

FY 2013 Accounting of Drug Control Funds

Office of National Drug Control Policy

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ONDCP Circular: Annual Accounting of Drug Control Funds

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Executive Summary

Background

This Summary presents for Congress the *Fiscal Year 2013 Accounting of Drug Control Funds*. As part of the 1998 law that reauthorized the Office of National Drug Control Policy (ONDCP), a provision was added (Public Law 105-277, October 21, 1998 [Div.C, Title VII], Section 705(d)), which mandates that the Director of ONDCP shall, “(A) require the National Drug Control Program agencies to submit to the Director not later than February 1 of each year a detailed accounting of all funds expended by the agencies for National Drug Control Program activities during the previous fiscal year, and require such accounting to be authenticated by the Inspector General for each agency prior to submission to the Director; and (B) submit to Congress not later than April 1 of each year the information submitted to the Director under subparagraph (A).” That provision was not changed by the ONDCP Reauthorization Act of 2006 (Public Law 109-469, December 29, 2006).

In order to comply with this statutory provision, ONDCP issued a Circular, *Accounting of Drug Control Funding and Performance Summary* (dated January 18, 2013) to all National Drug Control Program agencies defining the requirements for annual accounting submissions. The Circular specifies, “Each report...shall be provided to the agency’s Inspector General (IG) for the purpose of expressing a conclusion about the reliability of each assertion made in the report.” In assessing reliability, ONDCP anticipates each IG will conduct an attestation review consistent with the *Statements for Standards of Attestation Engagements*, promulgated by the American Institute of Certified Public Accountants. An attestation review is more limited in scope than a standard financial audit, the purpose of which is to express an opinion on management’s assertions. The objective of an attestation review is to evaluate an entity’s financial reporting and to provide negative assurance. Negative assurance, based on the criteria established by the ONDCP Circular, indicates that nothing came to the attention of the IG that would cause them to believe an agency’s submission was presented other than fairly in all material respects.

Department Compliance and Attestation Reviews

All but one of the National Drug Control Program agencies complied with the provisions of the Circular. This fact is evident, along with whether an agency passed or failed the required attestation review, in the table below. For the purpose of this report, “pass” indicates an agency’s Office of Inspector General (OIG) was able to complete their review and provide negative assurance. Conversely, “fail” indicates that an agency’s assertions regarding its FY 2013 drug control obligations were not reviewable. Details on each agency’s report are provided below.

FY 2013 Accounting of Drug Control Funds

Department/Bureau	Compliance with ONDCP Circular (Yes/No)	IG/ Indep. Auditor Attestation Review (Pass/Fail)	Material Weakness Identified (Yes/No)
Agriculture			
United States Forest Service	Yes	Pass	N.A. ¹
Court Services and Offender Supervision Agency			
Community Supervision and Pretrial Services	Yes	Pass	No
Defense			
Drug Interdiction and Counterdrug Activities	Yes	Pass	No
Education			
Office of Safe and Drug-Free Schools	Yes	Pass	No
Health and Human Services			
Administration for Children and Families	Yes	Pass	N.A. ¹
Indian Health Service	Yes	Pass	No
National Institute on Drug Abuse	Yes	Pass	No
National Institute on Alcohol Abuse and Alcoholism	Yes	Pass	No
Health Resources Service Administration	Yes	Pass	N.A. ¹
Substance Abuse and Mental Health Services Administration	Yes	Pass	No
Housing and Urban Development			
Office of Special Needs Assistance Programs	No	Fail	No
Homeland Security			
Customs and Border Protection	Yes	Pass	Yes
Federal Law Enforcement Training Center	Yes	Pass	N.A. ¹
Immigration and Customs Enforcement	Yes	Pass	Yes
United States Coast Guard	Yes	Pass	Yes
Interior			
Bureau of Indian Affairs	Yes	Pass	N.A. ¹
Bureau of Land Management	Yes	Pass	N.A. ¹
National Park Service	Yes	Pass	N.A. ¹
Justice			
Asset Forfeiture Fund	Yes	Pass	No
Bureau of Prisons	Yes	Pass	No
Criminal Division	Yes	Pass	No
Drug Enforcement Administration	Yes	Pass	No
Office of Justice Programs	Yes	Pass	No
Organized Crime Drug Enforcement Task Force	Yes	Pass	No
United States Attorneys	Yes	Pass	No
United States Marshals Service	Yes	Pass	No
United States Marshals Service - Office of Federal Detention Trustee	Yes	Pass	No

FY 2013 Accounting of Drug Control Funds

Department/Bureau	Compliance with ONDCP Circular (Yes/No)	IG/ Indep. Auditor Attestation Review (Pass/Fail)	Material Weakness Identified (Yes/No)
Labor			
Employment and Training Administration	Yes	N.A. ¹	N.A. ¹
State			
International Narcotics and Law Enforcement Affairs	Yes	Pass	No
United States Agency for International Development	Yes	Pass	No
Transportation			
Federal Aviation Administration	Yes	Pass	N.A. ¹
National Highway Traffic Safety Administration	Yes	Pass	N.A. ¹
Treasury			
Internal Revenue Service	Yes	Pass	No
Veterans Affairs			
Veterans Health Administration	Yes	Pass	Yes

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

Summary of Agency Reports

Department of Agriculture

The Department of Agriculture's (USDA) accounting of FY 2013 funding for drug-related activities (Tab A) falls below the reporting threshold of \$50 million. Therefore, the submission consists of a limited report that includes a table of FY 2013 obligations. The USDA submission satisfies all requirements established by the ONDCP Circular, and was assessed a rating of "pass".

Court Services and Offender Supervision Agency

The Court Services and Offender Supervision Agency (CSOSA) FY 2013 accounting submission (Tab B) was a limited report, because its drug-related activities fall below the \$50 million reporting threshold. The report includes a table of FY 2013 obligations. CSOSA was assessed a rating of "pass".

Department of Defense

The Department of Defense's (DoD) accounting of FY 2013 drug control obligations (Tab C) satisfies all requirements established by ONDCP's Circular, and the report is presented in accordance with all requirements established by ONDCP's Circular. DoD was assessed a rating of "pass".

FY 2013 Accounting of Drug Control Funds

Department of Education

The Department of Education's accounting of FY 2013 drug control obligations (Tab D) satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the Department's OIG. No material weaknesses were found. Given this, Education was assessed a rating of "pass".

Department of Health and Human Services

The Department of Health and Human Services' (HHS) FY 2013 drug control obligations accounting submission (Tab E) includes separate reports for the Administration For Children and Families (ACF), Indian Health Service (IHS), the National Institutes of Health's (NIH) National Institute on Drug Abuse (NIDA) and National Institute on Alcohol Abuse and Alcoholism (NIAAA), the Health Resources and Services Administration (HRSA), and the Substance Abuse and Mental Health Services Administration (SAMHSA). The Centers for Medicare & Medicaid Services (CMS) Grants to States for Medicaid and Medicare programs are not included; CMS reports actuarial outlay estimates for this mandatory spending program rather than budget authority. Therefore, it is not appropriate to produce a detailed accounting submission containing a table of prior year obligations and corresponding assertions.

ACF: The OIG attested that the IHS submission and management assertion complied with the ONDCP Drug Control Accounting Circular. No material weaknesses were found. ACF was assessed a rating of "pass".

IHS: The OIG attested that the IHS submission and management assertion complied with the ONDCP Drug Control Accounting Circular. No material weaknesses were found. IHS was assessed a rating of "pass".

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

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

HRSA: HRSA's FY 2013 funding for drug-related activities falls below the reporting threshold of \$50 million. Therefore, the limited accounting summary report consisted of a table of prior year drug obligations, and of disclosures regarding drug methodology, and any modifications, material weaknesses, or transfers of budgetary resources. The OIG attested that the HRSA submission complied with the ONDCP Drug Control Accounting Circular. No material weaknesses were found. HRSA was assessed a rating of "pass".

FY 2013 Accounting of Drug Control Funds

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

Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) accounting submission was not submitted for the Office of Special Needs Assistance Programs. Given this, HUD was assessed a rating of “fail”.

Department of Homeland Security

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

CBP: CBP’s FY 2013 drug control obligations report satisfies all requirements established by the ONDCP Circular. The DHS OIG continues to find an Information Technology general and application control weakness at CBP. CBP continues its work to remediate the weakness. CBP was assessed a rating of “pass”.

FLETC: FLETC submitted a limited report because its drug-related activities fall below the \$50 million reporting threshold. The report includes a table of FY 2013 obligations, and the OIG attested that the submission and management assertion complied with the ONDCP Drug Control Accounting Circular. FLETC was assessed a rating of “pass”.

ICE: ICE’s FY 2013 drug control obligations report satisfies all requirements established by the ONDCP Circular. In the report, auditors noted that ICE contributed to Department-wide weaknesses related to financial reporting, budgetary accounting, and information technology. These noted weaknesses, however, are not specific to counternarcotics-related activities. ICE continues to develop corrective action plans to remediate these findings. ICE was assessed a rating of “pass”.

USCG: USCG’s FY 2013 drug control obligations report satisfies all requirements established by the ONDCP Circular. The report listed weaknesses related to financial reporting; IT controls and system functionality; property, plant and equipment; and budgetary accounting. USCG continues to implement corrective action plans to remediate long-standing internal control deficiencies, and the aforementioned weaknesses do not have a significant effect on the presentation of FY 2013 drug-related obligations data. USCG was assessed a rating of “pass”.

Department of the Interior

The Department of the Interior’s (DOI) accounting submission (Tab G) includes separate reports for the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), and National Park

FY 2013 Accounting of Drug Control Funds

Service (NPS). The funding level for all three bureau's FY 2013 drug-related activities fall below the reporting threshold of \$50 million. The submissions, therefore, consist of a limited report that includes a table of FY 2013 obligations. The submissions satisfy all requirements established by the ONDCP Circular. BIA, BLM and NPS were all assessed a rating of "pass".

Department of Justice

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

AFF: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were identified in the attestation review however, a significant deficiency related to improvements needed in the analysis of accounting data, revenue recognition, and the review of journal vouchers was identified. This finding, while not a material weakness, has an undetermined impact on the presentation of drug-related obligations and requires a corrective action plan. However, the IG reviewed the report and found nothing that would indicate that the reporting was not materially correct. AFF was assessed a rating of "pass".

BOP: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were identified in the attestation review. BOP was assessed a rating of "pass".

CD: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were noted. CRM was assessed a rating of "pass".

DEA: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were identified in the attestation review. DEA was assessed a rating of "pass".

OJP: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were identified in the attestation review. OJP was assessed a rating of "pass".

OCDETF: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were noted. OCDETF was assessed a rating of "pass".

EOUSA: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. No material weaknesses were noted. EOUSA was assessed a rating of "pass".

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USMS and USMS/FDT: The FY 2013 accounting report satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the DOJ OIG. Although no material weaknesses were noted, two significant deficiencies were reported. The first significant deficiency related to inadequate funds management controls. Specifically, the audit found instances where the USMS did not have adequate internal controls over its procurement process to consistently ensure that obligations, reported expenses, and accrued expenses were complete, accurate, and recorded in accordance with the government financial management requirements. The second significant deficiency is related to inadequate controls in financial reporting. Specifically, the audit found instances where existing controls relating to the review and preparation of the financial statements and related notes were not adequately designed at the appropriate level of precision to prevent a misstatement in the financial statements or notes. These findings, while not material weaknesses, have an undetermined impact on the presentation of drug-related obligations and require corrective action plans. Because the IG stated that they found nothing to indicate the reporting was not materially correct, the combined reporting from the USMS and USMS/FDT was assessed a rating of "pass".

Department of Labor

The Department of Labor (DOL) FY 2013 accounting report (Tab I) was submitted for the Employment and Training Administration (ETA). ETA submitted a limited report because its drug-related activities fall below the \$50 million reporting threshold. The report includes a table of FY 2013 obligations. DOL was assessed a rating of "Pass".

Department of State and Other International Programs

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

INL: The FY 2013 drug control obligations report satisfies all requirements established by the ONDCP Circular. An independent auditor identified no material weaknesses. INL was assessed a rating of "pass".

USAID: The FY 2013 drug control obligations report satisfies all requirements established by the ONDCP Circular. The OIG identified no material weakness in USAID's financial report. USAID was assessed a rating of "pass".

Department of Transportation

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

FY 2013 Accounting of Drug Control Funds

FAA: FAA submitted a limited report because its drug-related activities fall below the \$50 million reporting threshold. The report includes a table of FY 2013 obligations for drug-related activities within the Air Traffic Organization, Aviation Safety/Aerospace Medicine, and Security and Hazardous Material Safety. DOT's OIG determined that the accounting report submission conforms to all requirements established by ONDCP's Circular, including an attestation that the alternative report submission is accurate and appropriate. FAA was assessed a rating of "pass".

NHTSA: NHTSA submitted a limited report because its drug-related activities fall below the \$50 million reporting threshold. The report includes a table of FY 2013 obligations for the National Highway Traffic Safety Administration's Drug Impaired Driving Program. DOT's OIG determined that the accounting report submission conforms to all requirements established by ONDCP's Circular, including an attestation that the alternative report submission is accurate and appropriate. NHTSA was assessed a rating of "pass".

Department of the Treasury

The FY 2013 accounting report of drug control obligations for the Department of the Treasury (Tab L) is presented in accordance with all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the Treasury Inspector General for Tax Administration. No material weaknesses were identified. The Department was assessed a rating of "pass".

Department of Veterans Affairs

The Department of Veterans Affairs (VA), Veterans Health Administration's (VHA) accounting of FY 2013 drug control obligations (Tab M) satisfies all requirements established by ONDCP's Circular, including the rendering of a negative assurance by the Department's OIG. However, the IG noted one material weakness in VA's Financial Management System concerning Information Technology Security Controls. The IG has issued an unqualified opinion on this report. Given this, VHA was assessed a rating of "pass".

DEPARTMENT OF AGRICULTURE



Accounting Report Review

Drug Resources by Function	FY2011	FY2012	FY2013
Investigations	\$14.000	\$14,000	\$14.000
Intelligence	0.200	0.200	0.200
State and Local Assistance	0.700	0.700	0.600
Research and Development	0.000	0.000	0.000
Prosecution	0.300	0.300	0.300
Prevention	<u>0.100</u>	<u>0.100</u>	<u>0.100</u>
Total	\$15.300	\$15.300	\$15.200
Drug Resources by Decision Unit			
Detection & Monitoring	\$15.300	\$15.300	\$15.200
Law Enforcement Agency Support	0.000	0.000	0.000
Demand Reduction	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Total	\$15.300	\$15.300	\$15.200
Drug Resources Personnel Summary			
Total FTEs	68	66	66
Information			
Total Agency Budget	\$5,096.7	\$4,844.9	\$4,556.6
Drug Percentage	0.3%	0.3%	0.3%

Budget Authority in Millions

/s/ David L. Ferrell

1/23/14

David L. Ferrell
 Director
 U.S. Forest Service
 Law Enforcement & Investigations

Date

COURT SERVICES AND OFFENDER SUPERVISION AGENCY





Court Services and Offender Supervision Agency

Office of the Director

March 6, 2014

The Honorable R. Gil Kerlikowske
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Mr. Kerlikowske:

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

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

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

To the best of my knowledge the FY 2013 accounting and performance assertions presented by CSOSA are accurate and complete. However, one continuing concern we share with other jurisdictions is that the use of synthetic drugs by our offender and defendant populations is not fully detectable by our current drug testing activities, which presents challenges to our supervision and treatment support activities.

Sincerely,



Nancy M. Ware
Director

Enclosures

CSOSA Community Supervision Program Accounting Submission / Assertions; dated February 7, 2014

CSOSA Community Supervision Program Performance Reporting Submission / Assertions; dated March 4, 2014

CSOSA Pretrial Services Agency for the District of Columbia Accounting and Performance Reporting Submission / Assertions; dated February 27, 2014



Court Services and Offender Supervision Agency

February 27, 2014

R. Gil Kerlikowske
 Director
 Office of National Drug Control Policy
 Executive Office of the President
 Washington, DC 20503

Dear Mr. Kerlikowske:

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular *Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the annual accounting of drug control resources for the Court Services and Offender Supervision Agency's (CSOSA's) Community Supervision Program (CSP) for the previous fiscal year (FY 2013). CSP is one of two programs (Decision Units) within the CSOSA appropriation.

FY 2013 Drug Control Obligations by Budget Decision Unit and Function:

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

Drug Resources Function:	FY 2013 Actual (Millions)
Prevention	\$9.850
Treatment	\$21.635
Total Drug Resources by Function	\$31.485

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

Drug Control Methodology:

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

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

CSP uses a cost allocation methodology to determine ONDCP Prevention and Treatment function obligations, including both direct (e.g., direct staff, direct contracts) and indirect (e.g., rent, management) obligations, supporting CSP Drug Testing and Treatment activities. The resources for these activities are derived based on actual obligations posted to specific accounting parameters in Oracle Federal Financials and allocated to strategies and activities based on CSP's Strategic Plan framework.

Effective for the FY 2015 budget cycle, CSP reported the following new ONDCP Drug Budget resource methodology based on our new FY 2014 – 2018 Strategic Plan framework.

Prevention (Drug Testing):

Strategic Objective 1.2: Close Supervision

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

Treatment:

Strategic Objective 2.1: Treatment and Support Services

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

CSP Strategic Objective	Total FY 2013 Strategic Objective Resources (FY 2015 CSOSA CBJ)	FY 2013 ONDCP Drug Budget Resources (Millions)	ONDCP Function
1.2: Close Supervision	\$49,250	\$9.850	Prevention/Drug Testing
2.1: Treatment and Support Services	\$43,269	\$21.635	Treatment
Total CSP FY 2013 Drug Resources		\$31.485	

Material Weaknesses and Other Findings:

CSOSA received an “unqualified” (clean) opinion on the FY 2013 consolidated financial statements. The independent auditing firm KPMG found no significant material control weaknesses or significant control deficiencies.

Reprogrammings or Transfers:

In FY 2012, as a result of Agency budgetary challenges, CSP reduced our appropriated offender Treatment, Halfway Back Sanctions and Transitional Housing budget by \$1.685 Million. In FY 2013, as a result of Sequestration, CSP reduced this budget item by an additional \$3.305 Million.

Please let me know if you need additional information.

Sincerely,



Paul Girardo
Chief Financial Officer

DEPARTMENT OF DEFENSE

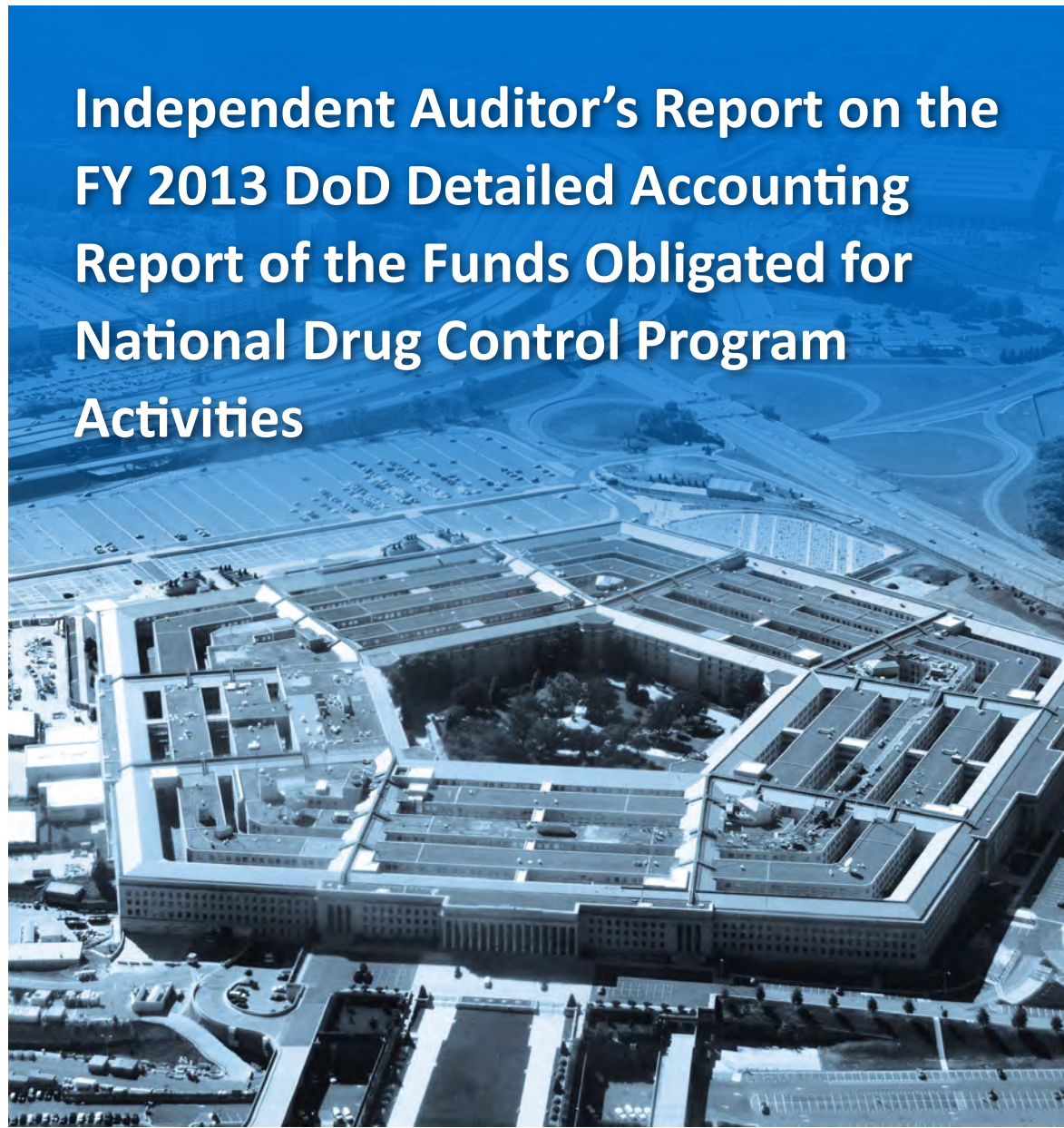




INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 31, 2014



Independent Auditor's Report on the FY 2013 DoD Detailed Accounting Report of the Funds Obligated for National Drug Control Program Activities

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

Mission

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

Vision

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

Fraud, Waste and Abuse

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

January 31, 2014

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/
CHIEF FINANCIAL OFFICER, DOD
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(COUNTERNARCOTICS AND GLOBAL THREATS)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
NAVAL INSPECTOR GENERAL
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Independent Auditor's Report on the FY 2013 DoD Detailed Accounting Report
of the Funds Obligated for National Drug Control Program Activities
(Report No. DODIG-2014-035)

Public Law 105-277, Title VII, "Office of National Drug Control Policy Reauthorization Act of 1998" (the Act), October 21, 1998, requires that DoD annually submit a detailed report (the Report) to the Director, Office of National Drug Control Policy (ONDCP), accounting for all funds DoD expended for National Drug Control Program activities during the previous fiscal year. The Act requires that the DoD Inspector General authenticate the Report before its submission to the ONDCP Director (section 1704(d), Title 21, United States Code).

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

The Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD [CN & GT]) was responsible for the detailed accounting of funds obligated and expended by DoD for the National Drug Control Program for FY 2013.

We performed this review-level attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. Those standards require that we plan and perform the attestation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our attestation objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our attestation objective. A review-level attestation is substantially less in scope than an examination done to express an opinion on the subject matter. Accordingly, we do not express such an opinion.

We reviewed five DoD reprogramming actions that allocated \$1.31 billion among the Military Departments, National Guard, and Defense agencies. We reviewed the year-end obligation report and determined that DASD (CN & GT) allocated the funds to appropriations and project codes intended for the DoD Counterdrug Program.

In a letter dated January 23, 2014, DASD (CN & GT) provided us the Report. We reviewed it to determine its compliance with the Circular. The detailed accounting indicated that during FY 2013, DoD obligated \$1.21 billion to the Counterdrug Program functional areas. DASD (CN & GT) compiled the Report from data submitted by the Military Departments and other DoD Components. Specific to the Army, DASD (CN & GT) reported \$390.99 million in obligations. However, DASD (CN & GT) and Army did not provide evidence supporting \$88.66 million (or 23 percent) of Army Counterdrug Program obligations. The Army's detailed accounting for these transactions identified posting dates in FY 2012 and FY 2014. When we requested clarification, the Army did not provide payment records to support its explanation that these transactions occurred in FY 2013.

DASD (CN & GT) initially reprogrammed the funds from the Central Transfer Account to the DoD Components using project codes. The DoD Components provided year-end obligation data to DASD (CN & GT) through the DASD CN database, which compiled the data into one obligation report. In order to present the obligations by functional area as required by the Circular, DASD (CN & GT) applied percentages to each project code in the consolidated report to compute the amounts presented in the table of obligations, instead of obtaining the information directly from the accounting systems.

Based on our review, except for the Army's lack of support for \$88.66 million of Counterdrug Program obligations and DASD (CN & GT)'s use of percentages to calculate the obligations presented by functional area, nothing came to our attention during the review that caused us to believe the detailed accounting of funds obligated by DoD on the National Drug Control Program for FY 2013 is not presented fairly, in all material respects, in conformity with the Circular.



Amy J. Frontz, CPA
Principal Assistant Inspector General
for Auditing

Attachment:
As stated





SPECIAL OPERATIONS/
LOW-INTENSITY CONFLICT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

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

JAN 23 2014

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

Dear Mr. Johnson:

The drug methodology used to calculate obligations by drug control function of Fiscal Year 2013 budgetary resources is reasonable and accurate. The obligation table in Tab A was generated by the methodology as reflected in Tab B. The obligations are associated with a financial plan that properly reflects all changes made during the fiscal year. The Counternarcotics Central Transfer Account does not receive Fund Control Notices.

Performance Reporting will be addressed under separate correspondence. My point of contact for this action is Ms. Silvia Serban, 703-614-8847, e-mail silvia.serban.civ@mail.mil.

A handwritten signature in cursive script that reads "Caryn C. Hollis".

Caryn C. Hollis
Deputy Assistant Secretary of Defense
Counternarcotics and Global Threats

Enclosures:
As stated

CF:
DODIG

UNCLASSIFIED
Counternarcotics Central Transfer Account Obligations
 (\$ 000)

ONDCP Resource Categories	FY-13
Intelligence: Dom Law Enforcement	4,746
Intelligence: Interdiction	37,032
Intelligence: International	82,763
Interdiction	329,703
International	419,164
Investigative	14,721
Prevention	109,408
R&D: Interdiction	989
R&D: International	366
State and Local Assistance	206,404
TOTAL	1,205,296 *

* This amount includes a 0.98% obligation rate for MILPERS and a 0.96% obligation rate for O&M. Investment appropriations, which are multi-year, are currently obligated at 0.15%.

DRUG RESOURCES PERSONNEL SUMMARY

Total FTEs	1,760
------------	-------

UNCLASSIFIED
1

DRUG METHODOLOGY

Central Transfer Account

The Counternarcotics Central Transfer Account (CTA) was established in PBD 678 in November 1989. Under the CTA, funds are appropriated by Congress to a single budget line, not to the Services baselines. The CTA accounts for all counternarcotics resources for the Department of Defense with the exception of OPTEMPO and Active Duty MILPERS. Funds are reprogrammed from the CTA to the Services and Defense Agencies in the year of execution. The CTA allows for greater execution flexibility in the counternarcotics program with the ability to realign resources to address changes in requirements. The CTA is essential to respond effectively to the dynamic nature of the drug threat.

The Office of National Drug Control Policy (ONDCP) reports within the National Drug Control Strategy the amount of funds appropriated to the counternarcotics CTA. The actual obligations for the counternarcotics program for a particular fiscal year differ from the amount released to the CTA since some of the DoD counternarcotics effort is executed with multi-year funding.

The reprogramming process begins with reprogramming documents (DD1415-3 and DD1105) prepared by the Office of the Deputy Assistant Secretary of Defense for Counternarcotics & Global Threats and forwarded to DoD Comptroller. Funds are reprogrammed to the applicable appropriation/budget activity at the Service/Defense Agency by project (e.g., Navy's Fleet Support, Tethered Aerostat System, ROTHF). The internal reprogramming (IR) action requires no congressional notification/approval.

The Services/Defense Agencies have their own internal accounting systems for tracking obligations of funds transferred from the Counternarcotics CTA. The following examples provide the process of how obligations are tracked:

- The Army Budget Office receives obligation data from the Funds Enterprise & Business System (GFEBS) where is tracked on a daily and monthly basis.
- The Air Force uses the USAF General Accounting & Finance System (GAFS) and the Commanders Resources Integration System (CRIS) to track obligations. Both of these systems are utilized for Counternarcotics obligations and commitments. These systems Interface directly with the DFAS.
- The Navy uses the Standard Accounting and Reporting System, Field Level (STARSFL) and the Marine Corps uses the Standard Accounting Budgeting and Reporting System (SABRS) which provide the means of tracking allocated counternarcotics funds through the life cycle of the appropriation at the activity/field level. Navy counternarcotics funding is recorded under separate cost centers and sub-cost centers, with a line of accounting consisting of subhead, project units and cost codes specifically for counternarcotics obligation tracking.
- The Army and Air National Guard employs a central accounting service from the DFAS to consolidate, aggregate, and report on funds as they are committed, obligated, and expended. The Army State and Federal Program Accounting Codes and the Air Accounting Codes provide funds-tracking mechanisms to reconcile funding at various levels of reporting and execution. The funds are tracked by General Funds Enterprise & Business System (GFEBS).

Tab B

The Services/Defense Agencies provide quarterly obligation reports by project code to the Office of the Deputy Assistant Secretary of Defense for Counternarcotics & Global Threats (CN>). Beginning in FY 2008, the collection of obligation data has been via the DASD CN> database and compiled into a single counternarcotics obligation report. The obligation and expenditure data provided by the Services/Defense Agencies are compared against their total annual counternarcotics funding for each appropriation. At the end of the year, the Services/Defense Agencies provide an end of year data which reflects their actual obligations, not an estimation.

The quarterly obligation data collected is by project code, not down to the drug control function. In order to comply with ONDCP's circular and provide obligation data by function, it was necessary to use percentages for each project code.



Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

The Whistleblower Protection Enhancement Act of 2012 requires the Inspector General to designate a Whistleblower Protection Ombudsman to educate agency employees about prohibitions on retaliation, and rights and remedies against retaliation for protected disclosures. The designated ombudsman is the DoD IG Director for Whistleblowing & Transparency. For more information on your rights and remedies against retaliation, go to the Whistleblower webpage at www.dodig.mil/programs/whistleblower.

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

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DEPARTMENT OF EDUCATION





UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

January 31, 2014

Gil Kerlikowske
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, D.C. 20500

Dear Mr. Kerlikowske:

In accordance with section 705(d) of the Office of National Drug Control Policy (ONDCP) Reauthorization Act of 1998 (21 U.S.C. 1704(d)), enclosed please find a detailed accounting of all fiscal year 2013 Department of Education drug control funds, along with the Department of Education Assistant Inspector General's authentication of this accounting, consistent with the instructions in ONDCP Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas P. Skelly".

Thomas P. Skelly
Director, Budget Service

Enclosure # 1: *Department of Education Detailed Accounting of Fiscal Year 2013 Drug Control Funds*, dated January 29, 2014

Enclosure # 2: Authentication letter and report from Patrick J. Howard, Assistant Inspector General for Audit, dated January 31, 2014

cc: Patrick J. Howard

DEPARTMENT OF EDUCATION



DETAILED ACCOUNTING OF FISCAL YEAR 2013 DRUG CONTROL FUNDS

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

JANUARY 29, 2014

DEPARTMENT OF EDUCATION
DETAILED ACCOUNTING OF FISCAL YEAR 2013 DRUG CONTROL FUNDS
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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

JAN 29 2014

Ms. Kathleen Tighe
Inspector General
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, DC 20202-1510

Dear Ms. Tighe:

As required by section 705(d) of the Office of National Drug Control Policy (ONDCP) Reauthorization Act of 1998 (21 U.S.C. 1704(d)), enclosed please find a detailed accounting of all fiscal year 2013 Department of Education drug control funds for your authentication, in accordance with the guidelines in ONDCP Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

Consistent with the instructions in the ONDCP Circular, please provide your authentication to me in writing, and I will transmit it to ONDCP along with the enclosed accounting of funds. As you know, ONDCP requests these documents by February 1, 2014, if possible. Please do not hesitate to contact me if you have any questions about the enclosed information.

Sincerely,

A handwritten signature in black ink that reads "Thomas P. Skelly".

Thomas P. Skelly
Director, Budget Service

TABLE OF PRIOR-YEAR DRUG CONTROL OBLIGATIONSFiscal Year 2013 Obligations
(in \$ millions)Drug Resources by Function

Prevention	\$55.575
Total	55.575

Drug Resources by Decision Unit

Safe and Drug-Free Schools and Communities Program	
SDFSC National Programs	\$55.575
Total	55.575

PROGRAM DESCRIPTIONS

The programs funded under the Safe and Drug-Free Schools and Communities (SDFSC) Act comprise the only Department of Education programs included in the national drug control budget in fiscal year 2013. The SDFSC program provides funding for drug prevention programs and activities that support the *National Drug Control Strategy*, in addition to efforts designed to prevent school violence. Under the SDFSC Act, funds are authorized to be appropriated for State Grants and for National Programs.

SDFSC State Grants

Under the program statute SDFSC State Grant funds are allocated by formula to States and Territories, half on the basis of school-aged population and half on the basis of each State's share, for the prior year, of Federal funds for "concentration grants to local educational agencies (LEAs) for improving the academic achievement of disadvantaged students" under section 1124A of Title I of the Elementary and Secondary Education Act (ESEA). Governors receive 20 percent, and State educational agencies (SEAs) 80 percent, of each State's allocation (unless a Governor elects to delegate administrative responsibility to the SEA for some or all of the 20 percent). SEAs are required to subgrant at least 93 percent of their allocations to LEAs; these subgrants are based 60 percent on LEA shares of prior-year funding under Part A of title I of the ESEA and 40 percent on enrollment. LEAs may use their SDFSC State Grant funds for a wide variety of activities to prevent or reduce violence and delinquency and the use, possession, and distribution of illegal drugs, and thereby foster a safe and drug-free learning environment that supports academic achievement. Governors may use their funds to award competitive grants and contracts to LEAs, community-based organizations, and other public and private organizations for activities to create and maintain safe, orderly, and drug-free schools and communities through programs and activities that complement and support activities of LEAs.

Note: Funding for SDFSC State Grant program was last appropriated in fiscal year 2009. The Department's 2009 appropriations act provided that the 2009 SDFSC State Grant funds may remain available for obligation at the Federal level through September 30, 2010, and the Department's last obligation of those funds was in fiscal year 2010. No SDFSC State Grant funds were obligated by the Department in fiscal year 2013, and no SDFSC State Grant funds are included in the resource summary table of this report.

SDFSC National Programs

SDFSC National Programs authorizes funding for several programs and activities to help promote safe and drug-free learning environments for students and address the needs of troubled or at-risk youth, including Federal Activities (a broad discretionary authority that permits the Secretary to carry out a wide variety of activities designed to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students), and an Alcohol Abuse Reduction Program to assist school districts in implementing innovative and effective programs to reduce alcohol abuse in secondary schools. Within Federal Activities, SDFSC National Programs also authorizes: (1) Project SERV (School Emergency Response to Violence), which is a crisis response program that provides education-related services to LEAs and institutions of higher education in which the learning environment has been disrupted due to a violent or traumatic crisis), and (2) School Emergency Preparedness initiatives. Although the Department obligated funds for both of these activities in fiscal year 2013, as explained in the discussion of drug budget methodology below, funds for these two components of SDFSC National Programs are not included in the ONDCP drug budget and, therefore, they are not included in this obligations report.

Note: Funding for the Alcohol Abuse Reduction program was last appropriated in fiscal year 2011. Under the Department's 2011 appropriations act the 2011 Alcohol Abuse Reduction funds were available for obligation at the Federal level through September 30, 2011. No Alcohol Abuse Reduction funds were obligated by the Department in fiscal year 2013, and no Alcohol Abuse Reduction funds are included in the resource summary table of this report.

DISCLOSURES

Drug Methodology

This accounting submission includes all fiscal year 2013 obligations of funds under the Safe and Drug-Free Schools and Communities (SDFSC) Act, with the exception of those SDFSC National Programs that have no clear drug control nexus. Accordingly, the amounts in the enclosed table of prior-year drug control obligations include all funding for SDFSC National Programs, with the exclusion of obligations of funds for (1) Project SERV (School Emergency Response to Violence) and (2) School Emergency Preparedness Initiatives.

Obligations by Drug Control Function

All obligations of funds for the SDFSC program shown in the table on page 2 of this report fall under the ONDCP drug control function category of prevention — the same functional category under which the budgetary resources for the SDFSC program are displayed for the Department of Education in the annual *National Drug Control Budget Summary* issued by ONDCP that accompanies the President's budget and in the *National Drug Control Strategy*.

Obligations by Budget Decision Unit

All obligations of drug control funds in the table on page 2 of this report are displayed using the SDFSC program as the budget decision unit — the same decision unit under which the 2013 budgetary resources for the Department of Education are displayed by ONDCP in the *FY 2014 Budget Summary* that accompanied the 2014 President's budget in support of the *National Drug Control Strategy*.

Methodology Modifications

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

Material Weaknesses or Other Findings

The Department does not have any material weaknesses to disclose that affect the presentation of fiscal year 2013 drug-related obligations in this report. All other known weaknesses that affect the presentation of drug-related obligations in this report are explained in the disclosures below.

Reprogrammings or Transfers

There were no reprogrammings or transfers of drug-related budgetary resources in the Department of Education in fiscal year 2013.

Other Disclosures

The Department acknowledges the following limitation in the methodology described above for deriving the obligations of fiscal year 2013 drug control funds attributable to the SDFSC program: Although the budgetary resources in this report include 100 percent of obligations for SDFSC Federal Activities (exclusive of Project SERV and School Emergency Preparedness Initiatives), not all obligations of funds included in the resource summary of this report support drug prevention activities — some of these funds support violence prevention and school safety activities that have no drug control-related nexus.

ASSERTIONS

Obligations by Decision Unit

The fiscal year 2013 obligations of drug control funds shown in this report for the SDFSC drug budget decision unit are the actual 2013 obligations of funds from the Department's accounting system of record for the SDFSC program.

Drug Methodology

The methodology used to calculate the fiscal year 2013 obligations of drug prevention funds presented in this report is reasonable and accurate, because: (1) the methodology captures all of the obligations of funds under the SDFSC program that reasonably have a drug control-related nexus, and (2) these obligations of funds correspond directly to the display of resources for the SDFSC program in the Department's budget justifications to Congress that accompany the President's budget.

Data

No workload or other statistical information was applied in the methodology used to generate the fiscal year 2013 obligations of drug control funds presented in the table on page 2 of this report.

Other Estimation Methods

Where assumptions based on professional judgment were used as part of the drug methodology, the association between these assumptions and the drug control obligations being estimated is thoroughly explained and documented in the drug methodology disclosure on page 3 and in the other disclosures on page 4 of this accounting report.

Financial Systems

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

Application of Drug Methodology

The methodology disclosed in the narrative of this report was the actual methodology used to generate the fiscal year 2013 obligations of drug control funds presented in the table on page 2.

Reprogrammings or Transfers

There were no reprogrammings or transfers of Department of Education drug control funds in fiscal year 2013. However, subsequent to ONDCP's approval of the Department's fiscal year 2013 financial plan, the Department reallocated \$98 within SDFSC National Programs from School Emergency Preparedness initiatives to other activities, thereby increasing the amount of the Department's drug control budgetary resources (relative to the plan) by \$98.

Fund Control Notices

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



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

January 31, 2014

Memorandum

TO: Thomas P. Skelly
Director, Budget Service
Office of Planning, Evaluation and Policy Development

FROM: Patrick J. Howard /s/
Assistant Inspector General for Audit

SUBJECT: Office of Inspector General's Independent Report on the U.S. Department of Education's *Detailed Accounting of Fiscal Year 2013 Drug Control Funds*, dated January 29, 2014

Attached is our authentication of management's assertions contained in the U.S. Department of Education's *Detailed Accounting of Fiscal Year 2013 Drug Control Funds*, dated January 29, 2014, as required by section 705(d) of the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. § 1704(d)).

Our authentication was conducted in accordance with the guidelines stated in the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

If you have any questions or wish to discuss the contents of this authentication, please contact Michele Weaver-Dugan, Director, Operations Internal Audit Team, at (202) 245-6941.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

Office of Inspector General's Independent Report on the U.S. Department of Education's
Detailed Accounting of Fiscal Year 2013 Drug Control Funds, dated January 29, 2014

We have reviewed management's assertions contained in the accompanying *Detailed Accounting of Fiscal Year 2013 Drug Control Funds*, dated January 29, 2014 (Accounting). The U.S. Department of Education's management is responsible for the Accounting and the assertions contained therein.

Our review was conducted in accordance with generally accepted government auditing standards for attestation review engagements. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

We performed review procedures on the "Table of Prior Year Drug Control Obligations," "Disclosures," and "Assertions" contained in the accompanying Accounting. We did not review the "Program Descriptions" contained in the accompanying Accounting. In general, our review procedures were limited to inquiries and analytical procedures appropriate for our review engagement.

Based on our review, nothing came to our attention that caused us to believe that management's assertions, contained in the accompanying Accounting, are not fairly stated in all material respects, based upon the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

Patrick J. Howard /s/
Assistant Inspector General for Audit

DEPARTMENT OF HEALTH AND HUMAN SERVICES





DEPARTMENT OF HEALTH AND HUMAN SERVICES

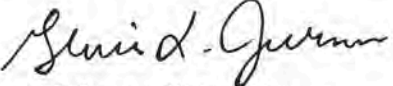
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



DEC 24 2013

TO: Matthew McKearn
Director
Office of Legislative Affairs and Budget
Administration for Children and Families

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

SUBJECT: Administration for Children and Families Detailed Accounting Submission for
Fiscal Year 2013

The Office of National Drug Control Policy Circular entitled *Accounting of Drug Control Funding and Performance Summary* (January 18, 2013), section 8, requires Inspector General authentication of agency reports for the purpose of expressing a conclusion about the reliability of each assertion made in the reports. The attached report entitled "Administration for Children and Families Detailed Accounting Submission for Fiscal Year 2013" does not contain assertions. In the absence of assertions, there is nothing for us to authenticate; therefore, we express no conclusion with regard to the report.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES

NOV 22 2013

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

MEMORANDUM TO: R. Gil Kerlikowske
Director
Office of National Drug Control Policy

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

FROM: Matthew McKearn *Amanda Barlow*
Director *for Matthew McKearn*
Office of Legislative Affairs and Budget

SUBJECT: Administration for Children and Families Detailed Accounting
Submission for Fiscal Year 2013

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

**Department of Health and Human Services
Administration for Children and Families
Detailed Accounting Submission**

Within the Promoting Safe and Stable Families program, the Regional Partnership Grants are competitive grants for regional organizational partnerships to provide services and activities to children and families impacted by a parent's or caretaker's substance abuse.

Resource Summary	FY 2013 Obligations (\$ in millions)
Drug Resources by Function	
Regional Partnership Grants	\$19.0
Total, Drug Resources by Function	\$19.0
Drug Resources by Decision Unit	
Administration for Children Youth and Families	\$19.0
Total, Drug Resources by Decision Unit	\$19.0

1. Methodology: The Administration for Children and Families is unable to estimate the total costs of substance abuse services from the total funding amount of \$19 million provided to the Regional Partnership grantees.
2. Methodology Modification: None.
3. Material Weaknesses or Other Findings: None.
4. Reprogrammings or Transfers: None.
5. Other Disclosures: None.



DEPARTMENT OF HEALTH AND HUMAN SERVICES

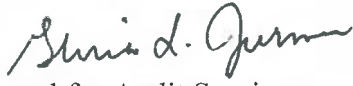
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



DEC - 2 2013

TO: Patrick O'Rourke
Chief Financial Officer
Office of Financial Policy and Controls
Health Resources and Services Administration

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

SUBJECT: Health Resources and Services Administration Drug Control Accounting for
Fiscal Year 2013

The Office of National Drug Control Policy Circular entitled *Accounting of Drug Control Funding and Performance Summary* (January 18, 2013), Section 8, requires Inspector General Authentication of agency reports for the purpose of expressing a conclusion about the reliability of each assertion made in the report. The attached report entitled "Health Resources and Services Administration Drug Control Accounting for Fiscal Year 2013" does not contain assertions. In the absence of assertions, there is nothing for us to authenticate; therefore, we express no conclusion with regard to the report.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES


Health Resources and Services
Administration

Rockville, MD 20857

NOV 08 2013

MEMORANDUM TO: Director
Office of National Drug Control Policy

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

FROM: Patrick O’Rourke 
Chief Financial Officer
Office of Financial Policy and Controls

SUBJECT: Health Resources and Services Administration Drug Control
Accounting for Fiscal Year 2013

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Health Resources and Services Administration’s (HIRSA) Fiscal Year 2013 Drug Control Obligation Summary is enclosed. Since HIRSA’s obligations for drug-related activities fall below the reporting threshold of \$50 million, we attest that full compliance with the ONDCP Circular would constitute an unreasonable reporting burden.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Health Resources and Services Administration

Resource Summary	Dollars in Millions
	FY 2013 Obligated
Drug Resources by Function	
Prevention	\$3.6
Treatment	\$14.4
Total Drug Resources by Function	\$18.0
Drug Resources by Decision Unit	
Bureau of Primary Health Care	\$18.0
Total Drug Resources by Decision Unit	\$18.0

1. **Methodology:** The Health Center Program Uniform Data System (UDS) tracks a variety of information, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues. UDS data are collected annually from grantees and reported at the grantee, state, and national levels. The UDS reporting provides a reasonable basis for estimating the share of the Health Center Program grant funding used for substance abuse treatment by health centers. Using the data reflected in the most current UDS at the time estimates are made (2012 UDS), total costs of substance abuse services is divided by total costs of all services to obtain a substance abuse percentage (SA%). The funding estimates in the table above were computed as described below:

FY 2013 Obligated Level: \$18.0 million
 $\$18.0 \text{ million} = \text{SA\% (.69\%)} \times \text{FY 2013 Health Center Program grants awarded for health center services } (\$2.6 \text{ billion})$

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



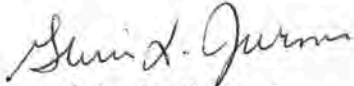
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 14 2014

TO: Elizabeth A. Fowler
Chief Financial Officer
Indian Health Service

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

SUBJECT: Independent Attestation Review: Indian Health Service Assertions Concerning Drug Control Accounting for Fiscal Year 2013 (A-03-14-00355)

This report provides the results of our attestation review of the Indian Health Service (IHS) fiscal year (FY) 2013 assertions concerning drug control accounting and the accompanying table of FY 2013 Drug Control Obligations (Table).

Each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP), not later than February 1 of each year, a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous FY (21 U.S.C. § 1704(d)(A)). The section further requires that the accounting be “authenticated by the Inspector General for each agency prior to submission to the Director.” The report and related assertions are the responsibility of IHS’s management and were prepared by IHS as specified in section 6 of the ONDCP Circular entitled *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

As required by Federal statute (21 U.S.C. § 1704(d)(A)), we reviewed the attached IHS report entitled “Assertions Concerning Drug Control Accounting” dated December 3, 2013. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management’s assertions contained in its report; accordingly, we do not express such an opinion.

INDIAN HEALTH SERVICE REPORT

IHS reported obligations totaling \$83,923,000.

In accordance with ONDCP requirements, IHS made the following assertions:

- IHS reported its actual obligations from its accounting system of record for the reported budget decision units,
- IHS's drug methodology used to calculate obligations of prior-year budgetary resources by function was reasonable and accurate in accordance with the criteria in section 6(b)(2) of the ONDCP Circular,
- the drug methodology that IHS disclosed in its report was the actual methodology used to generate the required Table,
- IHS had no budgetary transfers of obligations to report, and
- IHS did not have any Fund Control Notices to report.

We performed review procedures on IHS's assertions and the accompanying Table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for the attestation review.

OFFICE OF INSPECTOR GENERAL CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that IHS's assertions and the accompanying Table were not fairly stated, in all material respects, based on the ONDCP Circular.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and IHS and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Kay L. Daly, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Kay.Daly@oig.hhs.gov. Please refer to report number A-03-14-00355 in all correspondence.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Indian Health Service
Rockville MD 20852

MEMORANDUM TO: Director
Office of National Drug Control Policy

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

FROM: Elizabeth A. Fowler
Chief Financial Officer
Indian Health Service

SUBJECT: Assertions Concerning Drug Control Accounting

DEC 03 2013

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

Obligations by Budget Decision Unit

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

Drug Methodology

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

The IHS methodology for estimating the drug control budget was established using the amounts appropriated for the Alcohol and Substance Abuse Prevention programs authorized under P.L. 102-573, the Indian Health Amendments of 1992. See attached table "Alcoholism and Substance Abuse Treatment and Prevention Program authorized under P.L. 102-573" for list of programs. This table reflects estimated amounts. When originally authorized and appropriated, the funds were allocated to tribes in their self-determination contract by specific programs. However, when the programs were reauthorized and captured under public law 102-573, some IHS area offices allocated the funds in lump sum while others maintained the specific program breakout. Therefore, at the current time precise amounts of funding for each program are not available. The table is maintained to estimate current funding level and is the basis of the drug budget control methodology. Excluded is the amount for the Adult Treatment programs, which represents the original authorization for IHS to provide alcohol treatment services. The focus on alcoholism treatment is the reason for the exclusion.

Page 2 - Director, Office of National Drug Control Policy

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

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

Application of Drug Methodology

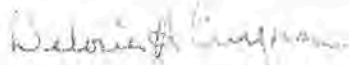
I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6a of the Circular.

Reprogramming or Transfers

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

Funds Control Notices

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



Elizabeth A. Fowler

Attachments:

1. Table - Alcoholism and Substance Abuse Prevention Treatment Program Authorized Under P.L. 102-573
2. Table - FY 2013 Drug Control Obligations

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

Indian Health Service
Alcoholism and Substance Abuse Prevention
Treatment Program
Authorized under P.L. 102-573
(Dollars in Thousands)

Amount of Funds	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Operating Level	Drug Control & Moyer Reports
ALCOHOL & SUBSTANCE ABUSE						
Adult Treatment	\$96,607	\$102,748	\$102,781	\$102,731	\$97,926	Excluded*
Regional Treatment Centers	\$19,957	\$21,226	\$21,226	\$21,215	\$20,223	Treatment
Community Education & Training	\$8,974	\$9,544	\$9,544	\$9,540	\$9,094	Prevention
Community Rehabilitation/ Aftercare	\$29,150	\$31,003	\$31,003	\$30,988	\$29,539	Treatment
Gila River	\$223	\$237	\$237	\$237	\$226	Treatment
Contract Health Service	\$10,262	\$10,914	\$10,914	\$10,909	\$10,398	Treatment
Navajo Rehab Program	\$395	\$420	\$420	\$420	\$400	Treatment
Urban Clinical Services Wellness Beyond Abstinence	\$841	\$895	\$895	\$894	\$852	Treatment
Meth Prev & Treatment	\$969	\$1,031	\$1,031	\$1,031	\$982	Prevention
	\$16,391	\$16,391	\$16,358	\$16,332	\$15,513	50/50 Tx & Prev
Total	\$183,769	\$194,409	\$194,409	\$194,297	\$185,154	
URBAN HEALTH PROGRAM						
Amount of Funds	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Operating Level	
Expand Urban Programs	\$4,356	\$4,239	\$4,403	\$4,403	\$4,403	Treatment
INDIAN HEALTH FACILITIES						
Amount of Funds	FY 2009 Approp	FY 2010 Approp	FY 2011 Approp	FY 2012 Approp	FY 2013 Approp	
Construction	0	0	0	\$1,997	0	
Alcohol/Substance Abuse	\$183,769	\$194,409	\$194,409	\$194,297	\$185,154	
Urban Health Program	4,356	4,239	4,403	4,403	4,403	
Facilities Construction	0	0	0	1,997	0	
GRAND TOTAL	\$188,125	\$198,648	\$198,812	\$200,697	\$189,557	

*The Urban Program was funded under P.L. 100-680 and is now funded under P.L. 102-573.

†The FY 2009 funding for the Regional Treatment Centers was adjusted based on Area Office reports of funding levels.

‡FY 2013 Indian Health Facilities funds are to initiate the design/site grading for the Southern California Youth Regional Treatment Center (YRTC).

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

**INDIAN HEALTH SERVICE
FY 2013 Drug Control Obligations**

	Enacted	(5000) Obligated
Drug Resources by Function		
Prevention	\$17,832	\$14,042
Treatment	\$73,798	\$69,881
Construction	\$0	\$0
	<u>\$91,631</u>	<u>\$83,923</u>
Drug Resources by Decision Unit		
Alcohol and Substance Abuse	\$87,228	\$79,520
Urban Indian Health Program	\$4,403	\$4,403
Facilities Construction	\$0	\$0
	<u>\$91,631</u>	<u>\$83,923</u>



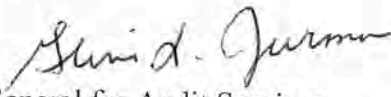
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 14 2014

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

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

SUBJECT: Independent Attestation Review: National Institute on Alcohol Abuse and Alcoholism Assertions Concerning Drug Control Accounting for Fiscal Year 2013 (A-03-14-00359)

This report provides the results of our attestation review of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) fiscal year (FY) 2013 assertions concerning drug control accounting and accompanying table of FY 2013 Actual Obligations (Table).

Each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP), not later than February 1 of each year, a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous FY (21 U.S.C. § 1704(d)(A)). The section further requires that the accounting be "authenticated by the Inspector General for each agency prior to submission to the Director." The report and related assertions are the responsibility of NIAAA's management and were prepared by NIAAA as specified in section 6 of the ONDCP Circular entitled *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

As required by Federal statute (21 U.S.C. § 1704(d)(A)), we reviewed the attached NIAAA report entitled "Assertions Concerning Drug Control Accounting," dated December 6, 2013. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report; accordingly, we do not express such an opinion.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

NIAAA reported obligations totaling \$61,778,000.

In accordance with ONDCP requirements, NIAAA made the following assertions:

- NIAAA reported its actual obligations from the accounting system of record for the reported budget decision unit,
- NIAAA's drug methodology used to calculate obligations of prior-year budgetary resources by function was reasonable and accurate in accordance with the criteria in section 6b(2) of the ONDCP Circular,
- the drug methodology that NIAAA disclosed in its report was the actual methodology used to generate the required Table,
- NIAAA had no budgetary transfers of obligations to report, and
- the NIAAA report reflected data associated with obligations against a financial plan that complied with ONDCP requirements.

We performed review procedures on NIAAA's assertions and the accompanying Table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for the attestation review.

OFFICE OF INSPECTOR GENERAL CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that NIAAA's assertions and accompanying Table were not fairly stated, in all material respects, based on the ONDCP Circular.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and NIAAA and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Kay L. Daly, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Kay.Daly@oig.hhs.gov. Please refer to report number A-03-14-00359 in all correspondence.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service
National Institutes of Health

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

December 6, 2013

MEMORANDUM TO: Director Office of National Drug Control Policy

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

FROM: Judit O'Connor
Chief Financial Officer
National Institute on Alcohol Abuse and Alcoholism

Judit O'Connor

Digitally signed by Judit O'Connor
DN: cn=Judit O'Connor, o=ou=FMB,
email=judit.oconnor@mail.nih.gov,
c=US
Date: 2013.12.06 11:17:05 -05'00'

SUBJECT: Assertions Concerning Drug Control Accounting

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

Obligations by Budget Decision Unit

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

Methodology

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

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

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

Application of Methodology

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

Reprogramming or Transfers

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

Fund Control Notices

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

**NATIONAL INSTITUTES OF HEALTH
NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM
FY 2013 ACTUAL OBLIGATIONS
(Dollars in Thousands)**

	FY 2013 Actual
Drug Resources by Decision Unit:	
National Institute on Alcohol Abuse and Alcoholism	\$61,778
Total Drug Resources by Decision Unit	\$61,778
Drug Resources by Function:	
Research and Development: Prevention	\$56,778
Research and Development: Treatment	\$5,000
Total Drug Resources by Function	\$61,778



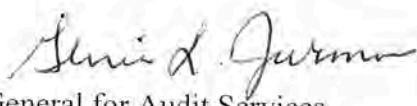
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 7 2014

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

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

SUBJECT: Independent Attestation Review: National Institute on Drug Abuse Assertions Concerning Drug Control Accounting for Fiscal Year 2013 (A-03-14-00353)

This report provides the results of our attestation review of the National Institute on Drug Abuse (NIDA) fiscal year (FY) 2013 assertions concerning drug control accounting and accompanying table of FY 2013 Actual Obligations (Table).

Each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP), not later than February 1 of each year, a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous FY (21 U.S.C. § 1704(d)(A)). The section further requires that the accounting be “authenticated by the Inspector General for each agency prior to submission to the Director.” The report and related assertions are the responsibility of NIDA’s management and were prepared by NIDA as specified in section 6 of the ONDCP Circular entitled *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

As required by the Federal statute (21 U.S.C. § 1704(d)(A)), we reviewed the attached NIDA report entitled “Assertions Concerning Drug Control Accounting,” dated November 18, 2013. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management’s assertions contained in its report; accordingly, we do not express such an opinion.

NATIONAL INSTITUTE ON DRUG ABUSE REPORT

NIDA reported obligations totaling \$993,403,793.

In accordance with ONDCP requirements, NIDA made the following assertions:

- NIDA reported its actual obligations from its accounting system of record for the reported budget decision unit,
- NIDA’s drug methodology used to calculate obligations of prior-year budgetary resources by function was reasonable and accurate in accordance with the criteria in section 6b(2) of the ONDCP Circular,
- the drug methodology that NIDA disclosed in its report was the actual methodology used to generate the required Table,
- NIDA’s obligations against a financial plan that was revised during the FY were reported in accordance with ONDCP requirements, and
- NIDA’s report reflected data associated with obligations against a financial plan that complied with ONDCP requirements.

We performed review procedures on NIDA’s assertions and the accompanying Table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for the attestation review.

OFFICE OF INSPECTOR GENERAL CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that NIDA’s assertions and accompanying Table were not fairly stated, in all material respects, based on the ONDCP Circular.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and NIDA and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Kay L. Daly, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Kay.Daly@oig.hhs.gov. Please refer to report number A-03-14-00353 in all correspondence.

Attachment



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

MEMORANDUM TO: Director
Office of National Drug Control Policy

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

FROM: Donna Jones *Donna M Jones*
Chief Financial Officer
National Institute on Drug Abuse 11/18/13

SUBJECT: Assertions Concerning Drug Control Accounting

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

Obligations by Budget Decision Unit

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

Drug Methodology

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

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

FY 2013 actual obligations were determined by identifying NIDA support for projects that address drug prevention and treatment. Projects for inclusion in the ONDCP budget are identified from the NIDA coding system and database known as the "NEPS" system (NIDA Extramural Project System). Data are entered into this system by program staff. NIDA does not need to make any assumptions or estimates to isolate its total drug control obligations as the total appropriation is drug control.

As the supporter of more than 85% of the world's research on drug abuse and addiction, the

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

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

The FY 2013 total of NIDA's budget from the FY 2014 Congressional Justification was \$1,058,567,000. There was a comparable transfer in the amount of \$1,247,000. The NIH directed NIDA to use the FY13 C.R. base amount of \$1,053,367,366, which is a reduction of \$6,446,634. Section 3004 mandated an OMB Rescission in the amount of \$2,106,735. NIDA's sequestration reduction amount, which is consistent with OMB's March 1 report to Congress, was \$52,871,798. There was an additional NIH Permissive Transfer in the amount of \$5,824,077. Finally, NIH returned \$846,630 to NIDA for the National Children's Study which brought NIDA's appropriation to \$993,411,386. NIDA obligated \$993,403,793 and \$7,593 lapsed.

Application of Methodology

I assert that the drug methodology described in the preceding section was the actual methodology used to generate the table required by Section 6a. NIDA has not modified its drug methodology from the previous year. The difference between NIDA's actual obligations and the National Drug Control Strategy Budget summary number for FY 2013 are for the same reasons described above for the FY 2013 column of the FY 2014 CJ.

Reprogrammings or Transfers

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

occurred during the fiscal year. As described above, NIDA had the following adjustments to its appropriation for FY 2013: (1) NIH directed reduction of \$6,446,634 to the FY13 C.R. base amount (2) OMB Rescission in the amount of \$2,106,735, (3) Sequestration Reduction amount of \$52,871,798, (3) Permissive transfer of \$5,824,077, (5) Return of National Children's Study funds of \$846,630.

Fund Control Notices

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

**NATIONAL INSTITUTES OF HEALTH
NATIONAL INSTITUTE ON DRUG ABUSE
FY 2013 Actual Obligations
(Dollars in Thousands)**

I. RESOURCE SUMMARY

	FY 2013 Actual
Drug Resources by Decision Unit:	
National Institute on Drug Abuse	993,404
Total	993,404
Drug Resources by Function:	
Research and Development Prevention	333,948
Research and Development Treatment	659,456
Total	993,404

**Differences Between (1) Actual Obligations and (2) the FY 13 Column of the
FY 14 CJ and the National Drug Control Strategy Budget Summary
(Dollars in Thousands)**

Total 2013 Col. of the FY 2014 CJ; National Drug Control Strategy	1,058,567
1 Comparable Transfers	1,247
Reduced CJ amount to FY13 CR amount	-6,447
OMB ATB Recession	-2,107
Sequestration	-52,872
Permissible Transfers	-5,824
NCS Transfer	847
Lapse of Funds	-7
	<hr/>
Total Obligations	993,404



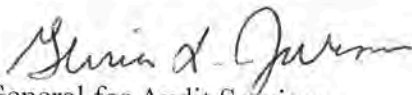
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



JAN 14 2014

TO: Daryl W. Kade
Chief Financial Officer
Substance Abuse and Mental Health Services Administration

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

SUBJECT: Independent Attestation Review: Substance Abuse and Mental Health Services Administration Assertions Concerning Drug Control Accounting for Fiscal Year 2013 (A-03-14-00351)

This report provides the results of our attestation review of the Substance Abuse and Mental Health Services Administration (SAMHSA) fiscal year (FY) 2013 assertions concerning drug control accounting and accompanying Table of Prior Year Drug Control Obligations: FY 2013 (Table).

Each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP), not later than February 1 of each year, a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous FY (21 U.S.C. § 1704(d)(A)). The section further requires that the accounting be “authenticated by the Inspector General for each agency prior to submission to the Director.” The report and related assertions are the responsibility of SAMHSA’s management and were prepared by SAMHSA as specified in section 6 of the ONDCP Circular entitled *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

As required by Federal statute (21 U.S.C. § 1704(d)(A)), we reviewed the attached SAMHSA report entitled “Assertions Concerning Drug Control Accounting,” dated November 12, 2013. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management’s assertions contained in its report; accordingly, we do not express such an opinion.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SAMHSA reported obligations totaling \$2,477,600,000.

In accordance with ONDCP requirements, SAMHSA made the following assertions:

- SAMHSA reported its actual obligations from its accounting system of record for the reported budget decision units,
- SAMHSA's drug methodology used to calculate obligations of prior-year budgetary resources by function was reasonable and accurate in accordance with the criteria in section 6b(2) of the ONDCP Circular,
- the drug methodology that SAMHSA disclosed in its report was the actual methodology used to generate the required Table,
- SAMHSA's obligations against a financial plan that was revised during the FY were reported in accordance with ONDCP requirements, and
- SAMHSA's report reflected data associated with obligations against a financial plan that complied with ONDCP requirements.

We performed review procedures on SAMHSA's assertions and the accompanying Table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for the attestation review.

OFFICE OF INSPECTOR GENERAL CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that SAMHSA's assertions and accompanying Table were not fairly stated, in all material respects, based on the ONDCP Circular.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and SAMHSA and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Kay L. Daly, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Kay.Daly@oig.hhs.gov. Please refer to report number A-03-14-00351 in all correspondence.

Attachment



NOV 12 2013

To: Director
Office of National Drug Control Policy

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

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

Subject: Assertions Concerning Drug Control Accounting

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

Obligations by Budget Decision Unit

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

Drug Methodology

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

Application of Drug Methodology

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

Reprogrammings or Transfers

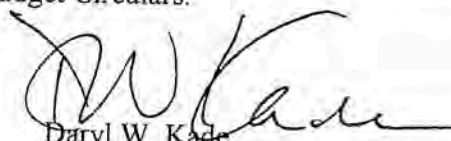
I assert that the data presented are associated with obligations against a financial plan that was revised during the fiscal year to include funds received from ONDCP in support of the Drug

Page 2 - Director, Office of National Drug Control Policy

Free Communities Program. SAMHSA received a total of \$85,005,664 from ONDCP via Interagency Agreements to fund activities of the Drug Free Communities Program in FY 2013. SAMHSA received \$27,906,000 in Secretary's Transfer funds to fund activities within the Substance Abuse Treatment and Health Surveillance and Program Support appropriations. SAMHSA had no other reportable reprogrammings or transfers in FY 2013.

Fund Control Notices

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



Daryl W. Kade
Chief Financial Officer

Attachments:

Table of Prior Year Drug Control Obligations, FY 2013
Exhibit A - Drug Control Methodology

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

Table of Prior Year Drug Control Obligations

FY 2013

(Dollars in millions)

Drug Resources by Decision Unit and Function

Substance Abuse Prevention Programs of Regional and National Significance

Prevention^{1/} 175.6

Total, Substance Abuse Prevention Programs of Regional and National Significance \$175.6

Substance Abuse Treatment Programs of Regional and National Significance

Treatment^{1/6/} 404.4

Total, Substance Abuse Treatment Programs of Regional and National Significance \$404.4

Substance Abuse Prevention and Treatment Block Grant

Prevention^{2/} 342.0

Treatment^{2/} 1,368.1

Total, Substance Abuse Prevention and Treatment Block Grant..... \$1,710.1

Health Surveillance and Program Support

Prevention (Non-add)^{3/6/} 20.5

Treatment (Non-add)^{3/6/} 82.0

Total, Health Surveillance and Program Support..... \$102.5

Total Funding..... \$2,392.6

Drug Resources Personnel Summary

Total FTEs (direct only)..... 608

Drug Resources as a Percent of Budget

Total Agency Budget^{4/} (in billions) \$3.4

Drug Resources Percentage 71.3%

Drug Free Communities Program^{5/} \$85.0

Total with Drug Free Communities \$2,477.6

Footnotes:

^{1/} PRNS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. Substance Abuse Treatment PRNS obligations include funds provided to SAMHSA from the PHS evaluation fund.

^{2/} SAPT Block Grant obligations include funds provided to SAMHSA from the PHS evaluation fund.

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

^{4/} Total Agency Budget does not include Drug Free Communities Program funding.

^{5/} Drug Free Communities Program funding was provided to SAMHSA/CSAP via Interagency Agreements. There was an important adjustment made to the ONDCP amount that was made after 10/1/13 which corrected a duplicate posting in the system. This is the correct obligation total as of 11/14/13.

^{6/} Secretary's transfer is included in these functions. \$24.6 was spent on Treatment Activities and \$2.3 was spent on Health Surveillance and Program Support of which \$0.5 is Prevention and \$1.9 is Treatment.

TOTALS MAY NOT ADD DUE TO ROUNDING

Exhibit A

(I) **Drug Methodology** - Actual obligations of prior year drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), PSC Status of Funds by Allotment and Allowance Report.

(a) **Obligations by Budget Decision Unit** - SAMHSA's budget decision units have been defined by ONDCP Circular, *Budget Formulation*, dated January 18th, 2013. These units are:

- Programs of Regional and National Significance (PRNS) - Prevention (CSAP);
- Programs of Regional and National Significance (PRNS) - Treatment (CSAT);
- Substance Abuse Prevention and Treatment Block Grant (SAPTBG) – (CSAT/CSAP); and
- Health Surveillance and Program Support¹ - SAMHSA.

In addition to the above, the Drug Free Communities Program funds provided by ONDCP through Interagency Agreements with SAMHSA are included as a separate line item on the Table of Prior Year Drug Control Obligations.

Included in this Drug Control Accounting report for FY 2013 are 100% of the actual obligations for these five budget decision units, minus reimbursements. Obligations against funds provided to SAMHSA from the PHS evaluation fund are included. Actual obligations of prior year drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), PSC Status of Funds by Allotment and Allowance Report.

(b) **Obligations by Drug Control Function** - SAMHSA distributes drug control funding into two functions, prevention and treatment:

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

- CSAP's Programs of Regional and National Significance (PRNS) direct funds, excluding reimbursable authority obligations;
- 20% of the actual obligations of the Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds, including obligations related to receipt of PHS evaluation funds;
- Drug Free Community Program funds provided by Interagency Agreements with ONDCP²; and,
- Of the portion from SAMHSA Health Surveillance and Program Support funds, including obligations related to receipt of PHS evaluation funds and Prevention and Public Health Funds, the assumptions are as follows:
 - Public Awareness and Support (PAS) funds were split 50/50 between Substance Abuse (SA) and Mental Health (MH) and 20% of the SA portion is considered Prevention;

¹ The Health Surveillance and Program Support Appropriation funded activities are split between Mental Health/Substance Abuse as follows: Program Support, Health Surveillance and PQIS are split the same percentage split as between MH/SA appropriations. PAS and Agency-wide are split 50/50 between MH/SA. The subsequent Substance Abuse amounts are then divided into 20% for Prevention and 80% for Treatment.

² The Drug Free Community Program is considered part of Prevention, but is reflected as a separate line item on the Table of Prior Year Drug Control Obligations as it is a reimbursable funding amount and not part of direct funding.

- Performance and Quality Information Systems (PQIS) funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 20% of the SA portion is considered Prevention;
- Program Support funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 20% of the SA portion is considered Prevention;
- Health Surveillance funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 20% of the SA portion is considered Prevention; and
- Agency Wide initiatives were split 50/50 between SA and MH and 20% of the SA portion is considered Prevention.

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

- CSAT's Programs of Regional and National Significance (PRNS) direct funds, excluding reimbursable authority obligations, but including obligations related to receipt of PHS Evaluation funds;
- 80% of the actual obligations of the Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds, including obligations related to receipt of PHS Evaluation funds; and,
- Of the portion from SAMHSA Health Surveillance and Program Support funds, including obligations related to receipt of PHS evaluation funds and Prevention and Public Health Funds, the assumptions are as follows:
 - Public Awareness and Support (PAS) funds were split 50/50 between Substance Abuse (SA) and Mental Health (MH) and 80% of the SA portion is considered Treatment;
 - Performance and Quality Information Systems (PQIS) funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 80% of the SA portion is considered Treatment;
 - Program Support funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 80% of the SA portion is considered Treatment;
 - Health Surveillance funds were split between MH and SA the same percentage split as between the MH/SA appropriations and 80% of the SA portion is considered Treatment; and
 - Agency Wide initiatives were split 50/50 between SA and MH and 80% of the SA portion is considered Treatment.

(2) **Methodology Modifications** – The methodology has been updated to be consistent with information being relayed to stakeholders and what is described in SAMHSA's budget. A key change includes the following:

- Program Management activities (Health Surveillance, Program Support and Performance and Quality Information Systems) are now split between MH and SA the same percentage split as between the MH/SA appropriations and then split 80%/20% between Treatment and Prevention (more details in 1(b) of this document).

(3) **Reprogrammings or Transfers** – SAMHSA entered into Interagency Agreements with ONDCP in the amount of \$85,187,380 to fund activities of the Drug Free Communities Program in FY 2013. SAMHSA received \$27,906,000 in Secretary's Transfer funds to fund activities within the Substance Abuse Treatment and Health Surveillance and Program Support appropriations. SAMHSA had no other reportable reprogrammings or transfers in FY 2013.

(4) **Other Disclosures** – None.

DEPARTMENT OF HOMELAND SECURITY



Department of Homeland Security Office of Inspector General

Independent Review of U.S. Customs and Border Protection's Reporting of FY 2013 Detailed Accounting Submission



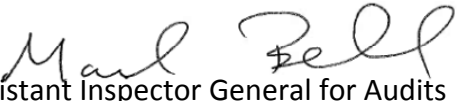


OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

FEB 14 2014

MEMORANDUM FOR: Eugene H. Schied
Assistant Commissioner
U.S. Customs and Border Protection

FROM: Mark Bell 
Acting Assistant Inspector General for Audits

SUBJECT: *Independent Review of U.S. Customs and Border
Protection's Reporting of FY 2013 Detailed Accounting
Submission*

Attached for your information is our final report, *Independent Review of U.S. Customs and Border Protection's Reporting of FY 2013 Detailed Accounting Submission*. U.S. Customs and Border Protection's management prepared the Detailed Accounting Submission and related disclosures to comply with the requirements of the Office of National Drug Control Policy Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm KPMG LLP to perform the review. KPMG LLP is responsible for the attached independent accountants' report, dated February 10, 2014, and the conclusions expressed in it. We do not express an opinion on the Detailed Accounting Submission and related disclosures. This report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Sandra John, Acting Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Report

Deputy Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Detailed Accounting Submission of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2013. CBP's management is responsible for the Detailed Accounting Submission.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Detailed Accounting Submission. Accordingly, we do not express such an opinion.

Management of CBP prepared the Detailed Accounting Submission to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control and Performance Summary*, dated January 18, 2013 (the Circular).

Based on our review, except as noted below, nothing came to our attention that caused us to believe that the Detailed Accounting Submission for the year ended September 30, 2013, referred to above, is not fairly stated, in all material respects, in conformity with the criteria set forth in the Circular.

Management of CBP has used assumptions to compute obligations by Drug Control Decision Units, as presented in the Table of FY 2013 Drug Control Obligations (the Table). Some assumptions are based on surveys complete in prior years. While CBP management has represented that the assumptions used continue to be valid for purposes of computing obligations presented in the Table, we were unable to perform review procedures supporting that representation.

This report is intended solely for the information and use of the management of DHS and CBP, the DHS Inspector General, 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.

February 10, 2014

FEB 10 2014



**U.S. Customs and
Border Protection**

Mr. R. Gil Kerlikowske
Director, Office of National Drug Control Policy
Executive Office of the President
Office of National Drug Control Policy
Washington, DC 20503

Dear Mr. Kerlikowske:

Enclosed is the U.S. Customs and Border Protection (CBP) Fiscal Year (FY) 2013 Detailed Accounting Submission on National Drug Control Funding. In FY 2013, CBP reported direct obligations of approximately \$2,234 million.

If you have any questions or would like additional information, please contact me at (202) 344-2300, or a member of your staff may contact Mr. Sean Mildrew, Executive Director, Budget Directorate, at (202) 344-2210.

A handwritten signature in blue ink that reads "Deborah J. Schilling".

Deborah J. Schilling
Chief Financial Officer

Enclosure

**U.S. DEPARTMENT OF HOMELAND SECURITY
U.S. CUSTOMS AND BORDER PROTECTION
Detailed Accounting Submission of Fiscal Year (FY) 2013 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year 2013 Drug Control Obligations

(Dollars in Millions)	
	FY 2013
Drug Resources by Budget Decision Unit and Function	
Salaries & Expenses	
Intelligence	\$186.146
<i>Border Security Inspection and Trade Facilitation</i>	\$168.022
<i>Border Security and Control between Ports Of Entry</i>	\$18.124
Interdiction	\$1,332.955
<i>Border Security Inspection and Trade Facilitation</i>	\$803.401
<i>Border Security and Control between Ports Of Entry</i>	\$499.694
<i>Headquarters Management & Administration</i>	\$29.860
Total, Salaries and Expenses	\$1,519.101
Air & Marine Interdiction	
Intelligence	\$141.410
Interdiction	\$500.486
Total, Air & Marine Interdiction	\$641.896
Automation Modernization	
Intelligence	\$11.670
Interdiction	\$27.294
Total, Automation Modernization	\$38.964
Border Security Fencing Infrastructure & Technology (BSFIT)	
Interdiction	\$34.322
Total, Border Security Fencing Infrastructure & Technology	\$34.322
Total Obligations	\$2,234.282
High Intensity Drug Traffic Area (HIDTA)	
Intelligence	\$0.008
Interdiction	\$0.221
Total, High Intensity Drug Traffic Area	\$0.229

Note: Drug resources broken down by unit and function as reflected in new budget structure enacted in FY 2013 Department of Homeland Security appropriation bill.

1. Drug Methodology

U.S. Customs and Border Protection (CBP) is a multi-mission agency that calculates obligations by budget decision unit and function, pursuant to an approved drug control funds calculation methodology. On the basis of past practice, six organizations within CBP, the Offices of Border Patrol (OBP), Field Operations (OFO), Information Technology (OIT), Training and Development (OTD), Technology Innovation & Acquisition (OTIA), and Air and Marine (OAM), were provided with guidance on preparing submissions for the Fiscal Year 2013 annual reporting of drug control obligations. OBP, OFO, OIT, OTD, OTIA, and OAM were asked to estimate what portion of their activities is related to drug enforcement. The estimates are based on the expert opinions of operational and programmatic staff from the offices. OIT, OFO, OBP, and OAM attribute their resources to both intelligence and interdiction functions while OTIA and OTD attribute their resources solely to interdiction.

The Drug Control Obligations table is based on actual obligations for each decision unit and organization named above. The obligation reports are generated by data reported in CBP's DHS approved accounting system, Systems Applications and Products (SAP). SAP is a fully integrated Enterprise Resource Planning system that CBP uses to record and report obligations. Each organization uses SAP to report their actual annual obligations. All six organizations have specific missions and develop their own methodology for calculating their drug control activities and resources. Each organization multiplies its drug control percentages to its actual total obligations to calculate drug control obligations.

In the FY 2013 Department of Homeland Security appropriation, Congress enacted substantial changes to CBP's Program, Project, and Activity (PPA) structure within the Salaries and Expenses (S&E), Automation Modernization, and Air and Marine appropriations. This new PPA structure was not included in CBP's FY 2013 Congressional Justification. This new structure altered the appropriation source of funding for many of CBP's organizations. For example, drug control funding for OIT previously came from the Salaries & Expenses (S&E) appropriation. It now comes from the Automation and Modernization appropriation, which did not contribute drug control resources before the PPA restructure. CBP's drug control obligations table provides a breakout of FY 2013 funding by this new PPA structure.

OFFICE OF BORDER PATROL

OBP is responsible for controlling almost 6,000 miles of land borders between ports of entry with Canada and Mexico, and nearly 2,100 miles of coastal waters surrounding the Florida Peninsula and Puerto Rico. There were 21,191 Border Patrol agents, as of September 2013, assigned to the mission of detecting and apprehending illegal entrants between the ports-of-entry. These illegal entries include aliens, drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry due to their undocumented status. It has been determined that 15 percent of the total agent time nationwide is related to drug activities. This percentage was determined based on a review of the hours worked by agents, K9

officers, and core personnel at various border check-points with narcotic-intensive activities. Resources for OBP come from the S&E appropriation. Within the S&E appropriation, the resources for OBP come from the Border Security and Control between the Ports of Entry PPA.

Of the 15 percent of total agent time related to drug activities, 3.5 percent of agents' efforts are related to intelligence and 96.5 percent are related to drug interdiction. These activities include staffing 35 permanent border traffic checkpoints nationwide, including 924 canine units trained in the detection of humans and certain illegal drugs that are concealed within cargo containers, truck trailers, passenger vehicles, and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States.

OFFICE OF FIELD OPERATIONS

OFO estimates as of September 2013, 3,543 CBP Officer positions were related to drug enforcement on Anti-Terrorism Contraband Enforcement Teams (A-TCET). The A-TCET also works closely with the Passenger Enforcement Rover Team (PERT) and Passenger Analytical Unit (PAU) teams to coordinate all enforcement activities. CBP estimates that 69 percent of the A-TCET is devoted to drug enforcement. This estimation was made by experts in the field who used best estimates to determine the amount of time CBP officers and agriculture specialists spent in the field on activities devoted to narcotics seizures like cargo and passenger inspections. The smuggling methodologies and their indicators are similar for both narcotics and anti-terrorism activities. Drug control resources for OFO come from the S&E appropriation. Within S&E, resources for OFO come from the Border Security Inspection and Trade Facilitation PPA.

As of September 2013, there were 676 Canine Enforcement officers with assigned dogs. Of this amount, there are 501 canine teams whose efforts are nearly 100 percent devoted to smuggling operations. Among the dogs paired with a CBP officer, 125 are Narcotics Detection Teams, 50 Currency and Firearms Detection Teams, and 326 Narcotics/Human Smuggling Detection Teams. Also included in the total, but not scored for narcotics enforcement were 119 Agricultural Teams and 56 K-9 Trainers and Field Advisors. Thirteen dog handlers did not have dogs at the time that this data was collected. This was due to recent canine retirements and extended leave/light duty assignments.

As of September 2013, there were also 17,562 other CBP officers, who, in addition to the interdiction of contraband and illegal drugs, enforce hundreds of laws and regulations of many other Federal government agencies. The other Federal Agencies include the U.S. Fish and Wildlife Service; the Bureau of Alcohol, Tobacco, Firearms and Explosives; and the Bureau of Export Administration, among many others. CBP subject matter experts estimate that roughly 30 percent of these CBP officers' time is devoted to drug-related activities. Of the percent of OFO's resources related to drug activities, 17.3 percent is related to intelligence and 82.7 percent is related to drug interdiction. Resources for OFO come from the S&E appropriation. Within the S&E appropriation, the resources for OFO come from the Border Security Inspection and Trade Facilitation PPA.

OFFICE OF INFORMATION TECHNOLOGY

OIT supports the drug enforcement mission through the acquisition, and support and maintenance, of technology such as non-intrusive inspection (NII) systems and mission critical targeting software systems. Of OIT's spending, 30 percent of the Enforcement Technology Center (based on NII technology deployed), 25 percent of Automated Targeting Systems (Passenger, Narcotics, and Anti-Terrorism) software costs, 50 percent of the Treasury Enforcement Communications System (TECS), and 10 percent of data center operations costs is estimated to be in support of the drug mission. Of the percent of OIT's resources related to drug activities, 30 percent is related to intelligence and 70 percent is related to drug interdiction. Resources for OIT come from the Automation Modernization appropriation.

OFFICE OF TRAINING AND DEVELOPMENT

OTD provides training courses funded via the National Training Plan. Specific training programs involving drug control activities include the canine training programs and basic, specialized, and advanced training for CBP officers. These specific training programs provided by OTD are related to drug interdiction activities, not for drug intelligence activities. Other OTD resources were attributed to drug enforcement activities based on the diverse nature of OTD's programs, such as anti-terrorism, development of national programs, career development, leadership, new course design/development, and succession management for the workforce. OTD's methodology evaluates the number of course hours dedicated to drug interdiction within the NTP. For each course, it compares drug interdiction course hours against total course hours to determine the percentage for drug interdiction. Resources for OTD come from the S&E appropriation, specifically the Headquarters Management & Administration PPA.

OFFICE OF TECHNOLOGY INNOVATION & ACQUISITION

CBP is the lead agency within DHS for the development and deployment of border technology and tactical infrastructure to secure America's borders. OTIA's programs deliver detection and surveillance technology systems to both the southwest and northern borders. These technologies increase situational awareness and assist law enforcement personnel in identifying and resolving illegal activity. For this drug control estimate, based on the nature of these expenditures, OTIA is applying the Border Patrol ratio of 15 percent to the entire account. OTIA funding is solely related to drug interdiction activities. Resources for OTIA come from the Border Security Fencing, Infrastructure, & Technology (BSFIT) appropriation.

OFFICE OF AIR & MARINE OPERATIONS

OAM's core competencies are air and marine interdiction, air and marine law enforcement, and air domain security. In this capacity, OAM targets the conveyances that illegally transport narcotics, arms, and aliens across our borders and in the Source, Transit, and Arrival Zones. In FY 2013, OAM P-3s flew 6,050 hours in drug control efforts which represent 91 percent of all

OAM P-3 hours. These hours were in support of Joint Interagency Task Force-South in the Source and Transit Zones. OAM P-3's participated in the interdiction of 119,195 pounds of cocaine. This equates to 19.7 pounds of cocaine for every counternarcotic hour flown. Since September 11, 2001, OAM has steadily increased its support to counter-terrorism by developing a more cohesive and integrated response to national security needs, as well as placing more emphasis on illegal immigration. Currently, OAM is dedicating significant assets and personnel in support of Operation Halcon, a U.S./Mexico interdiction initiative, and in support of OBP's southwest border illegal alien intervention.

Using flight hours spent performing drug-related activities, OAM has determined that 85.62 percent of the budget resources that support OAM are considered to be drug-related. Of the total flight hours flown by OAM, 22.03 percent were related to intelligence.

2. Methodology Modifications

The drug control methodology for obligations used in FY 2013 remained the same as the methodology used in FY 2012 for the previously reported organizations. The only change that occurred in FY 2013 was as a result of Congress' realignment of CBP's accounting structure. The realignment moved OIT's funding from S&E appropriation to the Automation Modernization appropriation which added this account as a source of drug control resources. While CBP's methodology did not change, the appropriation source for some offices did and has been noted in the Drug Methodology section.

3. Material Weaknesses or Other Findings

Pursuant to CBP's FY 2013 Internal Control Assurance Statement, the following financial weaknesses, reportable conditions, or non-conformance could affect the reporting of drug control budget obligations.

Reporting Pursuant to Federal Managers' Financial Integrity Act Section 4. 31 U.S.C. 3512 (d) (2) (B):

a. Financial Systems Security - Non-Conformance of Applicable Laws/DHS Directives

The DHS Office of the Inspector General (OIG) continues to identify Information Technology (IT) general and application control weaknesses at CBP. While auditors have closed out 29 of the FY 2012 IT findings, 12 new findings have been identified during the FY 2013 financial statement audit. CBP will continue to remediate these findings in FY 2014. This weakness did not affect CBP's ability to report complete and accurate obligation data in the Table of Drug Control Obligations.

4. Reprogrammings or Transfers

Due to the FY 2013 sequestration, CBP submitted reprogramming and transfer requests, in part, to ensure that Border Patrol Agent and CBP Officer staffing levels and associated payroll

requirements could be fully funded. The reprogrammings were approved by both Congress and the Office of National Drug Control Policy (ONDCP).

5. Other Disclosures

There are no other disclosures that CBP has determined are necessary to clarify any issues regarding the data reported under ONDCP Circular, Accounting of Drug Control Funding and Performance Summary, dated January 18, 2013.

B. Assertions

1. Obligations by Budget Decision Unit

Not Applicable - As a multi-mission agency, CBP is exempt from reporting under this section as noted in the ONDCP Circular, Accounting of Drug Control Funding and Performance Summary, Section 6(b)(1), dated January 18, 2013.

2. Drug Methodology

CBP asserts that the methodology used to estimate drug enforcement related obligations is reasonable and accurate. The criteria associated with this assertion are as follows:

a. Data

The estimate of drug enforcement related obligations is based on the methodology described in section A.1 above, and presents a fair and accurate picture of the CBP drug enforcement mission.

b. Financial Systems Security

Despite the IT general and application control weaknesses noted in section A.3, CBP's financial systems are capable of providing data that fairly represent, in all material respects, aggregate obligations. The drug methodology described in section A.1 above is used to estimate what portion of these obligations may reasonably be considered to be associated with drug enforcement related activities.

3. Application of Drug Methodology

The methodology described in section A.1 above was used to prepare the estimates contained in this report.

4. Reprogrammings or Transfers

Pursuant to 21 U.S.C. 1703 (c) (4) (A), the ONDCP Circular on Budget Execution (revised January 18, 2013) prohibits agencies from submitting to Congress reprogramming or transfer

requests that would result in a decrease or increase of \$1 million or more in funding included in the National Drug Control Program budget without obtaining prior approval from the Director of National Drug Control Policy. CBP submitted reprogrammings/transfers that affected the drug control budget during FY 2013.

Reprogrammings and transfers made to CBP in FY 2013 were approved by ONDCP's Acting Associate Director for Performance and Budget on May 17, 2013 and July 8, 2013.

5. Fund Control Notices

The Director of National Drug Control Policy did not issue a Fund Control Notice for CBP for FY 2013.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
DHS Component Liaison
Chief Privacy Officer

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Office of National Drug Control Policy

Associate Director for Performance and Budget

U.S. Customs and Border Protection

Commissioner
Chief Financial Officer
Audit Liaison

Congress

Congressional Oversight and Appropriations Committees, as appropriate

U.S. DEPARTMENT OF HOMELAND SECURITY Federal Law Enforcement Training Center (FLETC)

2013

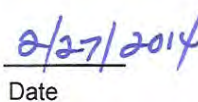
Prior Year Drug Control Obligations

	Obligations (in Millions)
	FY 2013
Drug Resources by Function	
Investigations	\$41.928
State & Local Assistance	\$1.543
International	\$0.375
Total Drug Resources by Function	\$43.846
Drug Resources by Decision Unit	
Salaries & Expenses	\$43.846
Total Drug Resources by Decision Unit	\$43.846
Drug Resources Personnel Summary	
Total FTEs (direct only)	224
Drug Resources as a Percent of Budget	
Total Agency Budget (in billions)	\$ 0.242
Drug Resources Percentage	18.1%

The FLETC has less than \$50 million in drug-related obligations per year. As such, full compliance with the ONDCP Circular: Drug Control Accounting, would constitute an unreasonable reporting burden.



Donald R. Lewis
Chief Financial Officer



Date

The Drug Resources as a Percent of Budget is computed as follows:

Obligations	FY	Budget Authority		
\$43,846	FY2013	\$241,881	43,846/241.8	18.1%

Department of Homeland Security Office of Inspector General

Independent Review of U.S. Immigration and Customs Enforcement's Reporting of FY 2013 Detailed Accounting Submission



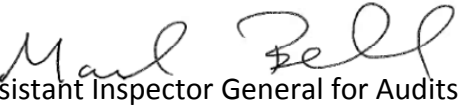


OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

FEB 13 2014

MEMORANDUM FOR: Radha Sekar
Acting Executive Associate Director
Management and Administration
U.S. Immigration and Customs Enforcement

FROM: Mark Bell 
Acting Assistant Inspector General for Audits

SUBJECT: *Independent Review of U.S. Immigration and Customs Enforcement's Reporting of FY 2013 Detailed Accounting Submission*

Attached for your information is our final report, *Independent Review of U.S. Immigration and Customs Enforcement's Reporting of FY 2013 Detailed Accounting Submission*. U.S. Immigration and Customs Enforcement's management prepared the Detailed Accounting Submission and related disclosures to comply with the requirements of the Office of National Drug Control Policy Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm KPMG LLP to perform the review. KPMG LLP is responsible for the attached independent accountants' report, dated February 04, 2014, and the conclusions expressed in it. We do not express an opinion on the Detailed Accounting Submission and related disclosures. This report contains no recommendation.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Sandra John, Acting Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Report

Deputy Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Detailed Accounting Submission of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2013. ICE's management is responsible for the Detailed Accounting Submission.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Detailed Accounting Submission. Accordingly, we do not express such an opinion.

Management of ICE prepared the Detailed Accounting Submission to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control and Performance Summary*, dated January 18, 2013 (the Circular).

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission for the year ended September 30, 2013, referred to above, is not fairly stated, in all material respects, in conformity with the criteria set forth in the Circular.

This report is intended solely for the information and use of the management of DHS and ICE, the DHS Inspector General, 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.

KPMG LLP

February 4, 2014

U.S. Department of Homeland Security
500 12th Street, SW
Washington, D.C. 20536



**U.S. Immigration
and Customs
Enforcement**

February 4, 2014

Ms. Anne L. Richards
Assistant Inspector General for Audit
U.S. Department of Homeland Security
Office of the Inspector General
1120 Vermont Avenue NW, 10th Floor
Washington, DC 20005

Dear Ms. Richards,

In accordance with the Office of the National Drug Control Policy circular, Drug Control Accounting, dated January 18, 2013, enclosed is Immigration and Customs Enforcement's report of FY 2013 drug obligations, drug control methodology and assertions.

If you require further assistance on this information, please contact Jamie Sturgis at (202) 732-6188.

Sincerely,

A handwritten signature in cursive script that reads "Sabrina Jones".

Sabrina Jones

Deputy Director, Office of Budget and Program Performance
U.S. Immigration and Customs Enforcement

U.S. Department of Homeland Security
U.S. Immigration and Customs Enforcement
Detailed Accounting Submission of Drug Control Funds during FY 2013

A. Table of Prior Year Drug Control Obligations
Drug Resources by Budget Decision Unit and Function:

Drug Resource by Function	FY 2013 Final (In Millions)
Domestic Investigations	\$449.515
International Affairs	\$8.570
Intelligence: Domestic	\$16.355
Intelligence: International	\$0.222
Total	\$474.662
Drug Resources by Decision Unit	
Salaries and Expenses – Immigration Enforcement	
Total	\$474.662
High Intensity Drug Trafficking Area (HIDTA) Transfer	\$1.207

Disclosure No. 1: Drug Methodology

U.S. Immigration and Customs Enforcement (ICE) is a multi-mission bureau, and obligations are reported pursuant to an approved drug methodology. Separate calculations are made for the three ICE programs which undertake drug-related investigative activity: Domestic Investigations, International Affairs, and Intelligence.

Domestic Investigations

The methodology for Domestic Investigations is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of investigative work they perform in this system which interfaces with Treasury Enforcement Communications System (TECS), a system used to identify and report case hours coded to specific investigative categories. Following the close of the fiscal year, ICE uses TECS reports to identify and report the total investigative case hours that are coded as general narcotics cases and money-laundering narcotics cases. A second TECS report shows investigative case hours logged. A percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of investigative case hours. This percentage may fluctuate from year to year. For FY 2013, the actual percentage for Domestic Investigations was 28.17%. To calculate a dollar amount of obligations, this percentage was applied to actual obligations incurred by Domestic Investigations, excluding reimbursable authority. ICE uses the Federal Financial Management System (FFMS) to identify the obligations incurred.

International Affairs

- The methodology for International Affairs is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of work they perform in this system, which interfaces with the TECS system. Following the close of the fiscal year, a TECS report is run showing investigative case hours that are coded as general narcotics cases and money-laundering narcotics cases. A second report is run showing all investigative case hours logged. A percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of investigative case hours. For International Affairs, the actual percentage of hours that were counter-narcotics related was 8.11% in FY 2013. To calculate a dollar amount of obligations, this percentage was applied to actual obligations incurred by International Affairs, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

Intelligence

- The methodology for Intelligence is based on intelligence case hours recorded in ICE's automated Case Management System. ICE intelligence officers record the type of work they perform in this system, which interfaces with the TECS system. Following the close of the fiscal year, a report in the TECS is run showing investigative case hours that are coded as general narcotics cases and money-laundering narcotics cases. A second report is run showing all investigative case hours logged. A percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of investigative case hours logged for Intelligence. For FY 2013, 24.68% of the total case hours for Intelligence were in support of drug-control activities. To calculate a dollar amount of drug-control obligations, this percentage was applied to actual obligations incurred by Intelligence, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

ICE officers provide intelligence services for Domestic Investigations and International Affairs to support criminal investigations aimed at disrupting and dismantling criminal organizations involved in transnational drug trade and associated money laundering crimes. Intelligence case hours recorded in TECS captures both domestic and international drug-related activity. ICE Intelligence calculates the total percentage of case hours that support Domestic and International drug enforcement activity by adding the end of the year total number of Intel Domestic and Intel Office of International Affairs (OIA) drug-controlled investigative hours in TECS and dividing these totals by the total number of Domestic drug-controlled investigative hours and OIA drug-controlled investigative hours. The resulting percentage is used to determine the amount of work that Intelligence does for international activities (1.34%) and domestic activities (98.66%). The respective percentages are applied to the total Intelligence drug-related obligations as determined above to identify the relative international and domestic obligations expended by Intelligence for drug-control activities.

Disclosure No. 2: Methodology Modifications

In FY 2013, ICE revised the method for determining Intelligence obligations that are domestic and international. The previous method did not require agents to categorically record Intelligence case hours related to drug enforcement investigations in the TECS system. This method limited the program's ability to provide transparency relating to Domestic and International Intelligence activity. As a result, there was not sufficient data to develop percentages that support Domestic and International Intelligence activity, respectively.

In FY 2013, ICE Intelligence revised the process to capture Domestic and International drug-controlled activities in the TECS system. Intelligence Research Specialists' case hours in support of drug-controlled activities (the hours spent on Homeland Security Intelligence Reports and Intelligence Information Reports) are now being captured in the data and are used to determine the total number percentage of case hours by the Intelligence program area. ICE uses this methodology to identify Intelligence obligations in support of drug controlled activities as domestic or OIA, by using the percentage of domestic hours versus OIA hours worked per TECS and applying these percentages to the total of all drug related Intelligence obligations. ICE intelligence supports all of Homeland Security Investigations (HSI). Applying the percentages to the overall Intelligence effort is the best methodology to estimate Intelligence support to both the Domestic and International components of HSI. ICE has obtained ONDCP approval of the change to the methodology.

Disclosure No. 3: Material Weaknesses or Other Findings

In the Fiscal Year 2013 financial statement audit, ICE contributed to material weaknesses at the Department of Homeland Security consolidated financial statement level in the areas of financial reporting, budgetary accounting, and information technology.

ICE recognizes weaknesses in the obligations management process with timely recordings in the general ledger of obligations and expenses transactions, lack of IT systems controls to ensure expenditures are within budgetary limits and ensuring that inactive contracts with outstanding funds are de-obligated appropriately. ICE must improve the financial reporting processes to ensure that sufficient reviews and validation of data is occurring prior to recording. Additionally, ICE must develop additional policies and procedures to ensure that budgetary subsidiary accounts are reconciled to the general ledger and adjustments are recorded timely. Moreover, ICE will enhance its supervisory review of journal vouchers, account reconciliations, and analysis, which affect adjustments to the financial statements. ICE will complete remediation initiated last year and conduct routine verification and validation to ensure improvements are being sustained.

The contributions to material weaknesses identified above did not impair ICE's ability to report complete and accurate obligation data in the Table of Prior Year Drug Control Obligations.

Disclosure No. 4: Reprogrammings or Transfers

In FY 2013, the Office of International Affairs total base budget was reduced by \$3 million and the Office of Intelligence total base budget was reduced by \$3.4 million due to sequestration.

This reduction in funds due to sequestration was not considered a reprogramming requiring ONDCP approval.

Disclosure No. 5: Other Disclosures

There are no other disclosures which ICE feels are necessary to clarify any issues regarding the data reported.

B. Assertions

Assertion No. 1: Obligations by Budget Decision Unit

Not Applicable - As a multi-mission agency, ICE is exempt from reporting under this section as noted in the Office of National Drug Control Policy (ONDCP) *Circular, Accounting of Drug Control Funding and Performance Summary*.

Assertion No. 2: Drug Methodology

The methodology used to calculate obligations of prior year budgetary resources by budget decision unit and function is reasonable and accurate in regard to the workload data employed and the estimation methods used. The workload data is derived from the TECS system discussed in the methodology section above and is based on work performed between October 1, 2012 and September 30, 2013. There are no other estimation methods used. The financial system used to calculate the drug-related budget obligations is the FFMS which is capable of yielding data that fairly presents, in all material respects, aggregate obligations.

ICE revised the methodology used to determine overseas and domestic intelligence drug obligations to maintain conformance to ONDCP circular requirements. ICE did obtain advance ONDCP approval of the revised methodology.

Assertion No. 3: Application of Drug Methodology

The methodology disclosed in section A, Disclosure No. 1 was the actual methodology used to generate the Table of Prior Year Drug Control Obligations.

Assertion No. 4: Reprogrammings or Transfers

In FY 2013, the data presented are associated with obligations against a financial plan that was sent to and approved by ONDCP. There were no reprogrammings or transfers of drug-related resources in excess of \$1 million that required ONDCP approval.

Assertion No. 5: Fund Control Notices

No Fund Control Notice was issued as defined by the ONDCP Director under 21 U.S.C. section 1703(f) and Section 8 of the ONDCP Circular, *Budget Execution*, to ICE in FY 2013.



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Department of Homeland Security

Appendix A
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For further information or questions, please contact Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).”

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245 Murray Drive, SW
Washington, DC 20528-0305

You may also call 1(800) 323-8603 or fax the complaint directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.

Department of Homeland Security Office of Inspector General

Independent Review of U.S. Coast Guard's Reporting of FY 2013 Detailed Accounting Submission



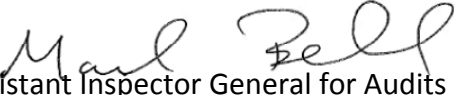


OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

FEB 12 2014

MEMORANDUM FOR: Rear Admiral Stephen P. Metruck
Chief Financial Officer
U.S. Coast Guard

FROM: Mark Bell 
Acting Assistant Inspector General for Audits

SUBJECT: *Independent Review of U.S. Coast Guard's Reporting of
FY 2013 Detailed Accounting Submission*

Attached for your information is our final report, *Independent Review of U.S. Coast Guard's Reporting of FY 2013 Detailed Accounting Submission*. U.S. Coast Guard's management prepared the Detailed Accounting Submission to comply with the requirements of the Office of National Drug Control Policy Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm KPMG LLP to perform the review. KPMG LLP is responsible for the attached independent accountants' report, dated February 04, 2014, and the conclusions expressed in it. We do not express an opinion on the Detailed Accounting Submission. This report contains no recommendation.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Sandra John, Acting Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Report

Deputy Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Detailed Accounting Submission of the U.S. Department of Homeland Security's (DHS) U.S. Coast Guard (USCG) for the year ended September 30, 2013. USCG's management is responsible for the Detailed Accounting Submission.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Detailed Accounting Submission. Accordingly, we do not express such an opinion.

Management of USCG prepared the Detailed Accounting Submission to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular).

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission for the year ended September 30, 2013, referred to above, is not fairly stated, in all material respects, in conformity with the criteria set forth in the Circular.

This report is intended solely for the information and use of the management of DHS and USCG, the DHS Inspector General, 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.

KPMG LLP

February 4, 2014

U.S. Department of
Homeland Security

United States
Coast Guard



Office of National Drug Control Policy: FY 2013 Accounting of Drug Control Funds

Commandant
United States Coast Guard

2703 Martin Luther King Ave SE
Washington, DC 20593-00
Staff Symbol: CG-82
Phone: (202) 372-3511
Email: Emile.f.Cochet@uscg.mil

7110

FEB 4 2014

Ms. Anne L. Richards
Assistant Inspector General for Audits
Office of the Inspector General
Department of Homeland Security

Dear Ms. Richards,

In accordance with the Office of National Drug Control Policy Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, enclosed is the Coast Guard's FY 2013 Detailed Accounting Submission.

If you require further assistance on this information, please contact LCDR Emile Cochet at (202) 372-3511.

Sincerely,

A handwritten signature in blue ink that reads "A. J. Tiongson" with "CAPT USCG" written in smaller letters below it.

A. J. TIONGSON
Captain, U.S. Coast Guard
Chief, Office of Budget and Programs

Enclosure: USCG FY 2013 Detailed Accounting Submission

Copy: DHS Budget Office

**DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD
Detailed Accounting Submission of FY 2013 Drug Control Funds**

DETAILED ACCOUNTING SUBMISSION**A. Table of FY 2013 Drug Control Obligations**

RESOURCE SUMMARY (Dollars in Millions)	2013 Actual Obligations
Drug Resources by Drug Control Function:	
• Interdiction	\$1,313.028
• Research and Development	\$2.563
Total Resources by Function	\$1,315.591
Drug Resources by Budget Decision Unit:	
• Operating Expenses (OE)	\$773.540
• Reserve Training (RT)	\$14.636
• Acquisition, Construction, and Improvements (AC&I)	\$524.852
• Research, Development, Test and Evaluation (RDT&E)	\$2.563
Total Drug Control Obligations	\$1,315.591
Note: Reimbursements and external funding streams (e.g. HIDTA and OCDEF) are independent from the above FY13 obligations and are not included in the total.	

1. Drug Methodology

In FY 2000, a methodology known as the Mission Cost Model (MCM) was developed to present United States Coast Guard (Coast Guard) missions using activity-based cost accounting principles. The MCM is an estimate of operational mission costs allocated across the Coast Guard's 11 mission/programs. The information reported is timely and derived from an allocation process involving the Coast Guard's financial statement information and operational employment data. The operating hour allocation, or baseline, is developed and modified based upon budget line item requests and operational priorities.

The Coast Guard is required to report its drug control funding to the Office of National Drug Control Policy (ONDCP) in four appropriations, categorically called decision units. The Coast Guard's drug control funding estimates are computed by examining the decision units that are comprised of: Operating Expenses (OE); Reserve Training (RT); Acquisition, Construction, and Improvement (AC&I); and Research, Development, Test, and Evaluation (RDT&E). Each decision unit contains its own unique spending authority and methodology. For example, AC&I includes funding that remains available for obligation up to five years after appropriation and RDT&E includes funding which does not expire. Unless stipulated by law, OE and RT funding must be spent in the fiscal year it is

appropriated. The mechanics of the MCM methodology used to derive the drug control information for each decision unit's drug control data is derived as follows.

Mission Cost Allocations

OE funds are used to operate Coast Guard facilities; maintain capital equipment; improve management effectiveness; and recruit, train, sustain, and compensate an active duty military and civilian workforce. The Coast Guard tracks the resource hours spent on each of its 11 statutory missions. Obligations within the drug interdiction program are derived by allocating a share of the actual obligations of assets and activities based upon the reported percentage of time aircraft, cutters, and boats spent conducting drug interdiction activities.

The two chief input drivers to the MCM are:

- *The Coast Guard's Standard Rate and User Fee (SRUF)* – The SRUF model calculates the total cost, including direct, support and overhead, of operating the Coast Guard's assets, as well as missions or services that the Coast Guard performs but does not have related standard rates or user fees.
- *Abstract of Operations (AOPS) and Aviation Logistics Management Information System (ALMIS)* – Cutter and boat activities are captured by the AOPS system, while aircraft operational hours are entered into ALMIS. Expenses allocated to missions or services, and not assets, are driven to each of the employment categories by percentages. Those percentages are determined by surveys of those activities.

The Coast Guard tracks the resource hours spent on each of the 11 Coast Guard statutory missions using AOPS and ALMIS. This data is then used to determine the amount of time each asset class spends conducting each Coast Guard mission as a ratio of the total resource hours spent on all missions. In addition, using financial data gathered from over 3,000 cost centers around the United States along with the AOPS and ALMIS information, the Coast Guard is able to allocate OE costs to each of the 11 statutory missions consisting of: Drug Interdiction; Migrant Interdiction; Ports, Waterways and Coastal Security; Other Law Enforcement; Defense Readiness; Search and Rescue; Marine Safety; Ice Operations; Marine Environmental Protection; Living Marine Resources; and Aids to Navigation.

By design, the MCM is based on the OE decision unit. While mission-program spreads derived from MCM can be directly applied to OE and RT decision units, AC&I and RDT&E decision units must be calculated separately. This is due to the structure of the AC&I and RDT&E decision units, which are presented as individual projects in the Coast Guard's budget submission. Within AC&I and RDT&E, individual projects are allocated to missions based on an established profile (largely based on utilization). The drug interdiction attributions of each of these projects are then combined to determine the total contribution to the drug interdiction mission.

The program percentages derived from the MCM are applied to OE, RT, AC&I and RDT&E decision units per the above methodology (see Attachments A, B, C and D, respectively). Obligation data is derived from the final financial accounting Report on Budget Execution (SF-133).

2. Methodology Modifications

The methodology described above is consistent with the previous year.

3. Material Weaknesses or Other Findings

As identified in the FY 2013 Independent Auditors' Report of the Department of Homeland Security (DHS), the Coast Guard contributed to Departmental weaknesses in the following internal control areas: Financial Reporting; IT Controls and System Functionality; Property, Plant and Equipment; and Budgetary Accounting. Following the recommendations provided in previous Independent Auditors' Reports, the Coast Guard continued to implement corrective action plans to remediate long-standing internal control deficiencies. The aforementioned weaknesses do not have a significant effect on the presentation of FY 2013 drug-related obligations data. Moreover, the Coast Guard can provide reasonable assurance that FY 2013 obligations data has been fairly reported.

The Coast Guard's Financial Strategy for Transformation and Audit Readiness (FSTAR) continues to strengthen internal controls and provides assurance over the fidelity of financial information. This effort seeks to remedy the causes of identified material weaknesses and aims to implement long-term solutions to remedy such issues. Such improvements helped DHS to achieve a clean, unqualified audit opinion on its FY 2013 financial statements. The Coast Guard will continue to utilize FSTAR to make improvements and to strengthen Department-wide internal controls by implementing recommendations contained in Exhibit I of the FY 2013 Independent Auditors' Report.

As previously discussed, because the Coast Guard budgets by congressionally established appropriations (rather than individual missions), the organization must rely on information contained within the activity-based MCM. The Coast Guard uses this MCM data to determine financial obligations specifically related to statutory missions, including Drug Interdiction. This appropriation structure supports multi-mission requirements by allowing the service to surge and shift resources across all missions, and this level of resource flexibility is critical to successful mission execution in our dynamic, operational environment. However, such a structure makes it difficult to precisely determine the cost of a particular mission or the "level of effort" expended in carrying out that mission. Notwithstanding its limitations, the MCM has been endorsed by the Office of Management and Budget (OMB) in formulation of the Coast Guard's annual budget request to Congress. The MCM provides the Coast Guard with a reliable, repeatable system that forecasts future year spending and estimates previous year obligations by mission.

4. Reprogrammings or Transfers

During FY 2013, the Coast Guard had no reports of transfers or reprogramming actions affecting drug related budget resources in excess of \$1 million.

5. Other Disclosures

The following provides a synopsis of the United States Coast Guard's FY 2013 Drug Control Funds reporting which describes:

1. The agency's overall mission and the role of drug interdiction efforts within the Coast Guard's multi-mission structure; and
2. The Coast Guard's Drug Budget Submission.

Coast Guard Mission

The Coast Guard is a military service with mandated national security and national defense responsibilities, and is the United States' leading maritime law enforcement agency with broad, multi-faceted jurisdictional authority. Due to the multi-mission nature of the Coast Guard and the necessity to allocate the effort of a finite amount of assets, there is a considerable degree of asset “cross-over” between missions. This cross-over contributes to the challenges the Coast Guard faces when reporting costs for its mission areas.

Coast Guard's Drug Budget Submission

In the annual National Drug Control Strategy (NDCS) Budget Summary, all agencies present their drug control resources broken out by function and decision unit. The presentation by decision unit is the one that corresponds most closely to the Coast Guard's congressional budget submissions and appropriations. It should be noted and emphasized that the Coast Guard does not have a specific appropriation for drug interdiction activities. As such, there are no financial accounting lines for each of Coast Guard's 11 statutory missions. All drug interdiction operations, capital improvements, reserve support, and research and development efforts are funded out of general Coast Guard appropriations.

For the most part, the Coast Guard drug control budget is a reflection of the Coast Guard's overall budget. The Coast Guard's OE appropriation budget request is incremental, focusing on the changes from the prior year base brought forward. The Coast Guard continues to present supplementary budget information through the use of the MCM, which allocates base funding and incremental requests by mission.

This general purpose MCM serves as the basis for developing drug control budget estimates for the OE and RT appropriations and provides allocation percentages used to develop the drug control estimates for the AC&I and RDT&E appropriations and the process is repeatable. Similarly, this is the same methodology used to complete our annual submission to the Office of National Drug Control Policy (ONDCP) for the NDCS Budget Summary.

Assertions

1) Obligations by Budget Decision Unit

Not Applicable. As a multi-mission agency, the Coast Guard is exempt from this reporting requirement.

2) Drug Methodology

The Coast Guard does not have a discrete drug control appropriation and its financial systems are not structured to accumulate accounting data by operating programs or missions areas. However, the methodology used to produce the drug interdiction funding in this report is repeatable and is based on the attribution of direct, support and overhead costs proportionally allocated to reflect historical mission employment data presented in AOPS. This methodology is consistently used by the Coast Guard to develop annual budget year submissions and mission related reports. These submissions include: Resource Allocation Proposal (RAP), Resource Allocation Decision (RAD) and the Office of Management and Budget's (OMB) MAX budget update of Coast Guard's Congressional Budget submissions and the DHS CFO Statement of Net Cost report. The criteria associated to this assertion are as follows:

- a) Data – The percentage allocation results derived from its MCM methodology are based on the FY 2013 financial and AOPS data, as presented in the Coast Guard’s FY 2015 OMB Budget Submission.
- b) Financial Systems – Financial data used in this methodology are derived from the Core Accounting System (CAS) and Surface Forces Logistics Center (SFLC) systems. No other financial system or information is used in developing program or mission area allocations. Although the Coast Guard has not fully remediated weaknesses identified by independent auditors during previous audits, the Coast Guard can provide reasonable assurances to the accuracy of the data contained in this report. To mitigate the risk of inaccuracies or incomplete accounting records, the Coast Guard utilizes procedures such as transactional level Audit Command Language (ACL) tie points analytics, substantive testing over budget authority and reimbursable agreements, funds controls enacted in field-level financial systems, and quarterly reviews of open transactions to ensure the accuracy of data.

3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the drug control obligation funding table required by ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary* (issued January 18, 2013). Documentation on each decision unit is provided.

4) Reprogrammings or Transfers

During FY 2013, the Coast Guard had no reports of transfers or reprogramming actions affecting drug related budget resources in excess of \$1 million.

5) Fund Control Notices

ONDCP did not issue Coast Guard a Fund Control Notice for FY 2013.

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

	(dollars in thousands) FY 2013	
	Obligations	% of total
1. Search and Rescue (SAR)	801,960	11.64%
2. Marine Safety (MS)	605,389	8.79%
3. Aids to Navigation (ATON)	1,229,114	17.84%
4. Ice Operations (IO)	99,332	1.44%
5. Marine Environmental Protection (MEP)	162,958	2.37%
6. Living Marine Resources (LMR)	630,776	9.16%
7. Drug Interdiction	773,540	11.23%
8. Other Law Enforcement (OTH-LE)	75,472	1.10%
9. Migrant Interdiction	471,528	6.84%
10. Ports, Waterways & Coastal Security (PWCS)	1,603,467	23.28%
11. Defense Readiness	435,560	6.32%
Total OE Obligations	\$ 6,889,096	100%

Attachment B

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

	(dollars in thousands)	
	FY 2013	
	Obligations	% of total
1. Search and Rescue (SAR)	15,173	11.64%
2. Marine Safety (MS)	11,454	8.79%
3. Aids to Navigation (ATON)	23,255	17.84%
4. Ice Operations (IO)	1,879	1.44%
5. <i>Marine Environmental Protection (MEP)</i>	3,083	2.37%
6. Living Marine Resources (LMR)	11,934	9.16%
7. Drug Interdiction	14,636	11.23%
8. Other Law Enforcement (OTH-LE)	1,431	1.10%
9. Migrant Interdiction	8,921	6.84%
10. Ports, Waterways & Coastal Security (PWCS)	30,338	23.28%
11. Defense Readiness	8,241	6.32%
Total RT Obligations	\$ 130,344	100%

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

	(dollars in thousands)	
	FY 2013 Obligations	% of total
1. Search and Rescue (SAR)	122,408	8.08%
2. Marine Safety (MS)	8,943	0.59%
3. Aids to Navigation (ATON)	43,633	2.88%
4. Ice Operations (IO)	20,713	1.37%
5. Marine Environmental Protection (MEP)	11,681	0.77%
6. Living Marine Resources (LMR)	296,222	19.55%
7. Drug Interdiction	524,852	34.64%
8. Other Law Enforcement (OTH-LE)	82,273	5.43%
9. Migrant Interdiction	125,530	8.28%
10. Ports, Waterways & Coastal Security (PWCS)	130,178	8.59%
11. Defense Readiness	148,940	9.83%
Total AC&I Obligations	\$ 1,515,374	100%

Attachment D

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

(dollars in thousands)		
FY 2013		
	Obligations	% of total
1. Search and Rescue (SAR)	3,954	17.75%
2. Marine Safety (MS)	858	3.85%
3. Aids to Navigation (ATON)	2,827	12.69%
4. Ice Operations (IO)	231	1.04%
5. Marine Environmental Protection (MEP)	5,161	23.16%
6. Living Marine Resources (LMR)	1,402	6.29%
7. Drug Interdiction	2,563	11.50%
8. Other Law Enforcement (OTH-LE)	254	1.14%
9. Migrant Interdiction	1,235	5.54%
10. Ports, Waterways & Coastal Security (PWCS)	3,066	13.76%
11. Defense Readiness	729	3.27%
Total RDT&E Obligations	\$ 22,281	100%



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Department of Homeland Security

Appendix A
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Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
DHS Component Liaison
Chief Privacy Officer

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Office of National Drug Control Policy

Associate Director for Performance and Budget

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ADDITIONAL INFORMATION

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For further information or questions, please contact Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).”

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To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at www.oig.dhs.gov and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Office of Investigations Hotline
245 Murray Drive, SW
Washington, DC 20528-0305

You may also call 1(800) 323-8603 or fax the complaint directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.

DEPARTMENT OF THE INTERIOR



ONDCP 2013 Accounting Report – Indian Affairs

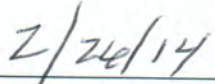
Resource Summary

Prior Year Drug Control Obligations		FY 2013
Function: Prevention		(millions)
J33	Special Initiatives	9,025
	Substance Abuse - Meth Initiative	9,025
	Total FTE (Direct ONLY)	57
J34	Indian Police Academy	480
	Total ALL Functions	9,505

Full compliance with this Circular constitutes an unreasonable reporting burden. Obligations reported under this section constitute the statutorily required detailed accounting.



Deputy Assistant Secretary - Management



Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Office of Law Enforcement and Security
1849 C Street NW, Room 5641
Washington, D.C. 20240




February 25, 2014

In Reply Refer To:
9260 (WO120) I

Memorandum

To: Director,
Office of National Drug Control Policy

From: Salvatore R. Lauro, 
Director, Office of Law Enforcement and Security

Subject: Fiscal Year 2013 Accounting and Performance Summary Report

In accordance with *ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, January 18, 2013* (the Circular), the United States Department of the Interior, Bureau of Land Management (BLM) is hereby submitting the attached Accounting and Performance Summary Report of fiscal year 2013 drug control activities. Per the Circular, this report is being submitted in lieu of the “Detailed Accounting Submission and Performance Summary Report” otherwise required for agencies with drug control obligations of \$50 million or greater.

The BLM, Director of the Office of Law Enforcement and Security attests that the Bureau’s drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden. If you have any questions, please contact Daniel Fowler, Division Chief – Policy, Programs and Budget at 202-912-7587.

Attachment

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Office of Law Enforcement and Security

- Accounting and Performance Summary Report Fiscal Year 2013 -

Mission

The overall mission of the BLM is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations. In support of that mission, the primary goals of the Resource Protection and Law Enforcement program include the identification, investigation, disruption, and dismantling of marijuana cultivation and smuggling activities on public lands; the seizure and eradication of marijuana plants; and the clean-up and restoration of public lands affected by marijuana cultivation and smuggling.

Budget Summary

The Bureau's appropriation in the Resource Protection and Law Enforcement subactivity includes \$5.1 million for drug enforcement. The primary focus of these funds is the identification, investigation, and eradication of marijuana cultivation on public lands, and the rehabilitation of cultivation sites. Bureau costs associated with identifying, investigating, and eradicating marijuana cultivation; interdicting marijuana smuggling; and rehabilitating public lands damage caused by these activities are scored as drug control.

Table of Drug Control Obligations – Fiscal Year 2013	
Drug Control Functions:	
Interdiction	408
Investigations	4,080
State and Local Assistance	612
Total All Functions	5,100
Budget Decision Unit:	
Resource Protection and Law Enforcement	5,100
Total All Decision Units	5,100
Drug Resource Personnel Summary	
Total FTE (Direct Only)	20

shifts in supply and demand stemming from State legalization of medicinal marijuana). In light of this unpredictability, the BLM did not establish marijuana seizure targets in the FY 2013 performance budget. The ONDCP has agreed that, due to various uncontrollable factors such as weather, future performance targets related to “number of marijuana plants seized” cannot be reliably predicted. As such, the BLM sets no out-year targets.

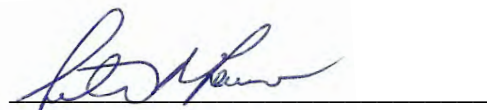
Methodology to Establish Performance Targets is Reasonable and Applied

As stated above, the ONDCP has agreed that, due to various uncontrollable factors such as weather, future performance targets related to “number of marijuana plants seized” cannot be reliably predicted. As such, the BLM sets no out-year targets.

Adequate Performance Measures Exist for All Significant Drug Control Activities

The BLM has traditionally utilized a single measure (i.e. marijuana seizures) to capture performance considered to be reflective of its respective National Drug Control Program activities. In light of the fact there is currently no data on the total number of marijuana plants subject to seizure that are grown in the U.S., the ONDCP permits the BLM to gauge performance using a single measure, specifically “number of marijuana plants seized.”

In accordance with ONDCP Circular: “Accounting of Drug Control Funding and Performance Summary”, January 18, 2013, the BLM is hereby submitting this alternative report of drug control funding and performance for FY 2013. Per the Circular, this report is being submitted in lieu of the standard “Detailed Accounting Submission and Performance Summary Report” otherwise required for agencies with drug control obligations of \$50 million or greater. The BLM, Director of the Office of Law Enforcement and Security attests that the Bureau’s drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden.



Salvatore R. Lauro

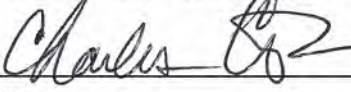
Director, Office of Law Enforcement and Security

ONDCP 2013 Accounting Report - National Park Service

Resource Summary

Prior Year Drug Control Obligations		FY2013
Function:	Prevention	
Please see Detailed FY13 Expenditure Report Below:		3,135
	FTE	25
	TOTAL:	3135

** Full compliance with this Circular constitutes an unreasonable reporting burden. Obligations reported under this section constitute the statutorily required detailed accounting


 Title: Chief HISES 3-19-2014

Signature:

Title:

Date:

NPS Summary

NOCA

PORE

SEKI*

WHIS

(thousands of dollars)	FY13 Enacted	FY13 Enacted	FY13 Enacted	FY13 Enacted
Investigative personnel salary, benefits, training, equipment, travel, and miscellaneous expenditures	56	0	116	0
Enforcement personnel salary, benefits, training, equipment, travel, and miscellaneous expenditures	132	458	554	282
Aircraft	0	0	7	0
Environmental clean-up	0	0	0	31
Agreements	0	0	0	0
Other expenditures	3	0	3	0
Total Expenditures	191	458	680	313
Total FTE				

NPS

SAMO		REDW		YOSE*		ISB/WASO		TOTAL
<i>FY13 Enacted</i>		<i>FY13 Enacted</i>		<i>FY13 Enacted</i>		<i>FY13 Enacted</i>		
0		0		0		0		
266		234		340		0		
0		5		1		0		
0		3		0		0		
0		0		5		0		
58		29		19		533		
324		271		365		533		3,135
								25

DEPARTMENT OF JUSTICE





REVIEWS OF THE ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2013

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

Report 14-07
January 2014

REVIEWS OF THE ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2013

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, 2013. 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 is 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 \$7.5 billion of drug control obligations and 19 related performance measures for fiscal year 2013.

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.

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**REVIEWS OF THE ANNUAL ACCOUNTING OF
DRUG CONTROL FUNDS AND RELATED PERFORMANCE
FISCAL YEAR 2013**

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ASSETS FORFEITURE FUND

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Washington, D.C. 20530

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

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

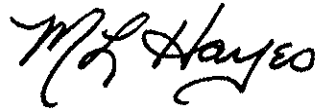
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Assets Forfeiture Fund (AFF) for the fiscal year ended September 30, 2013. 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, 2013, 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 black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

**Assets Forfeiture Fund
Detailed Accounting Submission**

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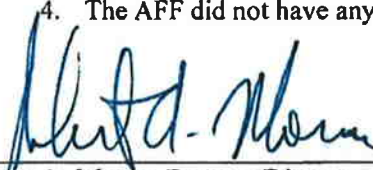
U.S. Department of Justice
Justice Management Division
Asset Forfeiture Management Staff
145 N St., N.E., Suite 5W.511
Washington, D.C. 20530

(202) 616-8000

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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

1. The drug methodology used by the AFF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2013.
4. The AFF did not have any ONDCP Fund Control Notices issued in FY 2013.



Robert A. Marca, Deputy Director,
AFMS



Date

**U.S. Department of Justice
 Assets Forfeiture Fund
 Detailed Accounting Submission
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2013
 (Dollars in Millions)**

Drug Obligations by Budget Decision Unit and Function:		FY 2013
Decision Unit #1: Asset Forfeiture		Actual Obligations
	Investigations	163.80
	State and Local Assistance	70.80
Total Asset Forfeiture		\$ 234.60
Total Drug Control Obligations		\$ 234.60

**U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

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 AFF monies, commonly referred to as Joint Law Enforcement program operations expenses. All AFF 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 Cost Leading to Seizure, Awards Based on Forfeiture, Contract 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 a 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.

Contract 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

Although no material weaknesses were noted in the AFF/Seized Asset Deposit Fund FY 2013 *Independent Auditors' Report on Internal Controls over Financial Reporting*, a significant deficiency was reported. The significant deficiency related to improvements needed in the analysis of accounting data, revenue recognition, and review of journal vouchers. This finding, while not a material weakness, 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. DEA and OCDETF are provided an AFF allocation via a reimbursable agreement.

CRIMINAL DIVISION

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Washington, D.C. 20530

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

Assistant Attorney General
Criminal Division
U.S. Department of Justice

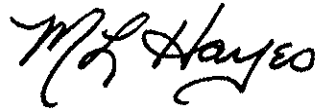
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Criminal Division (CRM) for the fiscal year ended September 30, 2013. 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, 2013, 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 that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

**Criminal Division
Detailed Accounting Submission**

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U.S. Department of Justice

Criminal Division

Washington, D.C. 20530

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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 2013.
4. CRM did not have any ONDCP Fund Control Notices issued in FY 2013.

A handwritten signature in black ink, appearing to read "K. J. Maschino".

Karl J. Maschino, Executive Officer

A handwritten date in black ink, "4/14/14".

Date

**U.S. Department of Justice
Criminal Division
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)**

Drug Obligations by Budget Decision Unit and Function:	FY 2013
Decision Unit: Enforcing Federal Criminal Laws	Actual Obligations
Prosecution	\$ 39.63
Total Enforcing Federal Criminal Laws	<u>\$ 39.63</u>
Total Drug Control Obligations	<u>\$ 39.63</u>

**U.S. Department of Justice
Criminal Division
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

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 Narcotic and Dangerous Drug Section (NDDS). The NDDS support reducing the supply of illegal drugs in the United States by investigating and prosecuting priority national and international drug trafficking and narcoterrorists groups and by providing sound legal, strategic, and policy guidance in support of that goal. The NDDS resources are 100 percent dedicated to addressing drug uses and its consequences.

Since the CRM's accounting system, DOJ's Financial Management Information System 2 (FMIS2), does not track obligation and expenditure data by ONDCP's drug functions, the 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 2013, the Division's drug resources as a percent of its overall actual obligations were 24.19%.

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

The CRM is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2013, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2013 *Independent Auditors' Report on Internal Control over Financial Reporting* revealed no material weaknesses.

Disclosure 4: Reprogrammings or Transfers

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

**DRUG ENFORCEMENT
ADMINISTRATION**

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Washington, D.C. 20530

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

Administrator
Drug Enforcement Administration
U.S. Department of Justice

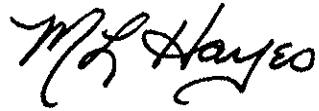
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the fiscal year ended September 30, 2013. 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, 2013, 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 black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

**Drug Enforcement Administration
Detailed Accounting Submission**

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www.dea.gov

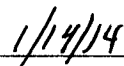
**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

On the basis of the Drug Enforcement Administration's 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 Drug Enforcement Administration's 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 Drug Enforcement Administration's accounting system of record for these budget decision units.
2. The drug methodology used by the Drug Enforcement Administration 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 2013.
5. Drug Enforcement Administration did not have any ONDCP Fund Control Notices issued in FY 2013.



Frank M. Kalder, Chief Financial Officer



Date

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)**

	FY 2013 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit #1: Diversion Control Fee Account	
Intelligence	\$ 7.79
Investigations	300.09
Prevention	0.01
Total Diversion Control Fee Account	\$ 307.89
Decision Unit #2: Domestic Enforcement	
Intelligence	\$ 150.14
Investigations	1,414.85
Prevention	1.74
Total Domestic Enforcement	\$ 1,566.73
Decision Unit #3: International Enforcement	
Intelligence	\$ 23.40
International	376.98
Total International Enforcement	\$ 400.38
Decision Unit #4: State and Local Assistance	
State and Local Assistance	\$ 15.59
Total State and Local Assistance	\$ 15.59
Total Drug Control Obligations	\$ 2,290.59
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 15.19

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

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	97.47%	Investigations
	2.53%	Intelligence
	0.00%	Prevention
Domestic Enforcement	90.31%	Investigations
	9.58%	Intelligence
	0.11%	Prevention
International Enforcement	94.16%	International
	5.84%	Intelligence
State and Local Assistance	100.00%	State and Local Assistance

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

Full Time Equivalents (FTE): One hundred percent of the DEA FTEs are dedicated to drug enforcement efforts. The DEA's Direct FTE total for FY 2013, including Salaries & Expenses (S&E) and DCFA appropriations, was 8,188 through pay period 19, ending October 5, 2013.

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 reporting drug enforcement resources has not been modified from the method approved in FY 2005. The DEA uses current MCA data to allocate FY 2013 obligations from four decision units to ONDCP's drug functions.

Disclosure 3: Material Weaknesses and Other Findings

For FY 2013, the DEA was included in the Department of Justice (DOJ) consolidated financial statement audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2013 *Independent Auditors' Report on Internal Control over Financial Reporting* revealed no material weaknesses.

In accordance with the FY 2013 OMB Circular A-123 testing, a reportable condition in the area of sensitive payments related to the transit subsidy program was identified. DEA has implemented a corrective action plan that will be validated for effectiveness by the end of the first quarter FY 2014. The corrective action plan is targeted for completion by March 31, 2014.

Disclosure 4: Reprogrammings and Transfers

There was no reprogramming in FY 2013.

The DEA had several transfers during FY 2013 (see the attached Table of Reprogrammings and Transfers). There were sixteen transfers into DEA's S&E account. Two transfers from DOJ's Community Oriented Policing Services program in the amount of \$12,240,844. Three transfers were from ONDCP's HIDTA program for a total of \$15,549,923. Eleven were internal transfers from DEA's expired FY 2008/FY 2009/FY 2010/FY 2011 & FY 2012 unobligated funding to DEA's S&E No-Year account for a total amount of \$96,400,506.

A total of five transfers went out: \$376,803 to Working Capital Fund; \$5,500,000 from current year S&E appropriation to the Bureau of Prisons; and three transfers out to ONDCP's HIDTA program to return funds of \$356,610.

Transfers under the Drug Resources by Function section in the Table of FY 2013 Reprogramming 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, 2013
(Dollars in Millions)**

Drug Resources by Budget Decision Unit and Function:	Transfers-in	Transfers-out	Total
Domestic Enforcement			
Intelligence	\$ 7.29	\$ (0.44)	\$ 6.85
Investigations	\$ 68.78	\$ (4.19)	\$ 64.59
Prevention	\$ 0.09	\$ (0.01)	\$ 0.08
Total Domestic Enforcement	\$ 76.16	\$ (4.64)	\$ 71.52
International Enforcement			
Intelligence	\$ 1.13	\$ (0.07)	\$ 1.06
International	\$ 18.15	\$ (1.10)	\$ 17.05
Total International Enforcement	\$ 19.28	\$ (1.17)	\$ 18.11
State and Local Assistance			
State and Local Assistance	\$ 13.20	\$ -	\$ 13.20
Total State and Local Assistance	\$ 13.20	\$ -	\$ 13.20
Total	\$ 108.64	\$ (5.81)	\$ 102.83
High-Intensity Drug Trafficking Area (HIDTA) Transfers	\$ 15.55	\$ (0.36)	\$ 15.19

FEDERAL BUREAU OF PRISONS

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Washington, D.C. 20530

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

Director
Federal Bureau of Prisons
U.S. Department of Justice

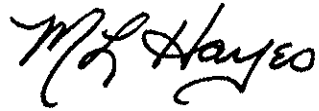
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2013. 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, 2013, 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 black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

**Federal Bureau of Prisons
Detailed Accounting Submission**

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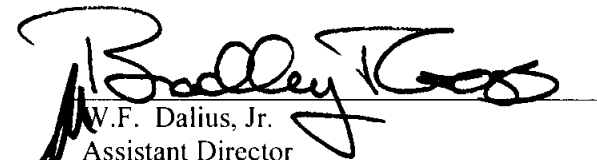
Federal Bureau of Prisons

Washington, DC 20534

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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 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.
4. BOP did not have any ONDCP Fund Control Notices issued in FY 2013.


W.F. Dalius, Jr.
Assistant Director
for Administration

1/14/2014
Date

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)**

Drug Obligations by Budget Decision Unit and Function:		FY 2013
Decision Unit #1: Inmate Care and Programs		Actual Obligations
	Treatment	\$ 103.90
	Corrections	1,163.60
Total Inmate Care and Programs		\$ 1,267.50
Decision Unit #2: Institution Security and Administration		
	Corrections	\$ 1,430.08
Total Institution Security and Administration		\$ 1,430.08
Decision Unit #3: Contract Confinement		
	Corrections	\$ 501.85
Total Contract Confinement		\$ 501.85
Decision Unit #4: Management and Administration		
	Corrections	\$ 90.77
Total Management and Administration		\$ 90.77
Decision Unit #5: New Construction		
	Corrections	\$ 14.90
Total New Construction		\$ 14.90
Decision Unit #6: Modernization and Repair		
	Corrections	\$ 28.64
Total Modernization and Repair		\$ 28.64
Total Drug Control Obligations		\$ 3,333.74

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

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 amount of obligations with a drug-related nexus (Corrections function) is calculated by applying a factor (percentage of inmates sentenced for drug related crimes) to the amount of obligations in each decision unit.

For the BOP's drug treatment program, resources are dedicated one hundred percent to the Drug Treatment Program. The Drug Treatment Program 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 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 2012). The drug methodology disclosed is consistently applied from the prior year (FY 2012).

Disclosure 3: Material Weaknesses or Other Findings

In FY 2013, there were no significant deficiencies or material weaknesses identified in OMB Circular A-123 testing or the *Independent Auditors' Report on Internal Control over Financial*

Reporting and no findings in the Independent Auditors' Report on Compliance and other Matters.

Disclosure 4: Reprogrammings or Transfers

BOP's FY 2013 obligations include all approved transfers and there were no reprogrammings in FY 2013 (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 2013, \$827,700 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 relating to seven PHS Full Time Equivalents related to drug treatment. Therefore, the allocated obligations were included in BOP's Table of Drug Control Obligations.

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Submission
Table of Reprogrammings and Transfers
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)**

Drug Resources by Budget Decision Unit and Function:		Transfers-in	Transfers-out	Total
Decision Unit: Inmate Care and Programs				
	Corrections	\$ 66.25	\$ (52.68)	\$ 13.57
Total Inmate Care and Programs		\$ 66.25	\$ (52.68)	\$ 13.57
Decision Unit: Institution Security & Administration				
	Corrections	\$ 86.98	\$ (2.49)	\$ 84.49
Total Institution Security & Administration		\$ 86.98	\$ (2.49)	\$ 84.49
Total		\$ 153.23	\$ (55.17)	\$ 98.06

OFFICE OF JUSTICE PROGRAMS

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Washington, D.C. 20530

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

Assistant Attorney General
Office of Justice Programs
U.S. Department of Justice

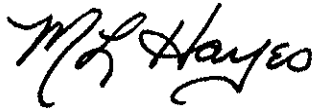
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2013. 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, 2013, 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 that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

**Office of Justice Programs
Detailed Accounting Submission**

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U.S. Department of Justice
Office of Justice Programs

Washington, D.C. 20531

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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 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 (FY) to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$1 million.
5. OJP did not have any ONDCP Fund Control Notices issued in FY 2013.



Leigh Benda, Chief Financial Officer

01/14/14

Date

U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)

Drug Obligations by Budget Decision Unit and Function:	FY 2013 Actual Obligations ^{1/}
Decision Unit #1: Regional Information Sharing System	
State and Local Assistance	\$ 29.98
Total, Regional Information Sharing System	<u>\$ 29.98</u>
Decision Unit #2: Enforcing Underage Drinking Laws	
Prevention	\$ 1.54
Total, Enforcing Underage Drinking Laws	<u>\$ 1.54</u>
Decision Unit #3: Drug Court Program	
Treatment	\$ 36.09
Total, Drug Court Program	<u>\$ 36.09</u>
Decision Unit #4: Residential Substance Abuse Treatment	
Treatment	\$ 11.55
Total, Residential Substance Abuse Treatment	<u>\$ 11.55</u>
Decision Unit #5: Prescription Drug Monitoring Program	
State and Local Assistance	\$ 5.90
Total, Prescription Drug Monitoring Program	<u>\$ 5.90</u>
Decision Unit #6: Border Initiatives (Southwest and Northern)	
State and Local Assistance	\$ 2.10
Total, Border Initiatives (Southwest and Northern)	<u>\$ 2.10</u>
Decision Unit #7: Second Chance Act	
State and Local Assistance	\$ 30.65
Total, Second Chance Act	<u>\$ 30.65</u>
Decision Unit #8: Byrne Criminal Justice Innovation Program	
State and Local Assistance	\$ 4.77
Total, Byrne Criminal Justice Innovation Program	<u>\$ 4.77</u>
Decision Unit #9: Tribal Courts	
Treatment	\$ 1.27
Total, Tribal Courts	<u>\$ 1.27</u>
Decision Unit #10: Indian Alcohol and Substance Abuse	
Prevention	\$ 5.08
Total, Indian Alcohol and Substance Abuse	<u>\$ 5.08</u>
Decision Unit #11: Byrne Memorial Justice Assistance Grant Program	
State and Local Assistance	\$ 68.92
Total, Byrne Memorial Justice Assistance Grants	<u>\$ 68.92</u>
Decision Unit #12: Tribal Youth Program	
Prevention	\$ 3.29
Total, Tribal Youth Program	<u>\$ 3.29</u>
Total Drug Control Obligations	<u>\$ 201.14</u>

^{1/} 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, 2013**

Disclosure 1: Drug Methodology

The mission of the Office of Justice Programs (OJP) is to increase public safety and improve the fair administration of justice across America through innovative leadership and programs. 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, Appropriations, and Management Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP's fiscal year (FY) 2013 drug obligations have a total of 12 decision units identified for the National Drug Control Budget. Within the 12 decision units, four are new for FY 2013: (1) Tribal Courts; (2) Indian Alcohol and Substance Abuse Program; (3) Byrne Memorial Justice Assistance Grant (JAG) Program; and (4) Tribal Youth Program.

The FY 2013 decision units include the following:

- Regional Information Sharing System
- Enforcing Underage Drinking Laws
- Drug Court Program
- Residential Substance Abuse Treatment
- Prescription Drug Monitoring Program
- Border Initiatives (Southwest and Northern)
- Second Chance Act
- Byrne Criminal Justice Innovation Program
- Tribal Courts
- Indian Alcohol and Substance Abuse Program
- Byrne Memorial Justice Assistance Grant Program
- Tribal Youth 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, 2013, were gathered from the Department of Justice's (DOJ's) Financial Management Information System 2 (FMIS2). The total obligations presented for OJP exclude funds obligated under the Crime Victims Fund and Public Safety Officers' Benefits Program.

Management and Administration (M&A) Data. Since FY 2012, OJP has not had a Salaries and Expenses (S&E) appropriation. As a result, funds were assessed at the programmatic level. Therefore, M&A obligations were 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 assigned to the 12 active drug-related decision units to the total M&A obligations for OJP.

Overall, OJP program activities support all four goals of the National Drug Control Strategy: (1) Substance Abuse Prevention, (2) Substance Abuse Treatment, (3) Domestic Law Enforcement, and (4) Interdiction and International Counterdrug Support. 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. For FY 2013, all 12 active decision units had a function allocation of 100 percent.

The Table of Drug Control Obligations amounts were calculated as follows:

Decision Unit: As specified in the ONDCP Circulars, *Budget Formulation* and *Budget Execution*, dated January 18, 2013, 100 percent of the actual obligations for four of the 12 active budget decision units are included in the Table of Drug Control Obligations. As directed by OMB and ONDCP, only 50 percent of the actual obligations for the Second Chance Act Program are included in the Table of Drug Control Obligations. In addition, only 30 percent of the actual obligations for Enforcing Underage Drinking Laws, Border Initiatives (Southwest and Northern), Byrne Criminal Justice Innovation Program, Tribal Courts, Indian Alcohol and Substance Abuse Program, and the Tribal Youth Program are included. Further, only 22 percent of the actual obligations for Byrne Memorial JAG Program are included in the Table of Drug Control Obligations.

Function: The appropriate drug-related percentage was applied to each decision unit line item and totaled by function. For FY 2013, all decision units had a function allocation of 100 percent.

Disclosure 2: Methodology Modifications

The overall methodology used to report obligations has not changed from the prior year methodology. However, in FY 2013, ONDCP directed OJP to report on its Byrne Memorial JAG program, and Tribal Legacy programs, which include the Tribal Court, Indian Alcohol and Substance Abuse, and Tribal Youth programs. The percentage reported for drug-related activities for the Byrne Memorial JAG program is 22 percent, while 30 percent is reported for the Tribal Legacy programs. Also, the reporting percentages for the Enforcing Underage Drinking Laws, Border Initiatives (Southwest and Northern), and Byrne Criminal Justice Innovation programs have been reduced from 100 percent to 30 percent for each of these programs. This reduction is a result of the reexamination of the presence of a drug nexus for these programs. The percentages being reported now reflect a more accurate depiction of the drug-related nature of these programs.

Disclosure 3: Material Weaknesses or Other Findings

For FY 2013, OJP was included in the DOJ consolidated financial statement audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2013 *Independent Auditors' Report on Internal Control over Financial Reporting* revealed no material weaknesses.

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 2013, OJP had no reprogrammings, and \$5.68 million and \$20.9 million in drug-related transfers-in and transfers-out, respectively. The transfers-in amounts include OJP's FY 2013 prior-year recoveries associated with the reported 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 OJP's National Institute of Justice and the Bureau of Justice Statistics to be used for research, evaluation, or statistical purposes. In FY 2013, 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 2013 actual drug obligations, \$23.1 million are a result of carryover unobligated resources.

Office of National Drug Control Policy: FY 2013 Accounting of Drug Control Funds

U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Reprogrammings and Transfers
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Transfers-in ^{1/}	Transfers-out ^{2/}	Total
Decision Unit #1: Regional Information Sharing System			
State and Local Assistance	-	(3.25)	(3.25)
Total: Regional Information Sharing System	<u>\$ -</u>	<u>\$ (3.25)</u>	<u>\$ (3.25)</u>
Decision Unit #2: Enforcing Underage Drinking Laws			
Prevention	0.17	(0.14)	0.03
Total: Enforcing Underage Drinking Laws	<u>\$ 0.17</u>	<u>\$ (0.14)</u>	<u>\$ 0.03</u>
Decision Unit #3: Drug Court Program			
Treatment	1.29	(3.80)	(2.51)
Total: Drug Court Program	<u>\$ 1.29</u>	<u>\$ (3.80)</u>	<u>\$ (2.51)</u>
Decision Unit #4: Residential Substance Abuse Treatment			
Treatment	0.11	(1.16)	(1.05)
Total: Residential Substance Abuse Treatment	<u>\$ 0.11</u>	<u>\$ (1.16)</u>	<u>\$ (1.05)</u>
Decision Unit #5: Prescription Drug Monitoring Program			
State and Local Assistance	0.04	(0.65)	(0.61)
Total: Prescription Drug Monitoring Program	<u>\$ 0.04</u>	<u>\$ (0.65)</u>	<u>\$ (0.61)</u>
Decision Unit #6: Border Initiatives (Southwest and Northern)			
State and Local Assistance	0.61	(0.14)	0.47
Total: Border Initiatives (Southwest and Northern)	<u>\$ 0.61</u>	<u>\$ (0.14)</u>	<u>\$ 0.47</u>
Decision Unit #7: Second Chance Act			
State and Local Assistance	2.14	(2.95)	(0.82)
Total: Second Chance Act	<u>\$ 2.14</u>	<u>\$ (2.95)</u>	<u>\$ (0.82)</u>
Decision Unit #8: Byrne Criminal Justice Innovation Program			
State and Local Assistance	-	(0.50)	(0.50)
Total: Byrne Criminal Justice Innovation Program	<u>\$ -</u>	<u>\$ (0.50)</u>	<u>\$ (0.50)</u>
Decision Unit #9: Tribal Courts			
Treatment	0.11	(0.00)	0.11
Total: Tribal Courts	<u>\$ 0.11</u>	<u>\$ (0.00)</u>	<u>\$ 0.11</u>
Decision Unit #10: Indian Alcohol and Substance Abuse Program			
Prevention	0.03	(0.00)	0.03
Total: Indian Alcohol and Substance Abuse Program	<u>\$ 0.03</u>	<u>\$ (0.00)</u>	<u>\$ 0.03</u>
Decision Unit #11: Byrne Memorial Justice Assistance Grant Program			
State and Local Assistance	1.07	(8.00)	(6.93)
Total: Byrne Memorial Justice Assistance Grant Program	<u>\$ 1.07</u>	<u>\$ (8.00)</u>	<u>\$ (6.93)</u>
Decision Unit #12: Tribal Youth Program			
Prevention	0.11	(0.28)	(0.17)
Total: Tribal Youth Program	<u>\$ 0.11</u>	<u>\$ (0.28)</u>	<u>\$ (0.17)</u>
Total	<u>\$ 5.68</u>	<u>\$ (20.87)</u>	<u>\$ (15.19)</u>
Methamphetamine Enforcement and Lab Cleanup ^{3/}		\$ (12.24)	\$ (12.24)

^{1/} Transfers-in reflect FY 2013 recoveries of prior year unobligated balances.

^{2/} Amounts reported for the Transfers-out consist of RES 2% set-aside and M&A assessments.

^{3/} 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 2013 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.

**OFFICES OF THE
UNITED STATES ATTORNEYS**

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Washington, D.C. 20530

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

Director
Executive Office for U.S. Attorneys
U.S. Department of Justice

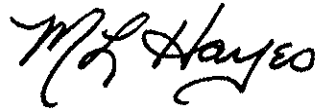
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Offices of the United States Attorneys (OUSA) for the fiscal year ended September 30, 2013. The OUSA'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 OUSA 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, 2013, 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 OUSA management, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

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

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U.S. Department of Justice

Executive Office for United States Attorneys

Resource Management and Planning Staff

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

(202) 252-5600
FAX (202) 252-5601

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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 2013.
4. The United States Attorneys did not have any ONDCP Fund Control Notices issued in FY 2013.

Handwritten signature of Paul W. Suddes in cursive.

Paul W. Suddes, Chief Financial
Officer

January 14, 2014

Date

**U.S. Department of Justice
 United States Attorneys
 Detailed Accounting Submission
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2013
 (Dollars in Millions)**

Drug Obligations by Budget Decision Unit and Function:	FY 2013
Decision Unit: Criminal	Actual Obligations
Prosecution	83.53
Total Criminal Decision Unit	83.53
Total Drug Control Obligations	83.53
High Intensity Drug Trafficking Area (HIDTA) Obligations	0.49

**U.S. Department of Justice
United States Attorneys
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

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 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 and then this percentage is 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 the prior year.

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 2013, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The DOJ's consolidated audit FY 2013 *Independent Auditors' Report on Internal Control over Financial Reporting* revealed no material weaknesses.

Disclosure 4: Reprogrammings or Transfers

There were no drug related reprogrammings or transfers in FY 2013.

**ORGANIZED CRIME DRUG ENFORCEMENT
TASK FORCES PROGRAM**

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Washington, D.C. 20530

Office of the Inspector General's Independent Report on 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

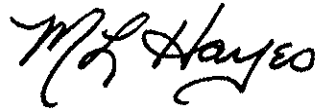
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2013. The OCDETF 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, 2013, 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 that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

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

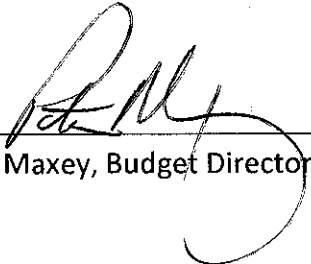
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**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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 2013.
5. OCDETF did not have any ONDCP Fund Control Notices issued in FY 2013.


Peter Maxey, Budget Director


Date

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, 2013

Dollars in Millions

	FY 2013 Actual Obligations ^{1/}
Drug Obligations by Decision Unit and Function	
Investigations:	
Drug Enforcement Administration (DEA)	\$186.87
Federal Bureau of Investigation (FBI)	128.63
U.S. Marshals Service (USMS)	8.04
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	11.03
OCDETF Fusion Center (OFC)	10.12
International Organized Crime (IOC-2)	0.64
TOTAL INVESTIGATIVE DECISION UNIT	\$345.33
Prosecutions:	
U.S. Attorneys (USAs)	\$137.64
Criminal Division (CRM)	2.00
EXO Threat Response Unit (TRU)	0.71
TOTAL PROSECUTORIAL DECISION UNIT	\$140.35
Total Drug Control Obligations	\$485.68

^{1/} Component allocations include the proportional distribution of the OCDETF Executive Office costs.

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces Program
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

Disclosure No 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. 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 the total of 100 percent of the OCDETF Program's Prosecution resources to the Prosecution Decision Unit.

Disclosure No 2: Methodology Modifications

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

Disclosure No 3: Material Weaknesses or Other Findings

The OCDETF Program is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2013, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The DOJ's consolidated FY 2013 *Independent Auditors' Report on Internal Control over Financial Reporting* revealed no material weaknesses.

Disclosure Number 4: Reprogrammings or Transfers

There were no reprogrammings or transfers in FY 2013.

UNITED STATES MARSHALS SERVICE

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Washington, D.C. 20530

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

Director
United States Marshals Service
U.S. Department of Justice

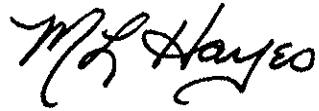
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement 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, 2013. 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, 2013, 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 that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 14, 2014

**United States Marshals Service
Detailed Accounting Submission**

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U.S. Department of Justice

United States Marshals Service

Financial Services Division

Alexandria, Virginia 22301-1025

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2013**

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 2013.
4. The USMS did not have any ONDCP Fund Control Notices issued in FY 2013.

 for

Holley O'Brien,
Chief Financial Officer

1-14-2014

Date

**U.S. Department of Justice
United States Marshals Service
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2013
(Dollars in Millions)**

Drug Obligations by Budget Decision Unit and Function:	FY 2013
	Actual Obligations
Decision Unit #1: Fugitive Apprehension	
International	\$ 1.27
Investigations	\$ 126.04
Total Fugitive Apprehension	\$ 127.31
Decision Unit #2: Judicial and Courthouse Security	
State and Local Assistance	\$ 69.27
Total Judicial and Courthouse Security	\$ 69.27
Decision Unit #3: Prisoner Security and Transportation	
State and Local Assistance	\$ 35.62
Total Prisoner Security and Transportation	\$ 35.62
Decision Unit #4: Detention Services	
Corrections	\$ 586.00
Total Detention Services	\$ 586.00
Total Drug Control Obligations: USMS	\$ 818.20

Note: In FY 2013, the USMS combines S&E and FPD appropriations for this submission. These appropriations were reported separately in prior years until the merger in FY 2013.

**U.S. Department of Justice
United States Marshals Service
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2013**

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 average daily population (ADP) for drug offenses to determine the drug prisoner population cost for the Detention Services decision unit.

For the Fugitive Apprehension decision unit, the USMS uses ratios based on the number of warrants cleared including felony offense classifications for federal, and state and local warrants such as narcotics possession, manufacture, and distribution. For the Judicial & Courthouse Security, and Prisoner Security & Transportation decision units, the USMS uses workload percentages based only on primary federal offenses in custody such as various narcotics possession, manufacture, and distribution. Primary offenses refer to the crime that the accused is charged with that usually carries the most severe sentence. For each of these decision units, the drug-related offenses in custody, or drug-related warrants cleared are divided by the total number of offenses in custody, or warrants cleared to calculate the drug-related percentages. The USMS derives these drug-related obligations starting with the USMS Salaries & Expense appropriation actual obligations at fiscal year-end as reported in the SF-133, Report on Budget Execution and Budgetary Resources. Drug workload ratios are then applied towards the decision unit obligations that impact drug-related work to derive the drug-related obligations.

For the Detention Services decision unit, the methodology to determine the cost associated with the drug prisoner population is to use the ADP for drug offenses multiplied by the per diem rate (cost per day to house) multiplied by the number of days in the year. 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 Federal Prisoner Detention (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 housing the drug prisoner population. The primary drivers of detention expenditures are the number of prisoners booked by the USMS, the length of time those prisoners are held in detention, and detention cost. A Detention Population Forecasting Model is used to take a statistical approach for predicting detention needs using factors such as population, demographic trends, number and type of criminal cases processed, average processing time per type of case, and authorized/requested positions of the federal law enforcement, U.S. Attorneys, U.S. District Court judges, and immigration judges. Projections for out-year costs are based on projected future bookings by offense and the time offenders are expected to be held in detention at the projected per diem rates.

Data – All accounting information for the USMS, to include S&E and FPD, 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 it 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. USMS converted its financial management system from the Standardized Tracking and Accounting Reporting System (STARS) to UFMS in FY 2013.

Disclosure 2: Methodology Modifications

The USMS drug budget methodology applied is consistent with the prior year and there were no modifications.

Disclosure 3: Material Weaknesses or Other Findings

Although no material weaknesses were noted in the USMS FY 2013 *Independent Auditors' Report on Internal Controls over Financial Reporting*, two significant deficiencies were reported. The first significant deficiency related to inadequate funds management controls. Specifically, the audit found instances where the USMS did not have adequate internal controls over its procurement process to consistently ensure that obligations, reported expenses, and accrued expenses were complete, accurate, and recorded in accordance with the government financial management requirements. The second significant deficiency is related to inadequate controls in financial reporting. Specifically, the audit found instances where existing controls relating to the review and preparation of the financial statements and related notes were not adequately designed at the appropriate level of precision to prevent a misstatement in the financial statements or notes. These findings, while not material weaknesses, have an undetermined impact on the presentation of drug-related obligations.

Disclosure 4: Reprogrammings or Transfers

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

DEPARTMENT OF LABOR





The Honorable R. Gil Kerlikowske
Director
Office of National Drug Control Policy
Executive Office of the President
750 17th Street, N.W.
Washington, DC 20503

Dear Director Kerlikowske:

This letter transmits the attestation of Fiscal Year (FY) 2013 performance results for the Employment and Training Administration's (ETA) Office of Job Corps (OJC) for President Obama's *National Drug Control Strategy*. Since ETA's obligations for drug-related activities fall below the reporting threshold of \$50 million an independent attestation would create an unreasonable burden; therefore, only a limited report is being provided to satisfy the statutory requirement.

The Job Corps program, which operates on a program year basis from July 1 to June 30, is the only program within ETA that is subject to Office of National Drug Control Policy (ONDCP) reporting. The FY 2014 total drug control request for the Employment and Training Administration's Job Corps drug prevention activities is estimated to be \$4.8 million, which is 20 percent below FY 2013 request level. In Program Year (PY) 2012, ETA reduced the enrollment level for the Job Corps program to bring it in line with appropriation levels, resulting in a proportional reduction of 20 percent in staff performing drug prevention activities.

The funding amount reported by the Office of Job Corps (\$4.8 million) is generally represented by two obligations:

- A drug testing contract with the Center for Disease Detection, a for-profit company that provides state-of-the art, low-cost diagnostics, for which ETA had confirmed actual obligations of \$696,795 during PY 2012. This figure represents the total cost of a complete battery of drug tests Job Corps program students undergo as a condition of their enrollment. Drug testing represents a small portion of the overall testing regimen, with the rest of the testing being devoted to other discoverable factors that may affect the student's health or their ability to complete the program.
- The total estimated salaries for Trainee Employee Assistance Program (TEAP) counselors at all of the Job Corps centers is estimated to be \$4,103,205. The methodology used by the Office of Job Corps to determine their costs is based not on direct obligations to the contactors, but on a rough estimate of the number of TEAP staff and their average salaries. Because this calculation is based on factors that vary widely from year to year (e.g., differing numbers of TEAP counselors, vacancies, variances in regional salaries, and the degree to which they have collateral duties), it is extremely difficult to project this figure with any degree of accuracy. Providing an exact figure

would require precise knowledge of the degree to which each TEAP counselor performs drug-related activities in relationship to their total salaries.

The general role of the TEAP counselors is prevention, education, identification of substance abuse problems, and helping students to overcome psycho-emotional barriers to employability. TEAP counselors provide an initial orientation to students when they arrive on the Job Corps Center; explain Job Corps' Zero Tolerance Policy for drugs, alcohol, and violence; conduct center-wide prevention activities that impact both students and staff during the Career Development Period and the Career Transition Period; provide alcohol and drug information; and manage the smoking cessation, anti-bullying, and suicide prevention programs. TEAP counselors design a prevention program that incorporates the emotional well-being and employability factors into most center-wide activities.

As directed by the *Drug Control Accounting* ONDCP Circular, ETA prepared the required Table of Prior year Drug Control Obligations (Table A) displaying funds obligated for National Drug Control Program activities exclusive to the Job Corps program. As a result of that review, the following determinations were made:

- Although obligations reported by the budget decision unit are a best estimate of the actual obligations from the agency's accounting system of record for these Budget Decision Units, it must be emphasized that these obligations are estimates due to the collateral nature of the drug prevention work being performed by TEAP counselors;
- The drug methodology used to calculate obligations is reasonable and accurately applied;
- The reported obligations were made pursuant to a financial plan and did not include changes that required ONDCP's approval such as reprogrammings or transfers affecting drug-related resources in excess of \$1 million; and
- There were no ONDCP issued funds control notices.

Also, ETA's Office of Financial Administration reviewed the Office of Job Corps' performance data (Table B) used to support Job Corps' Accounting of FY 2012 Performance Summary Report for ONDCP. As a result of that review, the following determinations were made:

- The performance reporting system is appropriate and applied;
- The methodology to establish performance targets is reasonable and applied; and
- Adequate performance measures exist for all significant drug control activity.

Your letter of June 13, 2013 also requested information on ETA's Reintegration of Ex-Offenders (RExO) program. Please note that funding authority for RExO prohibits grantees from paying for drug or mental health treatment. ETA does, however, require grantees to collaborate with providers of these services and refer their participants for services, if needed.

We hope that you find this information useful and it satisfies the drug control accounting requirement. If you have any questions or if my office can provide additional information, please contact Ron Sissel Jr, Acting ETA Comptroller at 202-693-3132, or Grace A. Kilbane, Administrator of the Office of Job Corps at 202-693-3000.

Sincerely,

Eric M. Seleznow
Acting Assistant Secretary

DEPARTMENT OF LABOR
Employment and Training Administration

Resource Summary

	Budget Authority (in Millions)		
	FY 2012 Enacted	FY 2013 Request	FY 2014 Request
Drug Resources by Function			
Prevention	\$6.600	\$6.000	\$5.30
Total Drug Resources by Function	\$6.600	\$6.600	\$5.30
Drug Resources by Decision Unit			
Job Corps			
Contractor Support	\$6.600	\$6.000	\$4.800
Total Drug Resources by Function	\$6.600	\$6.600	\$4.800
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$9.6	\$9	\$9
Drug Resources Percentage	.07%	.07%	.07%

MISSION

The Job Corps program is administered by the Department of Labor's Employment and Training Administration (ETA). Established in 1964, the Job Corps program is a comprehensive, primarily residential, academic and career technical training program for economically disadvantaged youth, ages 16-24. There are currently 125 Job Corps centers nationwide in 48 states, Puerto Rico, and the District of Columbia providing services to approximately 60,000 at-risk youth each year to help them acquire high school diplomas and occupational credentials leading to a career. A component of this program that also teaches life skills is the Trainee Employment Assistance Program (TEAP), which includes components for drug prevention and drug education activities as related to job preparation for Job Corps program participants.

METHODOLOGY

The Office of Job Corps' (OJC) expenditures for the TEAP program are for counselors to prepare Job Corps program participants for employment, including: education on the dangers of alcohol, drug and tobacco use; abuse and prevention awareness activities; development of programs to prevent alcohol, drug and tobacco use and abuse among the student population;

development and coordination of community resources to educate students on substance use and abuse; and identification of and provision of counseling services to students with substance abuse problems and arrangement of appropriate treatment. In addition, the budget includes 100 percent of the cost of drug testing each individual student, and each individual student is tested upon entry.

BUDGET SUMMARY

The FY 2014 total drug control request for the Employment and Training Administration's Job Corps drug prevention activities is \$4.8 million, which is 20 percent below FY 2013 request level. In 2013, ETA reduced the enrollment level for the Job Corps program to bring it in line with appropriation levels, resulting in a proportional reduction of 20 percent in TEAP staff performing drug prevention activities.

Trainee Employment Assistance Program

Total FY 2014 Request: \$4.8 million

Costs associated with Job Corps' TEAP include salaries of the counselors and the cost of administering drug testing. The approximate cost for this portion of the program is \$4.86 million per year for the TEAP counselors. In addition, the Job Corps program spends an additional \$500,000 on drug testing supplies and evaluations. In Fiscal Years 2013 and 2014, OJC will have reduced the number of students in the program, consistent with reductions in funding, and the number of counselors, tests and evaluations will be reduced accordingly. However, Job Corps will maintain the high quality of services provided under the TEAP.

PERFORMANCE

Introduction

The Job Corps program performance is outcome oriented, primarily focused on ETA's Government Performance and Results Act (GPRA) and other agency goals. These goals measure students' credential attainment and post-program placement in jobs, advanced training, or the military. They do not include specific measures related to drug education program success. The table below includes Job Corps performance measures, targets and achievements related to drug prevention, education, and employability for the most recent program year for which data are available.


DEPARTMENT OF STATE





MEMORANDUM

TO: OIG/AUD/FM – Gayle Voshell

FROM: INL – James A. Walsh, Executive Director 

SUBJECT: Representations Related to the *Independent Review of the Department of State Accounting of FY 2013 Drug Control Funds and Related Performance Report*

We are providing this memorandum in connection with the Office of Inspector General's review of the Accounting of FY 2013 Drug Control Funds and Related Performance Report prepared for the Office of National Drug Control Policy (ONDCP).

We confirm, to the best of our knowledge and belief, that the following representations made to you during the review are valid as of the date of your auditor's report and pertain to the period covered by the ONDCP report:

- The Bureau of International Narcotics and Law Enforcement Affairs (INL) is responsible for the assertions made in the ONDCP report.
- INL is not aware of any information that has not been provided to the auditors that might contradict the assertions.
- INL has made all records and other information relevant to the review available to the auditors.
- INL is not aware of any events subsequent to the period covered by the report that would have a material effect on the assertions.

**U.S. Department of State
Bureau of International Narcotics and Law Enforcement Affairs**

**Accounting and Authentication of FY 2013 Drug Control Funds and Related
Performance Report**

Reference: ONDCP Circular: Accounting of Drug Control Funding and Performance Summary (January 18, 2013)

SECTION 6 Reporting – Detailed Accounting Submission

The Department is providing a Detailed Accounting Submission on the drug control program obligations of the Bureau of International Narcotics and Law Enforcement Affairs (INL) in accordance with Section 6(a) of the ONDCP Circular, *Accounting of Drug Control Funding and Performance Summary*. The Detailed Accounting Submission consists of this report which includes (a) a table highlighting prior year drug control obligations data, and (b) a narrative section making assertions regarding the prior year obligations data.

Section 6(a). Table of Prior Year Drug Control Obligations

The following table presents the obligations of the drug control budgetary resources appropriated and available in FY 2013 by Drug Control Function and Budget Decision Unit.

Bureau of International Narcotics and Law Enforcement Affairs

Drug Control Obligations (\$ in Millions):

	<u>FY 2013 Actual</u>
Drug Resources by Drug Control Function	
International	462.257
Total	<u>462.257</u>
Drug Resources by Decision Unit	
International Narcotics Control and Law Enforcement (INCLE)	462.257
Total	<u>462.257</u>
Information	
Total INCLE Budget	<u><u>4,031.608</u></u>

Section 6(a)(1). Drug Methodology

The mission of the Bureau of International Narcotics and Law Enforcement Affairs (INL) is to minimize the impact of international crime and illegal drugs on the United States and its citizens through providing effective foreign assistance and through fostering global cooperation.

To help achieve this mission, INL targets drugs at the source and in transit. Bureau goals include reducing drug cultivation through enforcement, eradication, and alternative development programs; strengthening the capacity of law enforcement institutions to investigate and prosecute major drug trafficking organizations and to block and seize their assets; improving the capacity of the host government's law enforcement and security forces to attack narcotics production and trafficking centers; and fostering regional and global cooperation against drug trafficking. INL functions include foreign policy formulation and coordination, program management and diplomatic initiatives.

The Department's accounting system tracks the international anticrime obligations separately from those of drug control programs through a combination of the appropriation point limitation, the allotment, and project code. This arrangement separates all the drug control obligations being reported from other funds managed by INL. The accounting reports reflect negative amounts when obligations and their associated expenditures and deobligations occur in different time periods. Thus, all expenditures and deobligations that occurred in the current year (FY 2013) that are associated with original obligations that occurred in a prior year (e.g., FY 2012), would result in a negative obligation.

(a) Obligations by Budget Decision Unit –

All obligations presented in the INL table of drug control obligations are 100 percent drug-related.

(b) Obligations by Drug Control Function –

All obligations presented in the INL table of drug control obligations are 100 percent drug-related.

Section 6(a)(2). Methodology Modifications

No change. The process by which the levels of drug-related financial statistics identified for the bureau are calculated was not modified for this fiscal year.

Section 6(a)(3). Material Weaknesses or Other Findings

This year, the Department received an unmodified (“clean”) audit opinion on its FY 2013 and 2012 Financial Statements, and with no material weaknesses identified by the Independent Auditor. The Independent Auditor further stated that the consolidated financial statements present fairly, in all material respects, the financial position of the Department as of September 30, 2013 and 2012, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Significant deficiencies that were identified for the Department in FY 2011 and 2012 concerning budgetary accounting and validity and accuracy of unliquidated obligations, continue to be regarded as significant deficiencies. These remaining deficiencies pertain to expired excess funded obligations on contracts that are no longer active. They are not a part of any funded implementing mechanisms associated with the current year drug control program elements and activities.

Section 6(a)(4). Reprogrammings or Transfers

There were no reprogrammings or transfers that affected FY 2013 drug-related budgetary resources.

Section 6(a)(5). Other Disclosures

There are no other disclosures to report.

Section 6(b) Assertions**Section 6(b)(1). Obligations by Budget Decision Unit**

I assert that obligations reported by budget decision unit are the actual obligations from the bureau’s accounting system of record for these Budget Decision Units.

Section 6(b)(2). Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources is reasonable, that the data presented is complete, and that the

financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregated obligations from which the drug-related obligations are derived.

Section 6(b)(3). Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6(a), that the calculations are sufficiently documented to independently reproduce these data, and the calculation provides a means to ensure consistency of data between reporting years.

Section 6(b)(4). Reprogrammings or Transfers

I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP and that there were no reprogrammings or transfers affecting drug-related resources.

Section 6(b)(5). Fund Control Notices

I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP. ONDCP did not issue any Fund Control Notices to the Department in FY 2013.

For purposes of Section 6a reporting, I certify that all the information presented for the Bureau of International Narcotics and Law Enforcement Affairs (INL) is true and correct and concur with all assertions associated with INL.



James A. Walsh, Executive Director

Bureau of International Narcotics and Law Enforcement Affairs



MAR 27 2014

Office of Inspector General

**Independent Auditor's Attestation Review of
Annual Accounting of Drug Control Funds
and Performance Summary by the
U.S. Agency for International Development
for FY 2013**

The Office of Inspector General (OIG) reviewed the accompanying Accounting and Authentication of Drug Control Funds and Related Performance Report (the submission) of the U.S. Agency for International Development (USAID) for the fiscal year ended September 30, 2013. This submission is the responsibility of USAID. Management of USAID prepared the submission and management's assertions to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, Drug Control Accounting, dated January 18, 2013.

OIG's review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, as specified in section 8 of the ONDCP Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the submission. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that USAID's submission did not, in all material respects, reliably represent its FY 2013 obligation and performance targets and results for fiscal year ended September 30, 2013 and comply with ONDCP criteria.

This review is intended solely for the information and use of ONDCP in meeting its statutory obligation to provide an accounting of prior year drug control funds and performance. It should not be used by other parties for any other purpose.

Nathan Lokos
Assistant Inspector General for Audit



USAID
FROM THE AMERICAN PEOPLE

March 27, 2014

Jon E. Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
Washington, D.C. 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular, Drug Control Accounting, dated January 18, 2013, the United States Agency for International Development (USAID) is submitting its Accounting and Authentication of FY 2013 Drug Control Funds and Related Performance Report. The Inspector General's attestation report is enclosed.

For the purposes of Section 6 financial disclosures and assertions in the attached report, I certify that all the information presented for the USAID is true and correct and I concur with all assertions associated with USAID in Section 6. For the purposes of Section 7 program performance disclosures and assertions, I cannot certify to them, but they seem reasonable to me and I have no reason to object to the certifications given by others.

If you would like to address any questions associated with our submission, please call me on (202) 567-5205.

Sincerely,

Reginald W. Mitchell
Chief Financial Officer

Enclosures:

- 1) Accounting and Authentication of Drug Control Funds and Related Performance Report
- 2) USAID Inspector General Attestation Report

Agency for International Development

**Accounting and Authentication of Drug Control Funds and Related Performance
Report for 2013**

Reference: ONDCP Circular: Drug Control Accounting (January 18, 2013)

6. Detailed Accounting Submission

6. a. Table of Prior Year Drug Control Obligations

Table 1 2013	
Agency for International Development	
Drug Control Obligations:	\$ in Millions
	FY 2013
	Actual
Drug Resources by Drug Control Function	
International	26.8
Total	26.8
Drug Resources by Decision Unit	
Alternative Development and Alternative Livelihoods-Afghanistan	0.0
Alternative Development and Alternative Livelihoods-Andean Region	26.8
Total	26.8
Drug Resources by Function and Decision Unit	
International-Alternative Development and Alternative Livelihoods-Afghanistan	0.0
International-Alternative Development and Alternative Livelihoods-Andean Region	26.8
Total	26.8
Information	
Total Agency Budget*	11,964.2
Drug Related Percentage**	0.22%
* USAID 2013 Agency-wide Appropriations per 2013 Statement of Budgetary Resources	
** Total Drug Control Obligations divided by Total Agency Budget	

6. a. (1) Drug Methodology

All obligations provided in Table 1 were made from funds appropriated in FY 2013 and are classified in USAID's accounting system of record in program area 1.4.2 -

Alternative Development and Alternative Livelihood". USAID incurred these obligations during FY 2013.

At the request of ONDCP we also report herein that during FY 2013 USAID obligated \$1.1 Million in the Andean Region and \$46.3 Million in Afghanistan from funds appropriated prior to FY 2013. These amounts are not included in Table 1, above.

6. a. (1) (a) Obligations by Budget Decision Unit

Table 1 shows Obligations by Decision Unit. Table 1 shows Obligations by Decision Unit. All of the reported obligations supported programs in the decision units as defined for USAID in the Attachment B of the ONDCP Circular, *Budget Formulation*, January 18, 2013

6. a. (1) (b) Obligations by Drug Control Function

Table 1 shows Obligations by Drug Control Function. All of the reported obligations by Drug Control Function are calculated pursuant to a drug methodology.

6. a. (2) Methodology Modifications

The drug methodology for 2013 has not been modified from the previous year, 2012.

6. a. (3) Material Weaknesses or Other Findings

CFO does not know of any material weakness or other finding by independent sources or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance, which affects the presentation of prior year drug related obligations data.

6. a. (4) Reprogrammings or Transfers

USAID did not submit any reprogrammings or transfers to ONDCP in FY 2012.

6. a. (5) Other Disclosures

There is no other disclosure necessary to clarify any issues regarding the data reported under this circular.

6. b. Assertions

6. b. (1) Obligations by Budget Decision Unit

The Obligations reported by budget decision unit are the actual obligations from USAID's accounting system of record for the stated Budget Decision Units.

6. b. (2) Drug Methodology

The drug methodology used to calculate obligations of prior year budgetary resources by function and by budget decision unit is reasonable and accurate based on criterion (c) Financial Systems. The financial systems at USAID that support the drug methodology yield data that fairly presents, in all material respects, aggregate obligations from which the drug-related obligation amounts were derived.

6. b. (3) Application of Drug Methodology

The drug methodology disclosed in section 6 a. (1) Drug Methodology, above, was the actual methodology used to generate Table 1, above.

6. b. (4) Reprogrammings or Transfers

The data presented in Table 1, above, are associated with 2013 obligations against a financial plan. Also, as stated above in section 6. a. (4) **Reprogrammings or Transfers** USAID did not submit any reprogrammings or transfers to ONDCP in FY 2013.

The financial plan against which the obligations in Table 1, above, are associated is USAID's FY 2013 Operational Plan. USAID Drug Related activities in that plan are identified as part of Strategic Objective 1.4.2 (Alternative Development and Alternative Livelihoods). Funds in Program Area 1.4.2 are posted in USAID's accounting system at the Activity level using Program Element A016 (Alternative Development and Alternative Livelihoods).

6. b. (5) Fund Control Notices

Not applicable. ONDCP did not issue any Fund Control Notices to USAID in FY 2013.

7. Performance Summary Report

Decision Unit: The Andean Region

**ANDEAN PERFORMANCE SECTION OF THE FY 2013
ACCOUNTING REPORT**

Measure I: Hectares devoted to licit agricultural, forestry plantation and/or natural forest management activities that are developed or expanded in areas receiving USAID assistance (Measured cumulatively).

DEPARTMENT OF TRANSPORTATION



Office of Inspector General

INSPECTOR GENERAL REVIEW OF FISCAL YEAR 2013 DRUG CONTROL FUNDS AND PERFORMANCE SUMMARY REPORTING

Federal Aviation Administration

Report Number: FI-2014-028

Date Issued: January 31, 2014





**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, DC 20590

January 31, 2014

Ms. Michele Marx
Acting Associate Director, Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, DC 20503

Dear Ms. Marx:

This report presents the results of our independent review of the U.S. Department of Transportation, Federal Aviation Administration's (FAA) fiscal year 2013 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). Both reports were received on January 29, 2014. The reports and our review are required by 21 U.S.C. §1704 (d) and ONDCP's Circular, Accounting of Drug Control Funding and Performance Summary (Circular) of January 2013.

The Circular states that when drug-related obligations total less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit alternative reports. Because FAA's fiscal year 2013 drug-related obligations totaled less than \$50 million, FAA submitted an alternative report. In our attestation review, we reviewed FAA's report and related management assertions to determine the reliability of those assertions in compliance with the Circular, in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. However, a review is substantially more limited in scope than an examination, which expresses an opinion on the accuracy of FAA's Drug Control Obligation Summary and Performance Summary reports. Because we conducted an attestation review, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on FAA's fiscal year 2013 Drug Control Obligation Summary (Enclosure 1) according to the criteria in the Circular. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we tested selected accounting internal controls to

ensure drug control funds were properly identified in the accounting system. We traced \$17.1 million of FAA's reported \$27.1 million in drug control obligations to the Department of Transportation's accounting system.

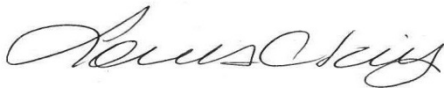
Performance Reporting Summary and Assertions

FAA's fiscal year 2013 performance targets were to: (1) initiate regulatory investigations on 95 percent of all pilots involved in the sale or distribution of illegal drugs within 30 days of knowledge, notification by law enforcement, or a conviction; (2) ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding 1 percent positives for drugs and 0.5 percent positives for alcohol; and, (3) conduct 1,647 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met all three performance targets.

We performed review procedures on FAA's fiscal year 2013 Performance Summary Report (Enclosure 2), and management's assertions. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the criteria in the Circular. Specifically, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed.

During our review, no information came to our attention that the accompanying FAA fiscal year 2013 Drug Control Obligation Summary and Performance Summary reports were not presented in conformity with the ONDCP Circular.

Sincerely,



Louis C. King
Assistant Inspector General for Financial and
Information Technology Audits

Enclosure(s)

cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100



U.S. Department
of Transportation
**Federal Aviation
Administration**

Assistant Administrator for Financial Services and
Chief Financial Officer

800 Independence Ave, SW
Washington, DC 20591

Ms. Michele Marx
Acting Associate Director
Office of the National Drug Control Policy
Washington, DC 20503

Dear Ms. Marx:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issues January 18, 2013, the Federal Aviation Administration's (FAA) Fiscal Year 2013 Drug Control Obligation Summary is enclosed. FAA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

FAA's point of contact for this report is Lilly Emmet. She can be reached at (202) 267-3765, if further assistance is required.

Sincerely,

Mark House
Chief Financial Officer

Enclosure

Obligations Summary
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
(\$ in thousands)

RESOURCE SUMMARY

		<u>FY 2013 Obligations</u>
Drug Resources by Budget Decision Unit and Function:		
Decision Unit: Air Traffic Organization		
Total, Air Traffic Organization	\$	9,999.00
Decision Unit: Aviation Safety/Aerospace Medicine		
Prevention	\$	14,553.07
Total, Aviation Safety/Aerospace Medicine	\$	14,553.07
Decision Unit: Security and Hazardous Material Safety		
Intelligence Interdiction & State/Local Assistance	\$	2,537.97
Total, Security and Hazardous Material Safety	\$	2,537.97
Total Funding	\$	27,090.04
 Drug Resources Personnel Summary		
Total FTEs (direct only)		163
Air Traffic Organization		59
Aviation Safety/Aerospace Medicine		84
<i>Investigations: Industry Drug Abatement</i>	[5]
<i>Prevention: Industry Drug Abatement</i>	[63]
<i>Prevention: Internal Substance Abuse Program</i>	[16]
Security & Hazardous Materials Safety		20

Office of Inspector General

INSPECTOR GENERAL REVIEW OF FISCAL YEAR 2013 DRUG CONTROL FUNDS AND PERFORMANCE SUMMARY REPORTING

National Highway Traffic Safety Administration

Report Number: FI-2014-029

Date Issued: January 31, 2014





**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, DC 20590

January 31, 2014

Ms. Michele Marx
Acting Associate Director, Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, DC 20503

Dear Ms. Marx:

This report presents the results of our independent review of the U.S. Department of Transportation, National Highway Traffic Safety Administration's (NHTSA) fiscal year 2013 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). Both reports were received on January 29, 2014. The reports and our review are required by 21 U.S.C. §1704 (d) and ONDCP's Circular, Accounting of Drug Control Funding and Performance Summary (Circular) of January 2013.

The Circular states that when drug-related obligations total less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit an alternative report. Because NHTSA's fiscal year 2013 drug-related obligations totaled less than \$50 million, NHTSA submitted an alternative report. In our attestation review, we reviewed NHTSA's reports and related management assertions to determine the reliability of those assertions in compliance with the Circular, in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. However, a review is substantially more limited in scope than an examination, which expresses an opinion on the accuracy of NHTSA's Drug Control Obligation Summary and Performance Summary reports. Because we conducted an attestation review, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on NHTSA's fiscal year 2013 Drug Control Obligation Summary (Enclosure 1) according to the criteria in the Circular. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we tested selected accounting internal controls to

ensure drug control funds were properly identified in the accounting system. We traced all of NHTSA's reported \$4.7 million in drug control obligations to the Department of Transportation's accounting system and verified that they were supported by contracts.

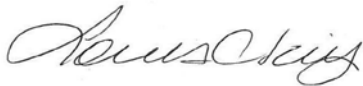
Performance Reporting Summary and Assertions

NHTSA's fiscal year 2013 performance target was to complete data collection, analysis, and prepare a final report on a case control study of the crash risk of drug-impaired driving. NHTSA indicated that it completed the data analysis and drafted the final report on the case study; however, the final report has not been released.

We performed review procedures on NHTSA's fiscal year 2013 Performance Summary Report, and management's assertions (Enclosure 2). We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the criteria in the Circular. Specifically, we reviewed NHTSA's internal controls for performance measures to gain an understanding of how the measures were developed.

During our review, no information came to our attention that the accompanying NHTSA fiscal year 2013 Drug Control Obligation Summary and Performance Summary reports were not presented in conformity with the ONDCP Circular.

Sincerely,



Louis C. King
Assistant Inspector General for Financial and
Information Technology Audits

Enclosure(s)

cc: DOT Audit Liaison, M-1
NHTSA Audit Liaison, NPO-310



U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

Mr. Jon E. Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
Washington, DC 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the National Highway Traffic Safety Administration's (NHTSA) Fiscal Year (FY) 2013 Drug Control Obligation Summary is enclosed. NHTSA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

Please note FY 2013-2015 funding is based on the Moving Ahead for Progress in the 21st Century (MAP-21) authorization. While MAP-21 does not provide direct authorization for drug impaired driving research as in the previous authorization, the Highway Research program anticipates spending additional funding for drug impaired driving research out of its core budget to conduct research and evaluation.

NHTSA's point of contact for this report is Melanie O'Donnell. She can be reached at (202) 366-0689, if further assistance is required.

Sincerely yours,

A handwritten signature in black ink that reads "Mary G. Sprague". The signature is fluid and cursive.

Mary G. Sprague
Acting Chief Financial Officer
Office of Policy and Operations

Enclosure

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Resource Summary

	Budget Authority (in Millions)		
	FY 2013 Enacted	FY 2014 President's Budget*	FY 2015 Request**
Drug Resources by Function			
Prevention	\$1.231	\$1.488	\$1.488
Research	\$3.442	\$0.750	\$0.750
Total Drug Resources by Function	\$4.673	\$2.238	\$2.238
Drug Resources by Decision Unit			
Drug Impaired Driving Prevention	\$1.231	\$1.488	\$1.488
Drug Impaired Driving Research	\$3.442	\$0.750	\$0.750
Total Drug Resources by Decision Unit	\$4.673	\$2.238	\$2.238
Drug Resources Personnel Summary			
Total FTEs (direct only)	2	2	2
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$0.81	\$0.83	\$0.85
Drug Resources Percentage	0.58%	0.27%	0.26%

*FY2013 spending is based on the Drug Impaired Driving (DID) line item (\$1.488M), in addition to discretionary funding from the Highway Research Program on drug impaired driving research. Of the DID line item, \$408.6K helped to incrementally fund the National Roadside Survey of Drug Use.

**FY 2014 is based on the Moving Ahead for Progress in the 21st Century (MAP-21) authorization, which takes effect once the appropriation bill is passed for FY 2014. MAP-21 does not reflect the \$1.2 M that had been authorized under section 2013(F) of SAFETEA-LU. The recent OMB Passback level funded this line item at the FY 2012 enacted level of \$1.488M. While there is no direct authorization for drug impaired driving research in MAP-21, the Highway Research program anticipates spending an additional \$750K for drug impaired driving research out of its core budget to conduct research and evaluation.

** FY 2015 is based on the budget submission forwarded to the Secretary of the Department of Transportation, which is currently under review for submission to the Office of Management and Budget (OMB), and is subject to change

DEPARTMENT OF THE TREASURY



TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2013
Annual Accounting of Drug Control Funds and
Related Performance*

January 29, 2014

Reference Number: 2014-10-015

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Phone Number / 202-622-6500

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Website / <http://www.treasury.gov/tigta>



HIGHLIGHTS

INDEPENDENT ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2013 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Highlights

Final Report issued on January 29, 2014

Highlights of Reference Number: 2014-10-015 to the Internal Revenue Service Chief Financial Officer and Chief, Criminal Investigation.

IMPACT ON TAXPAYERS

TIGTA reviewed the assertions in the IRS's Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission and Performance Summary Report for Fiscal Year 2013. IRS management is responsible for preparing the report.

The IRS supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. Complete and reliable financial and performance information is critical to the IRS's ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

WHY TIGTA DID THE AUDIT

This review was conducted as required by the ONDCP and the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year. Agencies also need to identify and document performance measure(s) that justify the results associated with these expenditures.

The Chief Financial Officer, or another accountable senior level executive, of each agency for which a Detailed Accounting Submission is required, shall provide a

Performance Summary Report to the Director of the ONDCP. Further, the ONDCP Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

WHAT TIGTA FOUND

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report are not fairly presented in all material respects in accordance with ONDCP-established criteria.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations as a result of the work performed during this review. However, key IRS officials reviewed this report prior to its issuance and agreed with the facts and conclusions presented.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 29, 2014

MEMORANDUM FOR CHIEF FINANCIAL OFFICER
CHIEF, CRIMINAL INVESTIGATION

A handwritten signature in black ink, appearing to read "Michael E. McKenney".

FROM: Michael E. McKenney
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Independent Attestation Review of the Internal Revenue Service’s Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance (Audit # 201310032)

This report presents the results of our attestation review of the Internal Revenue Service’s Fiscal Year 2013 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report (the Report). The overall objective of this review was to express a conclusion about the reliability of each assertion made in the Report. This review is included in our Fiscal Year 2014 Annual Audit Plan and addresses the major management challenge of Achieving Program Efficiencies and Cost Savings.

The Treasury Inspector General for Tax Administration made no recommendations as a result of the work performed during this review. However, key Internal Revenue Service officials reviewed this report prior to its issuance and agreed with the facts and conclusions presented.

Copies of this report are also being sent to the Internal Revenue Service managers affected by the report. If you have any questions, please contact me or Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations).



*Independent Attestation Review of the Internal Revenue
Service's Fiscal Year 2013 Annual Accounting of Drug Control
Funds and Related Performance*

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Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Abbreviations

FY	Fiscal Year
IRS	Internal Revenue Service
ONDCP	Office of National Drug Control Policy



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Background

The Anti-Drug Abuse Act of 1988¹ establishes as a policy goal the creation of a drug-free America. A key provision of the Act is the establishment of the Office of National Drug Control Policy (ONDCP) to set priorities, implement a national strategy, and certify Federal Government drug control budgets. The Internal Revenue Service (IRS) supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. The mission of Criminal Investigation in Federal law enforcement's anti-drug efforts is to reduce or eliminate the financial gains (profits) of major narcotics trafficking and money laundering organizations through the use of its unique financial investigative expertise and statutory jurisdiction.

National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended during the previous fiscal year.

This review was conducted as required by the ONDCP and the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The National Drug Control Program agencies² are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year.³ Agencies also need to identify and document performance measure(s) that justify the results associated with these expenditures. The Chief Financial Officer, or another accountable senior level executive, of each agency for which a Detailed Accounting Submission is required, shall provide a Performance Summary Report to the Director of the ONDCP. Further, the ONDCP Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

This review was performed at the IRS Headquarters offices of the Chief Financial Officer and Chief, Criminal Investigation, in Washington, D.C., during the period August 2013 through January 2014. Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. In general, our review procedures were limited to inquiries and analytical procedures appropriate for an attestation review based upon the criteria

¹ Pub. L. No. 100-690, 102 Stat. 4181 (1988).

² A National Drug Control Program agency is defined as any agency that is responsible for implementing any aspect of the National Drug Control Strategy.

³ A 12-consecutive-month period ending on the last day of any month. The Federal Government's fiscal year begins on October 1 and ends on September 30.



*Independent Attestation Review of the Internal Revenue
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in the ONDCP Circular. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Results of Review

Summary of the Independent Attestation Review of the Fiscal Year 2013 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report

We reviewed the assertions in the IRS's ONDCP Detailed Accounting Submission and Performance Summary Report (the Report) for Fiscal Year (FY) 2013, which ended September 30, 2013 (see Appendix IV). The Report was prepared pursuant to 21 U.S.C. 1704 (d) and the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. IRS management is responsible for preparing the Report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Report are not fairly presented in all material respects in accordance with ONDCP-established criteria.

While this report is an unrestricted public document, the information it contains is intended solely for the use of the IRS, the U.S. Department of the Treasury, the ONDCP, and Congress. It is not intended to be used by anyone other than the specified parties.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to perform an attestation review of the IRS's reporting of FY¹ 2013 ONDCP expenditures and related performance for the purpose of expressing a conclusion about the reliability of each assertion made in the Detailed Accounting Submission and Performance Summary Report. To accomplish our objective, we:

- I. Obtained an understanding of the process used to prepare the FY 2013 Detailed Accounting Submission and Performance Summary Report.
 - A. Discussed the process used to record ONDCP expenditures and performance information with responsible IRS personnel.
 - B. Obtained documents such as written procedures and supporting worksheets that evidence the methodology used.
- II. Evaluated the reasonableness of the drug methodology process for detailed accounting submissions.
 - A. Reviewed data supporting the Detailed Accounting Submission to establish the relationship to the amounts being reported.
 - B. Verified whether all drug-related activities are reflected in the drug methodology.
- III. Performed sufficient verifications of reported obligations for detailed accounting submissions to support our conclusion on the reliability of the assertions.
 - A. Verified that the Detailed Accounting Submission included all of the elements specified in Section 6 of the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*.
 - B. Verified the mathematical accuracy of the obligations presented in the Table of FY 2013 Drug Control Obligations.
 - C. Traced the information contained in the Table of FY 2013 Drug Control Obligations to the supporting documentation.

¹ A 12-consecutive-month period ending on the last day of any month. The Federal Government's fiscal year begins on October 1 and ends on September 30.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

- IV. Evaluated the reasonableness of the methodology used to report performance information for National Drug Control Program activities.
 - A. Reviewed data supporting the Performance Summary Report to establish the relationship to the National Drug Control Program activities.
 - B. Verified whether all drug-related activities are reflected in the performance information.
- V. Performed sufficient verifications of reported performance information to support our conclusion on the reliability of the assertions.
 - A. Verified that the Performance Summary Report included all of the elements specified in Section 7 of the ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*.
 - B. Verified the mathematical accuracy of the performance information presented.
 - C. Traced the performance information presented to the supporting documentation.
 - D. Reviewed the supporting documentation for reasonableness.



*Independent Attestation Review of the Internal Revenue
Service's Fiscal Year 2013 Annual Accounting of Drug Control
Funds and Related Performance*

Appendix II

Major Contributors to This Report

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Alicia P. Mrozowski, Director

Anthony J. Choma, Audit Manager

Angela Garner, Lead Auditor

Joseph P. Smith, Senior Auditor

Rashme Sawhney, Auditor



*Independent Attestation Review of the Internal Revenue
Service's Fiscal Year 2013 Annual Accounting of Drug Control
Funds and Related Performance*

Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Operations Support OS
Deputy Commissioner for Services and Enforcement SE
Deputy Chief Financial Officer OS:CFO
Deputy Chief, Criminal Investigation SE:CI
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Internal Control OS:CFO:CPIC:IC
Audit Liaisons:
 Chief Financial Officer OS:CFO
 Chief, Criminal Investigation SE:CI



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Appendix IV

Internal Revenue Service's Fiscal Year 2013 Detailed Accounting Submission and Performance Summary Report

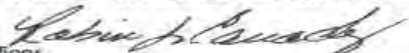


CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

January 22, 2014

MEMORANDUM FOR MICHAEL E. MCKENNEY
ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Robin L. Canady 
Chief Financial Officer

SUBJECT: Annual Accounting and Authentication of Fiscal Year (FY) 2013
Drug Control Funds, Related Performance, and Assertion of
Performance Information

The purpose of this memorandum is to transmit a revised IRS FY 2013 Annual Accounting and Authentication of Drug Control Funds and Related Performance Report, originally submitted on December 4, 2013.

The Treasury Inspector General for Tax Administration (TIGTA) is required to perform an attestation review before the IRS submits this document to the Office of National Drug Control Policy (ONDCP). After IRS receives TIGTA's conclusion as to the reliability of each assertion, I will forward the document to the ONDCP.

If you have any questions, please contact me at (202) 317-6400, or have a member of your staff contact Adina Leach, Acting Associate Chief Financial Officer for Corporate Budget, at (202) 317-4307.

Attachments (2)



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Attachment 1
November, 2013

INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related Performance

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2013 Drug Control Obligations

Drug Resources by Function	(\$000)
Investigations	\$58,999
Total	\$58,999
Drug Resources by Decision Unit	
Narcotics Crimes	\$58,999
Total	\$58,999

1) Drug Methodology

- a) All Drug Control Obligations (the resources appropriated and available for these activities) are reported under one Drug Control Function and one Budget Decision Unit, as shown in the above chart.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics-related program. The Office of National Drug Control Policy (ONDCP) requires CI to report only on the Organized Crime and Drug Enforcement Task Force (OCDETF) portion of the Narcotics program. CI's overall Direct Investigative Time (DIT) applied to narcotics cases for FY 2013 was 11.8 percent of total DIT. The OCDETF sub-component of this program was 10.8 percent of total DIT or 91.5 percent of the total narcotics DIT.

The methodology for computing the resources appropriated and realized for the OCDETF program is the application of the DIT attributable to OCDETF cases and applying the DIT percentage to the total realized appropriated resources, reduced by reimbursable funds and Earned Income Tax Credit (EITC) resources, for the year for which the resources are being reported. The result is determined to be the amount of resources expended on OCDETF cases. This methodology has been approved by CI, the IRS Chief Financial Officer, and the Treasury Inspector General for Tax Administration (TIGTA) during the FY 2006 ONDCP attestation review.

Fiscal Year 2006 was the first year OCDETF funding became a permanent part of the CI's budget. In the past, OCDETF was a reimbursable program administered by the Department of Justice (DOJ).



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Attachment 1
November, 2013

2) Methodology Modifications

None

3) Material Weaknesses or Other Findings

None

4) Reprogramming or Transfers

None

5) Other Disclosures

None

B. Assertions

1) Obligations by Budget Decision Unit

Obligations reported by the Budget Decision Unit are a result of applying DIT data derived from the Criminal Investigation Management Information System (CIMIS) to the actual obligations from the CI realized Financial Plan, less reimbursements and EITC funds.

2) Drug Methodology

The methodology used to calculate obligations of prior-year budgetary resources is reasonable and accurate.

a) Data

Data is derived from CIMIS to determine the DIT applied to the OCDETF activities. Each special agent submits CIMIS time reports monthly detailing their activities relating to specific investigations. Each investigation is associated with a specific program and sub-program area. The percentage of DIT applied to each program area is calculated monthly with a final annual percentage determined after the close of the fiscal year. The annual percentage of DIT relating to OCDETF sub-program area items is applied to the total resources expended for FY 2013 in the CI budget (excluding reimbursables and EITC). These OCDETF percentages include High Intensity Drug Trafficking Area/OCDETF, OCDETF, and Terrorism/OCDETF program areas. These OCDETF DIT percentages are used to determine the total resources expended on the OCDETF program.



Independent Attestation Review of the Internal Revenue Service's Fiscal Year 2013 Annual Accounting of Drug Control Funds and Related Performance

Attachment 1
November, 2013

b) Other Estimation Methods

None

c) Financial Systems

The IRS Integrated Financial System (IFS) is the final authority for the IRS resource obligations and yields data which fairly presents drug related obligation estimates.

4) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the required table and meets all requirements described in Section 6 of the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary. Calculations made using this methodology are sufficiently documented to independently reproduce all data and ensure consistency between reporting years.

5) Reprogramming or Transfers

The data presented is associated with obligations against a financial plan and properly reflects any revisions occurring during the fiscal year.

6) Fund Control Notices

Criminal Investigation asserts the data presented is associated with obligations against a financial plan that fully complied with all fund control notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular: Budget Execution, as applicable.

C. Performance Summary Report

1) Performance Reporting

a) Performance Measures

The IRS reviewed performance measures used by other agencies that support the National Drug Control Strategy as well as budget-level performance measures that are already used to address the effectiveness of CI activities. As a result of the review, the IRS determined that, in addition to the number of subject criminal investigations completed, the most appropriate performance measures to evaluate its contribution to the National Drug Control Strategy were number of convictions and conviction rate. These are both budget-level performance measures already used by CI to evaluate its performance as a whole. Criminal investigations completed for the OCDEF

DEPARTMENT OF VETERANS AFFAIRS





VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS

Department of Veterans Affairs

*Independent Review of VA's
FY 2013 Detailed
Accounting Submission to
the Office of National Drug
Control Policy*

February 10, 2014
14-00258-66

To Report Suspected Wrongdoing in VA Programs and Operations:

Telephone: 1-800-488-8244

Email: vaoighotline@va.gov

(Hotline Information: <http://www.va.gov/oig/hotline>)

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Department of Veterans Affairs

Memorandum

Date: February 3, 2014

From: Assistant Inspector General for Audits and Evaluations (52)

Subj: Final Report: *Independent Review of VA's Fiscal Year 2013 Detailed Accounting Submission to the Office of National Drug Control Policy*

To: Chief Financial Officer, Veterans Health Administration (10A3)

1. The Office of Inspector General is required to review the Department of Veterans Affairs' (VA) Fiscal Year 2013 Detailed Accounting Submission (Submission) to the Director, Office of National Drug Control Policy (ONDCP), pursuant to ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary* (Circular), dated January 18, 2013, and as authorized by 21 U.S.C. §1703(d)(7).^{*} The Submission is the responsibility of VA's management and is included in this report as an Attachment.
2. We reviewed VA management's assertions, as required by the Circular, concerning its drug methodology, reprogrammings and transfers, and fund control notices. The assertions are found in the Submission on page 11 of this report.
3. We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the applicable 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 an examination is the expression of an opinion on the assertions in the Submission. Accordingly, we do not express such an opinion.
4. Our report, *Audit of VA's Consolidated Financial Statements for Fiscal Years 2013 and 2012* (Report No. 13-01316-22, dated November 27, 2013), identified one material weakness, information technology security controls, which is a repeat condition. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

^{*}To view the Circular, please visit http://www.whitehouse.gov/sites/default/files/docs/2013_circular-accounting_of_drug_control_funding_and_performance_summary.pdf.

5. Based upon our review, except for the effects, if any, of the material weakness discussed in paragraph four, nothing came to our attention that caused us to believe that management's assertions included in the accompanying Submission of this report are not fairly stated in all material respects based on the criteria set forth in the Circular.
6. We provided you our draft report for comment. You concurred with our report without further comments.


LINDA A. HALLIDAY

Attachment

Department of Veteran Affairs

Memorandum

Date: January 15, 2014

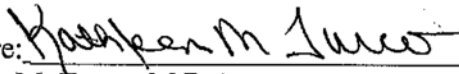
From: Chief Financial Officer, Veterans Health Administration
Associate Chief Financial Officer, Veterans Health Administration
Director of Budget Services, Veterans Health Administration


Subj: Management Representation Letter for the Independent Review of VA's Fiscal Year 2013 Detailed Accounting Submission to the Office of National Drug Control Policy (Project Number 2014-00258-R1-0030)

To: Assistant Inspector General for Audits and Evaluations (52)

1. We are providing this letter in connection with your attestation review of our Detailed Accounting Submission to the Director, Office of National Drug Control Policy (ONDCP).
2. We confirm, to the best of our knowledge and belief, that the following representations made to you during your attestation review are accurate and pertain to the fiscal year ending on September 30, 2013.
3. We confirm that we are responsible for and have made available to you the following:
4. The Table of Drug Control Obligations and related assertions;
 - a. b. All financial records and related data relevant to the Detailed Accounting Submission; and,
 - b. c. Communications from the Office of National Drug Control Policy and other oversight bodies concerning the Detailed Accounting Submission.
5. No reprogramming or transfer of funds from drug related resources, as identified in the Fiscal Year 2013 financial plan, occurred in Fiscal Year 2013.
6. We understand your review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination and accordingly, you will not express an opinion on the Table of Drug Control Obligations and related disclosures.

7. No events have occurred subsequent to September 30, 2013, that would have an effect on the Detailed Accounting Submission.

Signature: 
Kathleen M. Turco, M.B.A
Chief Financial Officer (10A3)
Veterans Health Administration

Signature: 
for Mark W. Yow
Associate VHA Chief Financial Officer
Resource Management Office (10A3B)

Signature: 
Calvin L. Seay, Jr.
Director of Budget Services
Resource Management Office (10A3B)

Attachment

cc: Veterans Health Administration Audit Liaison (10B5)

Attachment

**Statement of Disclosures and Assertions for FY 2013 Drug Control Expenditures
Submitted to Office of National Drug Control Policy (ONDCP) for FY Ending
September 30, 2013**

In accordance with ONDCP's Circular, Drug Control Accounting, dated January 18, 2013, the Veterans Health Administration asserts that the VHA system of accounting, use of obligations, and systems of internal controls provide reasonable assurance that:

Obligations are based upon the actual expenditures as reported by the Decision Support System (DSS).

The methodology used to calculate obligations of budgetary resources is reasonable and accurate in all material respects and as described herein was the actual methodology used to generate the costs.

Accounting changes are as shown in the disclosures that follow.

Attachment

DEPARTMENT OF VETERANS AFFAIRS
VETERANS HEALTH ADMINISTRATION
Annual Reporting of FY 2013 Drug Control Funds

DETAILED ACCOUNTING SUBMISSION

A. Table of FY 2013 Drug Control Obligations

Description	FY 2013 Final <i>(in Millions)</i>
Drug Resources by Budget Decision Unit:	
Medical Care	\$634.658
Medical & Prosthetic Research	\$24.233
Total	\$658.891
Drug Resources by Drug Control Function:	
Treatment	\$634.658
Research & Development	\$24.233
Total	\$658.891

1. Drug Control Methodology

The Table of FY 2013 Drug Control Obligations (above) and the Resource Summary (page 8) showing obligations and FTE (Full-Time Equivalent) for Substance Abuse treatment in VHA are based on specific patient encounters. This is for all inpatient and outpatient episodes of care whether provided by VHA staff or purchased in the community. The source data for VHA inpatient care is the Patient Treatment File (PTF). For Outpatient Care it is the National Patient Care Database Encounter file (SEFILE). For contract care it is either the PTF or the hospital payment file. For outpatient FEE Care it is the Provider Payment file.

All of these data sources have a diagnosis associated with the encounter. The primary diagnosis is considered the reason the patient is being treated and is used to determine whether the treatment provided is substance abuse treatment and which type of substance abuse. Below is a list of Diagnosis groups used.

Diagnosis Code	Description
292.xx	Drug Induced Mental Disorders
304.xx	Drug Dependence
305.xx	Nondependent Abuse of Drugs (excluding 305.0 – Alcohol Abuse and 305.1 – Tobacco Use Disorder)

Attachment

It should be noted that Prescriptions and Lab tests do not have linkages to a specific diagnosis and are not included in the report.

The cost of the VHA provided services is assigned through the Decision Support System (DSS) management cost accounting system and is based on the products consumed by producing departments. Every product is valued and assigned a cost. All the cost of all the products a patient uses are rolled up. A national data extract of patients at the encounter level is created and is the source of the cost. An additional extract at the encounter level also splits out the DSS intermediate product department, (NDE IPD). The cost of the contracted care comes from the Inpatient (Hospital) and Outpatient (FEE) payment systems. The DSS costs and payments are expenditures. These expenditure costs are modified to reflect full VHA obligations.

The FTE calculation is based on the DSS staff mapping to DSS Departments which are the production units. As we noted above, all the products are accumulated to an encounter. The DSS NDE IPD extracts show the cost of the encounter by department and the cost by three cost categories; Variable Direct, Fixed Direct and Fixed Indirect. All the costs, including the fixed costs, from all the departments are included in the cost calculation; however, there are no FTE numbers in the extract.

The Monthly Program Cost Report (MPCR) is a secondary DSS cost report which allows for the calculation of FTE at a detailed level. The DSS Department costs and FTE are aggregated to the service level, the clinic stop and the treating specialty. The portion of the DSS Department's costs and FTE can be assigned to these levels based on the DSS IPD extract. The FTE calculation assumes that a proportionate amount of each DSS Department's FTE is associated with each dollar assigned. The FTE calculation only uses the Direct Care Departments costs. The average Direct FTE/Cost is calculated for each Clinic stop and Treating specialty at each medical center/CBOC. The service specific FTE/dollars are multiplied by the cost of the service providing substance abuse care. The result is the FTE.

MEDICAL CARE

Year in Review

According to the 2012 *Drug and Alcohol Program Survey* (DAPS), at the start of FY 2013, 56 percent of VA facilities were able to offer 24-hour Substance Use Disorder (SUD) care on-site, 41 percent of facilities offered intensive outpatient services as their highest intensity of SUD care, and 82 facilities (59%) reported offering stand-alone intensive outpatient treatment that was not a component of a 24-hour care program. In FY 2012, 97 percent of facilities offered either 24-hour care or intensive outpatient programming on site. All VA facilities currently provide SUD services within a specialty setting, as well as in general mental health settings.

Attachment

VA provides two types of 24-hour-a-day care to patients having particularly severe substance use disorders. VA offers 24-hour care in residential rehabilitation treatment programs for substance use disorders. Additionally, 24-hour care is provided for detoxification in numerous inpatient medical and general mental health units throughout the VA system. Outpatient detoxification is available for patients who are medically stable and who have sufficient social support systems to monitor their status. Most Veterans with substance use disorders are treated in outpatient programs. Intensive substance use disorder outpatient programs provide at least three hours of service per day to each patient, and patients attend them three or more days per week. Standard outpatient programs typically treat patients for an hour or two per treatment day and patients attend one or two days a week.

VA continues to expand the availability of opioid agonist treatment for Veterans with opioid use disorders. In FY 2013, evidence-based medication assisted treatment for opioid dependence, including buprenorphine, was available at 155 locations that served at least 10 patients and an additional 125 CBOCs or other locations that had at least some active buprenorphine treatment. VA operates methadone maintenance programs at 28 facilities and 25 VHA facilities maintain contractual arrangements for providing these services through community-based licensed opioid agonist treatment programs.

VHA has also expanded access to other SUD treatment services with continued special purpose funding for 406 SUD staff assigned to work in large community based outpatient clinics, mental health residential rehabilitation programs, intensive SUD outpatient programs and post traumatic stress disorder (PTSD) teams. Active monitoring is ongoing for replacing any positions that become vacant.

Consistent with principles of recovery, VA is setting the standard for a new and emerging health care profession, known as "Peer Specialists." As of November 5, 2013, VHA had hired 815 Peer Specialists and Peer Apprentices, exceeding the hiring goal set in President Obama's August 31, 2012, Executive Order aimed at improving access to mental health services for Veterans, service members and military families. Through the development of position descriptions that clearly outline the job duties of both Peer Specialists and Peer Support Assistants, certification of training requirements for both positions and consistently-defined, job-specific competencies, Peer Specialists and Peer Support Assistants are poised to provide a unique set of services to Veterans seeking care for mental health and substance use disorders.

VA continues to pursue a comprehensive strategy to promote safe prescribing of opioids when indicated for effective pain management. Among other efforts, VA has completed initial implementation of a national initiative that provides facilities with training on use of real-time data on opioid prescribing practices at the patient and provider level.

Attachment

Consistent with the Clinical Practice Guideline on Management of Opioid Therapy for Chronic Pain that VA developed in collaboration with the Department of Defense, educational presentations for providers have addressed evidence on relative benefits and challenges of chronic opioid therapy, examples of strong models for changing practice behavior and lessons learned from sites regarding implementation strategies of the stepped care model of pain management.

The Homeless Programs continue to fund SUD specialists to support the Department of Housing and Urban Development – VA Supportive Housing (HUD-VASH) program. In addition, there are SUD Specialists working in Health Care for Homeless Veterans (HCHV) programs including 32 newly funded HCHV SUD Specialist positions added in FY 2012. These specialists emphasize early identification of SUD as a risk for maintaining permanent housing, promote engagement or re-engagement in SUD specialty care programs and serve as linkages between Homeless and SUD programs. As another effort to reduce homelessness and risk of homelessness, VHA has expanded outreach services to justice involved Veterans with funding for 172 full time Veterans Justice Outreach Specialists distributed across facilities based on need.

During FY 2013, VHA continued implementation of clinical symptom monitoring using the Brief Addiction Monitor (BAM) that transmits responses to the national data base with over 7,500 Veterans assessed at the beginning of a new episode of SUD specialty care during the 4th quarter of FY 2013. The BAM is designed to assist SUD specialty care clinicians in initial treatment planning and monitoring the progress of patients while they are receiving care for a substance use disorder, serving as a basis for giving feedback to them to enhance their motivation for change, and informing clinical decisions, such as the intensity of care required for the patient. In addition to items addressing risk and protective factors for recovery, the BAM assesses self-reported substance use in the prior 30 days including an item asking about days of any use of illicit or non-prescribed drugs as well as items on use of specific substances.

In FY 2013, VHA provided services to 129,361 patients with a primary drug use disorder diagnosis. Of these, 34 percent used cocaine, 30 percent used opioids and 27 percent used cannabis. Eighty percent had co-existing psychiatric diagnoses. (These categories are not mutually exclusive.)

The accompanying Department of Veterans Affairs Resource Summary (page 8) was prepared in accordance with the following Office of National Drug Control Policy (ONDCP) circulars (a) Accounting of Drug Control Funding and Performance Summary dated January 18, 2013, (b) Budget Formulation, dated January 18, 2013, and (c) Budget Execution, dated January 18, 2013. In accordance with the guidance provided in the Office of National Drug Control Policy's letter of September 7, 2004, VA's methodology only incorporates Specialized Treatment costs.

Attachment

Specialized Treatment	Obligations <i>(in Millions)</i>	FTE
Inpatient	\$158.676	706
Residential Rehabilitation and Treatment	\$210.426	1,133
Outpatient	\$265.556	1,089
Total	\$634.658	2,928

VA does not track obligations by ONDCP function. In the absence of such capability, obligations by specialized treatment costs have been furnished, as indicated.

MEDICAL & PROSTHETIC RESEARCH

The dollars expended in VHA research help to acquire new knowledge to improve the prevention, diagnosis and treatment of disease, and generate new knowledge to improve the effectiveness, efficiency, accessibility and quality of Veterans' health care.

Specialized Function	Obligations <i>(in Millions)</i>	Drug Control Related Percent	FTE
Research and Development	\$24.233	N/A	N/A

2. Methodology Modifications – In accordance with the guidance provided in the Office of National Drug Control Policy's letter of September 7, 2004, VA's methodology only incorporates Specialized Treatment costs and no longer takes into consideration Other Related Treatment costs. Drug control methodology detailed in A.1 was the actual methodology used to generate the Resource Summary.

3. Material Weaknesses or Other Findings – CliftonLarsonAllen LLP provided an unqualified opinion on VA's FY 2013 consolidated financial statements. They identified one material weakness. The material weakness is a repeat condition from the prior year audit identified as Information Technology Security Controls. As a result of significant improvements made, in FY 2013, in closing out VHA's undelivered orders (UDOs) in a timely manner, the auditors removed the UDO significant deficiency. As such, the Department did not have any significant deficiency in FY 2013. There were no material weaknesses or other findings by independent sources, or other known weaknesses, which may materially affect the presentation of prior year drug-related obligations data.

Attachment

4. Reprogrammings or Transfers – There were no reprogramming of funds or transfers that adjusted drug control-related funding because drug control expenditures are reported on the basis of patients served in various VA clinical settings for specialized substance abuse treatment programs.
5. Other Disclosures – This budget accounts for drug control-related costs for VHA Medical Care and Research. It does not include all drug-related costs for the agency. VA incurs costs related to accounting and security of narcotics and other controlled substances and costs of law enforcement related to illegal drug activity; however, these costs are assumed to be relatively small and would not have a material effect on the reported costs.

B. Assertions

1. Drug Methodology – VA asserts that the methodology used to estimate FY 2013 drug control obligations by function and budget decision unit is reasonable and accurate based on the criteria set forth in the ONDCP Circular dated January 18, 2013.
2. Application of Methodology – The methodology described in Section A.1 above was used to prepare the estimates contained in this report.
3. Reprogrammings or Transfers – No changes were made to VA's Financial Plan that required ONDCP approval per the ONDCP Circular dated January 18, 2013.
4. Fund Control Notices – The data presented are associated with obligations against a financial plan that was based upon a methodology in accordance with all Fund Control Notices issued by the Director under 21 U.S.C., § 1703 (f) and Section 9 of the ONDCP Circular, Budget Execution.

Attachment

Edward B. Bernard

Edward B. Bernard
Acting Associate Chief Financial Officer
Resource Management Office (10A3B)

12/30/2013

Date

Calvin L. Seay, Jr.

Calvin L. Seay, Jr.
Director of Budget Services
Resource Management Office (10A3B)

12/27/2013

Date

Attachment

Department of Veterans Affairs Resource Summary Obligations (in Millions)	
	2013 Final
Medical Care:	
Specialized Treatment	
Inpatient	\$158.676
Residential Rehabilitation and Treatment	\$210.426
Outpatient	\$265.556
Specialized Treatment	\$634.658
Medical & Prosthetics Research:	\$24.233
Research and Development	
Drug Control Resources by Function and Decision Unit, Total	\$658.891
Drug Control Resources Personnel Summary	
Total FTE	2,928
Total Enacted Appropriations	\$136,784.000
Drug Control Percentage	0.48%

Appendix A Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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Acknowledgments	Nick Dahl, Director Irene J. Barnett Jenna Lamy Joseph Vivolo
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Appendix B Report Distribution

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