

This document is made available through the declassification efforts  
and research of John Greenewald, Jr., creator of:

# The Black Vault

---



The Black Vault is the largest online Freedom of Information Act (FOIA) document clearinghouse in the world. The research efforts here are responsible for the declassification of hundreds of thousands of pages released by the U.S. Government & Military.

**Discover the Truth** at: **<http://www.theblackvault.com>**



Office of the Inspector General  
U.S. Department of Justice



# **Reviews of the Annual Accounting of Drug Control Funds and Related Performance Fiscal Year 2016**



# **REVIEWS OF THE ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2016**

## **EXECUTIVE SUMMARY**

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, 2016. The Office of the Inspector General performed the attestation reviews. The report and annual detailed accounting of funds obligated by each drug control program agency are required by 21 U.S.C. §1704(d), as implemented by the Office of National Drug Control Policy Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The Department of Justice components reviewed, reported approximately \$7.8 billion of drug control obligations and 23 related performance measures for fiscal year 2016.

The Office of the Inspector General prepared the attestation review reports in accordance with attestation 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, therefore, does not result in the expression of an opinion. We reported that nothing came to our attention that caused us to believe the submissions were not presented, in all material respects, in accordance with the requirements of the Office of National Drug Control Policy Circular, and as otherwise agreed to with the Office of National Drug Control Policy.

This page intentionally left blank.

**REVIEWS OF THE ANNUAL ACCOUNTING OF  
DRUG CONTROL FUNDS AND RELATED PERFORMANCE  
FISCAL YEAR 2016**

**TABLE OF CONTENTS**

**OFFICE OF THE INSPECTOR GENERAL'S INDEPENDENT REPORTS,  
COMPONENT DETAILED ACCOUNTING SUBMISSIONS, AND COMPONENT  
PERFORMANCE SUMMARY REPORTS**

Assets Forfeiture Fund .....	1
Criminal Division .....	15
Drug Enforcement Administration.....	33
Federal Bureau of Prisons.....	61
Office of Justice Programs .....	77
Offices of the United States Attorneys .....	105
Organized Crime Drug Enforcement Task Forces Program .....	123
United States Marshals Service .....	141



**ASSETS FORFEITURE FUND**



This page intentionally left blank.



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

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

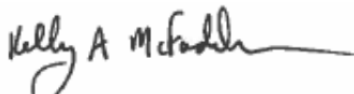
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Assets Forfeiture Fund (AFF) for the fiscal year ended September 30, 2016. The AFF's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the AFF prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of AFF management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "Kelly A. McFadden", with a long horizontal flourish extending to the right.

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

January 18, 2017

**Assets Forfeiture Fund  
Detailed Accounting Submission**

This page intentionally left blank.



**U.S. Department of Justice**  
Justice Management Division  
*Asset Forfeiture Management Staff*  
145 N St., N.E., Suite 5W.511  
Washington, D.C. 20530

---

**Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the Assets Forfeiture Fund (AFF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the Unified Financial Management System (UFMS) 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 2016.
4. The AFF did not have any ONDCP Fund Control Notices issued in FY 2016.

---

Kevin Arnwine, Assistant Director,  
Asset Forfeiture Management Staff

1/18/2017

---

Date

**U.S. Department of Justice  
Assets Forfeiture Fund  
Detailed Accounting Submission  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2016  
(Dollars in Millions)**

	<b>FY 2016 Actual Obligations</b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Decision Unit: Asset Forfeiture</b>	
Investigations	\$ 191.21
State and Local Assistance	67.14
<b>Total Asset Forfeiture</b>	<b>\$ 258.35</b>
	<hr/>
<b>Total Drug Control Obligations</b>	<b>\$ 258.35</b>
	<hr/>

**U.S. Department of Justice  
Asset Forfeiture Management Staff  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

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 2016 Financial Statements Audit, the Assets Forfeiture Fund (AFF)/Seized Asset Deposit Fund (SADF) received an unmodified audit opinion. The *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* noted a significant deficiency related to internal control over budgetary information presented in financial statements and completeness and accuracy of donation and forfeiture revenue. Specifically, improvements are needed in the financial reporting process to include reconciling and researching differences in budgetary information reported in the financial statements. Additionally, Assets Forfeiture Management Staff and federal agencies participating in the Assets Forfeiture Program continue to have weaknesses in gathering and evaluating the supporting judicial information prior to recognizing revenue and evaluating adjustments to revenue accounts.

To mitigate this finding, new reconciliation procedures and weekly face-to-face meetings between all staff involved in the financial statement preparation process have been implemented and tested. This finding, while not a material weakness is being reported by the AFF as an "other finding" because it has an undetermined impact on the presentation of drug related obligations.

#### Disclosure 4: Reprogrammings or Transfers

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

**Assets Forfeiture Fund  
Performance Summary Report**

This page intentionally left blank.



U.S. Department of Justice  
Justice Management Division  
Asset Forfeiture Management Staff  
145 N St., 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, 2016**

On the basis of the Assets Forfeiture Fund (AFF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the AFF system of performance reporting provides reasonable assurance that:

1. The AFF uses the Unified Financial management System (UFMS) to capture performance information accurately and UFMS was properly applied to generate the performance data.
2. The AFF met the reported performance targets for FY 2016.
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

1/18/2017

Date

**U.S. Department of Justice  
Assets Forfeiture Fund  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2016**

**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.

<b>Decision Unit: Asset Forfeiture</b>						
<b>Performance Report &amp; Target</b>						
<b>Performance Measure:</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>		<b>FY 2017</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>
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**

This page intentionally left blank.



## **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, 2016. The CRM's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

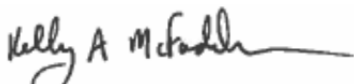
Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the CRM prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.



This report is intended solely for the information and use of CRM management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Kelly A. McFadden", followed by a horizontal line.

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

January 18, 2017

**Criminal Division  
Detailed Accounting Submission**

This page intentionally left blank.



U.S. Department of Justice

Criminal Division

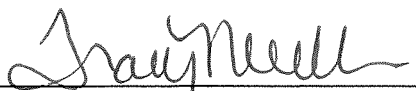
Office of Administration

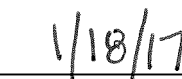
Washington, D.C. 20530

**Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the Criminal Division (CRM) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the CRM system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the CRM to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2016.
4. CRM did not have any ONDCP Fund Control Notices issued in FY 2016.

  
Tracy Melton, Executive Officer

  
Date

	<b>FY 2016</b>
	<b>Actual Obligations</b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Decision Unit: Enforcing Federal Criminal Laws</b>	
Prosecution	\$ 37.95
<b>Total Enforcing Federal Criminal Laws</b>	<u>\$ 37.95</u>
 <b>Total Drug Control Obligations</b>	 <u>\$ 37.95</u>

**U.S. Department of Justice  
Criminal Division  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

Disclosure 1: Drug Methodology

The Criminal Division (CRM) develops, enforces, and supervises the application of all Federal criminal laws except those specifically assigned to other divisions. In executing its mission, the CRM dedicates specific resources in support of the National Drug Control Strategy that focus on disrupting domestic drug trafficking and production and strengthening international partnerships. The CRM's drug budget is the funding available for the Division's drug-related activities. The CRM Sections and Offices contributing to this budget are:

- Appellate Section (APP)
- Computer Crimes and Intellectual Property Section (CCIPS)
- Capital Case Section (CCS)
- Human Rights and Special Prosecutions Section (HRSP)
- International Criminal Investigative Training Assistance Program (ICITAP)
- Money Laundering and Asset Recovery Section (MLARS)
- Narcotic and Dangerous Drug Section (NDDS)
- Organized Crime and Gang Section (OCGS)
- Office of Enforcement Operations (OEO)
- Office of International Affairs (OIA)
- Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT)
- Office of Policy and Legislation (OPL)

Since the CRM's accounting system, Department of Justice's (DOJ's) Financial Management Information System 2 (FMIS2), does not track obligation and expenditure data by ONDCP's drug functions, CRM's drug resources figures are derived by estimating the level of involvement of each Division component in drug-related activities. Each component is required to estimate the percentage of work/time that is spent addressing drug-related issues. This percentage is then applied against each component's overall resources to develop an estimate of resources dedicated to drug-related activities. Component totals are then aggregated to determine the Division total. For FY 2016, the Division's drug resources as a percentage of its overall actual obligations were 20.9%.

Data – All accounting information for the CRM is derived from DOJ's FMIS2.

Financial Systems – FMIS2 is DOJ's financial system that provides CRM with obligation data. Obligations in this system can also be reconciled with the enacted appropriation.

Disclosure 2: Methodology Modifications

No modifications were made to the methodology from the prior year.

### Disclosure 3: Material Weaknesses or Other Findings

CRM is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2016, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2016 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2016 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

### Disclosure 4: Reprogrammings or Transfers

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

**Criminal Division  
Performance Summary Report**



This page intentionally left blank.



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, 2016**

On the basis of the Criminal Division (CRM) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the CRM system of performance reporting provides reasonable assurance that:

1. CRM uses the Automated Case Tracking System (ACTS), the Division's Performance Dashboard, the Mutual Legal Assistance Tracking System, and the Extradition Tracking System to capture performance information accurately and these systems were properly applied to generate the performance data.
2. CRM met the reported performance targets for FY 2016.
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.

Tracy Melton, Executive Officer

1/18/17

Date

**U.S. Department of Justice  
Criminal Division  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2016**

**Performance Measure 1: Number of New Drug-Related Investigative Matters and Cases**

The Criminal Division's Narcotic and Dangerous Drug Section (NDDS) investigates and prosecutes priority national and international drug trafficking groups, and other transnational criminal organizations. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their new drug-related investigative matters and cases which is a measure of the work achieved by NDDS during a fiscal year.

<b>Number of New Drug-Related Investigative Matters and Cases</b>					
<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
75	61	21	27	34	30

In FY 2016, NDDS exceeded its target by 26%, opening a combined 34 new drug-related investigative matters and cases. NDDS set its FY 2016 targets for new drug-related prosecutions and investigations based on historical trend analysis.

For FY 2017, 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 2016.

***Data Validation and Verification***

All investigative matters and cases are entered and tracked in the Division's Automated Case Tracking System (ACTS). System and policy requirements for tracking litigation data in ACTS are captured in its manual. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division's Performance Dashboard confirming that their Section's ACTS performance data are valid. A verification email is sent from the system to the Division's Executive Officer.

**Performance Measure 2: Number of OCDETF Title III Wiretaps Reviewed**

The Criminal Division's Office of Enforcement Operations (OEO) is responsible for reviewing and approving all applications submitted by federal prosecutors to intercept wire, oral, and electronic communications to obtain evidence of crimes. A subset is applications relating to investigations and prosecutions of Organized Crime Drug Enforcement Task Force (OCDETF) cases. These efforts support the National Drug Control Program activities: Disrupt Domestic

Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their number of OCDETF Title III wiretaps reviewed which is a measure of the drug-related Title III wiretap work achieved by OEO during a fiscal year.

<b>Number of OCDETF Title III Wiretaps Reviewed</b>					
<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
2,251	2,150	2,444	2,130	2,398	2,500

In FY 2016, OEO exceeded its target by 12%, reviewing 2,398 OCDETF Title III wiretaps. This workload is directly reactive to the number of incoming requests for OCDETF Title III approvals. The budgetary situation likely impacted law enforcement's ability to pursue greater numbers of Title III intercepts. The number of applications reviewed has increased substantially from FY 2014 despite the ongoing complexity of applications reviewed by OEO. OEO has successfully handled increasingly complex requests that raise novel legal issues and implicate the use of emerging technologies. In addition, OEO works with USAOs to ensure they have put in place appropriate mitigation measures where the Title III applications identify public safety risks.

For FY 2017, OEO's target for the number of OCDETF Title III wiretaps reviewed is 2,500. Even though the actual number for 2015 was greater than projected, the targets for 2016 were based on changing technology and encryption and interception issues that could limit law enforcement's ability to conduct Title III wiretaps in certain cases. The 2017 target is set based on historical trend analysis, in addition to the assumption of staffing and resources similar to FY 2016.

### ***Data Validation and Verification***

The total number of OCDETF Title III wiretaps reviewed is entered each quarter in the Division's Performance Dashboard. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division's Performance Dashboard confirming that their Section's performance data are valid. A verification email is sent from the system to the Division's Executive Officer.

### **Performance Measure 3: Number of Drug-Related Mutual Legal Assistance Treaties (MLAT) Requests Closed**

The Criminal Division's Office of International Affairs (OIA) secures the return of fugitives from abroad and obtains from foreign countries evidence and other assistance (e.g., freezing of accounts and forfeiture of funds) needed in criminal investigations and prosecutions. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their drug-related MLAT requests closed which is a measure of OIA's drug-related work during a fiscal year.

<b>Number of Drug-Related Mutual Legal Assistance Treaties (MLAT) Requests Closed</b>					
<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
192	106	121	N/A	407	N/A

This measure cannot be targeted. This measure is a subset of an overall measure. The Division can target the entire measure, but is not able to target any specific subset of the measure.

#### ***Data Validation and Verification***

All MLAT requests are tracked in OIA's Extradition and Mutual Legal Assistance Tracking System, including drug-related requests. The total MLAT requests closed is entered each quarter in the Division's Performance Dashboard. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division's Performance Dashboard confirming that their Section's performance data are valid. A verification email is sent from the system to the Division's Executive Officer.

#### **Performance Measure 4: Number of Drug-Related Extradition Requests Closed**

The Criminal Division's Office of International Affairs (OIA) secures the return of fugitives from abroad, and obtains from foreign countries evidence and other assistance (e.g., freezing of accounts and forfeiture of funds) needed in criminal investigations and prosecutions. These efforts support the National Drug Control Program activities: Disrupt Domestic Drug Trafficking and Production, and Strengthen International Partnerships. The Division quantifies their drug-related extradition requests closed which is a measure of OIA's drug-related work during a fiscal year.

<b>Number of Drug-Related Extradition Requests Closed</b>					
<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
443	194	289	N/A	168	N/A

This measure cannot be targeted. This measure is a subset of an overall measure. The Division can target the entire measure but is not able to target any specific subset of the measure.

#### ***Data Validation and Verification***

All extradition requests are tracked in OIA's Extradition and Mutual Legal Assistance Tracking System, including drug-related requests. The total extradition requests closed is entered each quarter in the Division's Performance Dashboard. The policy for data validation and verification is as follows: within ten business days following the close of the quarter, Sections Chiefs or their designee are required to validate in the Division's Performance Dashboard confirming that their

Section's performance data are valid. A verification email is sent from the system to the Division's Executive Officer.

This page intentionally left blank.

**DRUG ENFORCEMENT  
ADMINISTRATION**



This page intentionally left blank.



## **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

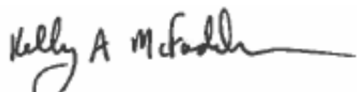
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the fiscal year ended September 30, 2016. The DEA's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the DEA prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of DEA management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "Kelly A. McFadden", with a long horizontal flourish extending to the right.

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

January 18, 2017

**Drug Enforcement Administration  
Detailed Accounting Submission**

This page intentionally left blank.



**U. S. Department of Justice**  
**Drug Enforcement Administration**

---

*www.dea.gov*

**Detailed Accounting Submission**  
**Management's Assertion Statement**  
**For Fiscal Year Ended September 30, 2016**

On the basis of the Drug Enforcement Administration's (DEA) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the DEA system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from the DEA's accounting system of record for these budget decision units.
2. The drug methodology used by the DEA to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$1 million.
5. DEA did not have any ONDCP Fund Control Notices issued in FY 2016.

Jeffrey W. Sutton, Chief Financial Officer

1/18/17

Date

**U.S. Department of Justice  
Drug Enforcement Administration  
Detailed Accounting Submission  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2016  
(Dollars in Millions)**

	<b>FY 2016 Actual Obligations</b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Decision Unit # 1: Diversion Control Fee Account</b>	
Intelligence	\$ 9.87
Investigations	358.28
Prevention	2.49
<b>Total Diversion Control Fee Account</b>	<b>\$ 370.65</b>
<b>Decision Unit # 2: International Enforcement</b>	
Intelligence	\$ 20.66
International	442.47
Prevention	0.13
<b>Total International Enforcement</b>	<b>\$ 463.26</b>
<b>Decision Unit # 3: Domestic Enforcement</b>	
Intelligence	\$ 183.26
Investigations	1,542.48
Prevention	1.60
<b>Total Domestic Enforcement</b>	<b>\$ 1,727.34</b>
<b>Decision Unit # 4: State and Local Assistance</b>	
State and Local Assistance	\$ 13.52
<b>Total State and Local Assistance</b>	<b>\$ 13.52</b>
<b>Total Drug Control Obligations</b>	<b>\$ 2,574.76</b>
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 14.78

**U.S. Department of Justice  
Drug Enforcement Administration  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

Disclosure 1: Drug Methodology

The mission of the Drug Enforcement Administration (DEA) is to enforce the controlled substances laws and regulations of the United States and to bring to the criminal and civil justice system of the United States or any other competent jurisdiction, those organizations, and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States; and to recommend and support non-enforcement programs aimed at reducing the availability of illicit controlled substances on the domestic and international markets. In carrying out its mission, the DEA is the lead agency responsible for the development of the overall Federal drug enforcement strategy, programs, planning, and evaluation. The DEA's primary responsibilities include:

- Investigation and preparation for prosecution of major violators of controlled substances laws operating at interstate and international levels;
- Management of a national drug intelligence system in cooperation with Federal, state, local, and foreign officials to collect, analyze, and disseminate strategic and operational drug intelligence information;
- Seizure and forfeiture of assets derived from, traceable to, or intended to be used for illicit drug trafficking;
- Enforcement of the provisions of the Controlled Substances Act and the Chemical Diversion and Trafficking Act as they pertain to the manufacture, distribution, and dispensing of legally produced controlled substances and chemicals;
- Coordination and cooperation with Federal, state and local law enforcement officials on mutual drug enforcement efforts and enhancement of such efforts through exploitation of potential interstate and international investigations beyond local or limited Federal jurisdictions and resources;
- Coordination and cooperation with other Federal, state, and local agencies, and with foreign governments, in programs designed to reduce the availability of illicit abuse-type drugs on the United States market through non-enforcement methods such as crop eradication, crop substitution, and training of foreign officials;
- Responsibility, under the policy guidance of the Secretary of State and U.S. Ambassadors, for all programs associated with drug law enforcement counterparts in foreign countries;



- Liaison with the United Nations, Interpol, and other organizations on matters relating to international drug control programs; and
- Supporting and augmenting U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes to foreign terrorist organizations, as well as the use of illicit drugs as barter for munitions to support terrorism.

The accompanying Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 showing function and decision unit. The table represents obligations incurred by the DEA for drug control purposes and reflects one hundred percent of the DEA's mission.

Since the DEA's accounting system, the Unified Financial Management System (UFMS), does not track obligation and expenditure data by ONDCP's drug functions, the DEA uses Managerial Cost Accounting (MCA), a methodology approved by ONDCP to allocate obligations tracked in DEA's appropriated accounts and decision units to ONDCP's drug functions. The Salaries and Expense appropriated account is divided into three decision units, Domestic Enforcement, International Enforcement, and State and Local Assistance. The Diversion Control Fee Account (DCFA) is fee funded by Registrants and covers the full costs of DEA's Diversion Control Program's operations. Thus, the total DCFA cost is tracked and reported as a decision unit by itself to distinguish it from the appropriated S&E account. Although not appropriated funding, the DCFA as authorized by Congress is subject to all rules and limitations associated with Appropriations Law.

Data: All accounting data for the DEA are maintained in UFMS. UFMS tracks obligation and expenditure data by a variety of attributes, including fund type, allowance center, decision unit and object class. One hundred percent of the DEA's efforts are related to drug enforcement.

Financial Systems: UFMS is the information system the DEA uses to track obligations and expenditures. Obligations derived from this system can also be reconciled against enacted appropriations and carryover balances.

Managerial Cost Accounting: The DEA uses allocation percentages generated by MCA to allocate resources associated with the DEA's four decision units to ONDCP's drug functions. The MCA model, using an activity-based costing methodology, provides the full cost of the DEA's mission outputs (performance costs). The table below shows the allocation percentages based on the DEA's MCA data.

The DEA Budget Decision Unit	Allocation	ONDCP Function
Diversion Control Fee Account	2.66%	Intelligence
	96.66%	Investigations
	0.67%	Prevention
Domestic Enforcement	89.30%	Investigations
	10.61%	Intelligence
	0.09%	Prevention
International Enforcement	95.51%	International
	4.46%	Intelligence
	0.03%	Prevention
State and Local Assistance	100.00%	State and Local Assistance

Decision Units: One hundred percent of the DEA's total obligations by decision unit are associated with drug enforcement. This total is reported and tracked in UFMS.

Full Time Equivalents (FTE): One hundred percent of the DEA FTEs are dedicated to drug enforcement efforts. The DEA's Direct FTE total for FY 2016, including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 7,810 through pay period 19, ending October 1, 2016.

Transfers and Reimbursements: High Intensity Drug Trafficking Area (HIDTA) transfers and reimbursable obligations are excluded from the DEA's Table of Drug Control Obligations since they are reported by other sources.

#### Disclosure 2: Methodology Modification

The DEA's method for tracking drug enforcement resources has not been modified from the method approved in FY 2005. The DEA uses current MCA data to allocate FY 2016 obligations from four decision units to ONDCP's drug functions.

#### Disclosure 3: Material Weaknesses and Other Findings

For FY 2016, 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 2016 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2016 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

The DOJ Office of the Inspector General (OIG) issued an audit report on September 28, 2016, on DEA's confidential source program. The report stated that DEA's management of the program did not provide sufficient oversight and controls related to DEA's establishment, use, and payment of

confidential sources. DEA concurred with the findings, and has issued new policy that addresses most of the OIG's concern in the prior report. This finding is being reported by DEA as an "other finding", because it has an undetermined impact on the presentation of prior year drug-related obligations data.

#### Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings in FY 2016.

The DEA had six transfers during FY 2016 (see the attached Table of FY 2016 Reprogrammings and Transfers) with individual transfer amounts that matched or exceeded the \$1,000,000 threshold. Two transfers came from DOJ's Community Oriented Policing Services for a total amount of \$11,000,000 to DEA's S&E No-Year account. There were three internal transfers from DEA's prior year funded unobligated balances to DEA's No-Year account for a total amount of \$30,057,273. And, one transfer from HIDTA to DEA's 2016/2017 S&E account in the amount of \$14,255,973. 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 2016 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, 2016  
(Dollars in Millions)**

Drug Resources by Budget Decision Unit and Function:			Transfers-in		Transfers-out		Total
	<b>Decision Unit #2: International Enforcement</b>						
		Intelligence	\$ 0.16		\$ -		\$ 0.16
		International	6.18		-		6.18
		Prevention	0.01		-		0.01
	<b>Total International Enforcement</b>		<u>\$ 6.35</u>		<u>\$ -</u>		<u>\$ 6.35</u>
	<b>Decision Unit #3: Domestic Enforcement</b>						
		Intelligence	\$ 2.40		\$ -		\$ 2.40
		Investigations	22.65		-		22.65
		Prevention	0.02		-		0.02
	<b>Total Domestic Enforcement</b>		<u>\$ 25.07</u>		<u>\$ -</u>		<u>\$ 25.07</u>
<b>Total</b>			<u>\$ 31.42</u>		<u>\$ -</u>		<u>\$ 31.42</u>
High-Intensity Drug Trafficking Area (HIDTA) Transfers			\$ 14.25				\$ 14.25

This page intentionally left blank.

**Drug Enforcement Administration  
Performance Summary Report**

This page intentionally left blank.



**U. S. Department of Justice**  
**Drug Enforcement Administration**

---

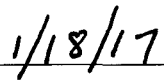
[www.dea.gov](http://www.dea.gov)

**Performance Summary Report**  
**Management's Assertion Statement**  
**For Fiscal Year Ended September 30, 2016**

On the basis of the Drug Enforcement Administration (DEA) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the DEA system of performance reporting provides reasonable assurance that:

1. DEA uses Priority Target Activity Resource Reporting System and Controlled Substance Act Database to capture performance information accurately and these systems were properly applied to generate the performance data.
2. Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets is reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. DEA has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

  
\_\_\_\_\_  
Jeffrey W. Sutton, Chief Financial Officer

  
\_\_\_\_\_  
Date



**U.S. Department of Justice  
Drug Enforcement Administration  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2016**

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

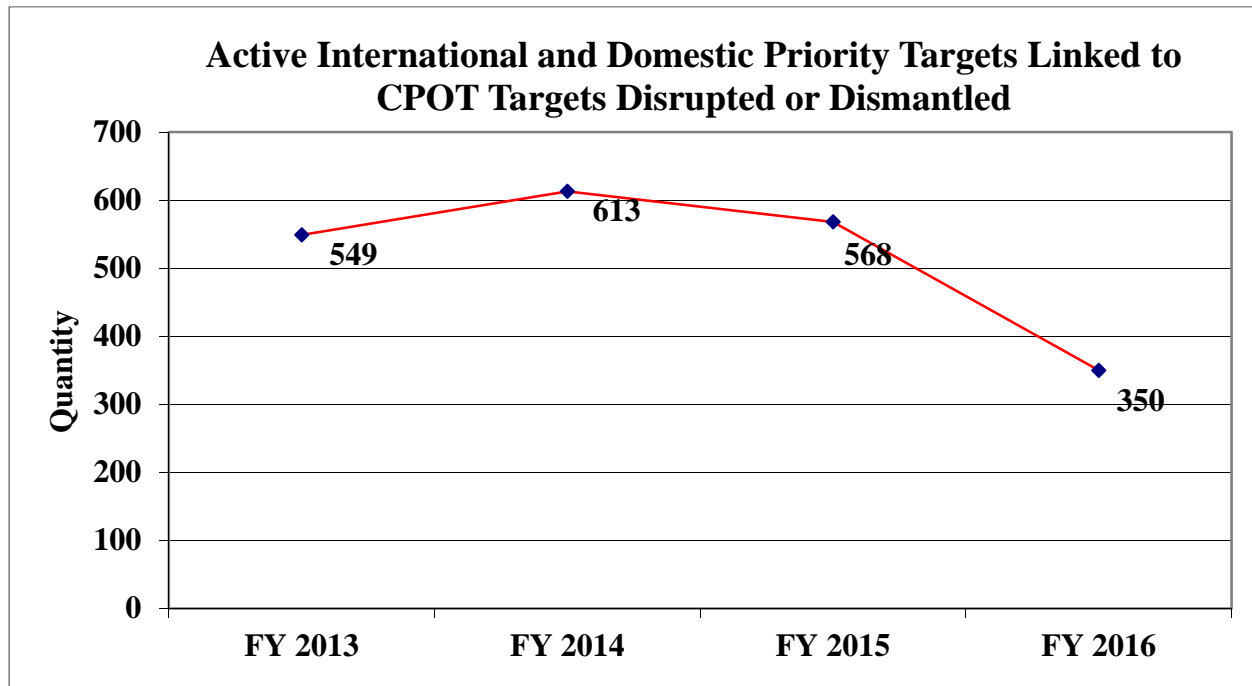
The Drug Enforcement Administration (DEA) is committed to bringing organizations involved in the growing, manufacturing, or distribution of controlled substances to the criminal and civil justice system of the U.S., or any other competent jurisdiction. To accomplish its mission, the DEA targets Priority 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 2015 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 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 <sup>1</sup> Actual	FY 2017 Target
549	613	568	351	350	351



In the first few years of the DEA's Priority Targeting Program, DEA repeatedly exceeded its annual targets for PTO disruptions<sup>2</sup> and dismantlements<sup>3</sup>. 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.

<sup>1</sup> Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled (Cat Code Ds) in our actual and target totals.

<sup>2</sup> 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.

<sup>3</sup> 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.

As of September 30, 2016, the DEA disrupted or dismantled 350 PTOs linked to CPOT targets, which is 99.7 percent of its FY 2016 target of 351. DEA missed the target by one CPOT which is primarily due to international CPOTs. DEA cannot operate unilaterally and numerous factors complicate international investigations. However, in the current budget environment, this performance is a testament to DEA's commitment to DOJ's CPOTs, which include the most significant international command and control organizations threatening the United States as identified by OCDETF member agencies.

DEA FY 2017 target is 351 PTOs linked to CPOTs. This target was determined using a five year average of prior year (FY 2011 – FY 2015) actuals.

### ***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.

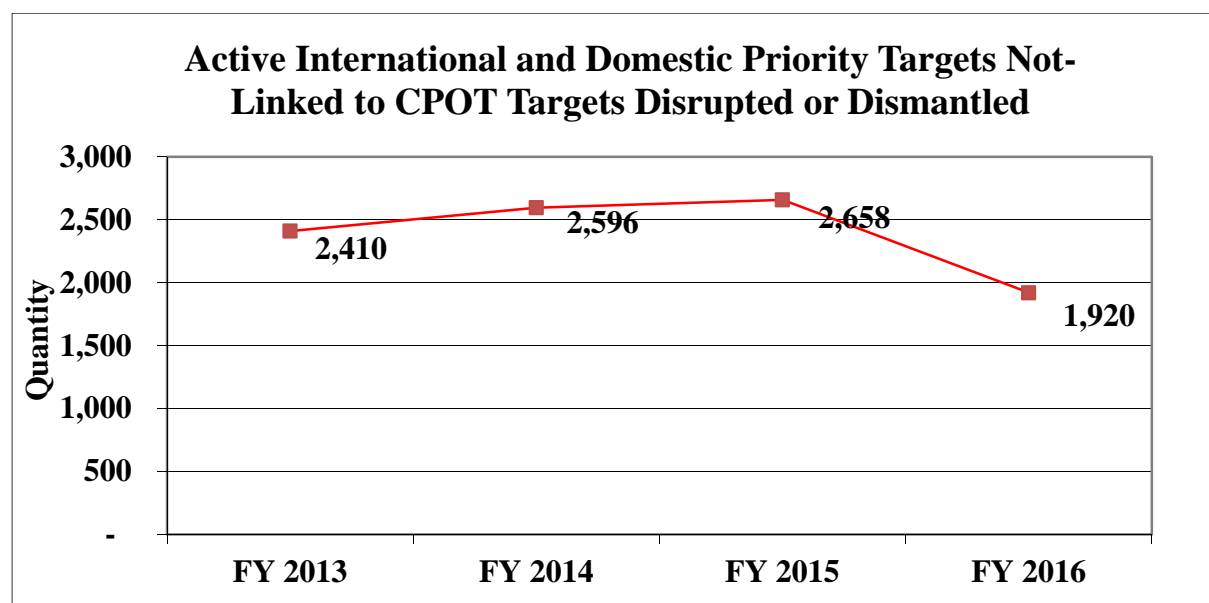
In the first few years of the DEA's Priority Targeting Program, DEA repeatedly exceeded its annual targets for PTO disruptions<sup>4</sup> and dismantlements<sup>5</sup>. Prior to FY 2005, DEA reported its PTO disruptions and dismantlements for closed cases. Thereafter, it included PTOs disrupted pending 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, 2016, the DEA disrupted or dismantled 1,920 PTOs not linked to CPOT targets, which is 20.8 percent above its FY 2016 target of 1,590.

DEA FY 2017 target is 1,590 PTOs not linked to CPOTs. This target was determined using a five year average of prior year (FY 2011 – FY 2015) actuals

**Table 2: Measure 2**

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 <sup>6</sup> Actual	FY2017 Target
2,410	2,596	2,658	1,590	1,920	1,590



<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled (Cat Code Ds) in our actual and target totals.

### ***Data Validation and Verification***

PTOs not linked to CPOT targets use the same data validation and verification and PTOs linked to CPOT targets. They are in the same system, PTARRS, and identified with a code of “NO” for not linked.

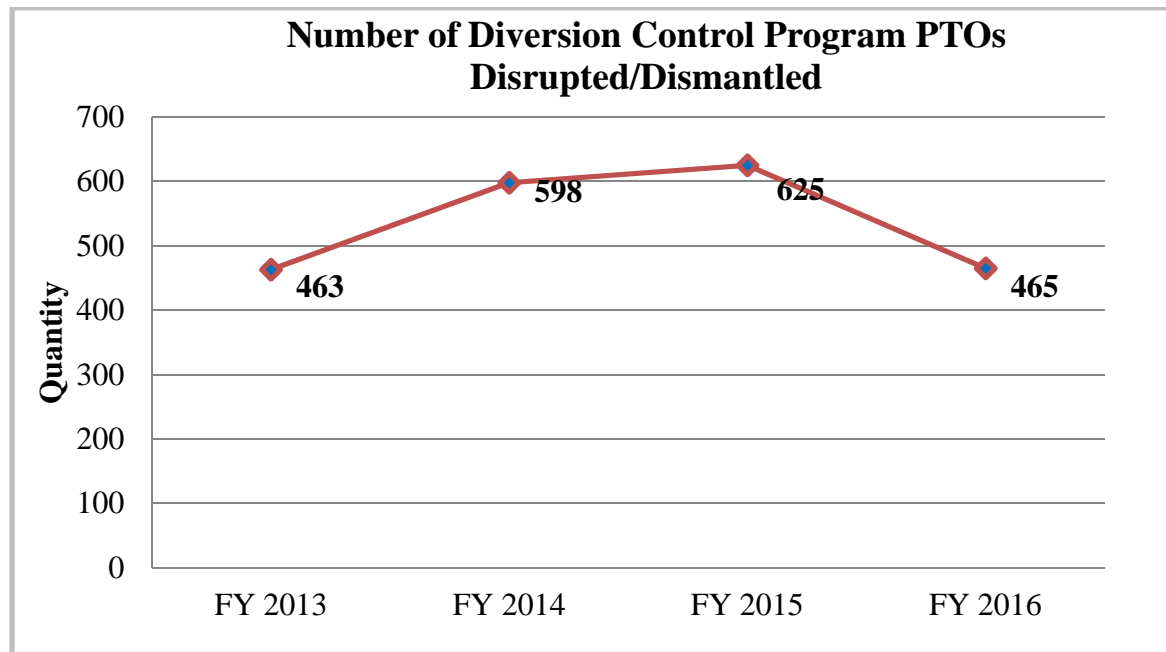
### **Performance Measure 3: Number of DCP-related PTOs Disrupted/Dismantled**

The Diversion Control Program (DCP) has been working diligently to address the growing problem of diversion and prescription drug abuse. Criminal entrepreneurs have, over the past few years, leveraged technology to advance their criminal schemes and reap huge profits while diverting millions of dosages of powerful pain relievers such as hydrocodone. One such method was the use of rogue Internet pharmacies. Investigations involving Internet pharmacies required the DEA to retool and retrain investigators. Most of these investigations involved several jurisdictions and involved voluminous amounts of electronic data. Compounding the problem was the fact that many of the laws under which investigators worked were written years prior to today’s technological advances.

The DEA also developed and implemented the Distributor Initiative Program designed to educate and remind registrants of their regulatory and legal responsibilities. This program has been very successful and has moved the pharmaceutical industry to install new and enhanced measures to address their responsibilities and due diligence as registrants. Despite these efforts the prescription drug abuse problem continues to be a major problem. Many state and local law enforcement agencies have devoted limited, if any resources, in the area of pharmaceutical diversion. To effectively attack this problem, the DEA, beginning in FY 2009, began establishing Tactical Diversion Squads (TDS) across the United States to tackle the growing problem of diversion and prescription drug abuse. These TDS groups, which incorporate Special Agents, Diversion Investigators and state and local Task Force Officers, have begun to show very successful investigations. Some of these investigations have resulted in multi-million dollar seizures. Beginning in FY 2011, DEA reported its DCP PTOs separately under the Diversion Control Fee Account. As a participant in the PTO program, the DCP is required to report PTOs linked to CPOT and not linked to CPOT. However, with the nature of the DCP, CPOT linkages are a rare event. Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the DCP began focusing on the identification of PTOs and their eventual disruption and dismantlement. As the DCP continues to work to fully staff its TDS groups, PTO performance is expected to increase.

**Table 3: Measure 3**

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 <sup>7</sup> Actual	FY 2017 Target
463	598	625	362	465	362



In the first few years of the DEA's Priority Targeting Program, DEA repeatedly exceeded its annual targets for PTO disruptions<sup>8</sup> and dismantlements<sup>9</sup>. 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 2016, the DEA disrupted or dismantled 465 DCP PTOs linked/not linked to CPOTs, which is 28.5 percent above its FY 2016 target of 362.

<sup>7</sup> Beginning FY 2016, DEA no longer included Disrupted Pending Dismantled (Cat Code Ds) in our actual and target totals.

<sup>8</sup> 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.

<sup>9</sup> 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.

DEA FY 2017 target is 362 PTOs linked to CPOTs. This target was determined using a three year average of prior year (FY 2013 – FY 2015) actuals

### ***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/Criminal Sanctions Imposed on Registrants/Applicants**

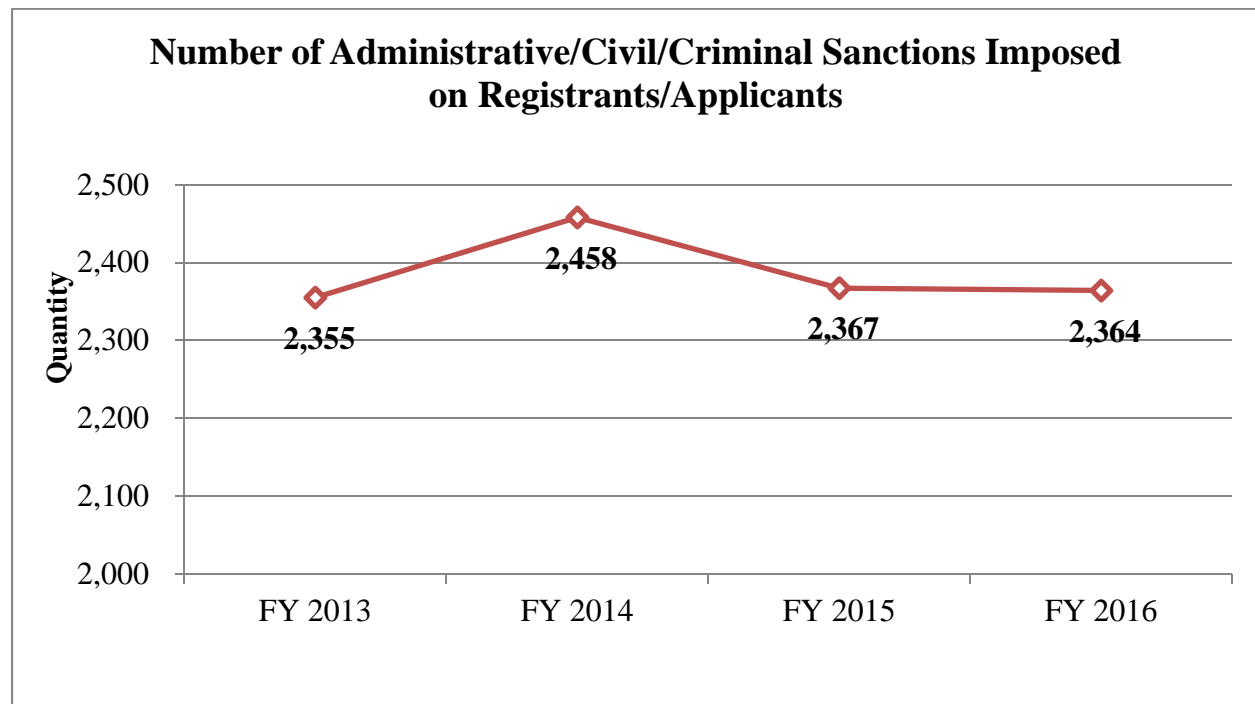
In addition to the DCP's enforcement activities, a large component of the DCP is regulatory in nature. Specifically, DEA's DCP is responsible for enforcing the Controlled Substances Act (CSA) and its regulations pertaining to pharmaceutical controlled substances and listed chemicals. The DCP actively 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/Criminal 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/Criminal 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 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target
2,355	2,458	2,367	2,367	2,364	2,367



For FY 2016, the DCP imposed 2,364 Administrative/Civil/Criminal Sanctions on its registrants/applicants, which is 99.9 percent of its FY 2016 target of 2,367. For FY 2017, DCP's target for Administrative/Civil/Criminal Sanctions is 2,367 based on prior year actuals.

#### ***Data Validation and Verification***

The CSA Database (CSA2) is an Oracle database, which maintains all of the historical and investigative information on DEA registrants. It also serves as the final repository for punitive actions (i.e., sanctions) levied against CSA violators. During the reporting quarter, the domestic field divisions change the status of a registrant's CSA2 Master Record to reflect any regulatory investigative actions that are being conducted on the registrant. The reporting of the regulatory action by each field division is available on a real-time basis through the reporting system within CSA2, as the investigative status change occurs. The regulatory investigative actions that are collected in a real-time environment are as follows: letters of admonition/MOU, civil fines, administrative hearing, order to show cause, restricted record, suspension, surrender for cause, revocations, and applications denied.

The Diversion Investigators and Group Supervisors/Diversion Program Managers are tasked to ensure that timely and accurate reporting is accomplished as the registrant's investigative status changes. Group Supervisors/Diversion Program Managers have the ability to view the report of ongoing and completed regulatory investigation actions for their office/division at any time during the quarter or at the quarter's end, since the actions are in real-time.

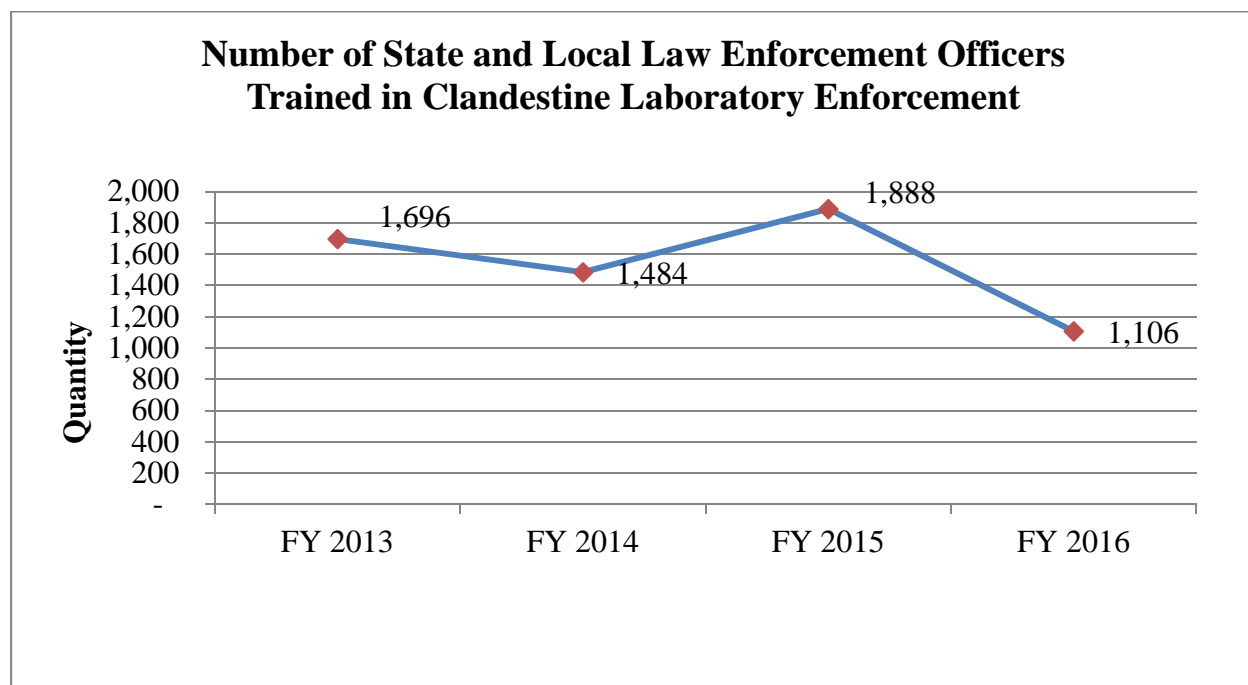
**Performance Measure 5: Number of State and Local Law Enforcements Officers Trained in Clandestine Laboratory Enforcement**

The DEA supports state and local law enforcement with methamphetamine-related assistance and training, which allows state and local agencies to better address the methamphetamine threat in their communities and reduce the impact that methamphetamine has on the quality of life for American citizens.

One of the most critical, specialized training programs offered by DEA to state and local law enforcement officers is in the area of Clandestine Laboratory Training. Often, it is the state and local police who first encounter the clandestine laboratories and must ensure that they are investigated, dismantled, and disposed of appropriately.

**Table 5: Measure 5**

FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target
1,696	1,484	1,888	1,800	1,106	1,800



During FY 2016, DEA conducted training for a total of 1,106 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 \$7 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 2016 target at 1,220 officers trained but adjusted it to 1,800 for FY 2016 after a significant analytical exercise that factored in FY 2015 actuals and historical trends. DEA did not meet its target of 1,800. In FY 2016, the Clan Lab Training Unit was reduced from eight (8) Special Agents to five (5). This reduction in staff resulted in reducing State and Local Clan Lab training. Unfortunately, having a minimal staff in FY 2016 limited our ability to maintain the previous year's rate of training.

The FY 2017 target is 1,800. DEA believes that it would be prudent to leave the targets unchanged pending further review at the end of FY 2017. Finally, in recognition of the disparate distribution of its targets and actuals, DEA will utilize more robust analytical methods that use 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**

This page intentionally left blank.



## **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

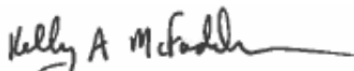
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2016. The BOP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the BOP prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of BOP management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "Kelly A. McFadden", with a long horizontal flourish extending to the right.

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

January 18, 2017

**Federal Bureau of Prisons  
Detailed Accounting Submission**



This page intentionally left blank.

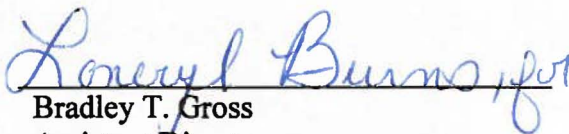


Washington, DC 20534

**Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the Federal Bureau of Prisons (BOP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the BOP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the BOP to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogramming or transfers during FY 2016.
4. BOP did not have any ONDCP Fund Control Notices issued in FY 2016.



Bradley T. Gross  
Assistant Director  
for Administration

1/18/2017

Date

**U.S. Department of Justice  
Federal Bureau of Prisons  
Detailed Accounting Submission  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2016  
(Dollars in Millions)**

	<b>FY 2016 Actual Obligations</b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Decision Unit #1: Inmate Care and Programs</b>	
Treatment	\$ 87.07
Corrections	1,185.10
<b>Total Inmate Care and Programs</b>	<b>\$ 1,272.17</b>
<b>Decision Unit #2: Institution Security and Administration</b>	
Corrections	\$ 1,427.22
<b>Total Institution Security and Administration</b>	<b>\$ 1,427.22</b>
<b>Decision Unit #3: Contract Confinement</b>	
Treatment	\$ 29.74
Corrections	449.73
<b>Total Contract Confinement</b>	<b>\$ 479.47</b>
<b>Decision Unit #4: Management and Administration</b>	
Corrections	\$ 99.46
<b>Total Management and Administration</b>	<b>\$ 99.46</b>
<b>Decision Unit #5: New Construction</b>	
Corrections	\$ 8.36
<b>Total New Construction</b>	<b>\$ 8.36</b>
<b>Decision Unit #6: Modernization and Repair</b>	
Corrections	\$ 44.72
<b>Total Modernization and Repair</b>	<b>\$ 44.72</b>
<b>Total Drug Control Obligations</b>	<b>\$ 3,331.40</b>

**U.S. Department of Justice  
Federal Bureau of Prisons  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

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 (46.4%).

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The table represents obligations incurred by the BOP for drug control purposes. The amounts are net of all reimbursable agreements.

Data - All accounting information for the BOP is derived from the Department of Justice (DOJ) Financial Management Information System 2 (FMIS2).

Financial Systems - The FMIS2 is the DOJ financial system that provides BOP obligation data. Obligations in this system can also be reconciled with the enacted appropriation and carryover balances.

Disclosure 2: Methodology Modifications

The overall methodology to calculate drug control obligations has not been changed from the prior year (FY 2015).

### Disclosure 3: Material Weaknesses or Other Findings

In FY 2016, The Kearney & Company auditors identified one material weakness in the FY 2016 *Independent Auditor's Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. The material weakness related to BOP's internal control over financial reporting not being properly designed to prevent, detect, and correct a material misstatement. Specifically, during FY 2016, the BOP identified \$95.4 million overstatement error related to the General Property, Plant, and Equipment (PP&E) reported in FY 2015. This finding had no FY 2016 impact on the presentation of BOP's drug related budgetary resources and performance.

Additionally, the Department's assessment of risk and internal control in FY 2016 conducted in accordance with OMB Circular A-123 identified an ongoing material weakness related to prison crowding.

### Disclosure 4: Reprogrammings or Transfers

BOP's FY 2016 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 2016, \$1,225,021 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 ten PHS Full Time Equivalents in relations to drug treatment. Therefore, the allocated obligations were included in BOP's Table of Drug Control Obligations.

**Federal Bureau of Prisons  
Performance Summary Report**

This page intentionally left blank.

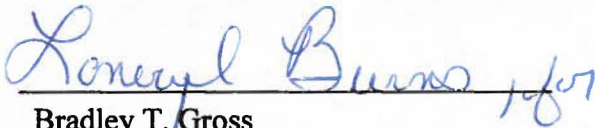


Washington, DC 20534

**Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the Federal Bureau of Prisons (BOP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the BOP system of performance reporting provides reasonable assurance that:

1. BOP uses SENTRY to capture performance information accurately and SENTRY was properly applied to generate the performance data.
2. BOP, due to declining inmate population, missed the participant performance targets for FY 2016, but achieved the capacity target.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. BOP has established at least one acceptable performance measure, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.



Bradley T. Gross  
Assistant Director  
for Administration

1/18/2017

Date



**U.S. Department of Justice  
Federal Bureau of Prisons  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2016**

**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 2016, the BOP achieved a total capacity of 7,833 (capacity is based on number of treatment staff) that was available for the fiscal year and 7,410 actual participants (participants are actual inmates enrolled in the program at year end). The BOP achieved the capacity target but missed the participants target due to decline in the BOP inmate population.

For FY 2017, the capacity of BOP’s RDAP is projected to be 7,833 with total participants of 7,410. This is based on past performance of FY 2016.

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

Fiscal Year	Capacity	Participants*	Utilization
FY 2013 Actual	7,548	7,294	97%
FY 2014 Actual	7,918	7,547	95%
FY 2015 Actual	7,829	7,535	96%
FY 2016 Target	7,829	7,535	96%
FY 2016 Actual	7,833	7,410	95%
FY 2017 Target	7,833	7,410	95%

\*Participants may exceed Capacity due to overcrowding and demand for the program.

***Data Validation and Verification***

To ensure the reliability of the data, the capacity of the program and the utilization rate is monitored by subject matter experts at the end of each quarter using Key Indicator reports generated from SENTRY.

This page intentionally left blank.

**OFFICE OF JUSTICE PROGRAMS**

This page intentionally left blank.



## **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

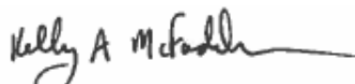
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2016. The OJP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the OJP prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of OJP management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Kelly A. McFadden", with a long horizontal flourish extending to the right.

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

January 18, 2017

**Office of Justice Programs  
Detailed Accounting Submission**



This page intentionally left blank.



Washington, D.C. 20531

**Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the Office of Justice Programs (OJP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OJP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by the budget decision unit are the actual obligations from the OJP's accounting system of record for these budget decision units.
2. The drug methodology used by OJP to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$1 million.
5. The data presented are associated with obligations against a financial plan that fully complied with all Fund Control Notices issued by the ONDCP Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.

Leigh Benda, Chief Financial Officer

Date

U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2016

	FY 2016 Actual Obligations <sup>1</sup>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Decision Unit #1: Regional Information Sharing System Program</b>	
Treatment	\$ 31.99
<b>Total, Regional Information Sharing System Program</b>	<u>\$ 31.99</u>
<b>Decision Unit #2: Drug Court Program</b>	
Treatment	\$ 38.70
<b>Total, Drug Court Program</b>	<u>\$ 38.70</u>
<b>Decision Unit #3: Residential Substance Abuse Treatment Program</b>	
Treatment	\$ 11.38
<b>Total, Residential Substance Abuse Treatment Program</b>	<u>\$ 11.38</u>
<b>Decision Unit #4: Harold Rogers' Prescription Drug Monitoring Program</b>	
State and Local Assistance	\$ 11.76
<b>Total, Harold Rogers' Prescription Drug Monitoring Program</b>	<u>\$ 11.76</u>
<b>Decision Unit #5: Second Chance Act Program</b>	
State and Local Assistance	\$ 29.43
<b>Total, Second Chance Act Program</b>	<u>\$ 29.43</u>
<b>Decision Unit #6: Byrne Criminal Justice Innovation Program</b>	
State and Local Assistance	\$ 4.32
<b>Total, Byrne Criminal Justice Innovation Program</b>	<u>\$ 4.32</u>
<b>Decision Unit #7: Tribal Courts Program</b>	
Treatment	\$ 1.61
<b>Total, Tribal Courts Program</b>	<u>\$ 1.61</u>
<b>Decision Unit #8: Indian Alcohol and Substance Abuse Program</b>	
Prevention	\$ 4.45
<b>Total, Indian Alcohol and Substance Abuse Program</b>	<u>\$ 4.45</u>
<b>Decision Unit #9: Edward Byrne Memorial Justice Assistance Grant Program</b>	
State and Local Assistance	\$ 66.82
<b>Total, Edward Byrne Memorial Justice Assistance Grant Program</b>	<u>\$ 66.82</u>
<b>Decision Unit #10: Tribal Youth Program</b>	
Prevention	\$ 3.27
<b>Total, Tribal Youth Program</b>	<u>\$ 3.27</u>
<b>Decision Unit #11: Enforcing Underage Drinking Laws Program</b>	
Treatment	\$ 0.01
<b>Total, Enforcing Underage Drinking Laws Program</b>	<u>\$ 0.01</u>
<b>Decision Unit #12: Veterans Treatment Courts Program</b>	
Treatment	\$ 5.83
<b>Total, Veterans Treatment Courts Program</b>	<u>\$ 5.83</u>
<b>Total</b>	<u>\$ 209.57</u>

<sup>1</sup>/Program obligations reflect direct program obligations plus estimated management and administration obligations.

**U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

**Disclosure 1: Drug Methodology**

The mission of the Office of Justice Programs (OJP) is to provide leadership, resources and solutions for creating safe, just and engaged communities. As such, OJP's resources are primarily targeted to providing assistance to state, local, and tribal governments. In executing its mission, OJP dedicates a significant level of resources to drug-related program activities, which focus on breaking the cycle of drug abuse and crime including: drug testing and treatment, provision of graduated sanctions, drug prevention and education, and research and statistics.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

OJP's Office of the Chief Financial Officer, Budget Formulation and Appropriations Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP's fiscal year (FY) 2016 drug obligations have a total of 12 decision units identified for the National Drug Control Budget. Within the 12 decision units, two are new for FY 2016: Enforcing Underage Drinking Laws Program; and the Veterans Treatment Courts Program.

The FY 2016 decision units include the following:

- Regional Information Sharing System Program
- Drug Court Program
- Residential Substance Abuse Treatment
- Harold Rogers' Prescription Drug Monitoring Program
- Second Chance Act Program
- Byrne Criminal Justice Innovation Program
- Tribal Courts Program
- Indian Alcohol and Substance Abuse Program
- Edward Byrne Memorial Justice Assistance Grants Program
- Tribal Youth Program
- Enforcing Underage Drinking Laws Program
- Veterans Treatment Courts Program

In determining the level of resources used in support of the 12 active budget decision units, OJP used the following methodology:

**Drug Program Obligations by Decision Unit:**

Data on obligations, as of September 30, 2016, were gathered from the Department of Justice's (DOJ's) Financial Management Information System 2 (FMIS2). The total obligations presented for OJP are net of funds obligated under the Crime Victims Fund and Public Safety Officers' Benefits Program.

#### Management and Administration (M&A) Data:

M&A funds are assessed at the programmatic level and obligations are obtained from FMIS2 (OJP's Financial System). The obligation amounts were allocated to each decision unit by applying the relative percentage of Full-Time Equivalents (FTE) assigned to the 12 active drug-related decision units to the total M&A obligations for OJP.

Overall, OJP program activities support the two goals of the National Drug Control Strategy to: (1) curtail illicit drug consumption in America; and (2) improve the public health and public safety of the American people by reducing the consequences of drug abuse. Functionally, OJP program activities fall under the following functions: Prevention, State and Local Assistance, and Treatment. 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 2016, all decision units had a function allocation of 100 percent.
-----------	--

Decision Unit:	In accordance with the ONDCP Circulars, 100 percent of the actual obligations for five of the 12 active budget decision units are included in the Table of Drug Control Obligations. As directed by ONDCP, only 50 percent of the actual obligations for the Second Chance Act Program are included. OJP is reporting 30 percent of the actual obligations for the Byrne Criminal Justice Innovation Program, Enforcing Underage Drinking Laws Program, and the Indian Country Legacy Programs, which consist of the Tribal Court and Indian Alcohol and Substance Abuse Programs. The Edward Byrne Memorial Justice Assistance Grant Program reports 22 percent of the actual obligations.
----------------	---

#### Disclosure 2: Methodology Modifications

OJP's overall methodology used to report obligations has not changed from the prior year methodology.

#### Disclosure 3: Material Weaknesses or Other Findings

For FY 2016, OJP was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2016 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2016 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

#### Disclosure 4: Reprogrammings or Transfers

In accordance with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, OJP has provided the attached Table of Reprogrammings and Transfers. In FY 2016, OJP had no reprogrammings, and \$6.34 million and \$22.15 million in drug-related transfers-in and transfers-out, respectively. The transfers-in amounts include OJP's FY 2016 prior-year recoveries associated with the reported budget decision units. The transfers-out amounts reflect the assessments for the Research, Evaluation, and Statistics (RES) two-percent set-aside and the 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 2016, Congress provided OJP the authority to assess programs for administrative purposes. The amounts reflected in the table show the dollar amount that each program contributed to OJP's M&A.

#### Disclosure 5: Other Disclosures

Of the total FY 2016 actual drug obligations, \$2.0 million are a result of carryover unobligated resources.

U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Table of Reprogrammings & Transfers  
For Fiscal Year Ended September 30, 2016  
(Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Transfers-in <sup>1/</sup>	Transfers-out <sup>2/</sup>	Total
<b>Decision Unit #1: Regional Information Sharing System Program</b>			
State and Local Assistance	0.20	(3.43)	(3.23)
<b>Total, Regional Information Sharing System Program</b>	<u>\$ 0.20</u>	<u>\$ (3.43)</u>	<u>\$ (3.23)</u>
<b>Decision Unit #2: Drug Court Program</b>			
Treatment	1.79	(4.12)	(2.33)
<b>Total, Drug Court Program</b>	<u>\$ 1.79</u>	<u>\$ (4.12)</u>	<u>\$ (2.33)</u>
<b>Decision Unit #3: Residential Substance Abuse Treatment Program</b>			
Treatment	0.40	(1.18)	(0.78)
<b>Total, Residential Substance Abuse Treatment Program</b>	<u>\$ 0.40</u>	<u>\$ (1.18)</u>	<u>\$ (0.78)</u>
<b>Decision Unit #4: Harold Rogers' Prescription Drug Monitoring Program</b>			
State and Local Assistance	0.22	(1.27)	(1.05)
<b>Total, Harold Rogers' Prescription Drug Monitoring Program</b>	<u>\$ 0.22</u>	<u>\$ (1.27)</u>	<u>\$ (1.05)</u>
<b>Decision Unit #5: Second Chance Act Program</b>			
State and Local Assistance	1.68	(3.33)	(1.65)
<b>Total, Second Chance Act Program</b>	<u>\$ 1.68</u>	<u>\$ (3.33)</u>	<u>\$ (1.65)</u>
<b>Decision Unit #6: Byrne Criminal Justice Innovation Program</b>			
State and Local Assistance	0.20	(0.44)	(0.24)
<b>Total, Byrne Criminal Justice Innovation Program</b>	<u>\$ 0.20</u>	<u>\$ (0.44)</u>	<u>\$ (0.24)</u>
<b>Decision Unit #7: Tribal Courts Program</b>			
Treatment	0.26	-	0.26
<b>Total, Tribal Courts Program</b>	<u>\$ 0.26</u>	<u>\$ -</u>	<u>\$ 0.26</u>
<b>Decision Unit #8: Indian Alcohol and Substance Abuse Program</b>			
Prevention	0.11	-	0.11
<b>Total, Indian Alcohol and Substance Abuse Program</b>	<u>\$ 0.11</u>	<u>\$ -</u>	<u>\$ 0.11</u>
<b>Decision Unit #9: Edward Byrne Memorial Justice Assistance Grant Program</b>			
State and Local Assistance	0.94	(8.09)	(7.15)
<b>Total, Edward Byrne Memorial Justice Assistance Grant Program</b>	<u>\$ 0.94</u>	<u>\$ (8.09)</u>	<u>\$ (7.15)</u>
<b>Decision Unit #10: Tribal Youth Program</b>			
Prevention	0.43	(0.29)	0.14
<b>Total, Tribal Youth Program</b>	<u>\$ 0.43</u>	<u>\$ (0.29)</u>	<u>\$ 0.14</u>
<b>Decision Unit #11: Enforcing Underage Drinking Laws Program</b>			
Prevention	0.12	-	0.12
<b>Total, Enforcing Underage Drinking Laws Program</b>	<u>\$ 0.12</u>	<u>\$ -</u>	<u>\$ 0.12</u>
<b>Decision Unit #12: Veterans Treatment Courts Program</b>			
Treatment	0.20	(0.59)	(0.39)
<b>Total, Veterans Treatment Courts Program</b>	<u>\$ 0.20</u>	<u>\$ (0.59)</u>	<u>\$ (0.39)</u>
<b>Total</b>	<u>\$ 6.54</u>	<u>\$ (22.74)</u>	<u>\$ (16.20)</u>
Methamphetamine Enforcement and Lab Cleanup <sup>3/</sup>	-	\$ (11.00)	(11.00)

<sup>1/</sup> Transfers-in reflect FY 2016 recoveries.

<sup>2/</sup> Amounts reported for Transfers-out consist of Research, Evaluation, and Statistics 2% set-aside and Management and Administration assessments.

<sup>3/</sup> ONDCP requires 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. As the transfer related to the COPS program is reported in the financial statements of the OBDs, it is not included in the FY 2016 actual transfers-out total on OJP's Table of Reprogrammings and Transfers. The disclosure of the COPS information in the reprogrammings and transfers table is for presentation purposes only, and the obligations recorded for the program will be reflected in the DEA's Table of Drug Control Obligations.

**Office of Justice Programs  
Performance Summary Report**



This page intentionally left blank.



---


Washington, D.C. 20531

**Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the Office of Justice Programs (OJP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that OJP's system of performance reporting provides reasonable assurance that:

1. OJP uses the Grants Management System and Performance Management Tool to capture performance information accurately and these systems were properly applied to generate the performance data.
2. Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets is reasonable.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. OJP has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

  
Leigh Benda, Chief Financial Officer

  
Date

**Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2016**

**Performance Measures:**

The Office of Justice Programs (OJP), established by the Justice Assistance Act of 1984, supports collaboration of law enforcement at all levels in building and enhancing networks across the criminal justice system to function more effectively. Within OJP's overall program structure, specific resources dedicated to support the National Drug Control Strategy are found in the: Drug Court program; Edward Byrne Memorial Justice Assistance Grant (JAG) program; Harold Rogers' Prescription Drug Monitoring Program (PDMP); Regional Information Sharing System (RISS); Residential Substance Abuse Treatment (RSAT) program; and Second Chance Act (SCA) program.

As required by the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, OJP is reporting on the following performance measures of the above programs for this Performance Summary Report:

- Graduation rate of program participants in the Drug Court program<sup>1</sup>
- Completion rate for individuals participating in drug-related JAG programs
- Number of PDMP interstate solicited and unsolicited reports produced
- Percent increase in RISS inquiries
- Number of participants in the RSAT program
- Number of participants in the SCA-funded programs

In accordance with an agreement from the Office of National Drug Control Policy, dated December 2, 2013, OJP is not required to report performance measures for the following programs/decision units: Byrne Criminal Justice Innovation programs, Enforcing Underage Drinking Laws program Tribal Courts program, Indian Alcohol and Substance Abuse program, and Tribal Youth program. ONDCP stated that this agreement is in effect for the duration of the administration of these programs/decision units, unless the strategic direction of these programs is revised in the future to be more drug-related in nature.

<sup>1</sup> 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. In FY 2015, Veterans were approximately 12.5% of all individuals enrolled in a treatment court programs funded by OJP.

## **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**

<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
51%	51%	53%	51%	56%	51%

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. Since its inception, more than 2,734<sup>2</sup> drug courts, and another 1,122 problem-solving courts have been established in a number of jurisdictions throughout the country. Currently, every state, the District of Columbia, Guam, and Puerto Rico have established one or more drug courts in their jurisdiction.

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 (DWI), Reentry, Healing-to-Wellness (Tribal), Co-Occurring Disorders, and Veterans Treatment Courts 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 of 2007, there were 5.2 million violent victimizations of those aged 12 or older; about 26% of these victims believed the perpetrator was using drugs, alcohol, or both.<sup>3</sup> Further, 54 percent of jail inmates were abusing or dependent on drugs, according to Bureau of Justice Statistics (BJS) 2002 Survey of Inmates in Local Jails. Correspondingly, 53 percent of state inmates, and 45 percent of federal inmates abused or were dependent on drugs in the year before their admission to prison, according to the BJS 2004 Surveys of Inmates in State and Federal Correctional Facilities.

BJA funds enhancement grants to established drug courts to enhance their operations, and implementation grants for new drug courts. The data indicates that new drug courts generally take longer to being fully operational, have less embedded policies and procedures, and have a higher risk/need pool of candidates than enhancement grant drug courts do. This leads to completion rates for implementation grant drug courts that are lower than enhancement drug courts, which in turn influences the completion rate downward. The graduation rate of

<sup>2</sup> National Association of Drug Court Professionals <http://www.nadcp.org/learn/about-nadcp>

<sup>3</sup> Bureau of Justice Statistics [www.bjs.gov/content/pub/pdf/dcf.pdf](http://www.bjs.gov/content/pub/pdf/dcf.pdf)

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 target rate for FY 2016 was 51% since 24 grantees would be ending their grants and newer programs would have to have time to mature and treat participants based on evidence-based practices. Surprisingly, the actual graduation rate for FY 2016 was 56% which is 5% higher than projected. This could be due to the fact that there are more Enhancement grantees than Implementation grantees, meaning drug courts that have been operational for more than a year make up the bulk of the funding. Since Enhancement grantees are already serving participants, they will have graduations every reporting period, compared to Implementation grantees which often have their first graduation about a year after the grant award. The graduation rate target for FY 2017 remains the same at 51%. It is expected that FY 2017 will bring more drug court standards as well as additional evidence-based practices will develop and be adopted by the courts. As programs become more adapt at focusing on high risk/need participants and those with co-occurring disorders, it is likely participants may stay longer in the programs, resulting in a lower graduation rate.

#### ***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 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**

<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY2017 Target</b>
59%	62%	63%	57%	62%	57%

The JAG program, administered by BJA, is the leading source of Federal justice funding to state and local jurisdictions. The JAG program focuses on criminal justice related needs of states, tribes, and local governments by providing these entities with critical funding necessary to support a range of program areas, including law enforcement; prosecution,

courts, and indigent defense; crime prevention and education; corrections and community corrections; drug treatment and enforcement; program planning, evaluation, and technology improvement; and crime victim and witness initiatives. The activities conducted under each program area are broad, and include such activities as: hiring and maintaining staff, overtime for staff, training, and purchasing equipment and/or supplies. More specifically, the drug treatment and enforcement program activities include treatment (inpatient or outpatient) as well as clinical assessment, detoxification, counseling, and aftercare.

The completion rate for individuals participating in drug-related JAG programs captures the percentage of total participants who are able to successfully complete all drug treatment program requirements. This measure supports the mission of the National Drug Control Strategy because these federal funded programs help to provide care and treatment for those who are addicted. In providing treatment for those who are addicted, this measure also addresses the original intent of the JAG program by using an innovative treatment approach to prevent and reduce crime.

The JAG program achieved a 62% completion rate for individuals participating in drug-related program, which exceeded the target. The target for FY 2017 is a 57% completion rate for individuals participating in drug-related JAG programs. This target was set at 57% for two reasons. First, 57% is the national average for drug court success nationwide<sup>4</sup>, which sets a non-arbitrary baseline. Second, while JAG completion rates currently exceed this target, JAG reporting changed for FY 2016 data, which could have resulted in fluctuations in the completion rate. The new data was evaluated and the target was not revised based on this evaluation.

Therefore, the target for FY 2017 is a 57% completion rate for individuals participating in drug-related JAG programs, which is in alignment with the target established in FY 2015.

### ***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.

<sup>4</sup> Huddleston, W. & Marlowe, D.B. (2011). *Painting the Current Picture: A National Report on Drug Courts and Other Problem-Solving Court Programs in the United States*. NDCI: Alexandria, VA.  
<http://www.ndci.org/sites/default/files/nadcp/PCP%20Report%20FINAL.PDF>

**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**

<b>CY 2013 Actual</b>	<b>CY 2014 Actual</b>	<b>CY 2015 Actual</b>	<b>CY 2015 Target</b>	<b>CY 2016 Target</b>	<b>CY 2016 Actual</b>	<b>CY 2017 Target</b>
3,401,951	4,640,553	1,248,742	3,776,750	3,600,000	Data not available until March 2017	Target will be established when FY 2016 data is available

**Table 4: Total number of interstate unsolicited reports produced**

<b>CY 2013 Actual</b>	<b>CY 2014 Actual</b>	<b>CY 2015 Actual</b>	<b>CY 2015 Target</b>	<b>CY 2016 Target</b>	<b>CY 2016 Actual</b>	<b>CY 2017 Target</b>
2,821	26,376	6,030	1,890	1,890	Data not available until March 2017	Target will be established when FY 2016 data is available

The Harold Rogers Prescription Drug Monitoring Program, 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<sup>5</sup> 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.

<sup>5</sup> The Federal Controlled Substance Act, which established five schedules of controlled substances, to be known as schedules I, II, III, IV, and V. Schedules are lists of controlled substances which identify how the substances on each list can be prescribed, dispensed or administered. A substance is placed on a particular schedule after consideration of several factors, including the substance's accepted medical usage in the United States and potential for causing psychological or physical dependence.

Since BJA established the PDMP reporting requirements in FY 2010, the number of PDMP system reports produced has increased substantially. However during CY 2015, the numbers for solicited reports decreased. During CY 2015, some grantees who reported in 2014 were no longer reporting, such as the Executive office of the Governor of Delaware, Illinois Department of Human Services, and the State of Maryland. The increase over time in interstate solicited reporting could also be attributed to the Prescription Monitoring Information Exchange and an increase in registered PDMP users and connected agencies. Through these additional users and connections, PDMP systems are more readily accessible via solicited and unsolicited reports.

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.

Data for this measure are reported on a calendar year (CY) basis and, as a result, 2016 data will not be available until March 2017.

The target for CY 2016 is 3,600,000 of interstate solicited reports produced, which is a decrease from the target established in CY 2015. Targets are based on historical data compared with anticipated allocations. The CY 2016 target is slightly lower than the CY 2015 target to account for closing state awards and new local PDMP awards. The target for CY 2016 is 1,890 of interstate unsolicited reports produced, which is in alignment with the target established in both CY 2014 and CY 2015.

### ***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**

<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
7%	11%	1%	7%	-8%	3%

The Regional Information Sharing Systems Program, administered by BJA, provides secure information and intelligence sharing capabilities and investigative support services that directly impact law enforcement's ability to successfully resolve criminal investigations and prosecute offenders, while providing the critical officer safety event deconfliction necessary to keep our law enforcement community safe.

RISS consists of six regional centers and the RISS Technology Support Center (RTSC). RISS supports an all-crimes approach; not all inquiries to RISS resources are related to narcotics investigations; however, RISS's resources and services support narcotics investigations based on requests for services and inquiries from the field. Numerous narcotics investigators benefit from the RISS Criminal Intelligence Database (RISSIntel), investigative resources, officer safety event deconfliction, and analytical and research services. RISS has strong relationships with the National Narcotics Officers' Associations' Coalition (NNOAC), Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF), and the High Intensity Drug Trafficking Areas (HIDTA). RISS continues to partner with the HIDTAs and the Drug Enforcement Administration in the areas of event and target deconfliction.

RISS plays a significant role in the criminal information and intelligence sharing realm and continues to add data sources and partners to its federated search capabilities. For example, a number of fusion center intelligence systems have been connected to RISSIntel via the Northeast Fusion Center Intelligence Project. RISS's federated users also increased to 30,164 in FY 2016. RISS hosts a number of Law Enforcement Websites on RISSNET, such as the Idaho Marijuana Eradication site and the Utah Drug Enforcement Team site.

Narcotics officers utilize all aspects of RISS's investigative services. Examples include analytical services, such as link-analysis charts, crime scene diagrams, telephone toll analysis, financial analysis, digital forensics, and audio/video enhancements. Agencies and officers borrow surveillance equipment and specialized cameras, recorders, and other devices; obtain one-on-one technical support through field services staff; and use confidential funds to assist investigators with undercover operations, buy-busts, and other law enforcement operations.

Numerous training opportunities such as the Methamphetamine Investigations Training, Heroin Current Trends and Dangers, investigative techniques, and emerging crimes are available. RISS also publishes law enforcement-sensitive briefings and reports on important narcotics-related topics, such as Liquid Meth, Superman Pills, Poppy seed Tea, Fentanyl, and Heroin. In FY 2016, law enforcement officers using RISS services seized more than \$22.6 million in narcotics.

Inquiries to RISS Resources include those made by authorized users to a variety of sources, including RISSIntel and the search capability, the RISS Property and Recovery Tracking System (RISSProp), the Money Counter Project (MCP), the Master Telephone Index (MTI), and other sources. These systems directly aid narcotics and other officers in their effort to identify and apprehend offenders. For example, the MCP is a powerful tool to combat case-related crimes, such as drug trafficking, money laundering, counterfeiting, etc., and enables officers to “follow the money,” enhances investigative efforts. The RISSIntel user interface provides for a real-time, online federated search of more than 50 RISS and partner intelligence databases.

The number of inquiries to RISS resources by users in FY 2016 fell by approximately 8%, when compared to FY 2015. The number of inquiries is influenced by many factors, including the types of crimes under investigation, the complexities of those crimes, regional changes and needs, funding and staffing levels, additions/deletions to investigative databases, and a variety of other factors. RISS also transferred hosting of the National Virtual Pointer System (NVPS) to the El Paso Intelligence Center (EPIC). This caused the system to be offline for a period of time which decreased the number of inquiries by approximately 380,000, when compared to FY 2015.

A significant increase in inquiries was experienced from FY 2011 to FY 2012 (15 percent). Immediately following, RISS’s budget was reduced 40 percent. This decrease resulted in a workforce reduction as well as other internal changes to help streamline processes while responding to the needs of RISS’s members and users. With fewer staff to aid officers and conduct intelligence research and mostly flat funding for the years that followed, the impact of the reduction resulted in a ripple effect, causing a reduction in inquiries on RISS resources and impacting an inability for RISS to expand certain investigative databases, as planned. In FY 2016, RISS received a slight increase in funding; however, continued funding at this level or higher in future years will be necessary to make significant changes to staff, resources, etc. Therefore, increases in inquiries may not be realized immediately.

The RISSIntel user interface provides for a real-time, online federated search of more than 40 RISS and partner intelligence databases. The members do understand that some of their requests may take a longer response due to the reduced staffing. The demand for services has not reduced and the RISS Centers’ field representatives continue to provide services and training to the field based on availability.

During FY 2016, the progress in enhancing and expanding officer safety event deconfliction nationwide continued. Now that the three nationally recognized event deconfliction systems – Case Explorer, SAFETNet, and RISSafe – have been integrated there is a seamless process for users to deconflict law enforcement events no matter which system is used and return any conflict information. With the success of this deconfliction effort the systems will now move toward cyber and subject deconfliction.

The target for FY 2017 has been lowered to 3 percent. This adjustment was made based on the actual data from FY 2015 and FY 2016.

### ***Data Validation and Verification***

Data for the RISS program are not reported in the PMT. The six RISS centers and the RISS Technology Support Center (RTSC) report their performance information to the Institute for Intergovernmental Research (IIR), the administrative support grantee for the RISS program. IIR aggregates the data to develop the RISS quarterly report, which is submitted to BJA through GMS, as part of IIR's reporting requirements for the grant. At the end of the fiscal year, performance data for the RISS are provided in quarterly reports via GMS by the administrative grantee for the RISS program.

Program managers obtain data from these reports, telephone contact, and grantee meetings as a method to monitor IIR, the six RISS Centers, and the RISS RTSC for grantee performance. Data are validated and verified through a review of grantee support documentation obtained by program managers.

### **Performance Measure 5: Number of participants in the RSAT program**

#### **Decision Unit: Residential Substance Abuse Treatment Program**

**Table 6: Number of Participants in the RSAT Program**

<b>CY 2013 Actual</b>	<b>CY 2014 Actual</b>	<b>CY 2015 Actual</b>	<b>CY 2015 Target</b>	<b>CY 2016 Target</b>	<b>CY 2016 Actual</b>	<b>CY 2017 Target</b>
28,873	26,815	24,162	27,000	27,000	Data not available until March 2017	Target will be established when FY 2016 data is available

The RSAT program, administered by the Bureau of Justice Assistance (BJA) and created by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322), assists state and local governments in developing and implementing residential substance abuse treatment programs (individual and group treatment activities) in correctional and detention facilities. The RSAT program must be provided in residential treatment facilities, set apart from the general correctional population, focused on the substance abuse problems of the inmate, and develop the inmate's cognitive, behavioral, social, vocational, and other skills to solve the substance abuse and related problems.

The RSAT program formula grant funds may be used to implement three types of programs. For all programs, at least 10% of the total state allocation is made available to local correctional and detention facilities, provided such facilities exist, for either residential substance abuse treatment programs or jail-based substance abuse treatment programs as defined below.

The three types of programs are: 1) residential substance abuse treatment programs which provide individual and group treatment activities for offenders in residential facilities that are operated by state correctional agencies; 2) jail-based substance abuse programs which provide individual and group treatment activities for offenders in jails and local correctional facilities; and 3) an aftercare component which requires states to give preference to sub grant applicants who will provide aftercare services to program participants. Aftercare services must involve coordination between the correctional treatment program and other human service and rehabilitation programs, such as education and job training, parole supervision, halfway houses, self-help, and peer group programs that may aid in rehabilitation.

The number of offenders who participate in the RSAT program is a measure of the program's goal to help offenders become drug-free and learn the skills needed to sustain themselves upon return to the community.

In CY 2015, BJA served 24,162 participants in the RSAT program. The target for CY 2015 was 27,000 participants; however, the goal was not met by 2,838 participants or about 10% of the target. The reduction accounts for reduced appropriations from over \$28 million in FY 2010 to about \$8.8 million in FY 2015. This has resulted in fewer and lower value sub-awards at the state level. Other factors that contribute to not meeting the goal include the numbers of eligible offenders, available staff, and treatment providers; security issues; and the state's ability to provide the required 25% matching funds.

Data for this measure are reported on a calendar year basis and, as a result, 2016 data will not be available until March 2017.

The target for CY 2016 is to have 27,000 participants in the RSAT program, which is in alignment with the target established in CY 2015, and are based on historical data and anticipated allocations.

### ***Data Validation and Verification***

BJA implemented the Performance Management Tool (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**

<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
8,253	7,047	6,006	6,000	6,222	4,356

The Second Chance Act of 2007 (Public Law 110-199) reformed the Omnibus Crime Control and Safe Streets Act of 1968. The SCA is an investment in programs proven to reduce recidivism and the financial burden of corrections on state and local governments, while increasing public safety. The bill authorizes \$165 million in grants to state and local government agencies and community organizations to provide employment and housing assistance, substance abuse treatment, family programming, mentoring, victim support and other services that help people returning from prison and jail to safely and successfully reintegrate into the community. The legislation provides support to eligible applicants for the development and implementation of comprehensive and collaborative strategies that address the challenges posed by reentry to increase public safety and reduce recidivism.

While BJA funds six separate SCA grant programs, for the purposes of this performance measure, data from only two grant programs are used. The first program is the Targeting Offenders with Co-Occurring Substance Abuse and Mental Health Program. This SCA grant program provides funding to state and local government agencies and federally recognized Indian tribes to implement or expand treatment both pre- and post-release programs for individuals with co-occurring substance abuse and mental health disorders. The second program is the Family-Based Prisoner Substance Abuse Treatment Program. This grant program is designed to implement or expand 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 also provide 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.

The total number of participants in SCA funded programs is a measure of the grant program's goal of helping those previously incarcerated successfully reenter the community following criminal justice system involvement, by addressing their substance abuse challenges. The total number of participants' measure demonstrates how many of those reentering the community have participated in substance abuse-focused reentry services.<sup>6</sup>

<sup>6</sup> Please note that because participants sometimes receive services in more than one reporting period, it is possible that some participants may have been counted more than once in the total number of participants who received services from SCA Family-Based and Co-Occurring Programs.

The actual number of total participants enrolled in these programs in FY 2016 was 6,222, which is 222 participants above the target. The target for FY 2017 is to have 4,356 participants in SCA Family-Based and Co-Occurring programs. The discrepancy between the actual number for FY 2016 and the target for FY 2017 is primarily due to the Family-Based Program not being funded in FYs 2014-2016. This resulted in a reduction in the number of active grantees providing services and ultimately resulted in SCA Family-Based programs no longer being active during FY 2017.

As mentioned above, OJP's target for FY 2017 is to have 4,365 participants participate in SCA-funded programs, which will reflect the inactivity of SCA Family-Based programs.

### ***Data Validation and Verification***

BJA implemented the 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 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.

This page intentionally left blank.

**OFFICES OF THE  
UNITED STATES ATTORNEYS**



This page intentionally left blank.



## **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

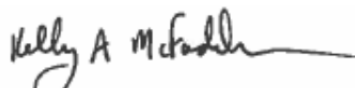
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2016. The EOUSA's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the EOUSA prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of EOUSA management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Kelly A. McFadden". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

January 18, 2017

**Offices of the United States Attorneys  
Detailed Accounting Submission**

This page intentionally left blank.



**U.S. Department of Justice**

Executive Office for United States Attorneys

Resource Management and Planning Staff


Suite 2200, Bicentennial Building  
600 E Street, NW  
Washington, DC 20530

(202) 252-5600

**Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the United States Attorneys management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the United States Attorneys' system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the United States Attorneys to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2016.
4. The United States Attorneys did not have any ONDCP Fund Control Notices issued in FY 2016.

  
Jonathan Pelletier  
Chief Financial Officer

  
Date

	<b>FY 2016</b>
	<b>Actual Obligations</b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Decision Unit: Criminal</b>	
Prosecution	\$ 93.44
<b>Total Criminal Decision Unit</b>	<u>\$ 93.44</u>
 <b>Total Drug Control Obligations</b>	 <u>\$ 93.44</u>
 High-Intensity Drug Trafficking Area (HIDTA) Obligations	 \$ 0.43

**U.S. Department of Justice  
United States Attorneys  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

Disclosure 1: Drug Methodology

The United States Attorneys work in conjunction with law enforcement to disrupt domestic and international drug trafficking and narcotics production through comprehensive investigations and prosecutions of criminal organizations. A core mission of each of the United States Attorneys' Offices (USAOs) is to prosecute violations of federal drug trafficking, controlled substance, money laundering, and related laws in order to deter continued illicit drug distribution and use in the United States. This mission includes utilizing the grand jury process to investigate and uncover criminal conduct and subsequently presenting the evidence in court as part of prosecution of individuals and organizations who violate Federal law. USAOs also work to dismantle criminal drug organizations through asset forfeiture, thereby depriving drug traffickers of the proceeds of illegal activities.

In addition to this traditional prosecutorial role, efforts to discourage illegal drug use and to prevent recidivism by convicted drug offenders also form important parts of the drug control mission of the USAOs. Each USAO is encouraged to become involved in reentry programs that may help prevent future crime, including drug crimes. Reentry programs, such as reentry courts, typically include access to drug treatment and support for recovery. Prosecutors and USAO staff also participate in community outreach through initiatives that educate communities about the hazards of drug abuse.

The United States Attorneys community does not receive a specific appropriation for drug-related work in support of the National Drug Control Strategy. The United States Attorneys drug resources are part of, and included within, the United States Attorneys annual Salaries and Expenses (S&E) Appropriation. As a result of not having a specific line item for drug resources within our appropriation, the United States Attorneys have developed a drug budget methodology based on workload data. The number of workyears dedicated to non-OCDETF drug related prosecutions is taken as a percentage of total workload. This percentage is then multiplied against total obligations to derive estimated drug related obligations.

Data – All financial information for the United States Attorneys is derived from Department of Justice's (DOJ's) Financial Management System 2 (FMIS2). Workload information is derived from the United States Attorneys' USA-5 Reporting System.

Financial Systems – FMIS2 is DOJ's financial system. Obligations in this system can also be reconciled with the enacted appropriation.



#### Disclosure 2: Methodology Modifications

No modifications were made to the methodology from prior years.

#### Disclosure 3: Material Weaknesses or Other Findings

The United States Attorneys community is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2016, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated audit of FY 2016 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2016 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

#### Disclosure 4: Reprogrammings or Transfers

There were no drug related reprogrammings or transfers in FY 2016.

**Offices of the United States Attorneys  
Performance Summary Report**

This page intentionally left blank.



## U.S. Department of Justice

Executive Office for United States Attorneys


Resource Management and Planning Staff

Suite 2200, Bicentennial Building (202) 252-5600  
600 E. Street, NW  
Washington, DC 20530

### **Performance Summary Report Management's Assertion Statement For Fiscal Year Ended September 30, 2016**

On the basis of the United States Attorneys management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the United States Attorneys system of performance reporting provides reasonable assurance that:

1. The United States Attorneys use the United States Attorneys' Legal Information Office Network System (LIONS), an electronic national case management system, to capture performance information accurately and LIONS 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, 2016**

**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 2016 National Drug Control Strategy through reducing the threat, trafficking, use, and related violence of illegal drugs. The FY 2016 performance of the drug control mission of the United States Attorneys within the Department of Justice is based on agency Government Performance and Results Act documents and other agency information.

The USAOs do not set conviction rate targets. The USAOs report actual conviction rates to EOUSA through a case management system, known as United States Attorneys' Legal Information Office Network System (LIONS). EOUSA categorizes narcotics cases prosecuted by the USAOs into two different types -- Organized Crime Drug Enforcement Task Force (OCDETF) cases and non-OCDETF narcotics cases. In light of the attestation by the OCDETF Executive Office, EOUSA provides a summary report for only non-OCDETF narcotic cases in FY 2016:

U.S. Attorneys							
Selected Measures of Performance		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target*
»	Conviction Rate for drug related defendants	91%	92%	93%	NA	93%	NA
»	Percentage of defendants sentenced to prison	89%	89%	88%	NA	88%	NA

\* The USAOs do not set conviction rate targets. Therefore the targets for FY 2016 and 2017 are not available. Actual conviction rate for FY 2017 will be presented in the FY 2017 submission.

### **Additional Performance Related Information:**

A small selection of cases below from FY 2016 is presented below to illustrate federal narcotics prosecutions and convictions.

#### **Southern and Eastern Districts of New York and Southern District of Florida**

On July 25, 2016, Daniel Barrera (a.k.a. “Loco Barrera”), was sentenced to 35 years in prison and ordered to forfeit \$10 million for his role in conspiring to distribute and manufacture cocaine knowing that it would be imported to the United States.

From 1998-2010, Barrera – a Colombian national whom Colombian authorities considered “the last of the great kingpins” – manufactured hundreds of tons of cocaine to various parts of the world, including the United States. Barrera and his drug syndicate purchased raw cocaine base from the Department of State-designated terrorist group Fuerzas Armadas Revolucionarias de Colombia (FARC), an organization dedicated to the violent overthrow of the Colombian government and responsible for countless violent acts in Colombia. Barrera would convert this raw cocaine to powder at laboratories he owned and operated in an area of the country once controlled by Autodefensas Unidas de Colombia (AUC), a since-demobilized State-designated terrorist group and former rival of FARC. Through patronizing two terrorist organizations – buying his production materials from FARC and maintaining labs in AUC-controlled territory by paying “taxes” to AUC – Barrera kept his trafficking operation lucrative for decades. He also protected his massive cocaine shipments by regularly directing acts of violence and intimidation, including ordering multiple murders. During the course of his conspiracy, Barrera was responsible for product approximately 60,000 kilograms of powder cocaine per month, and a total of 720,000 kilograms, enabling him to reap tens of millions of dollars in profits.

The *Barrera* prosecution spanned three districts, with AUSAs in the Southern and Eastern Districts of New York and the Southern District of Florida investigating and prosecuting the matter.

#### **Western District of Missouri**

On May 17, 2016, James Delarosa Borden was sentenced to 19 years in prison after pleading guilty to participating in a conspiracy to distribute heroin and to distributing heroin.

Borden was the leader of a drug-trafficking operation in Western Missouri responsible for distributing between one and three kilograms of heroin. Borden admitted regularly obtaining heroin from sources in Detroit, MI, and St. Louis, MO. He also admitted supplying heroin to a user who died as a result of ingesting that heroin. Borden had an extensive history of violent criminal behavior and was sentenced as a career offender. Four other defendants associated with Borden also pleaded guilty.

The United States Attorney’s Office for the Western District of Missouri prosecuted Borden and his codefendants.

### **Northern District of Texas**

On January 8, 2016, three associates of the Sinaloa Cartel – Juan Carlos Pinales, Ramon Osvaldo Escobar-Robles, and Jesus Mario Moreno-Perez – were sentenced to lengthy prison sentences for traveling to Lubbock, TX, to distribute methamphetamine for the cartel.

After an investigation revealed that the cartel had sent three individuals to Lubbock to distribute methamphetamine, federal and local law-enforcement agencies executed a search warrant at the codefendants' residence. The search yielded, among other contraband: two Tupperware containers of 5.06 pounds of suspected methamphetamine; 19 clear plastic bags containing approximately 1.42 pounds of suspected methamphetamine; two clear plastic bags containing approximately 17.2 grams of suspected methamphetamine; and one clear plastic bag containing approximately 31.2 grams of suspected methamphetamine. A crime laboratory analysis confirmed that the substance found in the Tupperware containers was, in fact, methamphetamine with a net weight of 1,797.92 grams with a potent purity level of at least 91.7%.

Pinales received a sentence of 151 months in prison; Escobar-Robles received 78 months; and Moreno-Perez received 120 months. The United States Attorney's Office for the Northern District of Texas prosecuted the case.

### **Central District of California**

On December 7, 2015, Julio Gabriel Diaz – a Santa Barbara, CA, doctor who wrote numerous prescriptions for powerful painkillers for “patients,” many of whom were drug addicts, and some of whom died from drug overdoses – was sentenced to more than 27 years in prison.

During a 2½-week trial in August 2015, prosecutors showed that Diaz – who was known by some of his “patients” as the “Candyman” – was a prolific writer of prescriptions for highly-addictive and dangerous drugs, and he distributed the drugs outside of the usual course of professional practice and without a legitimate medical purpose. In 2011, for example, Diaz wrote prescriptions for more than 1.7 million doses of painkillers. His “patients” typically paid cash and received prescriptions for powerful drugs that included opioids, antianxiety medications, and muscle relaxants. Several doctors and pharmacists who testified during the trial said that they had never seen any doctor prescribe the combination and quantity of drugs Diaz prescribed. Diaz was found guilty of 79 counts of distribution of a controlled substance. His distribution related to several pharmaceuticals: oxycodone (a drug often sold under the brand name OxyContin); methadone; hydromorphone (a drug commonly sold under the brand name Dilaudid); fentanyl; hydrocodone (a drug often sold under the brand names Vicodin and Norco); and alprazolam (a drug often sold under brand name Xanax). Five of the charges related to the distribution of various controlled substances to a minor.

The United States Attorney's Office for the Central District of California prosecuted Diaz.

### ***Data Validation and Verification***

The Department of Justice views data reliability and validity as critically important in the planning and assessment of its performance. EOUSA makes every effort to constantly improve the completeness and reliability of its performance information by performing “data scrubs” (routine examination of current and historical data sets, as well as looking toward the future for trends) to ensure the data we rely on to make day-to-day management decisions are as accurate and reliable as possible and targets are ambitious enough given the resources provided.

The Director, EOUSA, with the concurrence of the Attorney General's Advisory Committee, issued a Continuous Case Management Data Quality Improvement Plan on May 1, 1996. This program enhances the accuracy and reliability of data in LIONS, which is used for a wide variety of internal management awareness and accountability, and provides guidance for all personnel involved in the process (docket personnel, system managers, line attorneys and their secretaries, and supervisory attorney personnel), in order to meet current information gathering needs.

Established in 1995, the Data Analysis Staff is the primary source of statistical information and analysis for EOUSA. This caseload data was extracted from LIONS. Beginning in FY 1997, each district was to establish a Quality Improvement Plan. Beginning in June 1996, each United States Attorney must personally certify the accuracy of their data as of April 1 and October 1 of each year.



This page intentionally left blank.

**ORGANIZED CRIME DRUG ENFORCEMENT  
TASK FORCES PROGRAM**

This page intentionally left blank.



**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

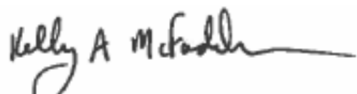
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2016. The OCDETF's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the OCDETF prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of 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.

A handwritten signature in black ink, reading "Kelly A. McFadden". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

January 18, 2017

**Organized Crime Drug Enforcement  
Task Forces Program  
Detailed Accounting Submission**

This page intentionally left blank.



**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, 2016**

On the basis of the Organized Crime Drug Enforcement Task Forces (OCDETF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OCDETF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from OCDETF's accounting system of record for these budget decision units.
2. The drug methodology used by OCDETF to calculate obligations of budgetary resources by function is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2016.
5. OCDETF did not have any ONDCP Fund Control Notices issued in FY 2016.

  
\_\_\_\_\_  
Peter Maxey, Executive Officer

\_\_\_\_\_  
January 18, 2017



**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, 2016**

Dollars in Millions

	<u>Total FY 2016 Actual Obligations</u>
<b>Drug Obligations by Decision Unit and Function</b>	
<b>Investigations:</b>	
Drug Enforcement Administration (DEA)	\$ 195.40
Federal Bureau of Investigation (FBI)	133.03
U.S. Marshals Service (USMS)	8.44
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	11.19
OCDETF Fusion Center (OFC)	11.91
International Organized Crime Intelligence and Operations Center (IOC-2)	1.87
<b>TOTAL INVESTIGATIVE DECISION UNIT</b>	<b>\$ <u>361.84</u></b>
<b>Prosecutions:</b>	
U.S. Attorneys (USAs)	\$ 152.34
Criminal Division (CRM)	2.27
EXO Threat Response Unit (TRU)	0.58
<b>TOTAL PROSECUTORIAL DECISION UNIT</b>	<b>\$ <u>155.19</u></b>
 Total Drug Control Obligations	 <b>\$ <u>517.03</u></b>

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces Program  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

Disclosure 1: Drug Methodology

The Organized Crime Drug Enforcement Task Forces (OCDETF) Program is comprised of member agencies from three different Departments: the Department of Justice (DOJ), the Department of Treasury (Treasury), and the Department of Homeland Security (DHS). Beginning in FY 1998 and continuing through FY 2003, OCDETF member agencies were funded through separate appropriations. (Prior to the creation of DHS, which involved the transfer of the U.S. Coast Guard to DHS from the Department of Transportation, OCDETF was funded in DOJ, Treasury and Transportation appropriations.)

During FY 2004 and FY 2005, the DOJ's Interagency Crime and Drug Enforcement (ICDE) appropriation included funding to reimburse agencies in the DOJ, Treasury and DHS for their participation in the OCDETF Program. The availability of a consolidated budget has been critical to the OCDETF Program's ability both to ensure the proper and strategic use of OCDETF resources and to effectively monitor Program performance across all Departments and participating agencies. However, Congress repeatedly expressed concern with funding non-DOJ agencies via a DOJ appropriations account, and in FY 2005, Congress decreased base funding for non-DOJ program participants.

Recognizing that uncertainty surrounding funding levels for non-DOJ participants posed great difficulties for OCDETF in terms of program planning and administration, the Administration has not submitted a consolidated budget for the program since FY 2007. Instead, funding for the OCDETF Program's non-DOJ partners was requested through direct appropriations for Treasury and DHS. Currently, only DOJ OCDETF appropriated funding comes from the ICDE account.

The OCDETF Program is directly charged with carrying out the DOJ drug supply reduction strategy, and all of its activities are aimed at achieving a measurable reduction in the availability of drugs in this country. The disruption and dismantlement of drug trafficking networks operating regionally, nationally, and internationally is a critical component of the supply reduction effort. In particular, the OCDETF Program requires that in *each* OCDETF case, investigators identify and target the financial infrastructure that permits the drug organization to operate.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The Table represents obligations from the ICDE account incurred by OCDETF for drug control purposes. All amounts are net of reimbursable agreements.

Data - All accounting information for the OCDETF Program is derived from the DOJ Financial Management Information System 2 (FMIS2). ICDE resources are reported as

100 percent drug-related because the entire focus of the OCDETF Program is drug control.

Financial Systems - FMIS2 is the financial system used to provide all ICDE obligation data. Obligations that are derived by this system reconcile with the enacted appropriations and carryover balances.

The Administration's request for the OCDETF Program reflects a restructuring that collapses the OCDETF Program's four areas - Investigations, Drug Intelligence, Prosecution, and Administrative Support- into two decision units- Investigations and Prosecutions. Under this methodology, the Administrative Support of the OCDETF Executive Office is pro-rated among decision units based on the percentage of appropriated ICDE Program funding. Additionally, Drug Intelligence Costs is reported as part of the Investigations Decision Unit.

The OCDETF Program's Decision Units are divided according to the two major activities of the Task Force – Investigations and Prosecutions – and reflect the amount of reimbursable ICDE resources appropriated for each participating agency. With respect to the Table of Drug Control Obligations, the calculated amounts were derived from the FMIS2 system as follows:

- a. Investigations Function - This decision unit includes the reimbursable resources that support investigative activities of the following participating agencies: the Drug Enforcement Administration; Federal Bureau of Investigation; the Bureau of Alcohol, Tobacco, Firearms and Explosives; the U.S. Marshals Service; the OCDETF Fusion Center; and the International Organized Crime Intelligence and Operations Center. The methodology applies 100 percent of the resources that support the OCDETF Program's investigative activities.
- b. Prosecution Function - This decision unit includes the reimbursable prosecution resources for the following participating DOJ agencies: the U.S. Attorneys; the Criminal Division; and the OCDETF Executive Office Threat Response Unit. The methodology applies 100 percent of the OCDETF Program's Prosecution resources to the Prosecution Decision Unit.

#### Disclosure 2: Methodology Modifications

The overall methodology to calculate drug control obligations has not been modified from previous years.

#### Disclosure 3: Material Weaknesses or Other Findings

The OCDETF Program is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2016, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2016 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses. Additionally, the Department's assessment of risk and internal control in FY 2016 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.

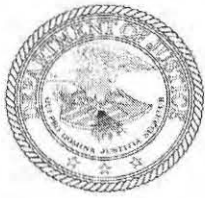
Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings or transfers in FY 2016.

This page intentionally left blank.

**Organized Crime Drug Enforcement  
Task Forces Program  
Performance Summary Report**

This page intentionally left blank.



## 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, 2016**

On the basis of the Organized Crime Drug Enforcement Task Forces (OCDETF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the OCDETF system of performance reporting provides reasonable assurance that:

1. OCDETF has a system to capture performance information accurately and that system was properly applied to generate the performance data.
2. OCDETF met the reported performance targets for FY 2016.
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. OCDETF has established at least one acceptable performance measure for each budget decision unit, as agreed to by ONDCP, for which a significant amount of obligations (\$1 million or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.



---

Peter Maxey, Executive Officer

---

January 18, 2017



**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, 2016**

**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.

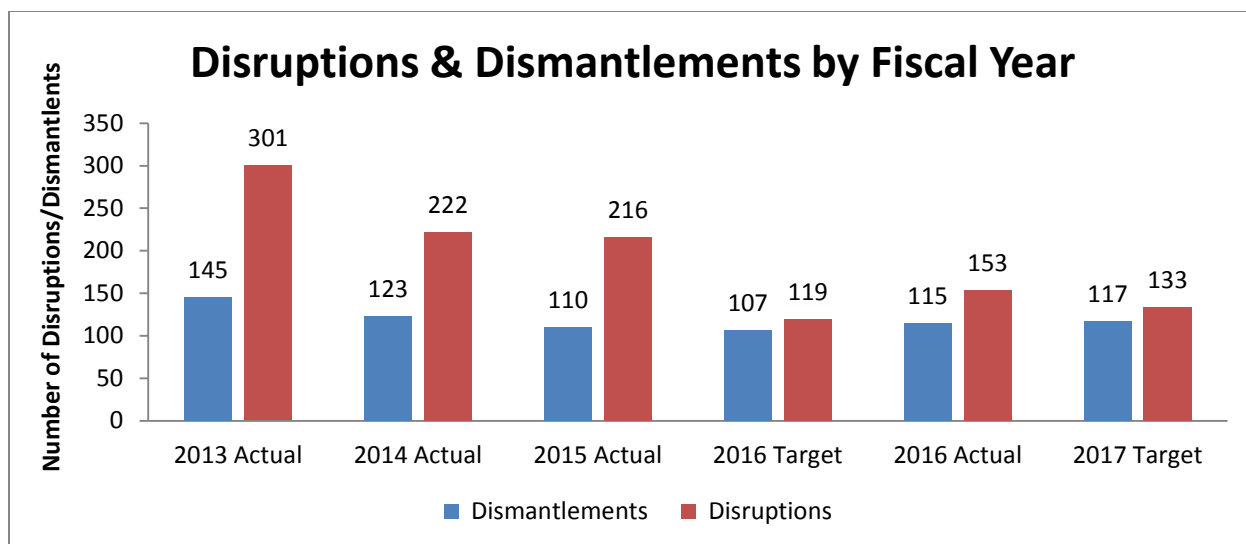
**Table:**

	<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Target</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Target</b>
<b>Dismantlements</b>	145	123	110	107	115*	117
<b>Disruptions</b>	301	222	216	119	153**	133

\* Breakdown by agency for OCDETF is: 115 Dismantled (94 DEA and 22 FBI)

\*\* Breakdown by agency for OCDETF is: 153 Disrupted (78 DEA and 79 FBI).

<sup>1</sup> The overlap of DEA and FBI in FY 2016 results in the reduction of (1) dismantlement and (4) disruptions from the total numbers.



Despite diminished resources, OCDETF achieved impressive results during FY 2016 in dismantling and disrupting CPOT-linked drug trafficking organizations. OCDETF dismantled 115 CPOT-linked organizations in FY 2016, exceeding its target by 7%. OCDETF disrupted 153 CPOT-linked organizations in FY 2016, exceeding its target for disruptions by 29%. 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 2017 OCDETF Dismantlements and Disruptions (D&D) target is based on the percentage of FY 2016 OCDETF D&Ds to FY 2016 Department D&Ds, and the Department’s FY 2017 target. In FY 2016, OCDETF D&Ds accounted for 57% of the Department’s disruptions and 61% of the Department’s dismantlements. The Department’s targets for FY 2017 is 233 disruptions and 188 dismantlements. Therefore, the OCDETF D&D target for FY 2017 is 133 disruptions (or 57% of the Department’s disruptions); and 117 dismantlements (or 62% of the Department’s 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**

This page intentionally left blank.



**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

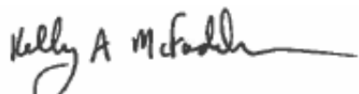
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2016. The USMS's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation 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, the objective of which would be the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the USMS prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2016, are not presented, in all material respects, in conformity with the ONDCP's Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, and as otherwise agreed to with the ONDCP.

This report is intended solely for the information and use of USMS management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Kelly A. McFadden". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

January 18, 2017

**United States Marshals Service  
Detailed Accounting Submission**



This page intentionally left blank.



**U.S. Department of Justice**

United States Marshals Service

*Financial Services Division*

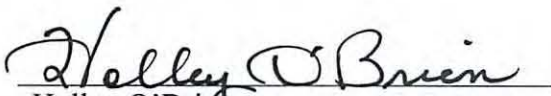
---

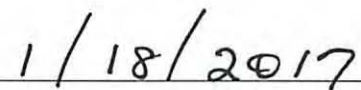
*Washington, D.C. 20530-1000*

**Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the United States Marshals Service (USMS) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the USMS system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by the USMS to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2016.
4. The USMS did not have any ONDCP Fund Control Notices issued in FY 2016.

  
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, 2016  
(Dollars in Millions)**

<b>Drug Obligations by Budget Decision Unit and Function:</b>	<b>FY 2016 Actual Obligations</b>
<b>Decision Unit #1: Fugitive Apprehension</b>	
International	\$ 1.33
Investigations	131.29
<b>Total Fugitive Apprehension</b>	<u>\$ 132.62</u>
<b>Decision Unit #2: Judicial &amp; Courthouse Security</b>	
State and Local Assistance	\$ 93.20
<b>Total Judicial &amp; Courthouse Security</b>	<u>\$ 93.20</u>
<b>Decision Unit #3: Prisoner Security &amp; Transportation</b>	
State and Local Assistance	\$ 51.12
<b>Total Prisoner Security &amp; Transportation</b>	<u>\$ 51.12</u>
<b>Decision Unit #4: Detention Services</b>	
Corrections	\$ 495.65
<b>Total Detention Services</b>	<u>\$ 495.65</u>
<b>Total Drug Control Obligations</b>	<u>\$ 772.59</u>

**U.S. Department of Justice  
United States Marshals Service  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2016**

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 & Expense (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, and state and local warrants such as narcotics possession, manufacturing, and distribution. To calculate the drug-related workload percentage for this decision unit, the USMS takes the drug-related warrants cleared and divides that number 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, manufacture, 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 takes the drug-related offenses in custody and divides 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). The USMS is responsible for federal detention services relating to the housing and care for 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 methodology applied is consistent with prior years and there were no modifications.

#### Disclosure 3: Material Weaknesses or Other Findings

For FY 2016, the USMS was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2016 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* revealed no material weaknesses or significant deficiencies. Additionally, the Department's assessment of risk and internal control in FY 2016 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: Reprogramming or Transfers

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

**United States Marshals Service  
Performance Summary Report**

This page intentionally left blank.



**U.S. Department of Justice**

United States Marshals Service

*Financial Services Division*

---

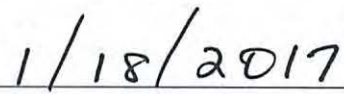
*Alexandria, Virginia 22301-1025*

**Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2016**

On the basis of the United States Marshals Service (USMS) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, we assert that the USMS system of performance reporting provides reasonable assurance that:

1. The USMS used the Justice Detainee Information System (JDIS) to capture performance information accurately and this system was properly applied to generate the performance data.
2. The USMS met the reported performance targets for FY 2016.
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, 2016**

The USMS did not have drug-related targets for FY 2016 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.

<b>Fiscal Year</b>	<b>% Drug-Related Warrants Cleared</b>	<b>Total Warrants Cleared</b>	<b>Drug-Related Warrants Cleared</b>
2013 Actual	33.7%	130,368	43,920
2014 Actual	33.2%	127,797	42,483
2015 Actual	32.7%	123,967	40,586
2016 Actual	32.0%	121,612	38,938
2017 Estimate	32.9%		

For FY 2017, the USMS estimates 32.9% 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.<sup>1</sup>

<sup>1</sup> JDIS data reports were generated November 2016.

### **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.

<b>Fiscal Year</b>	<b>% Drug-Related Offenses in Custody</b>	<b>Total Offenses in Custody</b>	<b>Drug-Related Offenses in Custody</b>
2013 Actual	15.2%	141,016	21,473
2014 Actual	15.7%	118,147	18,595
2015 Actual	19.4%	103,532	20,067
2016 Actual	19.8%	102,491	20,263
2017 Estimate	17.5%		

For FY 2017, the USMS estimates 17.5% 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.<sup>2</sup>

### **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

<sup>2</sup> JDIS data reports were generated November 2016.

population. The USMS has no control over the prisoner population count. While USMS can 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 difference between the 2016 Target and Actual can be attributed to an unexpected Service Contract Act (SCA) wage increase for private detention contracts and a lower than projected detention population that minimized economy of scale savings in private detention space. To regulate the average daily rate, the USMS negotiates rates with private facilities; limits the frequency of IGA adjustments; and maintains economies of scale through partnered contracting to achieve the best cost to the Government.

<b>Fiscal Year</b>	<b>\$ Per Day</b>
FY 2013 Actual	\$74.63
FY 2014 Actual	\$76.24
FY 2015 Actual	\$79.24
FY 2016 Target	\$80.66
FY 2016 Actual	\$81.13
FY 2017 Target	\$81.37

The FY 2017 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.<sup>3</sup>

<sup>3</sup> JDIS data reports were generated in November, 2016.



*The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at [www.justice.gov/oig/hotline](http://www.justice.gov/oig/hotline) or (800) 869-4499.*



Office of the Inspector General  
U.S. Department of Justice  
[www.justice.gov/oig](http://www.justice.gov/oig)