounting dated January 18, 2013.

The IRS's Criminal Investigation Management Information System (CIMIS) accurately compiles Direct Investigative Time and tracks the performance measure for Criminal Investigation's narcotics program. These components were properly used to generate the data in this report. Even though the IRS continues to lose investigative staff through attrition, which negatively affects performance measures, the IRS remains focused on conducting investigations of high-level transnational drug trafficking organizations.

We appreciate your recognition that the assertions in our Detailed Accounting Submission and Performance Summary Report are fairly presented in all material respects in accordance with the ONDCP's established criteria. We agree that the ONDCP circular contains the requirement that agencies provide a description of plans and schedules for meeting future goals in the event performance targets are not met. However, our historical practice has been to address variance issues in years past through engagement and dialogue with TIGTA in lieu of completing a formal document. As a result, we were not anticipating this to be an area of concern for TIGTA during this audit cycle. Nevertheless, we agree with your recommendation and will work with the ONDCP to update our performance measure methodology and include analyses of any significant variances in future reports.

If you have any questions, please contact Christopher Hueston, Director, Narcotics, Counterterrorism and Transnational Organized Crime, at 202-317-3818, or Jared Halper, Senior Analyst, Review, Program and Evaluation, at 801-799-6923.

Attachment A – FY 2018 Annual Accounting
Attachment B – Recommendation Response



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance

Attachment A

**INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related Performance**

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2018 Drug Control Obligations

Narcotics	
Drug Resources by Function	
Investigations	<u>\$63,075,897</u>
Total	\$63,075,897
Drug Resources by Decision Unit	
Narcotics Crimes	<u>\$63,075,897</u>
Total	\$63,075,897

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 above chart.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics Program.¹ Criminal Investigation's overall Direct Investigative Time (DIT) applied to narcotics investigations for FY 2018 was 11.81 percent of total DIT.

The methodology for computing the resources appropriated and realized for the Narcotics Program is the application of 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 for which the resources are being reported. The result is determined to be the amount of resources expended

¹ The IRS-CI Narcotics Program consist of 5 sub-programs: Organized Crime Drug Enforcement Task Forces (OCDETF); High Intensity Drug Trafficking Area (HIDTA); HIDTA-OCDETF; Terrorism-OCDETF; and Narcotics-Other.



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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 2017 and was effective for FY2018 and all subsequent fiscal years.

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 has not changed from FY 2017 to FY 2018. There was no impact in the methodology in FY 2018 since the methodology in FY 2017 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



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Strategy. The annual percentage of DIT relating to all narcotics sub-programs is applied to the total resources expended for FY 2018 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 sufficiently documented 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 as well as 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



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance

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 these status codes 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. Criminal Investigation 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 impact.

b) Prior Years Performance Targets and Results

The performance results for FY 2013 through FY 2017 are shown below:

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Investigations Completed	943	862	1039	788	693
Convictions	621	584	601	695	542
Conviction Rate	88%	91%	92.0%	90.6%	87.4%

Note: The performance results for FY2013 indicated in the above table was based on the prior drug methodology and only include investigations coded as OCDETF.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2018 Annual Accounting of Drug Control Funds and Related Performance

c) Current Year Performance Targets and Results

Criminal Investigation calculated its year-end performance using the status date of investigations. The results for FY 2018 are shown below:

FY 2018 Narcotics Targets & Performance	FY 2018 Narcotics Targets	FY 2018 Performance Results Narcotics
Investigations Completed	936	767
Convictions	634	483
Conviction Rate	90.5%	89.6%

- The decrease in the performance targets is due to the reduction in CI special agent staffing and that agents are being directed to work the most complex investigations, which focuses resources on fewer but more significant investigations.

d) Fiscal Year 2019 Performance Targets Narcotics Cases:

The performance information for the IRS CI Narcotics program for FY 2019, as submitted to ONDCP (ONDCP Budget Submission):

Criminal Investigations Completed	830
Convictions	581
Conviction Rate	90.1%

- The FY19 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 2018 Annual Accounting of Drug Control Funds and Related Performance

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 properly applied 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 2018 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 2018 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.



*Independent Attestation Review of the Internal
Revenue Service's Fiscal Year 2018 Annual Accounting
of Drug Control Funds and Related Performance*

Attachment B

Response to TIGTA Recommendation

RECOMMENDATION: The Chief, Criminal Investigation, should analyze the causes of any significant variances between the narcotics program performance goals and actual accomplishments. The ONDCP assertions should be based on this analysis and include a detailed explanation. In addition, a description of the plans and schedules for meeting future goals should be included in the Detailed Accounting Submission and Performance Summary Report when the most recent fiscal year goals are not met.

CORRECTIVE ACTION: CI will work with ONDCP to update the methodology associated with performance measures/goals associated with CI's narcotics program. Moreover, CI will ensure plans and schedules for meeting future performance measures are included in the Detailed Accounting Submission and Performance Summary report when there is a significant variance and provide analysis and a detailed explanation.

IMPLEMENTATION DATE: October 1, 2019

RESPONSIBLE OFFICIAL: Chief, Criminal Investigation

CORRECTIVE ACTION MONITORING PLAN: N/A

Tab N



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Independent Review of VA's
Fiscal Year 2018 Detailed
Accounting Submission to
the Office of National Drug
Control Policy

REVIEW

REPORT #19-00224-87

MARCH 19, 2019



The mission of the Office of Inspector General is to serve veterans and the public by conducting effective oversight of the programs and operations of the Department of Veterans Affairs through independent audits, inspections, reviews, and investigations.

In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.

**Report suspected wrongdoing in VA programs and operations
to the VA OIG Hotline:**

www.va.gov/oig/hotline

1-800-488-8244

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Abbreviations

FY	Fiscal Year
OIG	Office of Inspector General
ONDCP	Office of National Drug Control Policy
VA	Department of Veterans Affairs
VHA	Veterans Health Administration



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20001



Date: March 19, 2019

To: Chief Financial Officer, Veterans Health Administration (10A3)

From: Assistant Inspector General for Audits and Evaluations (52)

Subject: Final Report: *Independent Review of VA's Fiscal Year 2018 Detailed Accounting Submission to the Office of National Drug Control Policy*

1. The VA Office of Inspector General (OIG) reviewed the Department of Veterans Affairs' (VA) Fiscal Year 2018 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 May 8, 2018, and as authorized by 21 U.S.C. §1703(d)(7).¹ The submission is the responsibility of VA's management and is included in this report as an attachment.
2. The OIG 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 pages 12 and 13 of this report.
3. The OIG conducted its review in accordance with attestation standards established by the American Institute of Certified Public Accountants and by 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. Specifically, the objective of an examination is the expression of an opinion on the assertions in the submission. Accordingly, the OIG does not express such an opinion.
4. The OIG's report, *Audit of VA's Financial Statements for Fiscal Years 2018 and 2017* (Report No. 18-01642-09, dated November 26, 2018) included five material weaknesses, all of which were repeat weaknesses from prior fiscal years (FYs). They are defined as
 - Community care obligations, reconciliations, and accrued expenses;
 - Financial systems and reporting;
 - Information technology security controls;
 - Compensation, pension, burial, and education actuarial estimates; and

¹ The circular is available at <https://www.whitehouse.gov/wp-content/uploads/2018/09/2018-Accounting-and-Performance-Summary-Circular.pdf>.

- Entity-level controls, including Chief Financial Officer organizational structure.

The report also identified two significant deficiencies. One deficiency, *loan guarantee liability*, was reported as a material weakness in FY 2017 and as a significant deficiency in FY 2016; the other, *procurement, undelivered orders, accrued expenses, and reconciliations*, has been reported as a significant deficiency since FY 2016. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected in a timely basis. A significant deficiency is deficiency, or combination of deficiencies, in internal control over financial reporting. This type of deficiency is less severe than a material weakness yet important enough to merit attention by those charged with governance.

5. Based upon the OIG's review, except for the effects, if any, of the material weaknesses discussed in paragraph four, nothing came to the OIG's attention that caused it 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 2018 Detailed Accounting Submission. As a result, this report is not intended to be used for any other purpose.
7. The OIG provided the Veterans Health Administration with the draft report for review and comment. The Chief of Staff concurred with the report without further comments.



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

Attachments

VA's Management Representation Letter

Department of Veterans Affairs Memorandum

Date: December 27, 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 2018 Detailed Accounting Submission to the Office of National Drug Control Policy (Project Number 2019-00224-BA-0002)

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, 2018.

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 2018 financial plan, occurred in Fiscal Year 2018.
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, 2018, that would have an effect on the Detailed Accounting Submission.

(original signed by:)

Charles Stepanek
Acting, Director of Budget Services
Resource Management (10A3B)

(original signed by:)

Rachel A. Mitchell
Deputy Chief Financial Officer
Veterans Health Administration

(original signed by Rachel Mitchell:)

Laura Duke
Chief Financial Officer (10A3)
Veterans Health Administration

cc: Veterans Health Administration Audit Liaison (10B5)

Attachment

Statement of Disclosures and Assertions for FY 2018 Drug Control Obligations Submitted to Office of National Drug Control Policy (ONDCP) for Fiscal Year Ending September 30, 2018

In accordance with ONDCP's Circular, Accounting of Drug Control Funding and Performance, dated May 08, 2018, 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.

VETERANS HEALTH ADMINISTRATION
Annual Reporting of FY 2018 Drug Control Funds

DETAILED ACCOUNTING SUBMISSION

A. Table of FY 2018 Drug Control Obligations

(In Millions)	
Description	FY 2018 Actual
Drug Resources by Budget Decision Unit:	
Medical Care.....	\$751.771
Medical & Prosthetic Research.....	\$15.651
Total.....	\$767.422
Drug Resources by Drug Control Function:	
Treatment.....	\$751.771
Research & Development.....	\$15.651
Total.....	\$767.422

1. Drug Control Methodology

The obligation tables for the FY 2018 Drug Control Obligations (above) and the Resource Summary (page 12) showing obligations and FTE (Full-Time Equivalent) for substance use disorder (SUD) treatment in Veterans Health Administration (VHA) are based on specific patient encounters. The specific patient encounters include 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) that are stored in the Corporate Data Warehouse (CDW).

All patient 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 a substance use disorder treatment and which type of substance use disorder. A list of the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) and International Statistical Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) Diagnosis groups used for substance use disorders are shown in the following table:

2 of 12

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 Managerial Cost Accounting (MCA) System of the Department of Veterans Affairs (VA). 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, Veterans Integrated Service Network (VISN) Support, National Programs, and Capital and State Home costs, and adding in the community care 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

In FY 2018, VHA provided services by mental health clinicians in a variety of outpatient settings to 211,735 patients with any diagnosis of a drug use disorder. Of these, 31 percent used cocaine, 29 percent used opioids, and 51 percent used cannabis. Nearly 89 percent had co-existing psychiatric diagnoses. (These categories are not mutually exclusive.)

VHA continues 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 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 stabilization in numerous inpatient medical and general mental health units throughout the VA system. Outpatient detoxification or induction onto medication is available for patients who are medically stable and who have sufficient social support systems to monitor their status.

VHA offers care in Residential Rehabilitation Treatment Programs to Veterans with a range of mental health concerns. Although many of these programs are designated as "Substance Abuse Residential Rehabilitation Treatment Programs" and focus primarily on substance use disorder services, in FY 2018, 93.6 percent of all Residential Rehabilitation Treatment Programs patients had a substance use disorder present for the fiscal year during which they received residential treatment.

Most Veterans with substance use disorders are treated in outpatient programs. Standard outpatient programs typically treat patients one or two hours per session and patients are generally seen once or twice a week. Intensive substance use disorder outpatient programs provide at least three hours of service per day and patients attend three or more days per week.

Considering 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.

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 substance use disorders 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.

In communities where justice programs relevant to Veterans exist (Veterans courts, drug courts, mental health courts, and police crisis intervention teams), VA has taken the initiative in building working relationships to ensure that eligible justice-involved Veterans get needed care. In communities where no such programs exist, VA has reached out to potential justice system partners (judges, prosecutors, police, and jail administrators) to connect eligible justice-involved Veterans with needed VA services including addiction treatment. VJO Specialists currently serve Veterans in 551 Veterans Treatment Courts and other Veteran-focused courts, with more planned. In communities without Veterans Treatment Courts, VA medical centers have established relationships with a range of justice system and community partners, including police and sheriffs' departments, local jail administrators, judges, prosecutors, public defenders, probation officers, and community mental health providers.

Opioid Safety Initiative

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 2018, several aspects of the Opioid Safety Initiative have begun to show positive results. Despite an increase of 219,673 veterans who were dispensed any medication from a VA pharmacy, 234,492 fewer veterans were on long-term opioids, and 93,586 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 91 percent. The average dose of selected opioids has continued to decline as 40,584 fewer patients were receiving daily doses greater than or equal to 100 milligrams of morphine equivalent, demonstrating that prescribing and consumption behaviors are changing.

Chronic pain is a national public health problem as outlined in the 2011 study by the Institute of Medicine (IOM). At least 100 million Americans suffer from some form of chronic pain. The IOM study describes in detail many concerns of pain management, including system-wide deficits in the training of our Nation's health care professionals in pain management and substance use disorders prevention and management, and the problems caused by a fragmented health care system. The over-use and misuse of opioids for pain management in the United States is a consequence of a health care system that until recently was less than fully prepared to respond to these challenges.

The VHA has identified and broadly responded to the many challenges of pain management through policies supporting clinical monitoring, education and training of health professionals and teams, and expansion of clinical resources and programs. VA's Pain Management Directive defines and describes policy expectations and responsibilities for the overall National Pain Management Strategy and Stepped Care pain model, which is evidence-based and has been adopted by the Department of Defense (DoD) as well. Our approach to managing opioid over-use fits into this plan, and the VA has employed broad strategies to address the opioid epidemic: education, pain management, risk mitigation, and addiction treatment. First, the VA addressed the problem of clinically inappropriate high-dose prescribing of opioids through the VA's national program, the Opioid Safety Initiative (OSI); Second, VA developed an effective system of interdisciplinary, patient-aligned pain management with the competency to provide safe and effective pain control and quality of life for Veterans for the remainder of their lives.

To further strengthen OSI and keep this trend moving in the right direction, VA has deployed state-of-the-art tools to help protect Veteran patients using high doses of opioids or with medical risk factors that put them at an increased risk of complications from opioid medications.

These tools, referred to as the Opioid Therapy Risk Report (OTRR) and the Stratification Tool for Opioid Risk Mitigation (STORM), are available to all staff in the VHA. These tools include information about the dosages of narcotics and other sedative medications, significant medical problems that could contribute to an adverse reaction and monitoring data to aid in the review and management of complex patients.

The Opioid Therapy Risk Report allows VA providers to review all pertinent clinical data related to pain treatment in one place, providing a comprehensive Veteran-centered and more efficient level of management not previously available to primary care providers. The Stratification Tool for Opioid Risk Mitigation allows VA providers to view information about risk factors for opioid overdose, suicide-related events and other harms along with potential risk mitigation strategies.

Additionally, VHA has formalized a system-wide Academic Detailing program that is in process of being implemented throughout the organization. Academic Detailing provides specialty teams to visit facilities and provide on-site support and education to providers to further enhance pain management efforts. The Academic Detailing program is another important step to improve mental health and pain management medication therapy across all VAMCs. As of September 30, 2018, specially trained VA pharmacists had over 32,000 outreach visits with VA prescribers about opioid safety, opioid overdose and naloxone distribution, and opioid use disorder.

As VA continues its efforts to address opioid over-use, complementary and integrative medicine treatments are an important component to VA's Pain Management Strategy. VA currently offers many complementary and integrative medicine treatments, many of which may be useful in chronic pain. These treatments include acupressure, acupuncture, biofeedback, chiropractic services, exercise, heated pool therapy, hypnosis/hypnotherapy, massage therapy,

meditation, occupational therapy, physical therapy, recreational therapy, relaxation, tai chi, transcutaneous electrical nerve stimulation, yoga and other services.

VA has several other programs that are complementary to the Opioid Safety Initiative and include:

- ❖ Overdose Education and Naloxone Distribution (OEND): As of September 30, 2018, over 204,000 naloxone prescriptions were dispensed to Veterans.
- ❖ State Prescription Drug Monitoring Programs (PDMP): 48 States, District of Columbia, and Puerto Rico are activated for VA data transmission. From Quarter 3, Fiscal Year 2013 (ending in June 2013) to Quarter 4, Fiscal Year 2018 (ending September 2018), VA providers have documented over 3.8 million queries to State Prescription Drug Monitoring Programs to help guide treatment decisions.
- ❖ Substance Use Disorder: Medication Assisted Treatment (MAT) is available to Veterans receiving care in VA.
- ❖ Medication Take-Back Program: VA offers free medication take back services to Veterans through mail-back envelopes and on-site receptacles compliant with Drug Enforcement Administration (DEA) regulations. As of September 30, 2018, Veterans have returned over 99 tons (the equivalent of 31 elephants) of unwanted or unneeded medication using these services.

VHA is steadily expanding the availability of medication treatment for veterans with opioid use disorder (OUD). VA monitors the percentage of patients with OUD who receive medication-assisted treatment (34.8 percent during the 4th quarter of FY2018) 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 2017, during FY 2018, 11 percent more unique Veterans received treatment with buprenorphine (total of 16,313) and the number of prescribers increased by 15 percent (to 1,327). In FY 2018, evidence-based medication-assisted treatment (MAT) for opioid use disorder, including office-based treatment with buprenorphine and extended-release injectable naltrexone, 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 630 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 care through community-based licensed opioid treatment programs.

Performance

During FY 2018, 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 2018 (allowing time for follow-up assessment during Quarter 4), VHA substance use disorder specialty outpatient programs assessed self-reported abstinence among 3,337 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, 79.3 percent reported abstinence from drugs during the previous 30 days, a level of performance that is essentially unchanged from the prior year and, despite not reaching our stretch goal of 88%, nonetheless represents a high level of performance success. Over 9,860 veterans were assessed at the beginning of substance use disorder specialty care during the 4th quarter of FY 2018.

The accompanying Department of Veterans Affairs Resource Summary (page 12) 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 May 08, 2018, (b) Budget Formulation, dated May 08, 2018, and (c) Budget Execution, dated May 08, 2018. 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.

Specialized Treatment Costs (Dollars in Millions)

Specialized Treatment	VHA Obligations	Care in the Community Obligations	Total Obligations	FTE
Inpatient	\$180.276	\$26.544	\$206.820	845
Residential Rehabilitation & Treatment	\$299.347	\$18.180	\$317.527	1,302
Outpatient	\$227.425	\$0.000	\$227.425	1,236
Total	\$707.047	\$44.724	\$751.771	3,383

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 money 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.

In FY 2018, VHA exceeded targets for the numbers of studies relevant to substance use (28) or alcohol use (51) disorders and VA separately now reports opioid use disorder research with an FY 2018 baseline of 12 studies in progress. This distinction of a new category for opioid research aligns with heightened focus activity on management of opioid use and abuse. Multiple publications were released by VHA-funded researchers on these specific topics areas.

Specialized Function	Obligations (Millions)	Drug Control Related Percent	FTE
Research & Development	\$15.651	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 2018 consolidated financial statements. They identified five material weaknesses and two significant deficiencies. The material weaknesses relate to: (1) community care obligations, reconciliations, and accrued expenses; (2) financial systems and reporting; (3) information technology security controls; (4) compensation, pension, burial, and education actuarial estimates; and (5) entity level controls including chief financial officer organizational structure. The significant deficiencies relate to: (1) loan guarantee liability; and (2) procurement, undelivered orders, accrued expenses, and reconciliations.
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 2018 drug control obligations by function and budget decision unit is reasonable and accurate based on the criteria set forth in the ONDCP Circular dated May 08, 2018.
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 May 08, 2018.
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, dated May 08, 2018.

Subj: Statement of Disclosures and Assertions for FY 2018 Drug Control Obligations Submitted to Office of National Drug Control Policy (ONDCP) for Fiscal Year Ending September 30, 2018

(original signed by Rachel Mitchell:)

1/26/2019

Laura Duke
Chief Financial Officer
VHA Office of Finance (10A3)

Date

(original signed by:)

1/26/2019

Rachel A Mitchell
Deputy Chief Financial Officer
VHA Office of Finance (10A3)

Date

(original signed by:)

1/22/2019

Charles Stepanek
Management Analyst
Resource Management (10A3B)

Date

Department of Veterans Affairs Resource Summary Obligations (In Millions)	
	2018 Actual
Medical Care:	
Specialized Treatment	
Inpatient.....	\$206.820
Residential Rehabilitation & Treatment.....	\$317.527
Outpatient.....	\$227.425
Specialized Treatment.....	\$751.771
Medical & Prosthetics Research:	
Research & Development.....	\$15.651
Drug Control Resources by Function & Decision Unit, Total....	\$767.422
Drug Control Resources Personnel Summary	
Total FTE.....	3,383
Total Enacted Appropriations.....	\$185,398.000
Drug Control Percentage.....	0.41%

❖ *Numbers may not add as a result of rounding*

For accessibility, the format of the original document in this attachment has been modified to fit in this document.

OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Review Team	Murray Leigh, Director Tesia Basso D. Stephen Nose

Report Distribution

VA Distribution

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DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Independent Review of
VA's Fiscal Year 2018
Performance Summary
Report to the Office of
National Drug Control Policy

REVIEW

REPORT #19-00225-86

MARCH 19, 2019



The mission of the Office of Inspector General is to serve veterans and the public by conducting effective oversight of the programs and operations of the Department of Veterans Affairs through independent audits, inspections, reviews, and investigations.

In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.

**Report suspected wrongdoing in VA programs and operations
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www.va.gov/oig/hotline

1-800-488-8244

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Abbreviations

FY	Fiscal Year
OIG	Office of Inspector General
ONDCP	Office of National Drug Control Policy
VA	Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20001



Date: March 19, 2019
To: Deputy Under Secretary for Health for Organizational Excellence (10E)
From: Assistant Inspector General for Audits and Evaluations (52)
Subject: Final Report: *Independent Review of VA's Fiscal Year 2018 Performance Summary Report to the Office of National Drug Control Policy*

1. The VA Office of Inspector General (OIG) reviewed the Department of Veterans Affairs' (VA) Fiscal Year 2018 Performance Summary Report to the Director of the Office of National Drug Control Policy (ONDCP), pursuant to ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary* (circular), dated May 8, 2018, 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. The OIG 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;
 - 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;
 - 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
 - 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 was incurred.
3. The OIG conducted the review in accordance with attestation standards established by the American Institute of Certified Public Accountants and by the applicable *Government Auditing*

¹ The circular is available at <https://www.whitehouse.gov/wp-content/uploads/2018/09/2018-Accounting-and-Performance-Summary-Circular.pdf>.

Standards issued by the Comptroller General of the United States. An attestation review is substantially less 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, the OIG does not express such an opinion.

4. Based upon the OIG's review and the circular's criteria

- Nothing came to the OIG's attention that caused it to believe VA does not have a system to capture performance information accurately or that the system was not properly applied to generate the performance data reported in the Performance Summary Report.
- Attachment A for the FY 2018 ONDCP Performance Summary Report indicates that VA did not meet its fiscal year (FY) 2018 target for the *Patient Reported Abstinence* performance measure. VA reported in FY 2018 the performance target was set with an expectation that performance would improve from the level observed in FY 2017; however, there was not a compelling benchmark to use as the basis for the increased target. VA reported that FY 2018 performance was derived from a convenience sample rather than a sample that was representative of the full patient population. The lack of change in performance from FY 2017 may reflect differences over time in the addiction severity of patients sampled. VA reported once measurement-based care is implemented routinely, the representativeness of samples is expected to improve 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 2019 target for patient-reported abstinence will be lower than the FY 2018 target to reflect the average of the actual performance over the last three years.
- Nothing came to the OIG's attention that caused it to believe VA did not meet its FY 2018 *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, provide recommendations concerning plans and schedules for meeting future targets, or to revise or eliminate performance targets for this measure.
- Nothing came to the OIG's attention that caused it 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 the OIG's attention that caused it 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 was 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 2018 Performance Summary Report. It is not meant to be used for any other purpose.
6. The OIG provided the Veterans Health Administration with the draft report for comment. The Chief of Staff concurred with the report without further comments.



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

Attachments

VA's Management Representation Letter

Department of Veterans Affairs Memorandum

Date: February 6, 2019

From: Deputy Under Secretary for Health for Organizational Excellence

Subj: Management Representation Letter for the Independent Review of the VA's FY 2018 Performance Summary Report to the Office of National Drug Control Policy (Project Number 2019-00225-BA-0003)

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, 2018.
2. We confirm that we are responsible for and have made available to you the following:
 - a. The Performance Summary Report for FY 2018 required by the Circular.
 - b. All supporting records and related information and data relevant to the performance measures within the FY 2018 Performance Summary Report; and
 - c. Communications, if any, from the ONDCP and other oversight bodies concerning the FY 2018 Performance Summary Report and information therein.
3. We confirm that the FY 2018 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*, May 8, 2018.
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, 2018, 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 2018 Performance Summary Report

I. PERFORMANCE INFORMATION

Decision Unit 1: Veterans Health Administration

Measure 1: Patient Reported Abstinence

FY 2014 Actual	FY 2015 - 2018 Target	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
85%	88%	83%	81%	80%	79%	80%

(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 2018, VHA continued implementation of clinical symptom monitoring using the Brief Addiction Monitor (BAM) that transmits responses to the national data base with over 9,860 Veterans assessed at the beginning of SUD specialty care during the 4th quarter of FY 2018. 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 with a diagnosis of drug use disorder who remained engaged for at least 30 days in a new episode of care in an outpatient specialty care program and completed the Brief Addiction Monitor at treatment initiation and 30-90 days later.

(b) During the first three quarters of FY 2018 (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 3,337 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, 79.3 percent reported abstinence from drugs during the previous 30 days, a level of performance that is essentially unchanged from the prior year and, despite not reaching our stretch goal of 88 percent, nonetheless represents a high level of performance success.

(c) VHA continues implementation of measurement-based care using the Brief Addiction Monitor (BAM) to promote a greater emphasis on individualized care and chronic disease management. The BAM is designed to assist substance use disorder (SUD) specialty care clinicians in monitoring the progress of

patients while they are receiving care for a substance use disorder, serving as a basis for giving feedback to them to enhance their motivation for change, and informing clinical decisions, such as the intensity of care required for the patient. VHA specialty care programs are now able to use the BAM as part of software that integrates the assessment process with our electronic health record, although there is not yet a widely available process for direct patient data entry (e.g., a web-based or via waiting room electronic entry process that does not require a clinician to assist). This has impeded routine implementation of initial and especially follow-up assessment at many facilities. The resulting sample that is assessed at intake and reassessed early in recovery constitutes a pragmatic approach rather than fully representative sample of the entire Veteran SUD treatment population. Comparison of samples across years is thus subject to sampling bias.

The performance in FY2018 is unchanged from FY 2017, and represents a high level of performance despite falling short of our stretch goal of 88 percent. Factors that affect self-reported abstinence at follow-up include the addiction severity of patients sampled as well as improvement in guideline recommended efforts to retain patients in treatment despite early relapse. In FY 2017, VA developed and tested a quality improvement initiative to promote measurement-based care in mental health clinics. This ongoing initiative aims to increase routine use of the BAM to guide treatment decisions. Once measurement-based care using the BAM is implemented routinely, the representativeness of samples is expected to improve and more appropriate target levels may be determined. This ongoing initiative is already having an impact on administration of the BAM. The percentage of patients entering SUD treatment programs who receive an initial and follow-up BAM has increased from 36 percent in Q3FY2016 to 46 percent in Q3FY2018. 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.

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 target for FY2019 represents the average of the actual performance for the last three reporting periods. The goal will be to maintain a high level of success in recovery while retaining Veterans in care whose conditions may take longer to respond to treatment.

(d) Information regarding the performance of the drug control efforts of VHA is based on agency Government Performance and Results Modernization Act (GPRMA) documents and other information that measures the agency's contribution to the *Strategy*, and are maintained by the VHA Office of Reporting, Analytics, Performance Improvement, and Deployment (RAPID). VHA reports performance for two separate drug-related initiatives: (a) SUD treatment and (b) research and development. In the case of the SUD treatment 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.** Information regarding the performance of the drug control efforts of VHA is based on agency GPRMA documents and other information that measures the agency's contribution to the *Strategy*, and are maintained by the VHA Office of Reporting, Analytics, Performance Improvement, and Deployment (RAPID). In the case of the SUD treatment 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 2018 the performance target was set at 88 percent with an expectation that performance would improve from the 80 percent level observed in FY2017; however, there was not a compelling benchmark to use as the basis for the increased target. The resulting performance of 79 percent 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 lack of change in performance from FY 2017 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 began implementation in FY2018, and BAM administrations have increased by about 20 percent 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 continue to 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 Analytics and Business Intelligence, 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. Performance is essentially unchanged for the last three rating periods and thus may represent an appropriate target that balances the desire to encourage the goal of drug abstinence while also encouraging treatment retention for those patients whose complex conditions take longer to respond. Based on consideration of all these factors, VA has identified for FY 2019, a target of 80 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 2018, VHA provided services by mental health clinicians in a variety of outpatient settings to 211,735 patients with any diagnosis of a drug use disorder. Of these, 31 percent used cocaine, 29 percent used opioids, and 51 percent used cannabis. Nearly 89 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 (SUD). VA offers 24-hour care in residential rehabilitation treatment programs for substance use disorders. Additionally, 24-hour care is provided for stabilization in numerous inpatient medical and general mental health units throughout the VA system. Outpatient detoxification or induction onto medication is available for patients who are medically stable and who have sufficient social support systems to monitor their status.

VHA offers care in Residential Rehabilitation Treatment Programs to Veterans with a range of mental health concerns. Although many of these programs are designated as "Substance Abuse Residential Rehabilitation Treatment Programs" and focus primarily on substance use disorder services, in FY 2018,

93.6 percent of all Residential Rehabilitation Treatment Programs patients had a substance use disorder present for the fiscal year during which they received residential treatment.

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 treatment for Veterans with opioid use disorder (OUD). VA monitors the percentage of patients with OUD who receive medication-assisted treatment (34.8 percent during the 4th quarter of FY2018) 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 2017, during FY 2018, 11 percent more unique Veterans received treatment with buprenorphine (total of 16,313) and the number of prescribers increased by 15 percent (to 1,327). In FY 2018, evidence-based medication-assisted treatment (MAT) for opioid use disorder, including office-based treatment with buprenorphine and extended-release injectable naltrexone, 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 630 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 care 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 2018, several aspects of the Opioid Safety Initiative have begun to show positive results. Despite an increase of 219,673 Veterans who were dispensed any medication from a VA pharmacy, 234,492 fewer Veterans were on long-term opioids, and 93,586 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 91 percent. The average dose of selected opioids has continued to decline as 40,584 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 2018 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 54 studies related to substance abuse disorder, 23 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. In FY2018 ORD supported 28 studies related to substance abuse disorder, 51 related to alcohol use and 12 related to opioids.

Comparison of the most recent fiscal year to its target: The targets for FY 2018 were exceeded. See Table 1.

Target for the current fiscal year: Although the actual values (number of studies) exceeded the target for FY 2018, we have not increased the target for FY 2019. This is because there is wide variation in the amount of funding per project, and as projects end over the life of the study, then new projects begin. 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 Actual	FY 2018 Target	FY 2018 Actual
Number of ongoing research studies related to substance abuse disorder	32	30	32	31	23	19	5	28
Number of ongoing research studies related to alcohol abuse	56	59	67	67	54	52	5	51
Number of ongoing research studies related to opioids							N/A*	12

*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 FY2009, 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 and exceeded.

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.

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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