



SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2015 – SEPTEMBER 30, 2015



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Message from the Inspector General

It is my pleasure to submit this Semiannual Report on the operations of the Office of the Inspector General (OIG), which covers the period from April 1, 2015, to September 30, 2015.

This Semiannual Report exhibits the breadth and quality of the OIG's work over the past 6 months. During this time, we completed reports pertaining to the Federal Bureau of Prisons (BOP), such as the reviews of the impact of an aging inmate population on the BOP, a BOP contract worth nearly \$500 million awarded to Reeves County, Texas, to operate a detention center, and a status review of the Department of Justice's (DOJ) International Prisoner Transfer Program. We also conducted reviews of DOJ's law enforcement and national security-related programs, including the Drug Enforcement Administration's confidential source policies and oversight of higher-risk confidential sources, the Federal Bureau of Investigation's (FBI) implementation of its Next Generation Cyber Initiative, the FBI's use of Section 215 orders, and the FBI's use of pen register and trap and trace devices under the *Foreign Intelligence Surveillance Act*. The OIG is also committed to identifying whether federal funds are being used by DOJ effectively and efficiently, and recommending improvements to DOJ programs. Over the past 6 months, the OIG has conducted dozens of audits and reviews to fulfill this mission, including our reviews of various grants by DOJ's three grant-making agencies, the debt collection program of the United States Attorneys' Offices, the processing of Public Safety Officers' Benefits Programs claims, and DOJ's conference planning and reporting requirements.

In addition, the OIG's Investigations Division closed 205 criminal or administrative misconduct cases, and its work resulted in 33 convictions or pleas and 123 terminations, administrative disciplinary actions, and resignations. Further, the quality of the investigations described in this report demonstrates the importance of effective, fair, and objective investigative oversight conducted by our Office.

Access by Inspectors General to information in agency files goes to the heart of our mission to provide independent and non-partisan oversight. Without complete and timely access to agency records, we would be unable to conduct the oversight work detailed throughout this report. During the past 6 months, the OIG continued to experience issues obtaining complete and timely access to Department records. Also during this time, DOJ's Office of Legal Counsel (OLC) issued an opinion, originally requested by the then-Deputy Attorney General in May 2014, concluding that Section 6(a) of the *Inspector General Act* does not entitle the OIG to obtain independent access to grand jury, wiretap, and credit information in DOJ's possession that is necessary for us to perform oversight of DOJ. Indeed, the OLC opinion concludes that such records can only be obtained by the OIG in certain—but not all—circumstances through disclosure exceptions in specific laws related to those records. As a result, the OLC opinion provides that, in all instances, DOJ employees will decide whether access by the OIG is warranted—placing agency staff in the position of deciding whether to grant, or deny, the Inspector General access to information necessary to conduct our oversight. On August 5, I testified before the Senate Committee on the Judiciary alongside the Acting Inspector General for the Department of Commerce and witnesses from DOJ and stressed the negative impact the OLC opinion may have on the Inspector General community's oversight efforts. Following the August hearing, several Members of Congress requested that the Council of Inspectors General on Integrity and Efficiency (Council of IGs or CIGIE) and DOJ propose legislative language to remedy the OLC opinion's challenge to an OIG's independent, timely, and complete access to agency documents. On August 28, the Council of IGs responded with proposed legislative language to address this issue, which is pending before Congress.

A further discussion on this issue can be found on page 12. I will continue to engage DOJ, Members of Congress, and the Inspector General community on these matters so that we can conduct our important work independently, and in a timely manner.

Since our previous report, George Dorsett and Carol Ochoa, long-serving leaders at the OIG, left our Office to pursue much-deserved opportunities. George Dorsett, formerly the Assistant Inspector General for Investigations, retired after 23 years in the OIG. Carol Ochoa, formerly the Assistant Inspector General for Oversight and Review, was confirmed by the Senate to serve as the Inspector General of the General Services Administration. Both of these exemplary civil servants made significant contributions to the OIG that enhanced our oversight capabilities. I truly appreciate their service and wish them well in their endeavors.

Once again, the OIG staff has illustrated its commitment to the OIG's mission for professional, objective, fair, and independent oversight of DOJ through the work described in this report. I sincerely appreciate the quality of the work and dedication to service routinely exhibited by OIG staff.



Michael E. Horowitz
Inspector General
October 30, 2015

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Highlights of OIG Activities



The following summaries highlight some of the OIG's audits, evaluations, inspections,

special reviews, and investigations, which are discussed further in this report. As the highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (DOJ) programs and operations.

Statistical Highlights

April 1, 2015 – September 30, 2015	
Allegations Received by the Investigations Division ¹	6,037
Investigations Opened	169
Investigations Closed	205
Arrests	60
Indictments/Informations	71
Convictions/Pleas	33
Administrative Actions	123
Monetary Recoveries ²	\$16,016,055.09
Audit Reports Issued	38
Questioned Costs	\$46,624,779
Funds for Better Use	\$3,161,840
Recommendations for Management Improvements	186
Single Audit Act Reports Issued	100
Questioned Costs	\$4,589,009
Recommendations for Management Improvements	224

¹ These figures represent allegations entered into the OIG's complaint tracking system. They do not include the approximate 37,000 additional Hotline e-mail and phone contacts that were processed and deemed non-jurisdictional and outside the purview of the federal government.

² Includes civil, criminal and non-judicial fines, restitutions, recoveries, assessments, penalties, and forfeitures.

Audits, Evaluations, Inspections, and Special Reviews Highlights

Examples of OIG audits, evaluations, inspections, and special reviews completed during this semiannual reporting period are:

- **Impact of an Aging Inmate Population.** The OIG issued a report on the impact of an aging inmate population on the Federal Bureau of Prisons (BOP). The OIG found that aging inmates cost more to incarcerate than inmates age 49 and younger and that this difference is driven by healthcare spending. BOP institutions do not have appropriate staffing levels to address the needs of aging inmates, and limited training is provided for this purpose. Further, the BOP cannot adequately house aging inmates at all institutions because of limitations in physical infrastructure and the BOP has not reviewed the accessibility of its institutions since 1996. Finally, many aging inmates could be viable candidates for early release, but the BOP's revised eligibility provisions for aging inmates to request compassionate release have not been effective. The OIG concluded that expanding the eligibility provisions, by lowering the age requirement from age 65 to age 50, and revising the time-served provisions for aging inmates without a medical condition could further assist the BOP in reducing overcrowding by increasing the pool of potential candidates for compassionate release. This could result in significant cost savings. The OIG made eight recommendations to improve the BOP's management of its aging inmate population. The BOP agreed with all of the recommendations.
- **Reeves County Detention Center Compliance with BOP Contract Award.** The OIG issued an audit of a BOP contract to house up to 2,407 low-

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security, non-U.S. citizen federal prison inmates in the Reeves County Detention Center compounds R1 and R2 (RCDC I/II). The contract, which in 2014 was DOJ's second largest, has an estimated value of \$493 million. Specifically, the OIG found that the BOP rated RCDC I/II "deficient" or "unsatisfactory" in 6 of 12 award fee evaluation periods between February 1, 2007, and December 31, 2014. The BOP's award fee rating reports reflected that RCDC I/II consistently struggled to meet or exceed baseline contractual standards; received an unacceptable number of deficiencies and notices of concern; was unresponsive to BOP inquiries; and struggled with staffing issues in health services and correctional services. Further, the audit found that Reeves County failed to comply with provisions of the *Service Contract Act of 1965*; as a result, the OIG questioned almost \$3 million as unallowable or unsupported, or funds that should be put to better use. Lastly, the OIG identified deficiencies with the RCDC I/II "modified monitoring unit," or "J-Unit," which houses inmates whose behavior creates institutional security problems. Specifically, RCDC I/II lacked guidance on what evidence is necessary to place an inmate into the J-Unit, procedures to ensure inmates can challenge their placement in the J-Unit, monitoring or oversight mechanisms to ensure the J-Unit is used as intended, and safeguards to ensure inmate rights are consistent, to the maximum extent possible in light of security concerns, with inmates in other general population housing. The OIG made 18 recommendations to the BOP to address the OIG's dollar-related findings and improve oversight of RCDC I/II operations. The BOP generally agreed with all of the recommendations.

- **Management and Security Controls at Metropolitan Detention Center in Brooklyn.** The OIG review sought to

determine whether the Metropolitan Detention Center in Brooklyn's (MDC Brooklyn) management controls, policies, and practices could have contributed to alleged disruptions to safety and security in 2011 and 2012 by inmate Ronell Wilson, who had been convicted of capital murder and during his incarceration had a sexual relationship with a correctional officer that resulted in the birth of their child. The OIG found that MDC Brooklyn's senior management assigned Wilson to the Special Programs Unit (SPU), which primarily houses vulnerable inmates with mental health issues, without implementing safeguards to prevent and detect his disruption of the safety and security of the unit. SPU procedures did not provide any instructions for staff on how to manage inmates like Wilson who have not been classified as needing the BOP's mental health services and who could potentially intimidate other SPU inmates. In addition, MDC Brooklyn's management did not provide any special instructions to its staff on how to manage Wilson differently while he was in the SPU. As a result, staff members told us that they generally did not manage Wilson differently than other inmates in the SPU. The OIG also found several examples in which policies at MDC Brooklyn were unclear and may not have been fully communicated to the staff. The report made five recommendations for the BOP to strengthen oversight of the SPU and communication at MDC Brooklyn. These include improving MDC Brooklyn's policies and procedures when managing inmates in the SPU who do not have a mental health condition, ensuring staff is notified of the process for handling sealed inmate complaints, ensuring that supervisors verify that staff is conducting searches of all housing unit cells within the time policy requires, and ensuring the staff receives relevant security information. The BOP agreed with all of the recommendations.

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- **Status Review on the Department's International Prisoner Transfer Program.**
The OIG issued a status report on DOJ's International Prisoner Transfer Program (treaty transfer program). This report followed a 2011 report in which the OIG found that DOJ's treaty transfer program was ineffective in several respects, and that by increasing the number of inmates transferred DOJ could enhance offender rehabilitation, reduce incarceration costs, and relieve overcrowding in federal prisons. The 2015 report found that from Fiscal Year (FY) 2011 through FY 2013, DOJ incurred costs of \$26 million to continue incarcerating 959 inmates whose transfer requests had already been approved by DOJ but remained in BOP custody because requests were still pending a decision by the home treaty nation, denied by the home treaty nation, or withdrawn because the home treaty nation did not make a decision with enough time left on the inmate's sentence to permit transfer. The OIG found that while some progress has been made in addressing the issues previously identified, and despite some factors largely outside DOJ's direct control, more can be done to improve the effectiveness of the treaty transfer program. The OIG made five recommendations to the BOP, Criminal Division, and Office of the Deputy Attorney General (ODAG) to further improve the management and effectiveness of the treaty transfer program, including that DOJ take additional steps to identify and address the reasons eligible inmates are not interested in and approved for transfer, and that it actively support a high-level working group with its treaty transfer partners, including the Department of State (DOS) and foreign national representatives, to develop and support a strategy to facilitate the transfer of more foreign national inmates from BOP custody. DOJ agreed with all of the recommendations.
- **FBI's Use of Section 215 Orders: Assessment of Progress in Implementing Recommendations and Examination of Use in 2007 through 2009.** The OIG released a public version of its most recent report examining the Federal Bureau of Investigation's (FBI) use of the investigative authority granted by Section 215 of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (Patriot Act) to obtain business records. The report reviews the FBI's use of Section 215 authority from 2007 through 2009, and also examines DOJ's and the FBI's progress in addressing the recommendations contained in the OIG's 2008 report on the FBI's use of Section 215. This is the OIG's third report since 2007 on the FBI's use of Section 215 authority. The OIG found that from 2007 through 2009 DOJ, on behalf of the FBI, submitted 51 Section 215 applications to the *Foreign Intelligence Surveillance Act* (FISA) Court, all of which were approved. Section 215 allows the FBI to seek an order from the FISA Court to obtain "any tangible thing," including books, records, and other items, from any business, organization, or entity, provided the item or items are for an authorized investigation to protect against international terrorism or clandestine intelligence activities. The report notes that the scope of business records sought under Section 215 greatly expanded in response to legislative changes, technological advances, and strategic choices, and that Section 215 orders have been used in investigations of groups comprised of unknown members and to obtain information in bulk concerning persons who are not the subjects of or associated with any FBI investigation. The OIG concluded that these developments require continued and significant oversight by appropriate entities, including the FISA Court and DOJ's National Security Division (NSD).

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In the OIG's 2008 report, the OIG recommended that DOJ implement minimization procedures for the handling of non-publicly available information concerning U.S. persons produced in response to Section 215 orders, as required in the *Patriot Reauthorization Act of 2005* (Reauthorization Act). The Reauthorization Act required that DOJ adopt minimization procedures to govern the retention and dissemination of material produced pursuant to a Section 215 order by September 2006. Although DOJ adopted "interim procedures" in September 2006, the OIG found in its 2008 report that these procedures did not meet the requirements of the Reauthorization Act and recommended that the FBI develop final standard minimization procedures for business records that did meet the statute's requirements. DOJ agreed to do so. Nevertheless, the OIG found that by mid-2009, DOJ had not replaced the interim procedures, and FISA Court judges began to issue Supplemental Orders in Section 215 matters requiring DOJ to report to the FISA Court on the implementation of the interim procedures. The Attorney General ultimately adopted final minimization procedures in March 2013. Given the significance of minimization procedures in the Reauthorization Act, the OIG does not believe that DOJ should have taken until 2013 to meet this statutory obligation. The OIG concluded that DOJ and the FBI have addressed the three recommendations from its 2008 report, but that with respect to one of the recommendations DOJ should have met its statutory obligation considerably earlier than it did.

- **Next Generation Cyber Initiative.** The OIG issued an audit of the FBI's implementation of its Next Generation Cyber Initiative. The OIG found that while the FBI has made considerable progress in achieving the goals established by

the initiative, several challenges have prevented the FBI from fully meeting its objectives. Specifically, the audit found that the FBI has strengthened the National Cyber Investigative Joint Task Force, an information sharing center among 19 U.S. agencies and international representatives. In addition, the FBI implemented new training to improve the awareness of all FBI employees, as well as the technical capabilities of those investigating cyber intrusion. The audit also found that the FBI faces challenges when competing with the private sector to hire and retain highly qualified cybersecurity personnel, including computer scientists, because private sector employers often have less onerous background investigations, as well as higher salaries. The OIG also found that the FBI had difficulty attracting external participants, particularly state and local law enforcement agencies, to its local Cyber Task Forces. The FBI continues to face challenges relating to information sharing with private sector entities, in part because of concerns in the private sector about privacy and the security of sensitive information it shares with the government. The OIG made eight recommendations to help the FBI achieve its goals for the Next Generation Cyber Initiative. The FBI agreed with all of the recommendations.

- **Confidential Source Program.** The OIG issued an audit examining aspects of the Drug Enforcement Administration's (DEA) Confidential Source Program and found that the DEA's policy for confidential sources differs in several significant respects from the Attorney General's Guidelines Regarding the Use of Confidential Informants (AG Guidelines). The use of high-level and privileged or media-affiliated sources can pose an increased risk to the public and can have unique legal implications for DOJ. For this reason, the AG Guidelines require special approval before these individuals may be

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used as a source. Yet, the OIG found that the DEA's Confidential Source Program has no similar requirement, resulting in insufficient oversight. In addition, the OIG reported that DEA policy and practices are not in line with the AG Guidelines' requirements for reviewing, approving, and revoking confidential sources' authorization to conduct Otherwise Illegal Activity (OIA). The effects of inadequate oversight of OIA by confidential sources could prove detrimental to DEA operations and liability, and could create unforeseen consequences. Further, contrary to its own policy, the DEA did not always review its continued use of long-term confidential sources and, when it did, the reviews were neither timely nor rigorous. In addition, in most instances the DEA continued to use these sources without obtaining the required DOJ concurrence. Further, the OIG found that the DEA's confidential source policy does not specifically address the recruitment, establishment, or use of sources who have been issued a DEA-provided controlled substance registration number. Finally, the OIG found that the DEA provided *Federal Employees' Compensation Act* (FECA) benefits to confidential sources without adequate processes in place for reviewing the claims and determining eligibility for these benefits. The OIG estimated that, in just the 1 year period from July 1, 2013, through June 30, 2014, the DEA paid 17 confidential sources or their dependents FECA benefits totaling approximately \$1.034 million. The OIG made seven recommendations to the DEA to improve the policies and management of its Confidential Source Program. The DEA agreed with all of the recommendations.

- **Puerto Rico Department of Justice.** The OIG issued an audit on the management of 29 DOJ grants totaling \$77.5 million to the Puerto Rico Department of Justice (PRDOJ). The purposes of these

grants were to support a broad range of activities to control and prevent crime based on local needs and conditions; provide services to victims of crime; enhance sex offender registration and notification programs; and provide loan repayment assistance for local, state, and federal public defenders and local and state prosecutors. The audit found that the PRDOJ's controls, policies, and procedures were inadequate in a number of ways to properly administer and fully account for grant funds. Consequently, the audit questioned more than \$5.1 million and identified an additional \$1.5 million in funds that DOJ should put to better use. Further, during the OIG's audit, the PRDOJ did not provide support for 46 transactions, valued at more than \$2 million, of the 147 transactions that were selected for testing. The OIG questioned those 46 transactions as unsupported costs. Based on the documentation available to the OIG, the OIG found that the PRDOJ drew down about \$2.6 million in excess funds that it did not use or return to the Office of Justice Programs (OJP). The OIG questioned these drawdowns as unsupported. The audit also found that the PRDOJ did not draw down an additional \$3.6 million of the grant funds it was awarded. All together, the unused funding resulted in a total of \$6.2 million in missed criminal justice funding opportunities. The OIG made 20 recommendations to address dollar-related findings and improve the management of DOJ grants. OJP agreed with all of the recommendations.

- **Public Safety Officers' Benefits Programs.** The OIG examined the timeliness of Public Safety Officers' Benefits Programs (PSOB) claims processing by OJP's Bureau of Justice Assistance (BJA). The PSOB provides death benefits to survivors of fallen law enforcement officers,

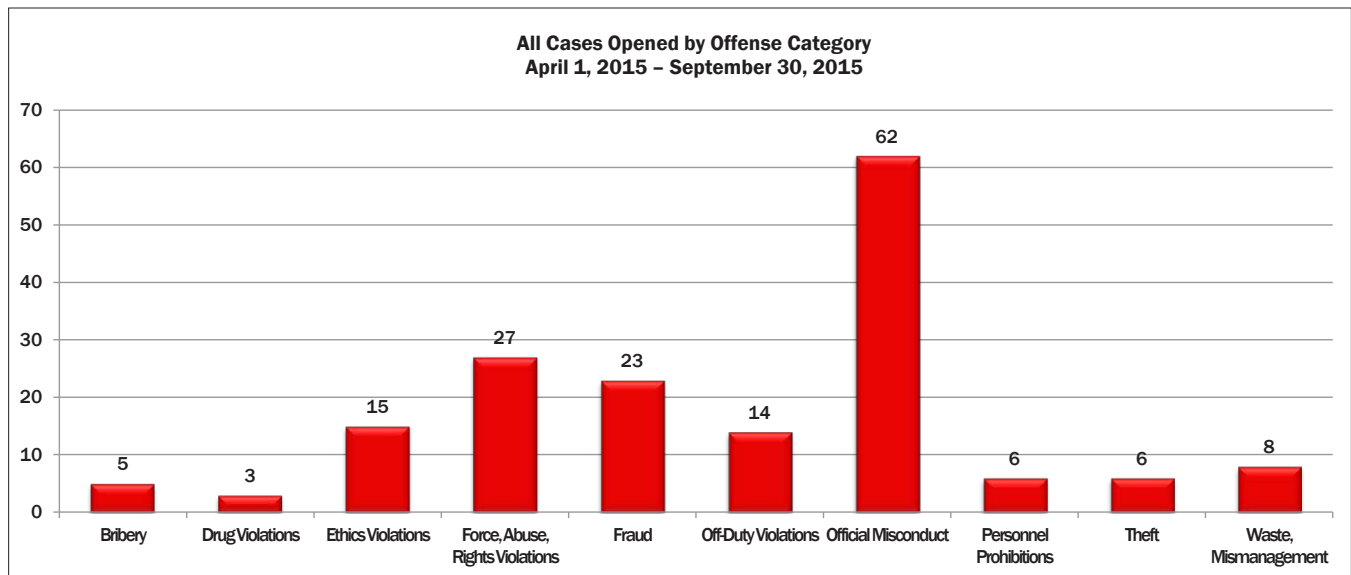
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firefighters, and other first responders, and disability benefits to officers catastrophically injured in the line of duty. The OIG audit found significant delays in OJP's claims processing. While PSOB's performance goal is to decide claims in less than a year, the OIG found that OJP required more than a year to process at least 25 percent of the 1,845 completed death and disability claims included in the review, and 79 of these claims took more than 2 years to decide, with 69 of the pending claims pending for more than 3 years. The audit identified three primary factors contributing to the most significant delays in processing claims: (1) claimants filing incomplete benefit claims applications, an issue the OIG attributed to the inadequate application guidance provided by the PSOB Office within BJA; (2) claimants and other agencies being unresponsive to PSOB Office requests for additional information regarding a claim; and (3) the PSOB Office often not adequately documenting the basis for its determinations, which delayed OJP's subsequent legal reviews of claims determinations. The audit also found that the PSOB Office inadequately reported annual data on its performance measures and that its database of claims-related information was inconsistent and did not include data fields for important claims processing milestones. The OIG made four recommendations to OJP to help the PSOB improve the timeliness of its claims processing and the usefulness of its performance reporting. OJP agreed with all of the recommendations.

- **Debt Collection Program of the U.S. Attorneys' Offices.** The OIG issued a report examining the efforts of the U.S. Attorneys' Offices (USAO) and the Executive Office for U.S. Attorneys (EOUSA) to collect debts owed to the United States and federal crime victims as a result of criminal and civil cases.

Collecting these debts is an important part of the USAOs' mission, and DOJ has indicated that it places a high priority on improving debt collection efforts and ensuring that crime victims receive full and timely restitution. However, the OIG's review found that in many cases, the USAOs have not devoted the resources or put in place the policies and procedures needed to make this a reality. Rather, many USAOs have failed to appropriately prioritize debt collection and this has resulted in insufficient staffing in the Financial Litigation Units (FLU), as well as ineffective collaboration between FLUs and other units in the USAOs. Moreover, EOUSA and the USAOs could not rely on DOJ's debt collection case tracking system to accurately assess FLU performance and determine how to allocate resources to increase collections. However, the OIG noted that some USAOs have adopted practices that prioritize debt collection work and enhance their ability to collect debts, which other USAOs can replicate to enhance their own ability to collect debts. The report makes five recommendations to EOUSA to improve the ability of the USAOs to fulfill their mission to collect debts. These include determining and establishing guidelines for how the USAOs should staff and structure their FLUs, reevaluating the priority code system the FLUs use to manage caseloads, considering measures to emphasize the importance of the FLUs to the USAOs' missions, developing uniform policies and procedures for how other units within the USAOs should communicate and coordinate with the FLU pre-judgment, and developing tools to enable the Consolidated Debt Collection System to be used to appropriately analyze the USAOs' debt collection program. EOUSA agreed with all of the recommendations.

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Source: Investigations Data Management System

- **Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona.**

The OIG issued an audit of four grants totaling \$70 million to the Navajo Division of Public Safety (NDPS). The grants were intended to fund the design and construction of tribal justice facilities for the incarceration and rehabilitation of adult offenders subject to tribal jurisdiction. The audit identified over \$35 million in questionable uses of grant funding, as well as concerns relating to compliance with grant requirements. Most of the questioned costs were related to the construction of correctional facilities in Tuba City and Kayenta, Arizona, which were built with capacities that were at least 250-percent larger than needed, and at an excess cost of more than \$32 million. The excessive size of the correctional facilities also resulted in increased costs for operations and maintenance staffing, which are significantly funded through the Department of the Interior's Bureau of Indian Affairs (BIA). While the Kayenta facility has been completed, it has not yet been opened due to construction issues. The Tuba City facility has opened, but it only has staff to support 2 of the 11

constructed housing units for a maximum incarceration capacity of 24, thereby leaving it 82-percent vacant. The OIG made nine recommendations to OJP to remedy over \$35 million in dollar-related findings and assist NDPS in improving its management of DOJ grants. OJP agreed with seven of the nine recommendations, but only partially agreed with the OIG's recommendation to remedy \$32 million associated with the Tuba City and Kayenta facilities, and disagreed with a recommendation to remedy \$290,116 in unnecessary planning grants.

Investigative Highlights

As shown in the statistics at the beginning of this section and in the chart above, the OIG investigates many allegations of misconduct involving DOJ employees, or contractors and grantees who receive DOJ funds. Examples of such investigations are:

- On April 30, 2015, a former Assistant Special Agent in Charge (ASAC) of the FBI Boston Division was arrested based on an indictment in the District of Massachusetts charging 12 counts of perjury and obstruction of justice in connection with

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his testimony during the 2013 murder and racketeering trial that resulted in the conviction of James “Whitey” Bulger. The former ASAC testified under oath at the Bulger trial on July 29 and July 30, 2013. The investigation is being conducted by the OIG’s Boston Area Office.

- On July 29, 2015, U.S. Congressman Chaka Fattah and four other individuals were indicted in the Eastern District of Pennsylvania related to their participation in a racketeering conspiracy which included the misuse of federal, charitable, and campaign funds. The criminal investigation, partially predicated by an audit conducted by the OIG’s Philadelphia Regional Audit Office, is being jointly conducted by the OIG’s Fraud Detection Office, FBI, Internal Revenue Service Criminal Investigations Division, and the OIGs for the Department of Commerce and the National Aeronautics and Space Administration.
- In the *Semiannual Report to Congress, October 1, 2014 – March, 31, 2015*, the OIG reported that an FBI Special Agent pled guilty to a criminal information filed in the U.S. District Court for the District of Columbia containing 38 counts of obstruction of justice, 13 counts of conversion of property, and 13 counts of possession of heroin. On July 9, 2015, the FBI Special Agent was sentenced to 36 months in prison followed by 2 years on supervised release and fined \$15,000. According to his guilty plea, the Special Agent tampered with and ingested heroin that had been seized as evidence in support of FBI and task force drug investigations, and then attempted to avoid detection by replacing the missing heroin with cutting agents, such as Creatine or Purelax, and by falsifying and altering evidence custody documents. The Special Agent was terminated from employment with the FBI on

March 13, 2015. The investigation was conducted by the OIG’s Washington Field Office with assistance from the FBI.

- On May 8, 2015, a BOP correctional officer was arrested in the Eastern District of California pursuant to a criminal complaint alleging that he was involved in child sex trafficking activities. The investigation is being conducted by the OIG’s San Francisco Area Office and the FBI.
- On June 17, 2015, two BOP correctional officers were arrested pursuant to a six-count indictment that was filed in the Middle District of Florida. One correctional officer was charged with one count of violating an inmate’s civil rights under color of law, two counts of falsification of records, and one count of providing a false statement. The second correctional officer was charged with one count of falsification of records and one count of providing a false statement. The joint investigation is being conducted by the OIG’s Miami Field Office and the FBI.
- On August 13, 2015, a former BOP correctional officer pled guilty to providing contraband in prison and was sentenced in the Southern District of Indiana to 52 months of incarceration followed by 12 months of supervised release. He was also ordered to perform 50 hours of community service and fined \$1,000. In addition, he agreed to pay \$8,000 in settlement of the government’s forfeiture action against his real property in Florida. According to the indictment and plea agreement in the case, the correctional officer distributed heroin to an inmate, and provided other prohibited objects, including a cellular telephone and tobacco. The correctional officer retired from the BOP on April 30, 2014. The investigation was conducted by the OIG’s Chicago Field Office and the FBI.

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- On July 22, 2015, a former executive director for a child advocate organization in Canadian County, Oklahoma, was indicted in the Western District of Oklahoma and charged with embezzling funds from a program largely funded by grants from OJP's Office for Victims of Crime (OVC). The investigation is being conducted by the OIG's Fraud Detection Office.
- In the *Semiannual Report to Congress, October 1, 2014 – March, 31, 2015*, the OIG reported that a DEA program manager was arrested based on a criminal complaint filed in the District of Maryland charging her with access device fraud, wire fraud, and aggravated identity theft. On June 29, 2015, the former DEA program manager was sentenced to 24 months of incarceration, to be followed by 3 years on supervised release, and ordered to pay \$113,841.59 in restitution pursuant to her guilty plea to one count of wire fraud. According to the guilty plea, the employee used her official position to procure and use 32 DEA credit cards issued by JP Morgan Chase in names other than her own. In addition, the employee admitted that, in at least one instance, she submitted the identifying information of an actual DEA employee. The employee admitted to using the 32 fraudulent credit cards to withdraw more than \$113,000 from ATMs in Maryland and Northern Virginia. The DEA program manager resigned her position. The investigation was conducted by the OIG's Washington Field Office.
- On August 28, 2015, a former Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) task force officer was indicted in the Southern District of Georgia and charged with theft of government funds related to submissions of overtime that he did not work. The task force officer has resigned from the ATF task force. The joint

investigation is being conducted by the OIG's Miami Field Office and the FBI.

- The OIG's Houston Area Office initiated an investigation of a current Assistant U.S. Attorney (AUSA) based on information that the AUSA mishandled sensitive but unclassified (SBU) information obtained through the AUSA's official position. The OIG concluded that the AUSA mishandled SBU information by transmitting it to a personal e-mail account. The OIG also found that the AUSA had engaged in additional misconduct, including: misusing government time, resources, equipment, and databases to conduct personal business; misusing the AUSA's position, title, and letterhead to provide a letter of recommendation for a relative; and engaging in pro bono legal work without the requisite authorization. The OIG completed its investigation and provided a report to EOUSA and to DOJ's Office of Professional Responsibility for review and appropriate action.

Ongoing Work

The OIG continues its important ongoing work, including the following audits, evaluations, inspections, and special reviews:

- ATF's oversight of certain of its storefront operations that continued or began after the inception of the Monitored Case Program, including an evaluation of the effectiveness of the Monitored Case Program as an oversight tool.
- The DEA's use of administrative subpoenas to obtain broad collections of data or information, including the existence and effectiveness of any policies and procedural safeguards established with respect to the collection, use, and retention of the data.

Highlights of OIG Activities

- The FBI's use of Section 215 authority under the FISA from 2012 through 2014, including the effectiveness of Section 215 as an investigative tool and the FBI's compliance with the minimization procedures DOJ approved and implemented in 2013.
- Post-incident responses by the DOS and the DEA to three drug interdiction missions in Honduras in 2012, all involving the use of deadly force; the DOS OIG is also participating in the review.
- DOJ's and ATF's implementation of recommendations in the OIG's September 2012 report, *A Review of Operation Fast and Furious and Related Matters*.
- Cyber threat mitigation strategy, which will examine the FBI's approach to address cyber threats. This approach is intended to address these threats through a structured and strategic approach, identifying the perpetrators, their tradecraft, intent, capabilities, and affiliation.
- DOJ's strategic planning and accountability measures for combatting violent crime, including coordination across DOJ prosecution, law enforcement, and grant making components; and strategic planning for providing assistance to communities that are confronting significant increases in homicides and gun violence.
- Domestic sharing of counterterrorism information, a joint agency Inspectors General review, which will identify and examine the federally supported field-based intelligence entities engaged in counterterrorism information-sharing; determine whether counterterrorism information is being adequately and appropriately shared with all participating agencies; and identify any gaps and/or duplication of effort among these entities.
- The FBI's use of information derived from the National Security Agency's (NSA) collection of telephony metadata obtained from certain telecommunications service providers under Section 215 of the Patriot Act.
- Follow-up audit of the federal Witness Security Program (Program), which will review DOJ's handling of known or suspected terrorists admitted to the Program, practices for watchlisting and processing encounters with this group of Program participants, and procedures for mitigating risks to the public through restrictions placed on this high-risk group of Program participants.
- Pre-trial diversion and drug court programs, which will evaluate the design and implementation of the programs, variances in the usage of the programs among the USAOs, and costs savings associated with successful program participants.
- The BOP's use of restrictive housing for inmates with mental illness, examining trends in the use of restrictive housing and the screening, treatment, and monitoring of inmates with mental illness who are housed in restrictive housing units.
- How the BOP monitors its private contract prisons, including whether contractor performance meets certain inmate safety and security requirements, and how contract prisons and similar BOP institutions compare in an analysis of certain inmate safety and security data.

Highlights of OIG Activities

- The DEA's handling of favorable personnel actions for the DEA personnel involved in misconduct incidents, following up on the OIG's *Review of the Handling of Sexual Harassment and Misconduct Allegations in the Law Enforcement Components*.¹
- Confidential informants, which will evaluate ATF's policies and practices for the identification, approval, and oversight of its confidential informants.
- Handling of drug seizures to determine if the DEA's controls over accountability of drug evidence are adequate to safeguard against theft, misuse, and loss.
- Improper or inappropriate hiring practices by officials at the United States Marshals Service (USMS), including allegations of nepotism, favoritism, and quid pro quo arrangements.
- Current and planned security procedures employed by the BOP to detect and prevent contraband from entering BOP-managed institutions, including staff, visitor, and inmate searches; contraband detection technologies; and physical security measures.
- Administration and enforcement of the *Foreign Agents Registration Act*, which will determine: (1) the trends in the numbers and types of registrations; (2) the timeliness and sufficiency of the information provided by registrants; (3) the monitoring and enforcement actions taken by DOJ to ensure appropriate registration; and (4) areas for administrative or legislative improvements.
- Denials from the National Instant Criminal Background Check System, which will evaluate processes related to the FBI's referral of denials to ATF, ATF's initial screening and referral of denials to its field offices for investigation, and the prosecution of crimes associated with denials.

The OIG's ongoing work is also available at oig.justice.gov/ongoing.

¹ The OIG completed this report in October 2015. The results of this review will be described in the OIG's next Semiannual Report, which will cover the period of October 1, 2015, through March 31, 2016.

Disagreement with a Significant Department Management Decision

A bedrock principle of the *Inspector General Act of 1978* (IG Act), as amended, is that Inspectors General must have access to “all” agency records and information necessary to conduct oversight. Since the OIG’s last Semiannual Report to Congress, the OIG has continued to experience issues obtaining complete and timely access to DOJ records.

Section 5(a)(12) of the IG Act, as amended, directs each Inspector General to include in each Semiannual Report to Congress “information concerning any significant management decision with which the Inspector General is in disagreement.”

In the OIG’s preceding Semiannual Report to Congress, the OIG described its disagreement with a significant management decision regarding the OIG’s timely and complete access to documents deemed relevant by the OIG during the course of its reviews.

Over the past 6 months, these challenges to OIG access to records have continued. In particular, in July, DOJ’s Office of Legal Counsel (OLC) issued its opinion, 14 months after it was requested by the then Deputy Attorney General (DAG), which found that Section 6(a) of the IG Act does not entitle the OIG to obtain independent access to grand jury, wiretap, and credit information in DOJ’s possession that is necessary for the OIG to perform oversight of DOJ. Indeed, the OLC opinion concludes that such records can only be obtained by the OIG in certain—but not all—circumstances through disclosure exceptions in specific laws related to those records. The OLC’s conclusions were formalized as DOJ policy in a July 27, 2015, memorandum from the DAG to DOJ components.

As a result of the OLC opinion and its subsequent integration into DOJ policy, the Inspector General community is concerned that agencies may object to the production to Inspectors General of other categories of records that are subject to non-disclosure provisions in

other statutes. The OLC opinion also provides that, in all instances, DOJ employees will decide whether access by the OIG is warranted—placing agency staff in the position of deciding whether to grant, or deny, the Inspector General access to information necessary to conduct its oversight. Requiring an Inspector General to obtain permission from agency staff in order to access agency information turns the principle of independent oversight that is contained within the IG Act on its head. Further, the OLC opinion creates potential ambiguity and uncertainty as to what information witnesses and agency personnel can provide to Inspectors General conducting oversight, possibly resulting in their becoming less forthcoming and fearful of being accused of improperly divulging information. Such a shift in mindset could deter whistleblowers from directly providing information to Inspectors General about waste, fraud, abuse, or mismanagement because of concern that the agency may later claim that the disclosure was improper and use that decision to retaliate against the whistleblower.

Following the release of the OLC opinion, the Inspector General testified before the Senate Committee on the Judiciary on August 5, 2015, alongside the Acting Inspector General for the Commerce Department and witnesses from DOJ and stressed that the OLC opinion represents a potentially serious challenge to the authority of every Inspector General and places its collective ability to have timely and independent access to agency records and information at risk. Indeed, DOJ witnesses at the hearing supported a legislative solution to this issue. On August 28, 2015, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) proposed legislative language to remedy the OLC opinion’s challenge to an OIG’s independent, timely, and complete access to agency documents. DOJ’s Inspector General will continue to work with Congress, the Inspector General community, and DOJ to ensure that Inspectors General obtain complete and timely access to agency records in order to conduct their important oversight work.

Disagreement with a Significant Department Management Decision

During this reporting period, the Inspector General testified before Congress on four occasions and discussed the OIG's access to information:

- "The Department of Justice Office of the Inspector General's Report on the Handling of Sexual Harassment and Misconduct Allegations by the Department's Law Enforcement Components" before the U.S. House of Representatives Committee on Oversight and Government Reform on April 14, 2015;
- "Analyzing Misconduct in Federal Law Enforcement" before the U.S. House of Representatives Committee on the Judiciary, Subcommittee on Crime, Terrorism, Homeland Security, and Investigations on April 15, 2015;
- Fiscal Year 2016 Funding Request and Budget Justification for the U.S. Department of Justice before the U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies on May 7, 2015; and
- "Inspector General Access to All Records Needed for Independent Oversight" before the U.S. Senate Committee on the Judiciary on August 5, 2015.

OIG Profile



The OIG is a statutorily created, independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct involving DOJ programs and personnel and promote economy and efficiency

in DOJ operations. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of DOJ employees in their numerous and diverse activities. The OIG also audits and inspects DOJ programs and assists management in promoting integrity, economy, efficiency, and effectiveness. The OIG has jurisdiction to review the programs and personnel of the FBI, ATF, BOP, DEA, USAO, USMS, and all other organizations within DOJ, as well as contractors of DOJ and organizations receiving grant money from DOJ.

The OIG consists of the Immediate Office of the Inspector General and the following divisions and office:

- **Audit Division** is responsible for independent audits of DOJ programs, computer systems, and financial statements. The Audit Division has regional offices in the Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C., areas. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C., along with Audit Headquarters. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.
- **Investigations Division** is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and

administrative procedures governing DOJ employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Investigations Division has smaller, area offices in Atlanta, Boston, Detroit, El Paso, Houston, New Jersey, San Francisco, and Tucson. The Fraud Detection Office and the Cyber Investigations Office are co-located with the Washington Field Office. This office includes personnel in (or operating out of) the Dallas and Los Angeles Field Offices. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations I, Operations II, Investigative Support, and Administrative Support.

- **Evaluation and Inspections Division** conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review DOJ programs and activities and makes recommendations for improvement.
- **Oversight and Review Division** blends the skills of attorneys, investigators, program analysts, and paralegals to conduct special reviews and investigations of sensitive allegations involving DOJ employees and operations.
- **Management and Planning Division** provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.

OIG Profile

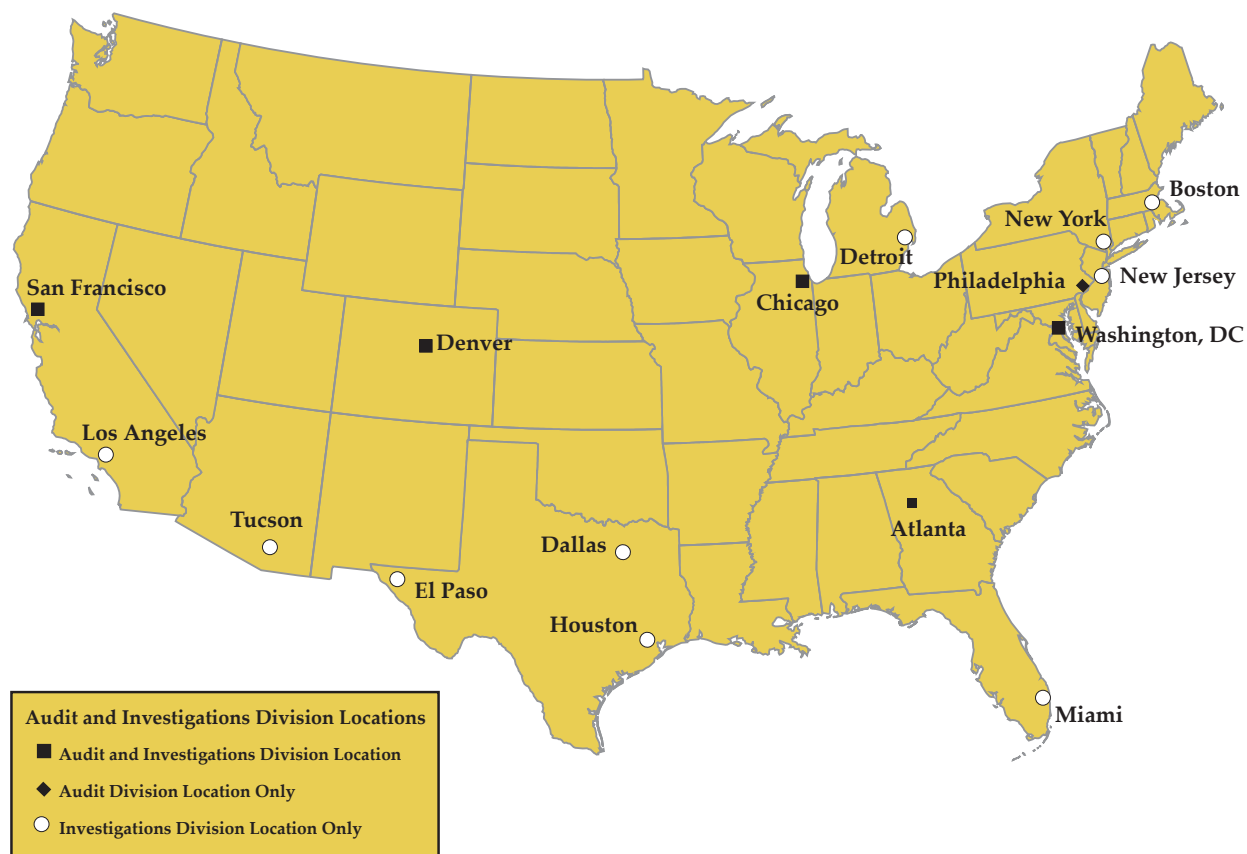
- **Office of General Counsel** provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, and legal matters; and responds to *Freedom of Information Act* requests.

As required by Section 5 of the IG Act, as amended, this Semiannual Report to Congress is reviewing the accomplishments of the OIG for the 6-month period of April 1, 2015, through September 30, 2015.

Additional information about the OIG and full-text versions of many of its reports is available at oig.justice.gov.

The map below shows the locations for the Audit and Investigations Divisions.

The OIG has a nationwide workforce of more than 440 special agents, auditors, inspectors, attorneys, and support staff. For FY 2015, the OIG direct appropriation was approximately \$88.6 million, and the OIG earned an additional \$4 million in reimbursements.



Multicomponent

While many of the OIG's activities are specific to a particular component of DOJ, other work covers more than one component and, in some instances, extends to DOJ contractors and grant recipients. The following describes OIG audits, evaluations, inspections, special reviews, and investigations that involve more than one DOJ component.



Reports Issued

Status Review on the Department's International Prisoner Transfer Program

The OIG issued a status report on DOJ's treaty transfer program. This report followed a 2011 report in which the OIG found that DOJ's treaty transfer program was ineffective in several respects, and that by increasing the number of inmates transferred DOJ could enhance offender rehabilitation, reduce its incarceration costs, and relieve overcrowding in federal prisons. The 2015 report found that while some progress has been made in addressing the issues previously identified, and despite some factors largely outside DOJ's direct control, more can be done to improve the effectiveness of the treaty transfer program.

Specifically, the OIG found that the number of foreign national inmates in federal prison continues to increase substantially. According to BOP data, the number of foreign national inmates in federal prison increased 31 percent from 32,912 in FY 2005 to 42,954 in FY 2013.

Following the 2011 report, the BOP took a number of steps that likely contributed to an increase in the number of inmates requesting transfer, including translating all documents related to the treaty transfer program and discussing the transfer program at each inmate's initial classification meeting and subsequent program review. Inmate requests to the

BOP for transfer increased 72 percent from 14,020 requests in FY 2010 to 24,122 requests in FY 2013.

However, the OIG found that the number of inmates approved for transfer increased only modestly. Despite the BOP and the Criminal Division taking important steps to improve the processes for making eligibility and suitability determinations, the number of inmates approved for transfer represents a tiny fraction of the estimated 24,122 inmates from treaty nations who requested transfer in FY 2013. Further, the OIG found that the number of inmates ultimately transferred each year decreased since the 2011 report.

Foreign national inmates contribute to the overcrowding of the federal prison system, particularly in contract prisons where in FY 2013 they represented 82 percent of the inmate population. The OIG found that from FY 2011 through FY 2013, DOJ incurred costs of \$26 million to continue incarcerating 959 inmates whose transfer requests had already been approved by DOJ but remained in BOP custody because requests were still pending a decision by the home treaty nation, denied by the home treaty nation, or withdrawn because the home treaty nation did not make a decision with enough time left on the inmate's sentence to permit transfer.

Multicomponent

The OIG's report recognizes that factors outside DOJ's direct control have contributed to fewer inmates ultimately being transferred. These factors include the need for DOJ to obtain consent to the transfer from the inmate and the treaty nation, as well as restrictions in specific treaties that can limit inmate eligibility for transfer. However, the OIG remains concerned that DOJ is not fully using the transfer authority Congress gave it to return foreign national inmates to their home countries. The OIG made five recommendations to the BOP, Criminal Division, and ODAG to further improve the management and effectiveness of the treaty transfer program, including that it take additional steps to identify and address the reasons eligible inmates are not interested in and approved for transfer, and that it actively support a high-level working group with its treaty transfer partners, including the DOS and foreign national representatives, to develop and support a strategy to facilitate the transfer of more foreign national inmates from BOP custody. DOJ agreed with all of the recommendations. The OIG released both a video message and a podcast to accompany this report, which are available [here](#).

DOJ's Use of Extended Temporary Duty Travel

The OIG issued an audit of DOJ's use of extended temporary duty travel (ETDY). DOJ employees are often required to travel in furtherance of their official duties. When an employee travels for longer than 30 calendar days to a single location that is more than 50 miles away from his or her permanent duty station, the employee is considered to be in ETDY status. To allow for the reduced costs associated with traveling for an extended period, employees in ETDY status can be restricted to a reduced amount of travel reimbursements.

The audit focused on the following DOJ components that made significant use of ETDY: the Criminal Division, EOUSA and USAO, FBI, and NSD. Based on the limited

data available, the OIG estimated that, from FY 2012 through the first quarter of FY 2014, employees of these four components entered ETDY status 4,788 times, and the components incurred ETDY-related expenses of more than \$54 million.

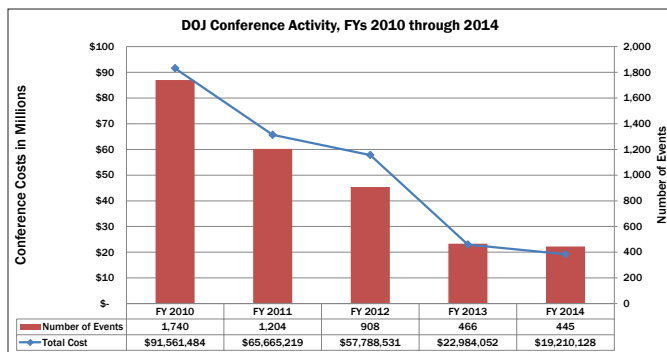
The audit noted that the current DOJ policy governing ETDY travel, from September 1998, needs to be updated. DOJ's policy does not require components to track ETDY activity and does not require travelers to disclose information that might lead to better management of funds, such as whether anyone in the traveler's household is also receiving benefits for relocation costs. The OIG also found that the components reviewed did not consistently interpret and implement the existing DOJ ETDY policy. In addition, DOJ does not have a consistent policy in place for tax exemptions involving travel-related reimbursements. DOJ needs additional internal controls to ensure cost-effective use of ETDY to meet mission needs. Due to inadequate internal controls, some employees who were on ETDY infrequently used their temporary duty accommodations, while other employees were authorized to travel repeatedly for multiple consecutive weeks without being placed on ETDY. Still other travelers spent prolonged periods of time on ETDY travel—the OIG identified instances of 2 to 12 years—indicating that components may be inappropriately relying on ETDY to respond to staffing issues in particular locations.

The OIG made 14 recommendations to help DOJ improve its oversight and use of ETDY. DOJ agreed with all of the recommendations.

Multicomponent

DOJ's Conference Planning and Reporting Requirements

The OIG issued an audit of DOJ's compliance with conference planning, approval, and reporting requirements, and its efforts to postpone or scale back spending on conferences during sequestration pursuant to a memorandum from the DAG in 2013. The OIG found that DOJ's overall conference spending fell from almost \$92 million for 1,740 events in FY 2010 to less than \$20 million for 445 events in FY 2014.



Source: JMD Conference Cost Reports

The audit focused on 160 events, costing a total of almost \$7 million, that components reported took place between June and September 2013. The audit further concentrated on the conference activity supported by four components—the FBI, DEA, OJP, and Office on Violence Against Women (OVW)—because these four components collectively funded 149 of the 160 events (93 percent) and accounted for 95 percent of DOJ's total conference spending.

The OIG identified multiple instances in which the costs of individual conferences exceeded the events' estimated costs, and in so doing exceeded various DOJ thresholds. In most of these cases, the hosting component either requested prior approval, or reported and justified to the Justice Management Division (JMD) the additional costs after the event. However, the OIG found that OJP did not provide post-event justifications for six events. The audit also identified several conferences for which components did not report their actual

costs after the event, usually because final costs were not yet available when DOJ issued its annual conference cost report.

The audit found that the FBI, DEA, and OJP took actions consistent with the DAG memorandum to postpone or scale back conferences during sequestration. However, the OVW reported that it held more events and spent more funds in FYs 2013 and 2014 than it did in FY 2012. OVW officials attributed this increase to additional legislative mandates and the inclusion of indirect costs in its reports to JMD starting in late FY 2012.

The OIG made five recommendations to the components to help improve compliance with conference planning, approval, and reporting requirements. The components agreed with all of the recommendations.

Federal Information Security Modernization Act Audits

The Federal Information Security Modernization Act (FISMA) requires the Inspector General for each agency to perform an annual independent evaluation of the agency's information security programs and practices. The evaluation includes testing the effectiveness of information security policies, procedures, and practices of a representative subset of agency systems. The Office of Management and Budget (OMB) is responsible for the submission of the annual FISMA report to Congress. The Department of Homeland Security (DHS) prepares the FISMA metrics and provides reporting instructions to agency Chief Information Officers, Inspectors General, and Senior Agency Officials for Privacy. The FY 2015 FISMA results are due to OMB by November 13, 2015.

For FY 2014, the OIG reviewed the security programs of five DOJ components: the FBI, JMD, ATF, BOP, and Federal Prisons Industries, Inc. (FPI). Within these components, the OIG selected for review one classified system within the FBI and the following five sensitive but

Multicomponent

unclassified systems: the FBI's Internet Crime Complaint Center Network, JMD's Justice Communication System, ATF's National Field Office Case Information System, BOP's Trust Fund Accounting and Commissary System, and FPI's Vehicle Management Information System. In these audits, the OIG identified deficiencies in continuous monitoring management, configuration management, identity and access management, risk management, plan of action and milestones, and contingency planning. The OIG audit provided 56 recommendations for improving implementation of DOJ's information security program and practices for its sensitive but unclassified, classified, and national security systems. The components agreed with all of the recommendations.

For FY 2015, the OIG reviewed the security programs of five DOJ components: the FBI, JMD, EOUSA, NSD, and USMS. Within these components, the OIG selected for review two classified systems within the FBI and the NSD and the following four sensitive but unclassified systems: the FBI's LabNet, JMD's Information Security Technology Application Suite, EOUSA's Enterprise Vulnerability Management System, and USMS' Detention Services Network. The OIG plans to issue reports evaluating each of these systems as well as reports on each component's information security program.

In addition, FISMA requires an annual evaluation of the information security programs and practices of Intelligence Community agencies. The Intelligence Community Inspector General is responsible for analyzing, summarizing, and consolidating the Intelligence Community OIG FISMA reports into one capstone annual report. On September 15, 2015, the OIG submitted the Intelligence Community FISMA Metrics Report for the FBI to the Intelligence Community Inspector General.

Examination of DOJ's FY 2014 Compliance under the *Improper Payments Elimination and Recovery Act of 2010*

The OIG examined DOJ's FY 2014 compliance under the *Improper Payments Elimination and Recovery Act of 2010*. The OIG assessed DOJ's compliance with the reporting requirements of OMB Circular A-123, Management's Responsibility for Internal Control, Appendix C, Requirements for Effective Estimation and Remediation of Improper Payments; and OMB Circular A-136, Financial Reporting Requirements, as they relate to the *Improper Payments Information Act of 2002*, as amended, for FY 2014. The OIG concluded that DOJ complied, in all material respects, with these requirements for FY 2014.

Single Audit Act Reports

The *Single Audit Act of 1984*, as amended, promotes sound financial management of federal financial assistance provided to state, local, and tribal governments, colleges, universities, and nonprofit organizations. Under OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, such entities that expend \$500,000 or more in federal funds in 1 year must have a "single audit" performed annually covering all federal funds expended that year.¹ Single audits are conducted by state and local government auditors, as well as independent public accounting firms. The OIG reviews these audit reports when they pertain to DOJ funds in order to determine whether the single audit reports meet federal

¹ On December 26, 2014, OMB Circular A-133 was superseded by 2 C.F.R. 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). The new guidance, which affects all audits of fiscal years beginning on or after December 26, 2014, raises the audit threshold to \$750,000. According to OMB, although OMB Circular A-133 has been replaced by the Uniform Guidance, the Circular will have a continuing effect of 2 years or more. Audits performed under the requirements of the new Uniform Guidance are not expected to be submitted until calendar year 2016.

Multicomponent

requirements and generally accepted government auditing standards. In addition, the OIG reviews single audit reports to determine whether they contain audit findings related to DOJ grants. As a result of the OIG's review of the single audits, during this semiannual period the OIG issued to OJP 100 single audit reports encompassing over 659 contracts, grants, and other agreements totaling more than \$493.7 million. The OIG also monitors these audits through the resolution and closure process.

The single audits disclosed that costs charged to DOJ grants were not always related to the grant programs or properly allocated. In addition, some required financial and program reports were inaccurate or not filed in a timely manner, if at all. The state and local government auditors and independent public accounting firms who conducted the single audits also found examples of incomplete or missing records, inadequate segregation of duties, failure to conduct physical inventories of assets purchased with federal funds, failure to submit timely single audit reporting packages to the Federal Audit Clearinghouse (an office operating on behalf of OMB that facilitates federal oversight of entities expending federal money), and failure to reconcile significant accounting records with the general ledger and subsidiary ledgers. They also reported that grantees did not adequately monitor their grant sub-recipients to ensure that the sub-grantees were properly accounting for the grant funds and ensuring compliance with the terms and conditions of the grant. To address these deficiencies, the auditors recommended 225 management improvements and questioned costs in excess of \$4.58 million.

Civil Rights and Civil Liberties

Section 1001 of the Patriot Act directs the OIG to receive and review complaints of civil rights and civil liberties abuses by DOJ employees, to publicize how people can contact the OIG to file a complaint, and to send a semiannual report to Congress discussing the OIG's implementation

of these responsibilities. In September 2015, the OIG issued its most recent such report, which summarized the OIG's Section 1001 activities from January 1 through June 30, 2015. The report described the number of complaints the OIG received under this section, the status of investigations conducted by the OIG and DOJ components in response to those complaints, and an estimate of the OIG's expenses for conducting these activities. The report also describes other OIG reviews that are related to potential civil rights and civil liberties issues but not explicitly required by Section 1001.

Investigation

The following is an example of a case involving more than one component that the OIG investigated during this reporting period:

- On April 9, 2015, Sprint Communications, Inc. (Sprint), agreed to pay \$15.5 million to resolve allegations that it overcharged the FBI, DEA, USMS, ATF, DHS, and any other federal agency that ordered telephone interception services from Sprint during the period from January 1, 2007, through December 31, 2009. The investigation was initiated based on allegations that Sprint overcharged more than its reasonable expenses in providing assistance to federal law enforcement by complying with court-authorized wiretap, pen register, and trap and trace orders. The investigation found that Sprint's billings of federal law enforcement agencies for such services were unrelated to its reasonable costs, primarily because Sprint included in its charges its costs of financing congressionally mandated service upgrades. Including such upgrade costs in its billings of federal law enforcement was not permissible under a 2006 Federal Communication Commission ruling. The settlement with Sprint was the result of a coordinated effort by the OIG's Fraud Detection Office and the USAO for the Northern District of California.

Multicomponent

Ongoing Work

Denials from the National Instant Criminal Background Check System

The OIG is auditing the National Instant Criminal Background Check System, which provides criminal background checks in support of the *Brady Handgun Violence Prevention Act of 1993*. The OIG will evaluate the effectiveness of processes related to the FBI's referral of denials to ATF; ATF's initial screening and referral of denials to its field offices for investigation; ATF field offices' investigation of denials; and the USAOs' prosecution of crimes associated with denials.

Domestic Sharing of Counterterrorism Information

In response to a congressional request, the Inspectors General of the Intelligence Community, DOJ, and DHS initiated a coordinated, joint review focusing on the domestic sharing of counterterrorism information. The objectives of this review are to: (1) identify and examine the federally supported field-based intelligence entities engaged in counterterrorism information-sharing to determine their overall missions, specific functions, capabilities, funding, and personnel and facility costs; (2) determine whether counterterrorism information is being adequately and appropriately shared with all participating agencies; and (3) identify any gaps and/or duplication of effort among these entities.

Follow-up Audit of the Handling of Known or Suspected Terrorists Admitted into the Federal Witness Security Program

The OIG is conducting a follow-up audit of DOJ's handling of known or suspected terrorists admitted into the federal Program. The preliminary objectives are to review DOJ's handling of known or suspected terrorists admitted to the Program, practices for watchlisting and processing encounters with this group of Program participants, and procedures

for mitigating risks to the public through restrictions placed on this high-risk group of Program participants.

Follow-up to the Fast and Furious Report

The OIG is reviewing DOJ's and ATF's implementation of recommendations in the OIG's September 2012 report, *A Review of Operation Fast and Furious and Related Matters*. The OIG made six recommendations in that report designed to increase oversight of ATF operations, improve coordination among DOJ's law enforcement components, and enhance DOJ's wiretap application review and authorization process. Since the Fast and Furious report was issued, DOJ has provided the OIG with information describing measures it has taken to implement the OIG's recommendations. The current review is examining this and other information to evaluate the progress and effectiveness of these measures.

Review of the Department's Violent Crime Initiatives

The OIG is reviewing DOJ's strategic planning and accountability measures for combatting violent crime, including coordination across DOJ prosecution, law enforcement, and grant making components and strategic planning for providing assistance to communities that are confronting significant increases in homicides and gun violence.

Asset Forfeiture Oversight

The OIG is examining DOJ's asset seizure and forfeiture activities from FY 2007 to FY 2014, with particular attention paid to the forfeiture of seized cash. Additionally, the OIG is reviewing the effects of recent DOJ policy limiting the ability of DOJ agencies to adopt assets seized under state law.

Federal Bureau of Investigation

The FBI seeks to protect the United States against terrorist and foreign intelligence threats; enforces the criminal laws of the United States; and provides criminal justice services to federal, state, municipal, and international agencies and partners. FBI headquarters in Washington, D.C., coordinates activities of nearly 35,000 employees in 56 field offices located in major cities throughout the United States and Puerto Rico, approximately 360 resident agencies in smaller cities and towns across the nation, and more than 60 international offices in U.S. embassies worldwide.



Reports Issued

Next Generation Cyber Initiative

The OIG issued an audit of the FBI's Next Generation Cyber (Next Gen Cyber) Initiative to enhance its ability to address cybersecurity threats to the United States. The FBI's initiative was launched in 2012; shortly after a 2011 OIG report assessing the FBI's ability to address the cyber intrusion threat. The report found that while the FBI has made considerable progress in achieving the goals established by the Next Gen Cyber Initiative, several challenges have prevented the FBI from fully meeting the initiative's objectives.

Specifically, the FBI has strengthened the National Cyber Investigative Joint Task Force, which serves as a coordination, integration, and information sharing center among 19 U.S. agencies and international representatives for cyber threat information. This included increased international participation, a reorganization of the task force to eliminate the perception that it is an extension of the FBI's Cyber Division, and improved information sharing among participating agencies. The FBI also implemented new training to improve the awareness of all FBI employees, as well as the technical capabilities of those investigating cyber intrusion threats and incidents.

However, the OIG also identified several challenges facing the Next Gen Cyber Initiative. For example, the FBI did not hire all the computer scientists it was authorized to hire, and some of the FBI's field offices did not have a computer scientist assigned to their local Cyber Task Forces. In addition, recruiting highly qualified personnel has been difficult because the FBI's background investigation process is more onerous than those used by many private sector employers, and retention remains a concern because private sector entities can often pay higher salaries. The OIG found that the FBI has had difficulty attracting external participants, particularly state and local law enforcement agencies, to its local Cyber Task Forces. Further, although the FBI is working to enhance outreach to private sector entities, both the FBI and private sector representatives acknowledged to us that information sharing remains a challenge, in part because of private sector concerns about sharing sensitive information with the FBI.

The OIG made eight recommendations to help the FBI achieve its goals for the Next Gen Cyber Initiative, including that the FBI develop a process to track and measure the timeliness of information sharing; continue to develop strategies to recruit, hire, and retain

Federal Bureau of Investigation

highly-skilled cyber professionals; and improve information sharing and collaboration with private sector entities. The FBI agreed with all of the recommendations. The OIG released a video message to accompany this report, which is available [here](#).

Critical Incident Response Group Tactical Section Procurements

The OIG issued an audit report on FBI Critical Incident Response Group (CIRG) Tactical Section's procurements. The OIG conducted this audit in response to an allegation regarding potentially excessive or unnecessary procurements and training exercises associated with CIRG, and in particular, the CIRG Tactical Section's Hostage Rescue Team, the unit responsible for training, readiness, and deployment to incidents involving terrorism, violent crimes, and other complex threats.

The OIG found that the CIRG Tactical Section generally implemented adequate internal controls over the needs, uses, and safeguards of its procurements during FYs 2013 and 2014. During this time, CIRG and its Tactical Section transitioned to the Unified Financial Management System, and new leadership enhanced CIRG's oversight of procurements. These changes resulted in more robust financial control procedures and management controls, such as better justifications for requested items, limits on the methods available to procure items, and improved inventory controls.

The audit did not identify instances of unjustifiable or unreasonable procurements, nor did it find evidence to substantiate specific allegations regarding improper CIRG procurements or training exercises. Rather, based on the OIG's work, it appeared that the CIRG Tactical Section used the items it procured to a reasonable extent given its mission. The OIG also found that CIRG generally demonstrated adequate safeguards over procured items, although the OIG did identify a few instances where Tactical Section personnel could have better documented purchase order justifications.

The OIG made one recommendation to help the CIRG Tactical Section improve its procurement documentation. The FBI agreed with the recommendation.

Regional Computer Forensic Laboratory, Radnor, Pennsylvania

The OIG issued an audit of the FBI's Regional Computer Forensic Laboratory (PHRCFL), in Radnor, Pennsylvania, which found that the PHRCFL had mixed results in achieving its performance goals and identified several concerns relating to the PHRCFL's Cell Phone Investigative Kiosks (Kiosk), its training program, and its annual statistical reports to the FBI and Congress.

The OIG found that although the FBI reported backlogs at some other regional computer forensic laboratories (RCFL) from FYs 2011 through 2013, a material backlog did not exist at the PHRCFL. However, the OIG found that the PHRCFL did not consistently meet its performance goals and lacked sufficient controls to ensure that users accessed Kiosks only for law enforcement matters. Kiosks, which are available at select FBI field offices and regional computer forensic laboratories, allow users to quickly and easily view, extract, and compile data stored on a cell phone or other electronic media. While the audit did not find any evidence that the PHRCFL Kiosks had been misused, the OIG noted that the PHRCFL did not have sufficient controls in place to prevent such occurrences. Therefore, the OIG believes it is important that the FBI evaluate access controls for Kiosks at RCFLs nationwide.

Further, the OIG found that the PHRCFL did not adequately ensure the accuracy of the information reported in the FBI's RCFL Program Annual Report. For example, PHRCFL Kiosk usage statistics included data captured during training exercises resulting in annual usage statistics that did not accurately reflect the number of times the Kiosks were used for investigative purposes. The PHRCFL also

Federal Bureau of Investigation

did not adequately support training statistics included in an Annual Report, which is provided to FBI management and to Congress.

The OIG made six recommendations to the FBI to help achieve performance goals and address backlogs at RCFLs, minimize potential abuses of the Kiosk program nationwide, and improve the accuracy and documentation of statistics included in annual reports. The FBI agreed with all of the recommendations.

Use of Section 215 Orders in 2007 through 2009

The OIG released a public version of its most recent report examining the FBI's use of the investigative authority granted by Section 215 of the Patriot Act to obtain business records. The report reviews the FBI's use of Section 215 authority from 2007 through 2009, and also examines DOJ's and the FBI's progress in addressing the recommendations contained in the OIG's 2008 report on the FBI's use of Section 215. This is the OIG's third report since 2007 on the FBI's use of Section 215 authority.

The OIG found that from 2007 through 2009 DOJ, on behalf of the FBI, submitted 51 Section 215 applications to the FISA Court, all of which were approved. Section 215 allows the FBI to seek an order from the FISA Court to obtain "any tangible thing," including books, records, and other items, from any business, organization, or entity, provided the item or items are for an authorized investigation to protect against international terrorism or clandestine intelligence activities. The report notes that the scope of business records sought under Section 215 greatly expanded in response to legislative changes, technological advances, and strategic choices, and that Section 215 orders have been used in investigations of groups comprised of unknown members and to obtain information in bulk concerning persons who are not the subjects of or associated with any FBI investigation. The OIG concluded that these

developments require continued and significant oversight by appropriate entities, including the FISA Court and DOJ's NSD.

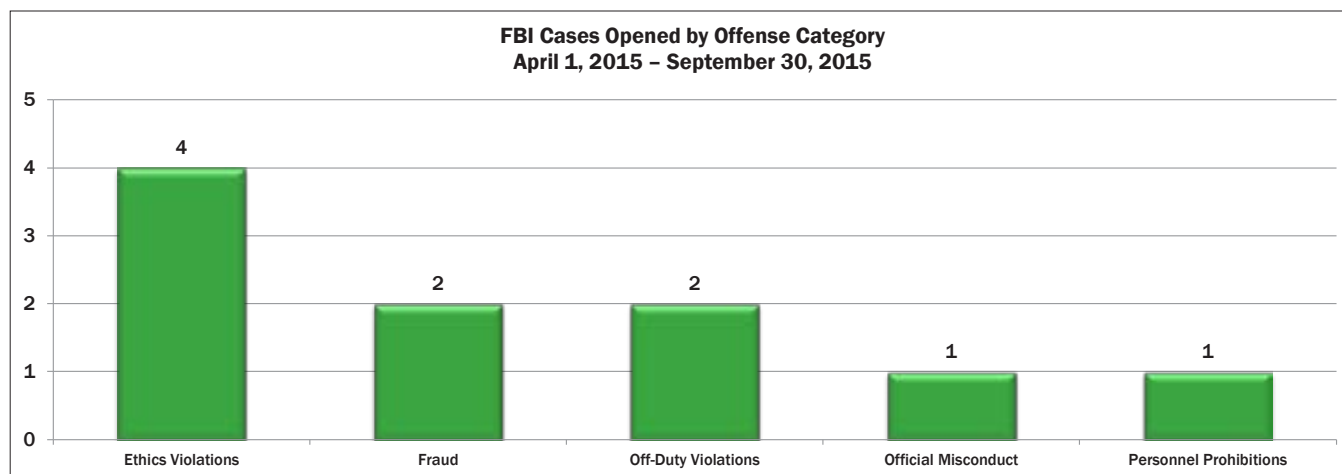
In the OIG's 2008 report, the OIG recommended that DOJ implement minimization procedures for the handling of non-publicly available information concerning U.S. persons produced in response to Section 215 orders, as required in the Reauthorization Act. The Reauthorization Act required that DOJ adopt minimization procedures to govern the retention and dissemination of material produced pursuant to a Section 215 order by September 2006. Although DOJ adopted "interim procedures" in September 2006, the OIG found in its 2008 report that these procedures did not meet the requirements of the Reauthorization Act and recommended that the FBI develop final standard minimization procedures for business records that did meet the statute's requirements. DOJ agreed to do so. Nevertheless, the OIG found that by mid-2009, DOJ had not replaced the interim procedures, and FISA Court judges began to issue Supplemental Orders in Section 215 matters requiring DOJ to report to the FISA Court on the implementation of the interim procedures. The Attorney General ultimately adopted final minimization procedures in March 2013. Given the significance of minimization procedures in the Reauthorization Act, the OIG does not believe that DOJ should have taken until 2013 to meet this statutory obligation.

The OIG concluded that DOJ and the FBI have addressed the three recommendations from its 2008 report, but that with respect to one of the recommendations DOJ should have met its statutory obligation considerably earlier than it did.

Use of Pen Register and Trap-and-Trace Authorities under FISA

The OIG released a public Executive Summary of the classified report entitled, "The Federal Bureau of Investigation's Use of Pen Register and Trap and Trace Devices under FISA in 2007 through 2009." The OIG issued the

Federal Bureau of Investigation



Source: Investigations Data Management System

classified report to DOJ leadership offices, FBI, Office of the Director of National Intelligence, and relevant Congressional oversight and intelligence committees on May 28, 2015. At that time, the summary was under review by DOJ, FBI, and Intelligence Community; the OIG received the final results of that review on June 10, 2015.

The Executive Summary provides an overview of the results of the OIG's review of the FBI's use of pen registers and trap and trace devices—which the OIG refers to collectively as pen registers—under FISA. The summary describes the methodology the OIG used to conduct the review and provides some legal background about pen registers. The summary also describes the OIG's findings regarding the FBI's storage and handling of pen register information and the compliance process relating to the use of pen registers.

Investigations

During this reporting period, the OIG received 473 complaints involving the FBI. The most common allegations made against FBI employees were official misconduct, and waste and mismanagement. Most of the complaints received during this period were considered management issues and were provided to FBI management for its review and appropriate action.

During this reporting period, the OIG opened 10 investigations and referred 30 allegations to the FBI's Inspection Division for action or investigation. At the close of the reporting period, the OIG had 49 open criminal or administrative investigations of alleged misconduct related to FBI employees. The criminal investigations covered a wide range of offenses including official misconduct and bribery. The administrative investigations involved serious allegations of misconduct.

The following are examples of cases involving the FBI that the OIG investigated during this reporting period:

- On April 30, 2015, a former ASAC of the FBI Boston Division was arrested based on an indictment in the District of Massachusetts charging 12 counts of perjury and obstruction of justice in connection with his testimony during the 2013 murder and racketeering trial that resulted in the conviction of James "Whitey" Bulger. The former ASAC testified under oath at the Bulger trial on July 29 and July 30, 2013. The investigation is being conducted by the OIG's Boston Area Office.

Federal Bureau of Investigation

- In the *Semiannual Report to Congress, October 1, 2014 – March, 31, 2015*, the OIG reported that an FBI Special Agent pled guilty to a criminal information filed in the U.S. District Court for the District of Columbia containing 38 counts of obstruction of justice, 13 counts of conversion of property, and 13 counts of possession of heroin. On July 9, 2015, the FBI Special Agent was sentenced to 36 months in prison followed by 2 years on supervised release and fined \$15,000. According to his guilty plea, the Special Agent tampered with and ingested heroin that had been seized as evidence in support of FBI and task force drug investigations, and then attempted to avoid detection by replacing the missing heroin with cutting agents, such as Creatine or Purelax, and by falsifying and altering evidence custody documents. The Special Agent was terminated from employment with the FBI on March 13, 2015. The investigation was conducted by the OIG's Washington Field Office with assistance from the FBI.
- The OIG initiated an investigation upon the receipt of information from the FBI that an FBI ASAC had engaged in multiple instances of inappropriate touching and inappropriate comments of a sexual nature with several female FBI employees. The OIG investigation substantiated the allegations that the FBI ASAC made inappropriate comments of a sexual nature towards employees and made inappropriate physical contact with employees. Although the FBI ASAC generally denied the allegations, stated that he did not recall if specific incidents occurred, or made partial, non-inculpatory admissions, the OIG found the witnesses' accounts to be consistent, credible, and corroborative of each other. Accordingly, the OIG also concluded that the FBI ASAC lacked candor in his interview with the OIG. Prosecution was declined. Lastly, the OIG found that the FBI ASAC improperly discussed the fact that he was the subject of an OIG investigation with several subordinate employees in violation of FBI directives designed to prevent obstruction of administrative investigations. The OIG has provided its report to the FBI for appropriate action.
- On August 3, 2015, an FBI personnel security specialist pled guilty in state court to one count of obtaining criminal record information under false pretenses, a felony under state law. The court sentenced the personnel security specialist to 12 months and 1 day of incarceration, with the sentence suspended, and 24 months of unsupervised probation. The employee resigned from her FBI position effective August 7, 2015. The investigation was conducted by the OIG's Atlanta Area Office along with the relevant state law enforcement agency.
- On April 16, 2015, a former FBI Special Agent was arrested and sentenced in state court pursuant to his guilty plea to a one-count criminal information charging the offense of making a false police report. According to facts supporting the guilty plea, the former Special Agent filed a police report alleging that an unknown party had fraudulently opened a Bank of America credit card in his name and incurred charges on the credit card when, in fact, his report was false. The investigation found that the former Special Agent and his wife made the purchases. The former Special Agent was sentenced to 6 months of probation. The former Special Agent resigned from his position with the FBI. The investigation was conducted by the OIG's Dallas Field Office.

Federal Bureau of Investigation

Ongoing Work

Cyber Threat Mitigation Strategy

The objective of the audit is to assess the FBI's cyber threat mitigation strategy. This audit will examine the FBI's approach to address cyber threats. This approach is intended to address these threats through a structured and strategic approach, identifying the perpetrators, their tradecraft, intent, capabilities, and affiliation.

Bulk Telephony Review

The OIG is reviewing the FBI's use of information derived from the NSA's collection of telephony metadata obtained from certain telecommunications service providers under Section 215 of the Patriot Act. The review will examine the FBI's procedures for receiving, processing, and disseminating leads the NSA develops from the metadata, as well as any changes that have been made to these procedures over time. The review will also examine how FBI field offices respond to leads and the scope and type of information field offices collect as a result of any investigative activity that is initiated. In addition, the review will examine the role the leads have had in FBI counterterrorism efforts.

Use of Section 215 Orders in 2012 through 2014

The OIG is examining the FBI's use of Section 215 authority under FISA in 2012 through 2014. This review is required under Section 108 of the *USA FREEDOM Act of 2015*. Section 108 of the Act amended Section 106A of the *USA PATRIOT Improvement and Reauthorization Act of 2005*, which directed the OIG to conduct comprehensive reviews of the business records authority under FISA for two time periods—calendar years 2002 through 2004, and 2005 through 2006. The OIG issued reports on those reviews in March 2007 and March 2008, respectively. The OIG issued a third report in May of this year that assessed the FBI's and DOJ's progress in implementing

recommendations made in those reports and examined the FBI's use of the authority in 2007 through 2009. The current review will examine, among other things, the effectiveness of Section 215 as an investigative tool and the FBI's compliance with the minimization procedures DOJ approved and implemented in 2013.

Federal Bureau of Prisons

The BOP operates a nationwide system of prisons and detention facilities to incarcerate individuals imprisoned for federal crimes and detain those awaiting trial or sentencing in federal court. The BOP has approximately 39,900 employees and operates 122 institutions, 6 regional offices, a central office (headquarters), 2 staff training centers, and 26 Residential Reentry Management Field offices. The BOP is responsible for the custody and care of approximately 205,500 federal offenders. Approximately, 164,600 of these inmates are confined in BOP-operated facilities, while the remainder is confined in privately managed or community-based facilities and local jails.



Reports Issued

Reeves County Detention Center **Compliance with BOP Contract Award**

The OIG issued an audit examining a BOP contract to house up to 2,407 low-security, non-U.S. citizen federal prison inmates in the Reeves County Detention Center compounds R1 and R2 (RCDC I/II). The contract, which in 2014 was DOJ's second largest, has an estimated value of \$493 million.

Specifically, the OIG found that the BOP rated RCDC I/II "deficient" or "unsatisfactory" in 6 of 12 award fee evaluation periods between February 1, 2007, and December 31, 2014. The BOP's award fee rating reports reflected that RCDC I/II consistently struggled to meet or exceed baseline contractual standards; received an unacceptable number of deficiencies and notices of concern; was unresponsive to BOP inquiries; and struggled with staffing issues in health services and correctional services. The audit found that from January 2007 to March 2009, there were no minimum staffing requirements for the facility. According to BOP officials, they removed the staffing requirements to achieve cost savings and grant the contractor flexibility and discretion to manage the staffing of the facility; however, the BOP reincorporated the staffing requirements shortly after an inmate riot at RCDC I/II in January 2009. Notably, RCDC I/II has also had significant issues staffing its health services unit, and, from December 2010 through December 2013,

RCDC I/II failed to meet a contractual health services unit staffing threshold in 34 of the 37 months. Once the OIG expressed concerns with these staffing issues, a subcontractor began a concerted effort to adequately staff RCDC I/II's health services unit and exceeded the 85-percent threshold from September 2014 through February 2015.

Further, the audit found that Reeves County failed to comply with provisions of the *Service Contract Act of 1965*; as a result, the OIG questioned almost \$3 million as unallowable or unsupported, or funds that should be put to better use, including nearly \$2 million incorrectly claimed for Health & Welfare benefit-related price adjustments, FICA, and workers' compensation insurance.

Lastly, the OIG identified deficiencies with the RCDC I/II "modified monitoring unit," or "J-Unit," which houses inmates whose behavior creates institutional security problems. Specifically, RCDC I/II lacked guidance on what evidence is necessary to place an inmate into the J-Unit, procedures to ensure inmates can challenge their placement in the J-Unit, monitoring or oversight mechanisms to ensure the J-Unit is used as intended, and safeguards to ensure inmate rights are consistent, to the maximum extent possible in light of security concerns, with inmates in other general population housing.

Federal Bureau of Prisons

The OIG made 18 recommendations to the BOP to address the OIG's dollar-related findings and improve oversight of RCDC I/II operations. The BOP generally agreed with all of the recommendations. The GEO Group, on behalf of Reeves County, indicated its agreement with the report's recommendations except compliance with the *Service Contract Act* and the management of the J-Unit. The OIG released a podcast to accompany this report, which is available [here](#).

Review of the Impact of an Aging Inmate Population on the Federal Bureau of Prisons

The OIG issued a report on the impact of an aging inmate population on the BOP. The OIG found that inmates age 50 and older (aging inmates) were the fastest growing segment of the inmate population and that this had an adverse impact on the BOP's ability to provide a safe, humane, cost-efficient, and appropriately secure environment for aging inmates and to prepare them to reenter the community. Additionally, although the BOP revised its compassionate release policy over a year ago to expand consideration for inmates 65 and older, only two such inmates have been released under the revised provisions.

Specifically, the OIG found that aging inmates cost an average of 8 percent more to incarcerate than inmates age 49 and younger and that this difference is driven by healthcare spending. Additionally, the BOP institutions do not have appropriate staffing levels to address the needs of aging inmates and limited training is provided for this purpose. At some institutions, healthy inmates work as companions to aging inmates; but training and oversight varies, increasing the risk that aging inmates who need assistance will be victimized or will not receive the assistance they need. Further, while social workers are uniquely qualified to address the release preparation needs of aging inmates, such as planning aftercare and ensuring continuity of care, there are only 36 social workers working with nearly 165,000 sentenced inmates nationwide.

The BOP institution facilities are inadequate for or pose challenges for those with physical limitations. Aging inmates often require lower bunks or handicapped-accessible cells, but overcrowding throughout the BOP limits their availability. The BOP had not conducted a review of the accessibility of its institutions since 1996.

The BOP programs, which often focus on education and job skills, do not address the needs of aging inmates. Though the BOP institutions can and do design programs to meet the needs of their respective populations, even institutions with a high percentage of aging inmates rarely have programs specifically for aging inmates.

Further, many aging inmates could be viable candidates for early release, but the BOP's revised eligibility provisions for aging inmates to request compassionate release have not been effective. Over a year ago, DOJ concluded that aging inmates are generally less of a public safety threat. The OIG found that aging inmates commit less misconduct and have a lower rate of re-arrest once released. The OIG therefore concluded that expanding the eligibility provisions, by lowering the age requirement from age 65 to age 50, and revising the time served provisions for aging inmates without a medical condition could further assist the BOP in reducing overcrowding by increasing the pool of potential candidates for compassionate release. This could result in significant cost savings.

The OIG made eight recommendations to improve the BOP's management of its aging inmate population. The BOP agreed with all of the recommendations. The OIG released a video message to accompany this report, which is available [here](#).

Federal Bureau of Prisons

Management and Security Controls in Place at Metropolitan Detention Center, Brooklyn

The OIG issued a report examining the management of the SPU at the BOP's MDC Brooklyn. The OIG review sought to determine whether MDC Brooklyn's management controls, policies, and practices could have contributed to alleged disruptions to safety and security in 2011 and 2012 by inmate Ronell Wilson, who had been convicted of capital murder and during his incarceration had a sexual relationship with a correctional officer that resulted in the birth of their child.

The OIG found that MDC Brooklyn's senior management assigned Wilson to the SPU, which primarily houses vulnerable inmates with mental health issues, without implementing safeguards to prevent and detect his disruption of the safety and security of the unit. SPU procedures did not provide any instructions for staff on how to manage inmates like Wilson who have not been classified as needing the BOP's mental health services and who could potentially intimidate other SPU inmates. In addition, MDC Brooklyn's management did not provide any special instructions to its staff on how to manage Wilson differently while he was in the SPU. As a result, staff members told us that they generally did not manage Wilson differently than other inmates in the SPU.

The OIG also found several examples in which policies at MDC Brooklyn were unclear and may not have been fully communicated to the staff. In addition, certain policies in place at the time of the review did not ensure that correctional officers routinely conducted searches of all housing unit cells; the policy on how staff should handle sealed inmate complaints placed in unit mailboxes needed to be clarified; and management needed to take additional steps to ensure that relevant security information is consistently shared across shifts and housing units at MDC Brooklyn. The OIG did not find that these deficiencies directly led to Wilson's alleged disruptions.

The report made five recommendations for the BOP to strengthen oversight of the SPU and communication at MDC Brooklyn. These include improving MDC Brooklyn's policies and procedures when managing inmates in the SPU who do not have a mental health condition, ensuring staff is notified of the process for handling sealed inmate complaints, ensuring that supervisors verify that staff is conducting searches of all housing unit cells within the time policy requires, and ensuring the staff receives relevant security information. The BOP agreed with all of the recommendations. The OIG released both a video message and a podcast to accompany this report, which are available [here](#).

Investigations

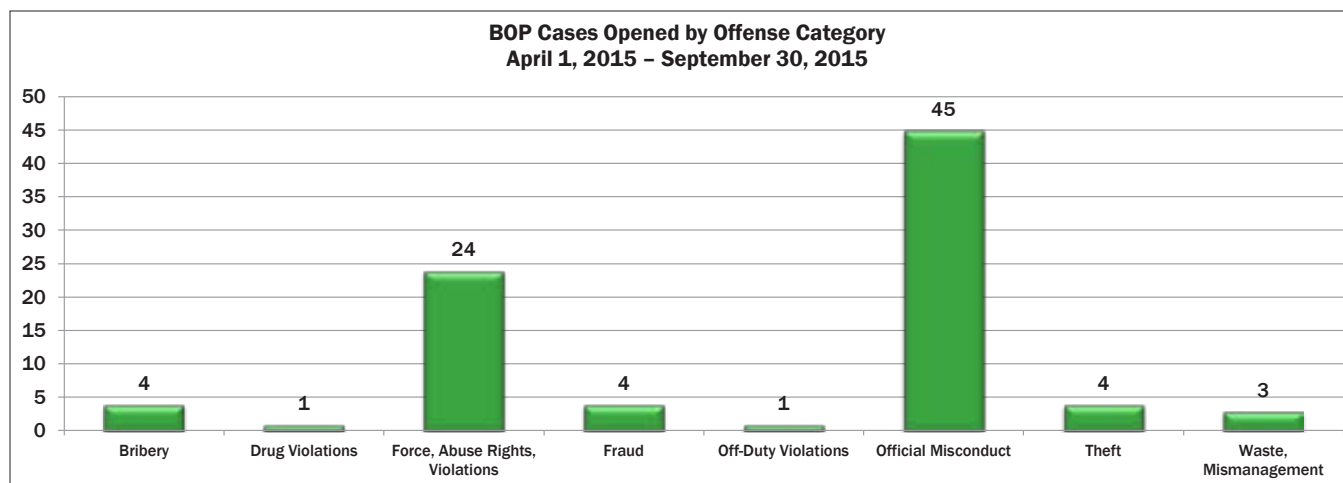
During this reporting period, the OIG received 3,943 complaints involving the BOP. The most common allegations made against BOP employees included official misconduct; and force, abuse, and rights violations. The majority of complaints dealt with non-criminal issues that the OIG referred to the BOP's Office of Internal Affairs for its review.

During this reporting period, the OIG opened 86 investigations and referred 53 allegations to the BOP's Office of Internal Affairs for action or investigation. At the close of the reporting period, the OIG had 208 open cases of alleged misconduct against BOP employees. The criminal investigations covered a wide range of allegations, including official misconduct; and force, abuse, and rights violations.

The following are examples of cases involving the BOP that the OIG investigated during this reporting period:

- On August 13, 2015, a former BOP correctional officer pled guilty to providing contraband in prison and was sentenced in the Southern District of Indiana to 52 months of incarceration followed by 12 months of supervised release. He was also ordered to perform

Federal Bureau of Prisons



Source: Investigations Data Management System

50 hours of community service and fined \$1,000. In addition, he agreed to pay \$8,000 in settlement of the government's forfeiture action against his real property in Florida. According to the indictment and plea agreement in the case, the correctional officer distributed heroin to an inmate, and provided other prohibited objects, including a cellular telephone and tobacco. The correctional officer retired from the BOP on April 30, 2014. The investigation was conducted by the OIG's Chicago Field Office and the FBI.

- On June 17, 2015, two BOP correctional officers were arrested pursuant to a six-count indictment that was filed in the Middle District of Florida. One correctional officer was charged with one count of violating an inmate's civil rights under color of law, two counts of falsification of records, and one count of providing a false statement. The second correctional officer was charged with one count of falsification of records and one count of providing a false statement. The joint investigation is being conducted by the OIG's Miami Field Office and the FBI.
- On May 8, 2015, a BOP correctional officer was arrested in the Eastern District of California pursuant to a criminal complaint alleging that he was involved

in child sex trafficking activities. The investigation is being conducted by the OIG's San Francisco Area Office and the FBI.

- On May 11, 2015, a former BOP fiscal officer was sentenced in the District of Colorado pursuant to her guilty plea to the charge of making a false statement. According to the statement of fact supporting the guilty plea, the fiscal officer was the treasurer of a local chapter of the American Federation of Government Employees union. On or about March 29, 2012, the fiscal officer signed the union's Form LM-3 for 2011 and submitted it to the Department of Labor, knowingly and willfully underreporting the amount of the allowances and disbursements paid to herself. Overall, the fiscal officer issued 33 unauthorized cashier's checks to herself, totaling \$46,489.18, and made unauthorized cash withdrawals for her own personal use, totaling \$12,680. The defendant has paid a total of \$44,935 to the union as restitution for her embezzlement. The former employee was sentenced to 3 years of probation and ordered to pay a \$5,000 fine and an additional \$14,234.18 in restitution. The case was investigated by the OIG's Denver Field Office and the Department of Labor, Office of Labor-Management Standards.

Federal Bureau of Prisons

- On May 27, 2015, a BOP employee was indicted in the District of Arizona on two counts of sexual abuse of a ward. The employee was assigned to a federal correctional institution as an education specialist at the time of the alleged conduct. The investigation is being conducted by the OIG's Denver Field Office.
- On July 15, 2015, a former BOP Special Agent was sentenced to 12 months of probation after pleading guilty in April to misdemeanor theft of public money. The former Special Agent was ordered by the U.S. District Court for the District of Columbia to pay restitution of \$12,025. According to court documents, the former Special Agent submitted a claim for reimbursement for travel and temporary housing expenses he and his family purportedly incurred in connection with his transfer from Georgia to Washington, D.C. The former Special Agent falsely stated his family had traveled to and stayed with him in the Washington, D.C., area when, in fact, they had not. The employee remains employed by the BOP but has been reclassified as a correctional programs specialist. The investigation was conducted by the OIG's Washington Field Office.
- On July 17, 2015, a former BOP contract administrative clerk was sentenced in the Northern District of Texas to 6 months in prison after pleading guilty to one count of false statements and aiding and abetting. The former employee was also sentenced by the court to 1 year of supervised release and a \$5,000 fine. According to the criminal information filed with the court, the administrative clerk and an inmate provided false statements to the OIG about their sexual activities. The inmate was previously sentenced to 3 months of confinement to run consecutive to his current sentence. The administrative clerk

was removed from her BOP position. The investigation was conducted by the OIG's Dallas Field Office.

Ongoing Work

Controls over Armory Munitions and Equipment

The OIG is conducting an audit of the BOP's controls over armory munitions and equipment. The preliminary objectives are to evaluate: (1) BOP's management controls over munitions and equipment, (2) BOP facility compliance with rules and regulations governing munitions and equipment, and (3) the accuracy of the BOP's armory munitions and equipment inventory.

Contraband Interdiction Efforts

The OIG is reviewing current and planned security procedures employed by the BOP to detect and prevent contraband from entering BOP-managed institutions, to include staff, visitor, and inmate searches; contraband detection technologies; and physical security measures.

Reimbursement Rates for Outside Medical Care

The OIG is examining trends in the BOP's reimbursement rates between FY 2010 and FY 2014, factors other than cost that influence the BOP's selection of a comprehensive medical services contractor, and the effect on the BOP's medical costs of reimbursement rates that are higher than Medicare.

Release Preparation Program

The OIG is assessing the extent to which the BOP is meeting the goals of the Release Preparation Program and how the BOP tailors the program to meet inmate needs.

Federal Bureau of Prisons

Use of Restrictive Housing for Inmates with Mental Illness

The OIG is examining the BOP's use of restrictive housing for inmates with mental illness. The review will examine trends in the use of restrictive housing and the screening, treatment, and monitoring of inmates with mental illness who are housed in restrictive housing units.

Use of U.S. Public Health Service Officers

The OIG is examining challenges the BOP faces in hiring medical staff and their use of Public Health Service officers as one method of addressing that challenge.

Private Contract Prisons

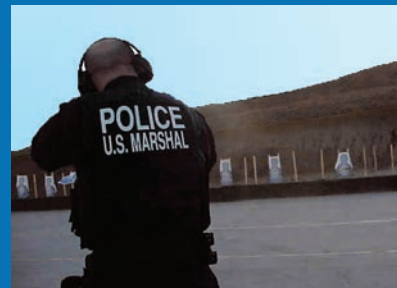
The OIG is examining how the BOP monitors its private contract prisons, whether contractor performance meets certain inmate safety and security requirements, and how contract prisons and similar BOP institutions compare in an analysis of certain inmate safety and security data.

Process and Timing for Releasing Inmates

The OIG is assessing the relevant responsibilities of the Designation and Sentence Computation Center located at the BOP's Grand Prairie Office Complex as well as the responsibilities of individual institutions in ensuring that inmates are released on their appropriate release dates. The OIG's objectives are to assess the BOP's process for releasing inmates on their appropriate release dates and to determine whether the BOP can reduce the number of inmates who, due to staff error, are mistakenly released before or after their appropriate release dates.

U.S. Marshals Service

The USMS is responsible for ensuring the safe and secure conduct of judicial proceedings, protecting approximately 2,200 federal judges and about 10,000 other court officials at approximately 440 court facilities; arresting federal, state, and local fugitives; protecting federal witnesses; transporting federal prisoners; managing assets seized from criminal enterprises; and responding to major national events, terrorism, and significant high-threat trials. The USMS Director and Deputy Director work with 94 U.S. Marshals to direct approximately 5,400 employees at 218 sub-offices and three foreign field offices.



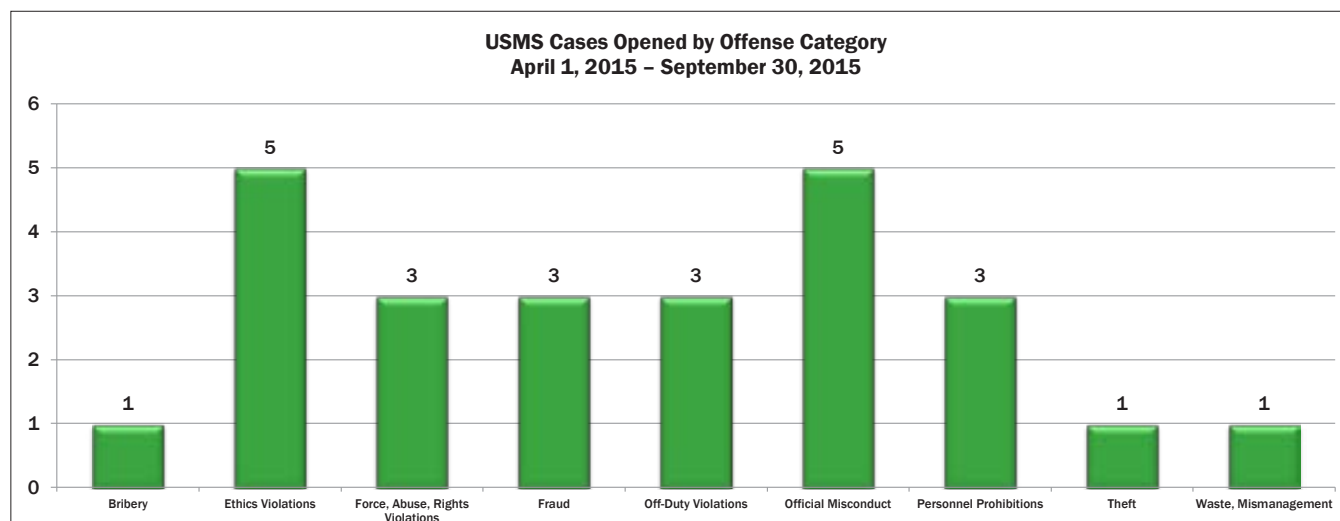
Investigations

During this reporting period, the OIG received 361 complaints involving the USMS. The most common allegations made against USMS employees were official misconduct; and force, abuse, and rights violations. The majority of the complaints were considered management issues and were provided to the USMS's Office of Internal Affairs for its review and appropriate action.

During this reporting period, the OIG opened 25 investigations and referred 14 other allegations to the USMS's Office of Internal Affairs for its review. At the close of the reporting period, the OIG had 44 open cases of alleged misconduct against USMS employees. The most common allegation was official misconduct.

The following are examples of cases involving the USMS that the OIG investigated during this reporting period:

- The OIG initiated an investigation of a U.S. Marshal based on information from anonymous complainants alleging, among other things, that the U.S. Marshal created a hostile work environment by using profane, vulgar, and antagonistic language, and by conducting himself in an intimidating and demeaning manner. Based on information provided by Deputy U.S. Marshals, supervisors, and administrative staff, the OIG concluded that the U.S. Marshal created a hostile work environment and that he conducted himself in an intimidating and



Source: Investigations Data Management System

U.S. Marshals Service

demeaning manner toward subordinate employees. The OIG determined that the U.S. Marshal used both vulgar and antagonistic language in the workplace. Examples of the U.S. Marshal's offensive conduct are statements that were widely perceived as his challenging subordinates who disagreed with him to physical altercations; his comments of a sexual nature regarding a female employee of a local police department; and his references to his and others' genitals. The OIG concluded that the conduct and statements of the U.S. Marshal demonstrated poor judgment and created unnecessary stress for their employees, all of which contributed to the ineffective management of the district and low morale in the office. The OIG additionally found that the U.S. Marshal failed to report to the USMS Office of Internal Affairs as required that the girlfriend of another USMS employee had filed a harassment complaint with the police against the employee. The OIG did not substantiate certain other allegations made against the U.S. Marshal by the anonymous complainants. The OIG completed its investigation and provided a report to the USMS and the ODAG on August 27, 2015, for review and appropriate action. DOJ informed the OIG that the U.S. Marshal has advised the President and the USMS that he is retiring in September 2015.

- The OIG Office initiated an investigation of a current USMS Assistant Director (AD) following a complaint that the AD improperly influenced the hiring of a contract employee based on a prior personal relationship, and that the contract cost was excessive. The OIG determined that the AD had a prior romantic and an ongoing personal relationship with the individual who was hired as a contract employee, and that the AD created the position based on the individual's qualifications. Moreover, the

AD provided the individual's resume to the USMS personnel responsible for the procurement, who in turn provided it to the contractor. The contractor hired the individual without considering any other applicants. The contract price was within guidelines for the labor category requested, but it was among the highest cost contracts entered by the USMS for an individual. The AD violated government ethics regulations by using a public office for the personal benefit of another, and violated USMS regulations by failing to seek recusal from the procurement process based on a personal relationship with an applicant. The AD also violated USMS policy regarding personal relationships with subordinates. The USMS cancelled the contract upon learning of the AD's improper role in the process. The OIG did not substantiate other allegations against the AD. The OIG completed its investigation and provided a report to the USMS for review and appropriate action. DOJ informed the OIG that it has assigned this matter to the Professional Misconduct Review Unit for adjudication.

- In the *Semiannual Report to Congress, October 1, 2013 – March, 31, 2014*, the OIG reported that a Deputy U.S. Marshal (DUSM) was arrested pursuant to a 13-count indictment charging him with aggravated identity theft, false statements, and wire fraud. On June 25, 2015, the DUSM was sentenced pursuant to his guilty plea to one count of wire fraud in the Southern District of Texas. The DUSM admitted that he filed fraudulent claims for medical services with an insurance company under a personal accident-only insurance policy. The DUSM submitted fraudulent claims by falsely representing that a physician examined him, and used a physician's signature and tax identification without the physician's knowledge or consent. The DUSM was sentenced to 3 months of incarceration

U.S. Marshals Service

to be followed by 2 years on supervised release and ordered to pay \$1,550 in restitution to the insurer. The DUSM resigned his position with the USMS. The investigation was conducted jointly by the OIG's Dallas Field Office and the FBI.

- The OIG's Atlanta Area Office initiated an investigation based on an anonymous complaint relating to an outside business of a Chief Deputy U.S. Marshall (CDUSM), now retired. The CDUSM acknowledged part ownership of the business. While the OIG did not find evidence to support the specific allegation made in the anonymous complaint, the OIG investigation found that the CDUSM had not reported in 2014 his interest in the business, or his ownership of rental properties, as required by government ethics regulations. The CDUSM stated he did not report his business ventures in 2014, although he had done so in some prior years, because he did not receive any profit from them. The OIG concluded that the CDUSM violated the regulations requiring designated employees of the executive branch of government to report their financial interests annually so that agency ethics officials can review the reports for possible conflicts of interest. The OIG completed its investigation and provided a report to the USMS for its information.
- The OIG's Washington Field Office initiated an investigation of a U.S. Marshal based on an anonymous letter alleging, among other things, that the U.S. Marshal had engaged in intimate personal relationships with subordinate employees in violation of USMS policy. The OIG determined that the U.S. Marshal engaged in an intimate personal relationship with an employee under the U.S. Marshal's command and with an immediate family member of another employee in the U.S. Marshal's district, and violated the USMS personal relationships policy by arranging

for the employee to be transferred to a position in the U.S. Marshal's district during their relationship. The OIG also found that the U.S. Marshal lacked candor in testimony to the OIG by maintaining there was not an active personal relationship between the U.S. Marshal and the employee at times relevant to the investigation. The OIG completed its investigation and provided a report to the USMS and to the ODAG for their review and appropriate action. The ODAG informed the OIG that the U.S. Marshal has retired.

- In the *Semiannual Report to Congress, October 1, 2014 – March, 31, 2015*, the OIG reported that a USMS contract correctional officer pled guilty in the District of Rhode Island to one count of bribery of a public official. In his guilty plea to the court, the employee admitted that he agreed to accept \$500 in cash payments from an inmate's family to deliver pills and pornography to the inmate. On June 18, 2015, the correctional officer was sentenced to 3 years of probation and ordered to perform 300 hours of community service. The employee resigned from his position. The investigation was conducted by the OIG's Boston Area Office.

Ongoing Work

Contract Awarded to Operate the Leavenworth Detention Center

The OIG is conducting an audit of a contract valued at over \$800 million, awarded to Corrections Corporation of America to operate the Leavenworth Detention Center located in Leavenworth, Kansas. The preliminary objective is to assess the USMS's and the contractor's administration of and compliance with contract terms and conditions.

U.S. Marshals Service

Hiring Practices

The OIG is investigating multiple allegations of improper or inappropriate hiring practices by officials at the USMS, including allegations of nepotism, favoritism, and quid pro quo arrangements. The OIG is also examining DOJ's response to a letter from a Member of Congress to DOJ regarding allegations of inappropriate hiring practices at USMS and whether officials at the USMS Office of General Counsel failed to ensure DOJ's response to the Member of Congress was accurate and complete.

Drug Enforcement Administration

The DEA enforces federal laws and regulations related to the growth, production, or distribution of controlled substances. In addition, the DEA seeks to reduce the supply of and demand for illicit drugs, both domestically and internationally. The DEA has more than 10,800 employees staffing its 221 offices, which are organized in 21 divisions in the United States and 86 foreign offices in 67 countries.



Report Issued

Confidential Source Policies and Oversight of Higher-Risk Confidential Sources

The OIG issued a report examining aspects of the DEA's Confidential Source Program. The audit was initiated as a result of the OIG's receipt and review of numerous allegations regarding the DEA's handling and use of confidential sources.

The OIG found that the DEA's policy for confidential sources, which was approved by the Criminal Division in 2004, differs in several significant respects from the Attorney General's Guidelines Regarding the Use of Confidential Informants (AG Guidelines), which is DOJ's overarching policy regarding component use of confidential sources. The use of high-level and privileged or media-affiliated sources—such as individuals who are part of drug trafficking organization leadership, as well as lawyers, doctors, or journalists—can pose an increased risk to the public and can have unique legal implications for DOJ. For this reason, the AG Guidelines require special approval before these individuals may be used as a source. Yet, the OIG found that the DEA's Confidential Source Program has no similar requirement, resulting in insufficient oversight.

In addition, the OIG reported that DEA policy and practices are not in line with the AG Guidelines' requirements for reviewing, approving, and revoking confidential sources' authorization to conduct Otherwise Illegal Activity (OIA). The effects of inadequate

oversight of OIA by confidential sources could prove detrimental to DEA operations and liability, and could create unforeseen consequences. For instance, confidential sources could engage in illegal activity that has not been adequately considered, or could overstep their boundaries with a mistaken belief that the DEA has sanctioned any illegal activities in which they participate.

Further, contrary to its own policy, the DEA did not always review its continued use of long-term confidential sources and, when it did, the reviews were neither timely nor rigorous. The OIG found that between 2003 and 2009, the DEA used over 240 long-term confidential sources without rigorous review, often devoting an average of less than 1 minute per source to consider the appropriateness of the source's continued use. In addition, in most instances the DEA continued to use these sources without obtaining the required DOJ concurrence. This created a significant risk that improper relationships between government handlers and sources could be allowed to continue over many years, potentially resulting in the divulging of sensitive information or other adverse consequences for the government.

In addition, the DEA confidential source policy does not include any specific guidance regarding the use of DEA licensees as confidential sources. DOJ guidance emphasizes the need for controls to ensure that no licensee is led to believe that the continued validity of their license is predicated on their status as a confidential source, yet the OIG found

Drug Enforcement Administration

that the DEA's confidential source policy does not specifically address the recruitment, establishment, or use of sources who have been issued a DEA-provided controlled substance registration number.

Finally, the OIG found that the DEA provided *Federal Employees' Compensation Act* (FECA) benefits to confidential sources without adequate processes in place for reviewing the claims and determining eligibility for these benefits. The OIG estimated that, in just the 1 year period from July 1, 2013, through June 30, 2014, the DEA paid 17 confidential sources or their dependents FECA benefits totaling approximately \$1.034 million. The audit also found that the DEA inappropriately continued using and paying confidential sources who were also receiving full disability benefits through FECA, and that the DEA had not adequately considered the implications of awarding such benefits on the disclosure obligations of federal prosecutors and had not consulted DOJ about the issue.

The report notes that the audit was seriously delayed by instances of uncooperativeness from the DEA, including attempts to prohibit the OIG's observation of confidential source file reviews and delays, for months at a time, in providing the OIG with requested confidential source information and documentation. In each instance, the matters were resolved only after the Inspector General elevated them to the DEA Administrator. As a result, over 1 year after initiating this review, the OIG has only been able to conduct a limited review of the DEA's Confidential Source Program. The OIG is continuing its audit to more fully assess the DEA's management and oversight of its confidential sources.

The OIG made seven recommendations to the DEA to improve the policies and management of its Confidential Source Program. The DEA agreed with all of the recommendations. The OIG released both a video message and a podcast to accompany this report, which are available [here](#).

Investigations

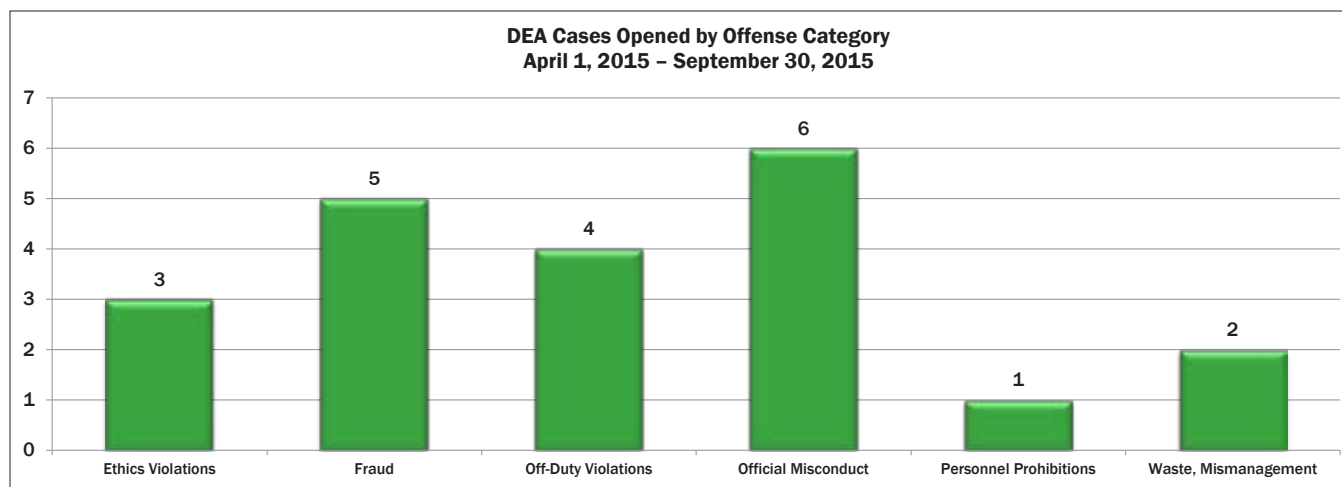
During this reporting period, the OIG received 439 complaints involving the DEA. The most common allegations made against DEA employees included official misconduct, and waste and mismanagement. The majority of the complaints were considered management issues and were provided to the DEA for its review and appropriate action.

During this reporting period, the OIG opened 23 cases and referred 22 allegations to the DEA's Office of Professional Responsibility for action or investigation. At the close of the reporting period, the OIG had 52 open cases of alleged misconduct against DEA employees. The most common allegation was official misconduct.

The following are examples of cases involving the DEA that the OIG investigated during this reporting period:

- On May 20, 2015, a former DEA ASAC and a DEA information technology specialist were arrested in the Southern District of New York and charged with making false statements by failing to disclose on forms submitted for their background checks for national security duties that they had outside employment at an adult entertainment establishment in which they had ownership interests. The joint investigation is being conducted by the OIG's New Jersey Area Office, FBI, and Internal Revenue Service.
- On July 23, 2015, a former Police Sergeant of a Tennessee municipality, previously assigned to the DEA Organized Crime Drug Enforcement Task Force, was arrested and pled guilty in the Middle District of Tennessee to charges of federal program theft and wire fraud. According to the criminal information, the task force officer was charged with fraudulently submitting time card reports and task force authorized overtime logs for

Drug Enforcement Administration



Source: Investigations Data Management System

payment of more 500 hours of overtime totaling more than \$13,000 for time that he did not work from January 2013 to April 2015. He has resigned his position with the police department. The former task force officer is scheduled to be sentenced on November 9, 2015. The joint investigation is being conducted by the OIG's Atlanta Area Office, FBI Nashville Division, and Tennessee Bureau of Investigation.

- In the *Semiannual Report to Congress, October 1, 2014 – March, 31, 2015*, the OIG reported that a DEA program manager was arrested based on a criminal complaint filed in the District of Maryland charging her with access device fraud, wire fraud, and aggravated identity theft. On June 29, 2015, the former DEA program manager was sentenced to 24 months of incarceration, to be followed by 3 years on supervised release, and ordered to pay \$113,841.59 in restitution pursuant to her guilty plea to one count of wire fraud. According to the guilty plea, the employee used her official position to procure and use 32 DEA credit cards issued by JP Morgan Chase in names other than her own. In addition, the employee admitted that, in at least one instance, she submitted the identifying information of

an actual DEA employee. The employee admitted to using the 32 fraudulent credit cards to withdraw more than \$113,000 from ATMs in Maryland and Northern Virginia. The DEA program manager resigned her position. The investigation was conducted by the OIG's Washington Field Office.

- In the *Semiannual Report to Congress, October 1, 2014 – March, 31, 2015*, the OIG reported that a DEA office assistant was arrested and pled guilty in the Middle District of Pennsylvania to a criminal information charging her with embezzlement of government funds. According to court documents, the DEA employee—who served as the impress fund cashier—admitted she stole \$2,079 in U.S. currency from the impress fund in August 2012. The money was discovered missing during a DEA audit on September 9, 2012. On May 12, 2015, the DEA office assistant was sentenced to 2 years of probation. The DEA employee had previously resigned her position. The case was investigated by the OIG's New Jersey Area Office.

Drug Enforcement Administration

Ongoing Work

Memoranda of Understanding with the Department of Defense Supporting Aviation Operations in Afghanistan

The OIG is conducting an audit of the DEA's compliance with memoranda of understanding between it and the Department of Defense supporting aviation operations in Afghanistan. The preliminary audit objective is to assess the DEA's compliance with the memoranda of understanding and determine how the DEA utilized Department of Defense funding.

Handling of Drug Seizures

The OIG is conducting an audit to determine if the DEA's controls over accountability of drug evidence are adequate to safeguard against theft, misuse, and loss.

Management and Oversight of Payments to Confidential Sources

The OIG previously issued a report in July 2015 examining the DEA's confidential source policies and their consistency with DOJ-level standards for law enforcement components, the DEA's oversight of certain high-level confidential sources and high-risk activities involving confidential sources, and the DEA's administration of death and disability benefits to confidential sources. The OIG continues to review the DEA's overall management and administration of its confidential source program, including oversight of payments to confidential sources.

Administrative Subpoenas

The OIG is examining the DEA's use of administrative subpoenas to obtain broad collections of data or information. The review will address the legal authority for the acquisition or use of these data collections; the existence and effectiveness of any policies and procedural safeguards established with respect to the collection, use, and retention of the data; the creation, dissemination, and

usefulness of any products generated from the data; and the use of "parallel construction" or other techniques to protect the confidentiality of these programs.

Post-Incident Response to Missions in Honduras Involving the Use of Deadly Force

The OIG is conducting a joint review with DOS's OIG of the post-incident responses by the DEA and the DOS to three drug interdiction missions in Honduras in 2012, all involving the use of deadly force. The missions were conducted jointly among the Government of Honduras, DEA, and DOS as part of an aerial interdiction program known as Operation Anvil. The joint review will address, among other things, pertinent pre-incident planning and the rules of engagement governing the use of deadly force, the post-incident investigations by the DOS and the DEA, the cooperation by DOS and DEA personnel with the post-shooting reviews, and the information provided to Congress and the public by the DOS regarding the incidents.

Congressional Request Regarding Promotions, Bonuses, and Other Favorable Personnel Actions for Certain DEA Personnel¹

The OIG is reviewing the DEA's handling of favorable personnel actions for certain personnel. After the OIG issued *Review of the Handling of Sexual Harassment and Misconduct Allegations in the Law Enforcement Components*, the Chairman of the U.S. House of Representatives Committee on Oversight and Government Reform asked the OIG to determine whether any promotions, bonuses, awards, or new job assignments were given to the DEA personnel involved in the three incidents described in our report.

¹ The OIG completed this report in October 2015. The results of this review will be described in the OIG's next Semiannual Report, which will cover the period of October 1, 2015, through March 31, 2016.

Drug Enforcement Administration

The DEA's El Paso Intelligence Center

The OIG is reviewing the DEA's El Paso Intelligence Center (EPIC). The review, following a 2010 report, will focus on the EPIC's users and how the EPIC adds value to the law enforcement community.

Bureau of Alcohol, Tobacco, Firearms and Explosives

ATF's approximately 4,800 employees enforce federal criminal laws and regulate the firearms and explosives industries. ATF investigates violent crimes involving firearms and explosives, acts of arson, and illegal trafficking of alcohol and tobacco products. ATF also provides training and support to its federal, state, local, and international law enforcement partners and works in 25 field divisions with representation throughout the United States, Puerto Rico, U.S. Virgin Islands, and Guam. Foreign offices are located in Mexico, Canada, and Colombia, as well as a Regional Firearms Advisor in El Salvador.



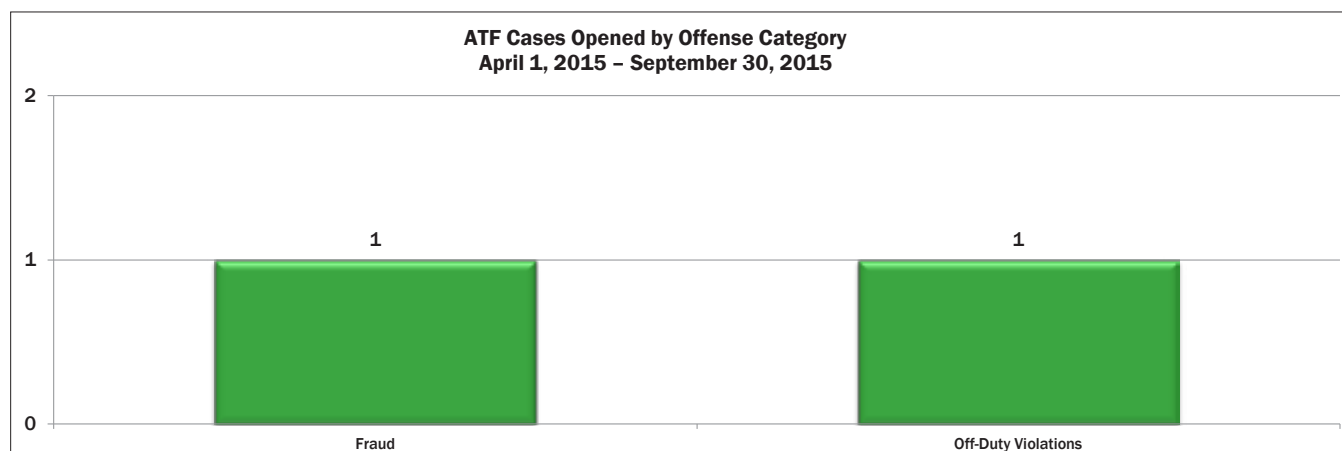
Investigation

During this reporting period, the OIG received 168 complaints involving ATF personnel. The most common allegation made against ATF employees were official misconduct, and waste and mismanagement. The majority of the complaints were considered management issues and were provided to ATF for its review and appropriate action.

During this reporting period, the OIG opened 2 cases and referred 8 allegations to ATF's Office of Professional Responsibility for action or investigation. At the close of the reporting period, the OIG had 11 open criminal or administrative investigations of alleged misconduct related to ATF employees. The investigations include official misconduct and off-duty misconduct.

The following is an example of a case involving ATF that the OIG investigated during this reporting period:

- On August 28, 2015, a former ATF task force officer was indicted in the Southern District of Georgia and charged with theft of government funds related to submissions of overtime that he did not work. The task force officer has resigned from the ATF task force. The joint investigation is being conducted by the OIG's Miami Field Office and the FBI.



Source: Investigations Data Management System

Ongoing Work

Management and Oversight of Confidential Informants

The OIG is initiating an audit of ATF's management and oversight of confidential informants. The audit objective is to evaluate ATF's policies and practices for the identification, approval, and oversight of its confidential informants.

Oversight of Certain Storefront Operations

The OIG is reviewing ATF's oversight of certain of its storefront operations. One of the key findings of the OIG's September 2012 report, *A Review of ATF's Operation Fast and Furious and Related Matters*, was that ATF failed to exercise sufficient oversight of activities that posed a danger to the public or otherwise presented special risks. ATF recognized this problem and established a Monitored Case Program to improve its oversight capabilities. The OIG's review will examine several storefront operations that continued or began after the inception of the Monitored Case Program and will evaluate the effectiveness of the Monitored Case Program as an oversight tool.

ATF's Investigation of the Osorio and Barba Firearms Trafficking Rings

The OIG is reviewing allegations that ATF failed to timely investigate and arrest subjects involved in trafficking firearms that were used in an attack on U.S. Immigration and Customs Enforcement agents in Mexico in 2011. One of the agents, Jaime Zapata, died from injuries he sustained during the attack. The OIG investigation is examining the information that was available to ATF about the firearms traffickers prior to Agent Zapata's death.

Office of Justice Programs

OJP manages the majority of the Department's grant programs and is responsible for developing initiatives to address crime at the state and local levels. OJP has six bureaus and program offices—Bureau of Justice Assistance, Bureau of Justice Statistics, National Institute of Justice, Office of Juvenile Justice Delinquency Prevention, Office for Victims of Crime, and the Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking. In this section, the report discusses OJP's oversight of grant funds and OIG reviews of grant recipients.



Reports Issued

Public Safety Officers' Benefits Programs

The OIG issued an audit examining the timeliness of PSOB claims processing by OJP's BJA. The PSOB provides death benefits to survivors of fallen law enforcement officers, firefighters, and other first responders, and disability benefits to officers catastrophically injured in the line of duty. Between FYs 2008 and 2013, OJP provided \$464 million in death benefits and \$43 million in disability benefits to eligible claimants, and the one-time benefit amount for approved death or disability claims increased from \$303,064 to \$328,613.

The OIG audit found significant delays in OJP's claims processing. While PSOB's performance goal is to decide claims in less than a year, the OIG found that OJP required more than a year to process at least 25 percent of the 1,845 completed death and disability claims included in the review, and 79 of these claims took more than 2 years to decide, with 69 of the pending claims pending for more than 3 years. Three primary factors were identified as contributing to the most significant delays in processing claims: (1) claimants filing incomplete benefit claims applications, an issue the OIG attributed to the inadequate application guidance provided by the PSOB Office within BJA; (2) claimants and other agencies being unresponsive to PSOB Office requests for additional information regarding a claim; and (3) the PSOB Office often not adequately

documenting the basis for its determinations, which delayed OJP's subsequent legal reviews of claims determinations. The audit also found that the PSOB Office inadequately reported annual data on its performance measures and that its database of claims-related information was inconsistent and did not include data fields for important claims processing milestones.

The OIG made four recommendations to OJP to help the PSOB improve the timeliness of its claims processing and the usefulness of its performance reporting. OJP agreed with all of the recommendations.

Audits of Grants to State and Local Entities

The OIG also conducts audits of various grants and other financial assistance provided by OJP to recipients outside of DOJ. These recipients include state and local governments, universities, non-profit agencies, and for-profit agencies. During this reporting period, the OIG audited 12 external OJP grant recipients. One of these audits reported significant questioned costs; another resulted in a grantee high-risk designation.

Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona

The OIG issued an audit of four Correctional Facilities on Tribal Lands Program grants totaling \$70 million awarded to the Navajo

Office of Justice Programs

Division of Public Safety (NDPS) in Window Rock, Arizona. The grants, which were awarded in 2008 and 2009, were intended to fund the design and construction of tribal justice facilities for the incarceration and rehabilitation of adult offenders subject to tribal jurisdiction. The audit identified over \$35 million in questionable uses of grant funding, as well as concerns relating to compliance with grant requirements. Most of the questioned costs were related to the construction of correctional facilities in Tuba City and Kayenta, Arizona, which were built with capacities that were at least 250-percent larger than needed, and at an excess cost of more than \$32 million. The OIG further found that OJP possessed the information necessary to identify the significant changes that expanded these projects' scope but did not take sufficient action to prevent the questionable spending.

Specifically, the audit found that in Tuba City, the NDPS constructed a 132-bed correctional facility with a \$38.6 million grant, even though its 2007 master plan called for a 48-bed correctional facility at a cost of \$18.2 million, and even though the average monthly jail occupancy for Tuba City from 2008 through 2014 was between 14 and 22 inmates, with a high of 49 inmates. Similarly, the OIG found that in Kayenta, the NDPS built an 80-bed correctional facility and a police station with a \$31.7 million grant, even though its 2007 master plan stated a need for a 32-bed correctional facility and law enforcement areas at a cost of \$20 million, and even though the average monthly jail occupancy for Kayenta from 2008 through 2014 was between 7 and 11 inmates, with a high of 24 inmates. The excessive size of the correctional facilities also resulted in increased costs for operations and maintenance staffing, which are significantly funded through the Department of the Interior's Bureau of Indian Affairs (BIA). However, BIA told the OIG that, due to funding constraints, it can only provide 40 percent of requested funding for tribal corrections officers for the two facilities. According to the most recent information provided to the OIG, the Kayenta facility has been completed, but it has not yet been opened due to construction issues.

The Tuba City facility has opened, but it only has staff to support 2 of the 11 constructed housing units for a maximum incarceration capacity of 24, thereby leaving it 82-percent vacant.

The OIG made nine recommendations to OJP to remedy \$35 million and to address other concerns with the NDPS's grant management, including strengthening its contractor vetting processes and submitting accurate financial reports. OJP agreed with seven of the nine recommendations, but only partially agreed with the OIG's recommendation to remedy \$32 million associated with the Tuba City and Kayenta facilities, and disagreed with a recommendation to remedy \$290,116 in unnecessary planning grants. The Navajo Nation, which provided a response on behalf of the NDPS, agreed with three of the recommendations, but disagreed in whole or in part with recommendations regarding planning for detention space and specific questioned costs covering facility construction.

Grants Awarded to the Puerto Rico Department of Justice

The OIG issued an audit of 29 DOJ grants totaling \$77.5 million to the Puerto Rico Department of Justice (PRDOJ). The purposes of these grants, which were awarded by OJP from FYs 2008 through 2013, were to support a broad range of activities to control and prevent crime based on local needs and conditions; provide services to victims of crime; enhance sex offender registration and notification programs; and provide loan repayment assistance for local, state, and federal public defenders and local and state prosecutors. The OIG's audit found that the PRDOJ's controls, policies, and procedures were inadequate in a number of ways to properly administer and fully account for grant funds and, consequently, the OIG questioned more than \$5.1 million. The OIG also identified an additional \$1.5 million in funds that the OIG believes the DOJ should put to better use, for a total of more than \$6.6 million in dollar-related findings.

Office of Justice Programs

During the OIG's audit, the PRDOJ did not comply with some document requests and delayed in responding to other OIG requests for records and other information the OIG needed to complete the audit. For example, the PRDOJ did not provide support—such as invoices or other supporting documentation for expenditures—for 46 transactions, valued at more than \$2 million, of the 147 transactions that we selected for testing. The OIG questioned those 46 transactions as unsupported costs. PRDOJ managers told the OIG that delays were caused by lack of personnel and trouble locating requested documentation, and that some supporting documents were not within PRDOJ's possession and PRDOJ would have to obtain them from third party vendors.

Based on the documentation available to the OIG, the OIG found that the PRDOJ drew down about \$2.6 million in excess funds that it did not use or return to OJP. The OIG questioned these drawdowns as unsupported. The OIG also found that the PRDOJ did not draw down an additional \$3.6 million of the grant funds it was awarded. As of June 2015, DOJ had already deobligated about \$2 million of this \$3.6 million, and the OIG identified the rest as funds that the DOJ should put to better use. All together, the unused funding resulted in a total of \$6.2 million in missed criminal justice funding opportunities.

The OIG also identified other grant management deficiencies during its audit, including that the PRDOJ: (1) did not allocate grant funds based on the needs of the criminal justice agencies or according to a strategic plan to address crime; (2) did not perform adequate monitoring of grant sub-recipients; (3) did not accomplish a significant portion of the grant funded projects; and (4) had not fully implemented the *Sex Offender Registration and Notification Act* or the *National Instant Background Check System Improvements Act*. The OIG determined that the primary cause for many of these deficiencies was inexperienced and inadequately trained PRDOJ grant staff, in addition to controls,

policies, and procedures that were inadequate to accomplish proper grant administration and full accountability for grant funds.

The report made 20 recommendations to address dollar-related findings and improve the management of DOJ grants. OJP agreed with all of the recommendations. The PRDOJ agreed with 18 of the recommendations and disagreed in whole or in part with 2 recommendations.

Summaries of findings from other OJP grant audits follow.

- The OIG issued an audit of an OJJDP grant totaling \$2,500,000 awarded to Communities in Schools, Inc. (CIS), based in Arlington, Virginia. The purpose of the grant, which was awarded in 2011 under the Office of Juvenile Justice Delinquency Prevention's (OJJDP) Multi-State Mentoring Initiative, was to allow CIS to partner with organizations across the United States to provide mentoring to students at high risk for dropping out of school. The OIG found that while CIS generally complied with essential grant conditions in the areas of reporting, grant drawdowns, and budget management and control, it did not adequately monitor its partner organizations' expenditures to ensure the costs claimed met conditions of the grant. In total, the OIG questioned \$1,806,551 in costs that CIS charged to the grant, including \$1,704,411 in unsupported pass-through costs from partner organizations and \$102,140 in indirect costs relating to these unsupported costs. The OIG also identified \$177,646 in funds not yet disbursed that OJJDP should put to better use. In addition, the OIG identified several ways that CIS could strengthen its procedures to verify that its partner organizations conduct required background checks on mentors serving in the program. The OIG made six recommendations to OJP to address the dollar-related findings and improve

Office of Justice Programs

CIS's recordkeeping and monitoring of sub-recipients. OJP agreed with the recommendations. CIS agreed with three recommendations and disagreed in whole or in part with three recommendations relating to dollar-related findings. With its response to the draft report, CIS also provided additional documents that were found to support nearly \$662,000, or almost 37 percent, of the total amount of questioned costs identified in the report.

- The OIG issued an audit of four grants totaling \$3,127,009 to the National Indian Justice Center (NIJC) in Santa Rosa, California. The purpose of these OJP grants was to fund the NIJC's design and delivery of legal education, research, and technical assistance programs that sought to improve the quality of life for Native communities and the administration of justice in Indian country. The OIG found the NIJC did not comply with several essential award conditions. Specifically, the OIG found that the NIJC did not adequately define policies and procedures to ensure effective control over grant funds, did not submit accurate financial reports for three of the grants, and did not report tuition and fee income to OJP as required. The audit also identified more than \$715,000 in questioned costs, including, among other things, unsupported costs related to the use of consultants, unallowable indirect costs related to the building the NIJC owns for its operations, and unallowable costs resulting from the NIJC's non-compliance with the grants' special conditions. In addition, the OIG found the NIJC was delayed in achieving the goals and objectives for one of the four grants because of difficulties obtaining a required tribal resolution. The OIG made 10 recommendations to OJP to remedy questioned costs and improve the NIJC's management of awards. OJP agreed with all of the recommendations. The NIJC

agreed with four of the recommendations, partially agreed with five, and disagreed with one.

- The OIG issued an audit of three grants totaling \$12,942,550 to the Fort Peck Assiniboiné and Sioux Tribes (Fort Peck) in Poplar, Montana. The purpose of these grants, which were awarded from 2008 through 2010 under the BJA's Correctional Systems and Correctional Alternatives on Tribal Lands Program (now known as the Tribal Justice Infrastructure Program), was to plan and construct a tribal justice facility associated with the incarceration and rehabilitation of adult offenders subject to tribal jurisdiction. According to Fort Peck officials, the facility was substantially completed in January 2014, but it was not opened until October 2014 due to delays with obtaining operations and maintenance funding from the Department of the Interior. As of December 2014, Fort Peck had drawn down all funds relating to the three grants that were the subject of this audit, but the OIG found that the facility was only partially operational due to insufficient staffing. The audit also found that Fort Peck did not comply with essential award conditions related to the use of funds, performance, and financial controls. Specifically, Fort Peck did not check the federal System for Award Management to ensure grant funds are not paid to suspended or debarred contractors, did not maintain documentation to support allocations of employee time among multiple grants, did not fully achieve a grant objective to build a facility to promote alternative treatment programs, and overdrew grant funds for one of the grants. The audit also questioned \$246,983 in unallowable costs and an additional \$109,737 in unsupported costs. The OIG made six recommendations to OJP to remedy the questioned costs and improve Fort Peck's management

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of grant funds. OJP agreed with all of the recommendations. Fort Peck agreed with four of the recommendations and substantially disagreed with the two recommendations concerning questioned costs. As noted in the report's appendix, after reviewing the draft report, Fort Peck also provided additional documentation sufficient to remedy \$87,406 of the \$109,737 in unsupported costs identified during the audit.

- The OIG issued an audit of a grant of \$1,828,605 to Project Lifesaver International (PLI) in Chesapeake, Virginia. The purpose of the grant, which was awarded in 2009 under the BJA's Missing Alzheimer's Disease Patient Assistance Program, was to facilitate the prompt return of missing persons living with Alzheimer's disease and related dementias, and other missing elderly individuals, by offering technological solutions to address the growing burden that searches and rescues place on public safety agencies. The audit found that PLI generally complied with essential grant conditions relating to reporting and to budget management and control, and that PLI appears to be on track to meet its established project goals and objectives by the grant end date. However, the OIG questioned \$208,036 in unsupported personnel costs and associated fringe benefits that PLI charged to the grant. The OIG also found that PLI did not perform reconciliations between the grant expenditures and its general ledger, and that PLI did not properly track or record program income generated by the grant. The OIG made four recommendations to assist OJP in addressing the OIG's dollar-related findings and improving PLI's internal controls. Both OJP and PLI agreed with all of the recommendations.
- The OIG issued an audit of an \$810,000 grant to Catholic Charities, Archdiocese of San Antonio, Inc., (CCAOSA), in San Antonio, Texas. The purpose of the grant, which was awarded under the OVC's Victims of Human Trafficking Grant Program, was to provide comprehensive services to trafficking victims, build effective community service networks to respond to victim's needs, and provide training to increase awareness. The OIG found that CCAOSA did not comply with essential award conditions related to financial management, expenditures, drawdowns, federal financial reports and program performance. Specifically, the OIG found that CCAOSA did not follow required procedures for identifying and procuring contractors, and lacked required procedures for monitoring contractors. The OIG also found that CCAOSA had unsupported expenditures and drawdowns of \$20,363, submitted inaccurate financial reports to OJP, and did not maintain supporting documentation for the progress reports it submitted to OJP. The OIG made four recommendations to OJP to improve CCAOSA's grant management and to remedy the questioned costs identified during the audit. OJP agreed with all of the recommendations. CCAOSA's response did not indicate whether it agreed with the recommendations, but described some specific actions the organization has taken to address them.
- The OIG issued an audit of a \$375,000 cooperative agreement awarded to Lamar Associates, LLC to assist DOJ program offices and other federal agencies coordinate their resources as they work on initiatives, programs, and policies that impact and serve American Indian and Alaska Native youth. The audit found that Lamar Associates did not comply with essential award conditions related to cooperative agreement

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expenditures and federal financial reports. Significantly, Lamar Associates charged unallowable and unsupported costs to the cooperative agreement. Based on the audit results, the OIG identified \$17,331 in questioned costs, which included \$900 in duplicate costs that were questioned for more than one reason, resulting in net questioned costs of \$16,431. The OIG made three recommendations to address dollar-related findings and improve Lamar Associates' management of the cooperative agreement. OJP agreed with all of the recommendations. Lamar Associates neither agreed nor disagreed with the two recommendations to address the dollar-related findings and did not provide a response to the recommendation regarding the accurate reporting of costs and other information, but indicated in its response to the report that it would work with OJP to address the recommendations.

- The OIG issued an audit of three OJP grants totaling \$904,677 awarded to the New Mexico Department of Public Safety (NMDPS). The audit assessed whether the grant funds, which were to meet the requirements of implementing the *Sex Offender Registration and Notification Act*, were properly accounted for and used for allowable purposes. The audit disclosed that the NMDPS did not comply with essential award conditions in the areas of expenditures, financial reporting, and performance. Specifically, NMDPS: (1) charged unallowable overtime to the grants, (2) submitted inaccurate financial and progress reports, (3) delayed program implementation, and (4) did not meet all special conditions. As a result, the OIG made five recommendations to OJP to improve the NMDPS's management of awards. OJP agreed with all of the recommendations. NMDPS agreed in full with four of the recommendations, and partially agreed with one recommendation.

- The OIG issued an audit of two OJP National Institute of Justice (NIJ) awards to the County of Erie, New York (Erie County), totaling \$1,125,138. The 2011 and 2012 awards were funded through NIJ's DNA Backlog Reduction Program, the purpose of which is to reduce DNA sample backlogs in state and local government crime laboratories. The OIG found that Erie County generally met the terms and conditions of the awards, with some exceptions. For example, the OIG found that Erie County used an accounting methodology for tracking grant-funded expenditures that did not meet OJP's requirements for precision. The OIG also found that Erie County should improve its property management practices and its policies to ensure compliance with special conditions imposed under individual grants. The OIG made three recommendations to OJP to assist in its oversight of Erie County's grant management. Both OJP and Erie County agreed with all of the recommendations.

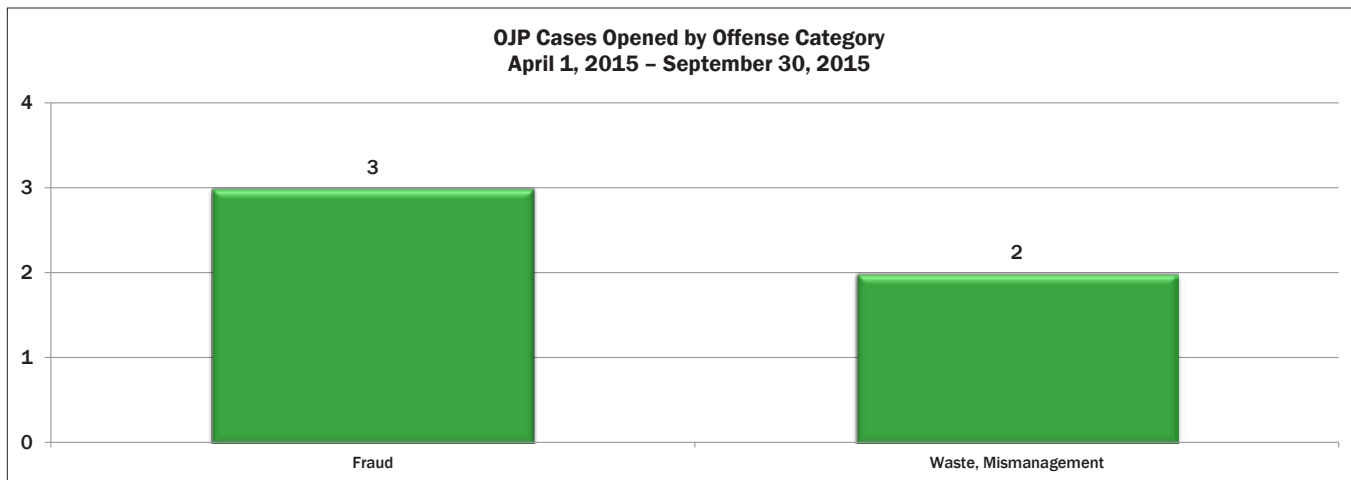
Investigations

During this reporting period, the OIG received 36 complaints involving OJP. The most common allegation made against OJP employees, contractors, or grantees was fraud.

During this reporting period, the OIG opened 5 cases. At the close of the reporting period, the OIG had 22 open criminal or administrative investigations of alleged misconduct related to OJP employees, contractors, or grantees. The majority of these criminal investigations were related to grantee fraud.

The following are examples of cases involving OJP that the OIG investigated during this reporting period:

Office of Justice Programs



Source: Investigations Data Management System

- On July 29, 2015, U.S. Congressman Chaka Fattah and four other individuals were indicted in the Eastern District of Pennsylvania related to their participation in a racketeering conspiracy which included the misuse of federal, charitable, and campaign funds. The criminal investigation, partially predicated by an audit conducted by the OIG's Philadelphia Regional Audit Office, is being jointly conducted by the OIG's Fraud Detection Office, FBI, Internal Revenue Service Criminal Investigations Division, and the OIGs for the Department of Commerce and the National Aeronautics and Space Administration.
- On July 22, 2015, a former executive director for a child advocate organization in Canadian County, Oklahoma, was indicted in the Western District of Oklahoma and charged with embezzling funds from a program largely funded by grants from OJP's OVC. The investigation is being conducted by the OIG's Fraud Detection Office.

Ongoing Work

Crime Victims Fund

The OIG initiated an audit of OJP's Crime Victims Fund (CVF), which was established by the *Victims of Crime Act of 1984* to provide assistance and grants for victim services throughout the nation. Funding for the CVF is generated from criminal fines, forfeited bail bonds, penalties, and special assessments collected from offenders convicted of federal crimes. The OIG will conduct a risk assessment of OJP's management of the CVF with a preliminary objective to assess the risk associated with managing funding increases.

Tribal Justice Infrastructure Program

The Tribal Justice Infrastructure Program (TJIP), formerly the Correctional Systems and Correctional Alternatives on Tribal Lands Program, funds the planning and construction of new or renovation of existing tribal justice facilities, as well as community-based alternatives to help prevent and control jail overcrowding due to alcohol and other substance abuse-related crime. OJP's BJA administers the TJIP in coordination with the Department of the Interior's BIA, which with tribal grantees, is responsible for supporting, operating, and maintaining the correctional facilities. The OIG's audit will assess OJP's

Office of Justice Programs

management and oversight of the TJIP, including the contracting activities of program grantees, and determine the extent of OJP's cooperation and coordination with the BIA to ensure efficient and effective correctional services in Indian Country.

Office of Juvenile Justice and Delinquency Prevention Title II Formula Grant Program

The OIG initiated a review of the OJJDP Title II Formula Grants Program, which provides funding directly to states, territories, and the District of Columbia to help implement comprehensive state juvenile justice plans based on needs studies for delinquency prevention and intervention efforts, as well as juvenile justice system improvements. The objectives are to assess compliance with certain *Juvenile Justice and Delinquency Prevention Act* protections and requirements.

Reporting and Use of Program Income by DNA Backlog Reduction Grantees

The DNA Backlog Reduction Program works to increase the capacity of public forensic and DNA database laboratories to process more DNA samples to reduce the number of database samples awaiting analysis. The DNA Backlog Reduction Program provides grants to eligible state and local governments to increase their capacity to process, record, screen, and analyze forensic DNA and DNA database samples. The OIG initiated an audit of OJP's reporting and use of program income by DNA Backlog Reduction grantees. The objectives are to determine how OJP managed DNA Backlog Reduction grantees' accounting and use of program income and determine if grantees are accurately reporting and appropriately using program income.

Other Department Components

Civil Division

Ongoing Work

Administration of the September 11th Victim Compensation Fund

The OIG is conducting an audit with the preliminary objective of reviewing the Civil Division's administration of the September 11th Victim Compensation Fund, which was opened by the *James Zadroga 9/11 Health and Compensation Act of 2010*. Title II of the Act reactivated the 9/11 Victim Compensation Fund of 2001, provided an additional \$2.775 billion to compensate claimants, and added new categories of beneficiaries for the fund, including individuals with conditions that may have been caused over longer periods of time.

Criminal Division

Reports Issued

Equitable Sharing Audits

Under DOJ's Asset Forfeiture Program, state and local law enforcement agencies receive equitable sharing assets when participating directly with DOJ's law enforcement components in joint investigations that lead to the seizure or forfeiture of cash and property. Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations. During this reporting period, the OIG audited equitable sharing revenues received by four law enforcement agencies as described below.

- The OIG issued an audit examining the equitable sharing program activities of the Charter Township of Plymouth Police Department, Plymouth Township, Michigan (Plymouth Township PD). The OIG assessed whether the \$1,907,242 in DOJ equitable sharing funds received by the Plymouth Township PD between January 1, 2010, and September 30, 2014,



was properly accounted for and used for allowable purposes. The audit revealed numerous internal control issues, including a lack of documented policies and procedures that weakened the Plymouth Township PD's management of its equitable sharing activities, as well as incomplete compliance with DOJ requirements pertaining to accounting for equitable sharing receipts and the allowable use of equitable sharing funds. Specifically, Plymouth Township commingled DOJ equitable sharing funds with other funds in its accounting system and in its bank account designated for DOJ equitable sharing funds, and its annual certification reports to DOJ contained inaccuracies relating to equitable sharing expenditures and interest earned on equitable sharing funds. The audit questioned \$51,383 in unallowable expenditures, including salaries for non-law enforcement personnel, and costs charged to the equitable sharing program in advance of receiving equitable sharing funds. The OIG made 12 recommendations to DOJ's Criminal Division to address the dollar-related findings and improve the Plymouth Township PD's management of its equitable sharing program activities. The Criminal Division, through its Asset Forfeiture and Money Laundering Section,

Other Department Components

agreed with all 12 recommendations. In its response to the draft report, the Plymouth Township PD expressed agreement with most of the recommendations, but not with all of the identified questioned costs, and it stated that it would work with the Criminal Division to address all of the concerns identified in the report.

- The OIG issued a report examining the equitable sharing program activities of the Rowlett, Texas, Police Department (Rowlett PD). The OIG assessed whether the \$1,938,521 in DOJ equitable sharing funds and \$16,837 in tangible property received by the Rowlett PD from FY 2012 through FY 2014 was properly accounted for and used for allowable purposes. The OIG determined that the Rowlett PD generally accounted for equitable sharing funds properly and used the funds for allowable purposes, but that it did not maintain the required equitable sharing log to record requests and receipts. As a result of the audit, the Rowlett PD immediately created and implemented the required log. The OIG also determined that the Rowlett PD had understated the amount of equitable sharing receipts on a certification form provided to DOJ in FY 2012, but the amount of the understatement was immaterial. As a result, the OIG made no recommendations to the Criminal Division.
- The OIG issued a report examining the equitable sharing program activities of the Stafford County, Virginia, Sheriff's Office (Stafford County). The OIG assessed whether the \$1,199,308 in DOJ equitable sharing funds received by Stafford County in FYs 2013 and 2014 was properly accounted for and used for allowable purposes. The audit found that Stafford County's annual equitable sharing agreement and certification forms were complete, accurate, and submitted on time; that Stafford County was able to account

for individual receipts and expenditures of DOJ equitable sharing funds; and that Stafford County appropriately used equitable sharing funds to support law enforcement activities. However, the OIG found that Stafford County commingled DOJ equitable sharing funds with state and local asset forfeiture funds in a single bank account, which conflicts with DOJ guidelines for managing equitable sharing funds. As a result, the OIG recommended that the Criminal Division ensure that Stafford County segregate or otherwise account for DOJ equitable sharing revenues separately from other sources of forfeiture proceeds. Both the Criminal Division and Stafford County agreed with the recommendation.

- The OIG issued an audit examining the equitable sharing program activities of the Shenandoah County, Virginia, Sheriff's Office (Shenandoah County). The OIG assessed whether the \$924,218 in DOJ equitable sharing funds received by Shenandoah County in FYs 2013 and 2014 was properly accounted for and used for allowable purposes. The audit found that Shenandoah County's annual equitable sharing agreement and certification forms were complete, accurate and submitted on time; that Shenandoah County could clearly account for individual receipts and expenditures of DOJ equitable sharing funds; and that Shenandoah County's appropriately used DOJ equitable sharing funds to support law enforcement activities. As a result, the OIG made no recommendations to the Criminal Division.

Other Department Components

Environment and Natural Resources Division

Report Issued

Audit of FYs 2013 and 2014

Superfund Activities

The OIG examined DOJ's Superfund activities in the Environment and Natural Resources Division (ENRD) for FY 2013 through FY 2014. The *Comprehensive Environmental Response, Compensation and Liability Act of 1980* (known as CERCLA or Superfund), which was expanded by the *Superfund Amendments and Reauthorization Act of 1986*, established the Superfund program to clean up the nation's worst hazardous waste sites. The OIG conducted this audit and concluded that the cost allocation process used by the ENRD and its contractor provided an equitable distribution of total labor costs, other direct costs, and indirect costs to Superfund cases during FY 2013 through FY 2014. The OIG made one recommendation to adjust charges associated with a case that should have been reclassified to non-Superfund status. The ENRD agreed with and took action to address the recommendation; therefore, the status of the overall report is closed.

National Security Division

Ongoing Work

Administration and Enforcement of the Foreign Agents Registration Act

The OIG is conducting an audit of the NSD's Administration and Enforcement of the *Foreign Agents Registration Act*. The preliminary objectives of the audit are to determine: (1) the trends in the numbers and types of registrations; (2) the timeliness and sufficiency of the information provided by registrants; (3) the monitoring and enforcement actions taken by DOJ to ensure appropriate registration; and (4) areas for administrative or legislative improvements.

Office of Community Oriented Policing Services

Reports Issued

Audits of COPS Grants

The Office of Community Oriented Policing Services (COPS) provides funding to state, local, territory, and tribal law enforcement agencies to hire and train community policing professionals, acquire and deploy crime-fighting technologies, and develop and test policing strategies. During this reporting period, the OIG issued one report and audited one recipient of COPS grants as described below.

- The OIG issued a report summarizing actions completed and remaining to improve controls to prevent duplicate reimbursements for salary and leave in COPS hiring grants. The report includes an OIG February 2015 Management Advisory Memorandum issued to the COPS Office, the COPS Office's March 2015 response, and an analysis of actions necessary to close the memorandum recommendations. In five separate audits of COPS Hiring Recovery Program grant recipients between November 2012 and December 2014, the OIG identified a total of \$861,427 in dollar-related findings related to duplication in grant awards for salary and leave. This issue also had the potential of affecting the COPS Office's current hiring programs. The Management Advisory Memorandum provided two recommendations to help identify additional duplicate reimbursements in prior awards, and help prevent the issue from occurring in future awards. The COPS Office's response details enhanced controls it implemented in its hiring grant applications over the past 5 years to help address this issue. The OIG report assesses those controls and provides further recommendations for improvements to

Other Department Components

help ensure that applicants do not submit reimbursement requests for duplicate salary and leave costs. Further, the COPS Office did not identify in its response any actions it would take to address the recommendation to identify and remedy additional duplicate reimbursements in its previously awarded grants. Therefore, the report reiterates the necessity to perform such analysis to ensure the integrity of prior grant awards.

- The OIG issued an audit of a \$5.2 million grant awarded to the Honolulu, Hawaii, Police Department (HPD), to hire police officers. The grant was funded by the *American Recovery and Reinvestment Act of 2009* and distributed through the COPS Hiring Recovery Program. The audit found that the HPD generally complied with the essential grant requirements in the areas tested, and that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The audit further determined that HPD reported complete and accurate data on its grant application, adhered to financial management requirements, and was meeting its community policing objectives. There were no recommendations.

structure bank deposits of gambling winnings to avoid reporting requirements. The DOJ attorney's suspicions arose from a conversation with the OIG supervisory employee during which he made boastful statements about his gambling activity and his handling of his winnings. The OIG determined that the OIG supervisory employee had made the statements as alleged, but did not substantiate that he engaged in structuring violations. The OIG concluded that the supervisory employee's boastful statements constituted conduct prejudicial to the OIG, particularly in view of the OIG's function and his position of trust as a manager. In addition, the OIG's investigation identified numerous occasions when the supervisory employee sent OIG sensitive and other information to personal e-mail accounts in violation of DOJ and OIG policies. The OIG also found that the supervisory employee regularly used his DOJ e-mail account to manage a personal rental property, and that he did not report his gambling income on his tax returns or report his rental or gambling income on his annual confidential financial disclosure forms for a period of years. Prosecution was declined. The OIG removed the supervisory employee from federal service. His appeal is pending.

Office of the Inspector General

Investigation

The following is an example of a case that the OIG investigated during this reporting period:

- The OIG conducted an internal investigation of an OIG supervisory employee after receiving information from a DOJ attorney that the OIG supervisory employee may have attempted to evade federal income tax obligations and

Other Department Components

Office on Violence Against Women

Reports Issued

Audit of FYs 2013 and 2014 Superfund Activities

The OVW administers financial and technical assistance to communities across the country for the development of programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The OVW recipients include state and local governments, universities, non-profit agencies, and for-profit agencies. During this reporting period, the OIG conducted five audits of OVW grant recipients, which are summarized below.

- The OIG issued an audit of four grants totaling \$1,189,554 to the Penobscot Indian Nation (Penobscot Nation), in Indian Island, Maine. OJP awarded two of the grants through the Tribal Youth Program and one grant through the Tribal Courts Assistance Program, and the OVW awarded one grant through the Indian Tribal Governments and Sexual Assault Services Program. All four grants were awarded between 2009 and 2011. The OIG found that Penobscot Nation did not comply with several essential award conditions. Specifically, the Penobscot Nation's grant-funded consultant payments were not adequately supported because the documentation lacked sufficient details such as pay rates, hours worked, or reference to a specific contract. Further, some grant-funded staff positions were not approved by OJP or the OVW, and some salary adjustments that were charged retroactively to three of the grants were not properly supported. The audit revealed that the Penobscot Nation's policies were not sufficient to ensure purchases of less than \$5,000 were compliant with grant rules, and the Penobscot Nation's method

for recording grant expenditures was not reliable. The audit questioned a net total of \$393,480 in grant expenditures as unsupported, unallowable, or unnecessary, and contained 14 recommendations to OJP and the OVW. OJP and the OVW agreed with all of the recommendations, and Penobscot Nation stated that it would work to address the report's findings and recommendations.

- The OIG issued an audit of four grants totaling \$1,209,750 to First Nations Development Institute (FNDI) in Longmont, Colorado. The purpose of these grants was so that FNDI could provide training and technical assistance that would enhance the success of local projects implemented with OVW grant funds. The audit found that FNDI did not comply with essential award conditions related to award expenditures and federal financial reports. Specifically, the OIG identified \$391,263 in unsupported and unallowable expenditures, as well as obligations that were incurred after the funding period. The audit also noted that FNDI's financial reports were not supported by its accounting records or by its expense tracking spreadsheets. The OIG made four recommendations to the OVW to address dollar-related findings and improve FNDI's grant management. The OVW agreed with all of the recommendations. In its formal response to the report, FNDI expressed its disagreement with some of the questioned costs and identified several actions it intended to take to address the OIG's findings.
- The OIG issued an audit of six grants totaling \$2,820,114 awarded to the Utah Domestic Violence Advisory Council (UDVAC), in Salt Lake City, Utah. The grants were awarded from 2010 through 2014 under three OVW programs: the Grants to State Sexual Assault and

Other Department Components

Domestic Violence Coalitions Program; the Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program; and the Enhanced Training and Services to End Abuse in Later Life Program. The audit found that UDVAC did not fully comply with the grant requirements the OIG tested. Specifically, the OIG found that the UDVAC lacked policies to effectively document and safeguard the use of federal funds, submitted progress reports that were not fully supported, submitted inaccurate financial reports, and did not adequately track and record its program income. The audit also identified \$96,803 in questioned costs, including \$82,508 in unallowable grant expenditures. The OIG made eight recommendations to the OVW to assist in its oversight of the UDVAC's grant management. The OVW agreed with all of the recommendations, and UDVAC stated in its response that it would continue to work with the OVW to address them.

- The OIG issued an audit of a \$925,190 grant to the House of Ruth Maryland, Inc. (House of Ruth), in Baltimore, Maryland. The purpose of the grant, which was awarded in 2009 under the Legal Assistance for Victims Program, was to provide legal representation for low-income, high-risk victims of domestic violence in divorce and custody cases. The audit found that the House of Ruth accomplished the grant's goals and generally complied with most of the grant's requirements, but the OIG also questioned \$76,173 in unsupported personnel costs and associated fringe benefits. The OIG made three recommendations to the OVW to address these questioned costs and improve House of Ruth's internal controls. The OVW agreed with all of the recommendations. House of Ruth agreed with one recommendation and neither agreed nor disagreed with two recommendations

concerning unsupported costs; but stated that it would work with the OVW to address the matters raised in the report.

- The OIG issued an audit of two cooperative agreements totaling \$600,000 to Tapestri, Inc. (Tapestri), in Tucker, Georgia. These cooperative agreements were awarded in 2011 under the OVW's Engaging Men in Preventing Sexual Assault, Domestic Violence, Dating Violence, and Stalking Grant Program; and OJP's Services for Victims of Human Trafficking Program. The audit found weaknesses in several aspects of Tapeatri's compliance with the essential award conditions of both cooperative agreements. Specifically, the audit found that Tapeatri inaccurately reported its expenditures, did not properly account for its matching costs, and lacked segregated financial management duties for the request, approval, and payment of expenses from award funds. Further, Tapeatri did not maintain adequate support for some of the accomplishments it reported to the OVW. As a result, the OIG questioned as unallowable a total of \$4,179 in cooperative agreement expenses that were not included in the approved budgets. The OIG made four recommendations to the OVW and OJP to assist in their oversight of Tapeatri's award management and remedy the questioned costs. The OVW and OJP agreed with all of the recommendations. Tapeatri agreed with one recommendation, and disagreed in whole or in part with the other three recommendations.

Other Department Components

Quality Control Review

Report Issued

Quality Control Review of External Audit of Big Brothers Big Sisters of America

The OIG issued a quality control review (QCR) examining a PricewaterhouseCoopers LLP (PwC) audit of the FY 2011 activities of Big Brothers Big Sisters of America (BBBSA). The OIG developed concerns about the PwC audit during its own recent audit of BBBSA's management of DOJ grant funds. The OIG's QCR found that PwC's prior audit report and documentation contained extensive deficiencies. In most instances, PwC's documentation was not sufficiently detailed to provide a clear understanding of the nature, timing, extent, and results of audit procedures performed, the audit evidence obtained and its source, and the conclusions reached. In addition, some of the audit documentation contained contradictory information, multiple audit steps and procedures were not adequately performed or documented, and supervision was not sufficient to identify the errors and omissions in the audit work and documentation. After the OIG brought these deficiencies to PwC's attention, PwC determined that its audit report could not be relied upon and withdrew it in July 2013 so that additional audit work could be performed. The OIG suspended its QCR at that time. PwC submitted a revised audit report in January 2015, which, in contrast to its original report, gave an adverse opinion on major program compliance, contained eight findings, and identified questioned costs with an absolute value totaling \$507,748. The OIG accepted PwC's revised report as generally meeting government audit standards and has referred its findings regarding the original audit report to the American Institute of Certified Public Accountants' Professional Ethics Division.

U.S. Attorneys' Offices

Report Issued

Review of the Debt Collection Program of the United States Attorneys' Offices

The OIG issued a report examining the efforts of the USAOs and EOUSA to collect debts owed to the United States and federal crime victims as a result of criminal and civil cases. Collecting these debts is an important part of the USAOs' mission, and DOJ has indicated that it places a high priority on improving debt collection efforts and ensuring that crime victims receive full and timely restitution. However, the OIG's review found that in many cases, the USAOs have not devoted the resources or put in place the policies and procedures needed to make this a reality. Rather, many USAOs have failed to appropriately prioritize debt collection, and this has resulted in insufficient staffing in the FLUs, as well as ineffective collaboration between FLUs and other units in the USAOs, all of which hinder the ability of the USAOs to fulfill their mission to collect debts.

The OIG found that most USAOs were hampered in fulfilling their mission to collect debts because of insufficient allocation of staffing resources to the FLUs. At the time of the OIG review, a third of the FLUs were operating with only one or two support staff members who were often consumed with administrative tasks rather than enforcement actions. Ineffective collaboration among units in many USAOs further hindered the FLUs' ability to recover assets for victims. Moreover, EOUSA and the USAOs could not rely on DOJ's debt collection case tracking system to accurately assess FLU performance and determine how to allocate resources to increase collections. However, the OIG noted that some USAOs have adopted practices that prioritize debt collection work and enhance their ability to collect debts, which other USAOs can replicate to enhance their own ability to collect debts.

Other Department Components

The report makes five recommendations to EOUSA to improve the ability of the USAOs to fulfill their mission to collect debts. These include determining and establishing guidelines for how the USAOs should staff and structure their FLUs, reevaluating the priority code system the FLUs use to manage caseloads, considering measures to emphasize the importance of the FLUs to the USAOs' missions, developing uniform policies and procedures for how other units within the USAOs should communicate and coordinate with the FLU pre-judgment, and developing tools to enable the Consolidated Debt Collection System to be used to appropriately analyze the USAOs' debt collection program. EOUSA agreed with all of the recommendations. The OIG released a video message to accompany this report, which is available [here](#).

Investigation

The following is an example of a case that the OIG investigated during this reporting period:

- The OIG's Houston Area Office initiated an investigation of a current AUSA based on information that the AUSA mishandled SBU information obtained through the AUSA's official position. The OIG concluded that the AUSA mishandled SBU information by transmitting it to a personal e-mail account. The OIG also found that the AUSA had engaged in additional misconduct, including: misusing government time, resources, equipment, and databases to conduct personal business; misusing the AUSA's position, title, and letterhead to provide a letter of recommendation for a relative; and engaging in pro bono legal work without the requisite authorization. The OIG completed its investigation and provided a report to EOUSA and DOJ's Office of Professional Responsibility for review and appropriate action.

Ongoing Work

Pre-trial Diversion and Drug Court Programs

Pre-trial diversion and drug court programs are alternatives to incarceration that enable prosecutors, judges, and correctional officials to divert certain offenders from traditional criminal justice proceedings into programs designed to address the underlying cause for criminal behavior. This OIG audit will evaluate the design and implementation of the programs, variances in the usage of the programs among the USAOs, and costs savings associated with successful program participants.

Top Management and Performance Challenges

The OIG has published a list of top management and performance challenges facing DOJ annually since 1998. The list is based on the OIG's oversight work, research, and judgment. By statute, the list is required to be included in DOJ's annual Agency Financial Report.

This year's list identifies eight challenges that the OIG believes represent the most pressing concerns for DOJ. While the challenges are not rank-ordered, the OIG believes that challenges in two critical areas—federal prisons and cybersecurity—will continue to occupy much of DOJ's attention and require vigilance for the foreseeable future.

In addition, the OIG has identified a new challenge, *Building Trust and Improving Police-Community Relationships*, as an emerging issue where DOJ must demonstrate leadership, provide support, and exercise oversight in its capacity as the federal agency charged with enforcing the law. DOJ must develop innovative approaches and exercise adequate oversight to address each of these challenges and ensure the effectiveness of its operations.



Top Management and Performance Challenges for the Department of Justice – 2015

1. Achieving Balance and Containing Costs in a Significantly Overcrowded Federal Prison System
2. Enhancing Cybersecurity in an Era of Increasing Threats
3. Building Trust and Improving Police-Community Relationships
4. Safeguarding National Security Consistent with Civil Rights and Liberties
5. Ensuring Effective Oversight of Law Enforcement Programs
6. Promoting Public Confidence by Ensuring Ethical Conduct throughout the Department
7. Effectively Implementing Performance-Based Management
8. Protecting Taxpayer Funds from Mismanagement and Misuse

Detailed information about DOJ's management and performance challenges is available online [here](#).

Congressional Testimony/Legislation and Regulations

Congressional Testimony

During this reporting period, the Inspector General testified on six occasions:

- “The Department of Justice Office of the Inspector General’s Report on the Handling of Sexual Harassment and Misconduct Allegations by the Department’s Law Enforcement Components” before the U.S. House of Representatives Committee on Oversight and Government Reform on April 14, 2015;
- “Analyzing Misconduct in Federal Law Enforcement” before the U.S. House of Representatives Committee on the Judiciary, Subcommittee on Crime, Terrorism, Homeland Security, and Investigations on April 15, 2015;
- Fiscal Year 2016 Funding Request and Budget Justification for the U.S. Department of Justice before the U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies on May 7, 2015;
- “Watchdogs Needed: Top Government Investigator Positions Left Unfilled for Years” before the U.S. Senate Committee on Homeland Security and Governmental Affairs on June 3, 2015;
- “Oversight of the Bureau of Prisons: First-Hand Accounts of Challenges Facing the Federal Prison System” before the U.S. Senate Committee on Homeland Security and Governmental Affairs on August 4, 2015; and
- “Inspector General Access to All Records Needed for Independent Oversight” before the U.S. Senate Committee on the Judiciary on August 5, 2015.



Legislation and Regulations

The IG Act directs the OIG to review proposed legislation and regulations relating to the programs and operations of DOJ. Although DOJ’s Office of Legislative Affairs reviews all proposed or enacted legislation that could affect DOJ’s activities, the OIG independently reviews proposed legislation that could affect its operations and legislation that relates to waste, fraud, or abuse in DOJ’s programs and operations. For example, during this period, the OIG reviewed legislation including the *Cybersecurity Information Sharing Act of 2015*, the *Juvenile Justice Delinquency Prevention Reauthorization Act of 2015*, the *USA FREEDOM Act*; and proposals relating to national security, cybersecurity, privacy, the federal prison system, federal law enforcement, whistleblowers, federal procurement, and acquisition and oversight of federal information technology personnel and equipment.

Whistleblower Ombudsperson Program

Whistleblowers play a critical role in coming forward with information to help uncover and address waste, fraud, and abuse, and this valuable service should never be used as a basis for reprisal. The OIG Whistleblower Ombudsperson Program has continued during the reporting period to expand its efforts to ensure that whistleblowers are educated regarding their rights and protections from reprisal. During the past 6-month period, the OIG Whistleblower Ombudsperson Program has continued to work with DOJ components to ensure that all employees receive appropriate training in this critical area. The OIG collaborated with the FBI to develop an interactive training program for all employees that was rolled out in June 2015 as required training for all employees on the specific requirements of the FBI Whistleblower Regulations, Title 28, Code of Federal Regulations, Sections 27.1, et seq., both for making a protected disclosure of wrongdoing and for pursuing a complaint of having suffered an adverse personnel action in reprisal for doing so. The OIG also has experienced significant growth in the number of FBI whistleblower reprisal allegations that we review and investigate, and we have made improvements to our processes to facilitate our work on these important matters. During the past 6 months, the OIG received 14 such reprisal complaints, and there were 9 pending investigations as of the end of the reporting period. Outside the FBI, the OIG also has partnered on an education program for employees of the U.S. Marshals Service during this period, and we have worked with ATF on developing a similar program for their employees. Going forward, we continue to work to develop new and expanded means of ensuring that all employees throughout DOJ are aware of their rights and protections when reporting wrongdoing.

The DOJ OIG Ombudsperson program has continued to play a leadership role in coordinating the efforts of the Whistleblower Ombudsman working group established through CIGIE. At our most recent meeting in late September 2015, we helped organize a meeting with OIG Whistleblower Ombudsmen from across the federal government and Members and staff of the Senate Whistleblower Caucus at which we discussed the importance of whistleblower rights and protections, the development of the Ombudsman programs in the federal agencies, coordination and communications with Congress regarding whistleblower issues, and related topics.

The OIG continues to utilize the tracking system developed through the OIG Ombudsperson Program to ensure that it is handling whistleblower matters in a timely manner. The relevant numbers of employee complaints received by the OIG, complaints received from individuals identifying themselves as whistleblowers, complaints resulting in the opening of investigations by the OIG, complaints referred by the OIG to the components for investigation, and employee complaint cases closed by the OIG during the reporting period are set forth in the table below.

April 1, 2015 – September 30, 2015	
Employee complaints received ¹	243
Complainants asserting to be whistleblowers ²	26
Employee complaints opened for investigation by the OIG	81
Employee complaints that were referred by the OIG to the components for investigation	117
Employee complaint cases closed by the OIG ³	92

¹ Employee complaint is defined as an allegation received from whistleblowers, defined broadly as complaints received from employees and applicants with DOJ, or its contractors, subcontractors, or grantees, either received directly from the complainant by the OIG Hotline, the field offices, or others in the OIG, or from a DOJ component if the complaint otherwise qualifies and is opened as an investigation.

² These complainants may or may not qualify as whistleblowers under relevant laws.

³ This number reflects cases closed during the reporting period regardless of when they were opened.

Statistical Information

Audit Overview

During this reporting period, the OIG's Audit Division issued 38 internal and external audit reports, which contained more than \$46.6 million in questioned costs, reported over \$3 million in funds to better use, and made 186 recommendations for management improvement.¹ Specifically, the Audit Division issued 17 internal audit reports of Department programs funded at more than \$370.3 million; 21 external audit reports of contracts, grants, and other agreements funded at over \$681.6 million; and 100 *Single Audit Act* audits of programs funded at more than \$493.7 million. In addition, the Audit Division issued four other reports.²

Questioned Costs ³			
Reports	Number of Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs ⁴
Audits			
No management decision made by beginning of period ⁵	0	\$0	\$0
Issued during period	41 ⁶	\$51,213,789	\$9,700,254
Needing management decision during period	41	\$51,213,789	\$9,700,254
Management decisions made during period:			
–Amount of disallowed costs ⁷	41 ⁸	\$18,889,050	\$9,700,254
–Amount of costs not disallowed	1	\$32,324,739	\$0
No management decision at end of period	0	\$0	\$0
Evaluations			
Nothing to report from the Evaluation and Inspections Division.			
Special Reviews			
Nothing to report from the Oversight and Review Division.			

¹ See glossary for definition of "Questioned Costs" and "Funds Recommended to Be Put to Better Use."

² "Other Reports" are identified in Appendix 3.

³ See glossary for definition of "Questioned Costs."

⁴ See glossary for definition of "Unsupported Costs."

⁵ Includes reports previously issued for which no management decision has been made. See glossary for definition of "Management Decision."

⁶ Of the audit reports issued during this period with questioned costs, 25 were *Single Audit Act* reports.

⁷ Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken. See glossary for definition of "Disallowed Costs."

⁸ Includes one instance where management agreed with all but two of the audit's recommendations.

Statistical Information

Funds Recommended to Be Put to Better Use ¹		
Reports	Number of Reports	Funds Recommended to Be Put to Better Use
Audits		
No management decision made by beginning of period ²	0	\$0
Issued during period	4	\$3,161,840
Needing management decision during period	4	\$3,161,840
Management decisions made during period:		
–Amounts management agreed to put to better use ³	4	\$3,161,840
–Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	0	\$0
Evaluations		
Nothing to report from the Evaluation and Inspections Division.		
Special Reviews		
Nothing to report from the Oversight and Review Division.		

¹ See glossary for definition of “Funds Recommended to Be Put to Better Use.”

² Reports previously issued for which no management decision has been made.

³ Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.

Statistical Information

Significant Recommendations for Which Corrective Actions Have Not Been Completed			
Report Number and Date	Report Title	Rec. No.	Recommendation
Audits			
GR-70-13-006 (June 2013)	Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grants Awarded to Big Brothers and Big Sisters of America	1	Remedy the \$19,462,448 in unsupported expenditures.
GR-60-15-015 (September 2015)	Audit of the Office of Justice Programs Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona	9	Remedy \$32,034,623 in unallowable expenditures associated with excessive building sizes for Grant Numbers 2009-ST-B9-0089 and 2009-ST-B9-0100.
10-02 (October 2009)	The Federal Bureau of Investigation's Foreign Language Translation Program	3	The FBI fully implements its new policy regarding "Use of Analytical Tools to Reduce Backlog of Technically Corrected FISA-Acquired Information." The policy should provide sufficient guidance for managing responsibilities and examples of best practices for prioritization.
09-25 (May 2009)	Audit of the Federal Bureau of Investigation's Terrorist Watchlist Nomination Practices	5	Evaluate the overall watchlist nomination process, determine the total amount of time that is needed and can be afforded to this process, and determine how much time should be allocated to each phase of the process.
Evaluations			
15-05 (May 2015)	Review of the Impact of an Aging Inmate Population on the Federal Bureau of Prisons	8	The OIG recommends that the BOP consider revising its compassionate release policy to facilitate the release of appropriate aging inmates, including by lowering the age requirement and eliminating the minimum 10 years served requirement.
15-3 (January 2015)	Review of the DEA's Use of Cold Consent Encounters at Mass Transportation Facilities	1	The OIG recommends that the DEA consider how to determine whether cold consent encounters are being conducted in an impartial manner, including reinstituting the collection of racial and other demographic data and how it could be used to make that assessment.
I-2014-002 (March 2014)	Review of the Organized Crime Drug Enforcement Task Forces Fusion Center	4	The OIG recommends that the OFC work with SOD to define the management and workflow responsibilities of the OSF section, including what actions the OSF section can and should take to allow appropriate information sharing between SOD and OFC and increase the intelligence value of OFC products.
Special Reviews			
E2011004	A Review of ATF's Operation Fast and Furious and Related Matters	4	The OIG recommends that DOJ should review the policies and procedures of its other law enforcement components to ensure that they are sufficient to address the concerns we have identified in the conduct of Operations Wide Receiver and Fast and Furious, particularly regarding oversight of sensitive and major cases, the authorization and oversight of "otherwise illegal activity," and the use of informants in situations where the law enforcement component also has a regulatory function.

Statistical Information

Reports Without Management Decisions for More than 6 Months

Report Number and Date	Report Title	Report Summary
Audits		
Nothing to report from the Audit Division.		
Evaluations		
Nothing to report from the Evaluation and Inspections Division.		
Special Reviews		
Nothing to report from the Oversight and Review Division.		

Description and Explanation of the Reasons for Any Significant Revised Management Decision Made During the Reporting Period

Report Number and Date	Report Title	Rec. No.	Recommendation
Audits			
Nothing to report from the Audit Division.			
Evaluations			
Nothing to report from the Evaluation and Inspections Division.			
Special Reviews			
Nothing to report from the Oversight and Review Division.			

Significant Recommendations in Disagreement for More than 6 Months

Report Number and Date	Report Title	Rec. No.	Recommendation
Audits			
Nothing to report from the Audit Division.			
Evaluations			
Nothing to report from the Evaluation and Inspections Division.			
Special Reviews			
Nothing to report from the Oversight and Review Division.			

Statistical Information

Audit Follow-up

OMB Circular A-50

OMB Circular A-50, *Audit Follow-up*, requires audit reports to be resolved within 6 months of the audit report issuance date. The Audit Division monitors the status of open audit reports to track the audit resolution and closure process. As of September 30, 2015, the Audit Division was monitoring the resolution process of 379 open reports and closed 154 reports this reporting period.

Evaluation and Inspections Workload and Accomplishments

The following chart summarizes the workload and accomplishments of the Evaluation and Inspections Division during the 6-month reporting period ending September 30, 2015.

Workload and Accomplishments	Number of Reviews
Reviews active at beginning of period	10
Reviews cancelled	0
Reviews initiated	5
Final reports issued	4
Reviews active at end of reporting period	11

Investigations Statistics

The following chart summarizes the workload and accomplishments of the Investigations Division during the 6-month period ending September 30, 2015.

Source of Allegations ¹	
Hotline (telephone, mail and e-mail)	2,230
Other sources	3,807
Total allegations received	6,037
Investigative Caseload	
Investigations opened this period	169
Investigations closed this period	205
Investigations in progress as of 9/30/15	447
Prosecutive Actions	
Criminal indictments/informations	71
Arrests	60
Convictions/Pleas	33
Administrative Actions	
Terminations	32
Resignations	53
Disciplinary action	38
Monetary Results	
Fines/Restitutions/Recoveries/ Assessments/Forfeitures	\$456,118.09
Civil Fines/Restitutions/Recoveries/ Penalties/Damages/Forfeitures	\$15,559,937

Investigations Division Briefing Programs

OIG investigators conducted 20 Integrity Awareness Briefings for DOJ employees throughout the country. These briefings are designed to educate employees about the misuse of a public official's position for personal gain and to deter employees from committing such offenses. The briefings reached more than 687 employees.

¹ These figures represent allegations entered into the OIG's complaint tracking system. They do not include the approximate 37,000 additional Hotline e-mail and phone contacts that were processed and deemed non-jurisdictional and outside the purview of the federal government.

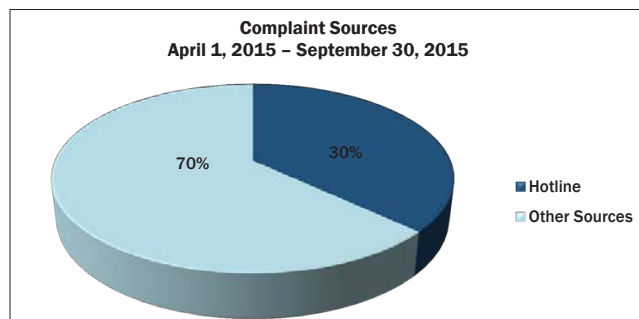
Statistical Information

OIG Hotline

During FY 2015, the OIG received the majority of its Hotline complaints through its electronic complaint form located within the OIG website at oig.justice.gov.

In addition, DOJ employees and citizens are able to file complaints by telephone, fax, e-mail, and postal mail. The online access, e-mail, fax, and postal mail all provide the ability to file a complaint in writing to the OIG.

From all Hotline sources during the second half of FY 2015, 2,230 new complaints related to DOJ operations or other federal agencies were entered into the OIG's complaint tracking system. Of the new complaints, 1,576 were forwarded to various DOJ components for their review and appropriate action; 270 were filed for information; 325 were forwarded to other federal agencies; and 13 were opened by the OIG for investigation.



Source: Investigations Data Management System

Approximately, 37,000 additional Hotline e-mail and phone contacts were processed and deemed non-jurisdictional and outside the purview of the federal government and therefore were not entered into the OIG's complaint tracking system.

Appendices

Appendix 1

Acronyms and Abbreviations

AG Guidelines	Attorney General's Guidelines Regarding the Use of Confidential Informants
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
AUSA	Assistant U.S. Attorney
BIA	Bureau of Indian Affairs
BJA	Bureau of Justice Assistance
BJS	Bureau of Justice Statistics
BOP	Federal Bureau of Prisons
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COPS	Office of Community Oriented Policing Services
CVF	Crime Victims Fund
DAG	Deputy Attorney General
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOJ	Department of Justice
DOL	Department of Labor
DOS	Department of State
EOUSA	Executive Office for U.S. Attorneys
EPIC	El Paso Intelligence Center
FBI	Federal Bureau of Investigation
FISA	<i>Foreign Intelligence Surveillance Act of 1978</i>
FISMA	<i>Federal Information Security Management Act</i>
FLU	Financial Litigation Units
FY	Fiscal Year
IG Act	<i>Inspector General Act of 1978</i>
JMD	Justice Management Division
MDC	Metropolitan Detention Center
NIJ	National Institute of Justice
NSD	National Security Division
ODAG	Office of the Deputy Attorney General
OIG	Office of the Inspector General
OJP	Office of Justice Programs
OJJDP	Office of Juvenile Justice and Delinquency Prevention
OLC	Office of Legal Counsel
OMB	Office of Management and Budget
OVC	Office for Victims of Crime
OVW	Office on Violence Against Women
Patriot Act	<i>Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act</i>
SPU	Special Programs Unit
Treaty Transfer Program	International Prisoner Transfer Program
USAO	U.S. Attorneys' Offices
USMS	U.S. Marshals Service

Appendices

Appendix 2

Glossary of Terms

The following are definitions of specific terms as they are used in this report.

Asset Forfeiture: The seizure and forfeiture of assets that represent the proceeds of federal crimes or were used to facilitate federal crimes. This practice seeks to enhance public safety and security by removing assets that criminals and their associates rely on to perpetuate their criminal activity.

Contraband: Contraband in correctional facilities includes illegal items, such as drugs and weapons, or items prohibited in a correctional facility, such as cell phones. Prison staff needs to be able to detect and confiscate contraband quickly to prevent drug abuse, violence, and further crimes.

Cooperative Agreement: Term used to describe when the awarding agency expects to be substantially involved with the award's activities; often used interchangeably with "grant."

Drawdown: The process by which a grantee requests and receives federal funds.

Disallowed Cost: The IG Act defines "disallowed cost" as a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the government.

External Audit Report: The results of audits and related reviews of expenditures made under Department contracts, grants, and other agreements. External audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

Funds Recommended to Be Put to Better Use: Recommendation by the OIG that funds could be used more efficiently if management of an entity took actions to start and complete the recommendation, including: (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the entity, a contractor, or grantee; (5) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (6) any other savings that specifically are identified.

Internal Audit Report: The results of audits and related reviews of Department organizations, programs, functions, computer security and information technology, and financial statements. Internal audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

International Prisoner Transfer Program: DOJ administers the International Prisoner Transfer Program, which began in 1977 when the government negotiated the first in a series of treaties to permit the transfer of inmates from countries in which they had been convicted of crimes to their home countries. The program was designed to relieve some of the hardships that fall upon offenders incarcerated far from home and to facilitate their rehabilitation.

Management Decision: The IG Act defines "management decision" as the evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

Appendices

Public Health Service: The BOP has over 3,000 healthcare positions, including approximately 750 Public Health Service commissioned officers detailed from the Department of Health and Human Services.

Questioned Cost: A cost that is questioned by the OIG because of: (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Registrant Actions: Under the *Controlled Substances Act of 1970* (Act), businesses or health care practitioners dealing in controlled substances must become registrants with the DEA. If a registrant is found to have violated the Act, the DEA may issue an order to show cause why the DEA should not revoke, suspend, or deny the registration. If the violation appears to pose an imminent threat to the public health, the DEA may issue an immediate suspension order, which deprives the registrant of the right to deal in controlled substances immediately. Collectively, orders to show cause and immediate suspension orders are known as “registrant actions.”

Release Preparation Program: The BOP provides inmates with a variety of educational, vocational, recreational, religious, and psychological programs to prepare each inmate to successfully reenter the community and the workforce and to reduce recidivism.

Single Audit Act Audits: *Single Audit Act* audits are performed by public accountants or a federal, state or local government audit organization in accordance with generally accepted government auditing standards. They are intended to determine whether the financial statements and schedule of expenditures of federal awards are presented fairly, to test internal controls over major programs, to determine whether the grant recipient is in compliance with requirements that may have a direct and material effect on each of its major programs, and to follow up on prior audit findings. These audits are required to be performed for organizations that expend \$500,000 or more in federal awards in accordance with the *Single Audit Act of 1984*, as amended, and OMB Circular A-133.

Sole Source Contract: Soliciting and negotiating with only one vendor.

Special Programs Unit: In October 2000, the BOP established the SPU at MDC Brooklyn primarily to house inmates with mental health conditions who require greater control, supervision, or monitoring than afforded in a typical general population unit. The SPU also houses certain inmates whose characteristics may increase their likelihood of physical or sexual victimization while incarcerated.

Supervised Release: Court-monitored supervision upon release from incarceration.

Supplanting: For a state or unit of local government to reduce state or local funds for an activity specifically because federal funds are available (or expected to be available) to fund that same activity.

Unsupported Cost: A cost that is questioned by the OIG because the OIG found that, at the time of the audit, the cost was not supported by adequate documentation.

Appendices

Appendix 3

Audit Division Reports

Internal Audit Reports

Multicomponent

Audit of the Department of Justice's Conference Planning and Reporting Requirements

Audit of the Department of Justice's Use of Extended Temporary Duty Travel

Bureau of Alcohol, Tobacco, Firearms and Explosives

Audit of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Information Security Program Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Audit of the Bureau of Alcohol, Tobacco, Firearms and Explosives' National Field Office Case Information System Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Federal Bureau of Prisons

Audit of the Federal Bureau of Prisons Contract No. DJB1PC007 Awarded to Reeves County, Texas to Operate the Reeves County Detention Center I/II, Pecos, Texas

Audit of the Federal Bureau of Prisons' Information Security Program Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Audit of the Federal Bureau of Prisons' Trust Fund Accounting and Commissary System Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Drug Enforcement Administration

Audit of the Drug Enforcement Administration's Confidential Source Policies and Oversight of Higher-Risk Confidential Sources

Federal Bureau of Investigation

Audit of the Federal Bureau of Investigation Critical Incident Response Group Tactical Section Procurements

Audit of the Federal Bureau of Investigation's *Foreign Intelligence Surveillance Act* Management System-Secret Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Audit of the Federal Bureau of Investigation's Implementation of its Next Generation Cyber Initiative

Audit of the Federal Bureau of Investigation's Information Security Program Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Audit of the Federal Bureau of Investigation's Internet Crime Complaint Center Network Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Audit of the Federal Bureau of Investigation's Philadelphia Regional Computer Forensic Laboratory, Radnor, Pennsylvania

Appendices

Office of Justice Programs

Audit of the Office of Justice Programs' Processing of Public Safety Officers' Benefits Programs Claims

Other Department Components

Audit of Superfund Activities in the Environment and Natural Resources Division for Fiscal Years 2013 and 2014

Audit of the Federal Prison Industries, Inc.'s Information Security Program Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

Audit of the Federal Prison Industries, Inc.'s Vehicle Management Information System Pursuant to the *Federal Information Security Management Act* Fiscal Year 2014

External Audit Reports

Arizona

Audit of the Office of Justice Programs Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona

California

Audit of the Office of Justice Programs Grants Awarded to the National Indian Justice Center Santa Rosa, California

Colorado

Audit of the Office on Violence Against Women Technical Assistance Program Cooperative Agreements Awarded to First Nations Development Institute, Longmont, Colorado

Georgia

Audit of the Office on Violence Against Women and Office for Victims of Crime Cooperative Agreements Awarded to Tapestri Incorporated, Tucker, Georgia

Hawaii

Audit of the Office of Community Oriented Policing Services Hiring Recovery Program Grant Awarded to the Honolulu Police Department Honolulu, Hawaii

Maine

Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to the Penobscot Indian Nation, Indian Island, Maine

Maryland

Audit of the Office on Violence Against Women Legal Assistance for Victims Grant Awarded to House of Ruth Maryland, Inc., Baltimore, Maryland

Michigan

Audit of the Charter Township of Plymouth Police Department's Equitable Sharing Program Activities, Plymouth Township, Michigan

Montana

Audit of the Office of Justice Programs Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Fort Peck Assiniboine and Sioux Tribes, Poplar, Montana

Appendices

New Mexico

Audit of the Office of Justice Programs Support for Adam Walsh Act Implementation and Sex Offender Registration and Notification Act Grants Awarded to the New Mexico Department of Public Safety, Santa Fe, New Mexico

Audit of the Office of Justice Programs' Tribal Youth Program Training and Technical Assistance Cooperative Agreement Awarded to Lamar Associates, LLC, Albuquerque, New Mexico

New York

Audit of the Office of Justice Programs National Institute of Justice DNA Backlog Reduction Program Awards to the County of Erie, New York

Puerto Rico

Audit of Office of Justice Programs Grants Awarded to the Puerto Rico Department of Justice, San Juan, Puerto Rico

Texas

Audit of Rowlett Police Department's Equitable Sharing Program Activities, Rowlett, Texas

Audit of the Office of Justice Programs Services for Victims of Human Trafficking Grant Awarded to Catholic Charities, Archdiocese of San Antonio, Inc., Texas

Utah

Audit of the Office on Violence Against Women Grants Awarded to the Utah Domestic Violence Advisory Council, Salt Lake City, Utah

Virginia

Audit of the Office of Justice Programs Bureau of Justice Assistance Award to Project Lifesaver International Chesapeake, Virginia

Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Award to Communities in Schools, Inc., Arlington, Virginia

Audit of the Shenandoah County Sheriff's Office's Equitable Sharing Program Activities, Woodstock, Virginia

Audit of the Stafford County Sheriff's Office Equitable Sharing Program Activities Stafford, Virginia

Single Audit Act Reports of Department Activities

Abused Adult Resource Center, Bismarck, North Dakota FY 2013

Akiak Native Community, Akiak, Alaska FY 2013

Alabama Coalition Against Rape, Inc., Montgomery, Alabama FY 2013

City of Albany, New York FY 2013

City of Atlanta, Georgia FY 2014

Attorney General's Sexual Assault Task Force, Keizer, Oregon FY 2014

City of Aurora, Illinois FY 2013

Ayuda, Inc., Washington, D.C. FY 2013

Appendices

City of Azusa, California FY 2014
Native Village of Barrow, Alaska FY 2013
Village of Bartlett, Illinois FY 2014
City of Bozeman, Montana FY 2014
Break the Cycle, Los Angeles, California FY 2013
City of Buena Park, California FY 2014
Cal Ripken, Sr. Foundation, Inc., Baltimore, Maryland FY 2013
State of California FY 2013
City of Cambridge, Massachusetts FY 2014
Chatham County, Georgia FY 2014
City of Chester, Pennsylvania FY 2011
City of Chester, Pennsylvania FY 2012
Town of Cicero, Illinois FY 2013
Clark County, Nevada FY 2014
City of Commerce City, Colorado FY 2013
Dallas County, Texas FY 2014
Dawson County Domestic Violence Program, Glendive, Montana FY 2014
DeKalb County, Georgia FY 2012
City of Detroit, Michigan FY 2013
City of Dillon, South Carolina FY 2014
City of Downey, California FY 2014
Family Violence Law Center, Oakland, California FY 2014
Florida Council Against Sexual Violence, Inc., Tallahassee, Florida FY 2013
City of Fort Worth, Texas FY 2014
City of Gardena, California FY 2014
City of Gulf Shores, Alabama FY 2013
City of Hawthorne, California FY 2014
City of Hickory Hills, Illinois FY 2014
City of Huntington Park, California FY 2014
City of Inglewood, California FY 2013
City of Jacksonville, Florida FY 2013
Jasper County, Indiana FY 2013
The Kennedy Center of Louisiana, Inc., Shreveport, Louisiana FY 2012
City of Killeen, Texas FY 2014
City of Lafayette, Indiana FY 2013
Lake County, Indiana FY 2013

Appendices

Laramie County, Wyoming FY 2014
City of Lawrenceville, Georgia FY 2013
Leadership Foundations, Tacoma, Washington FY 2013
Lexington-Fayette Urban County Government, Lexington, Kentucky FY 2013
Macon County, Illinois FY 2013
Maricopa County, Arizona FY 2014
Marion County, South Carolina FY 2013
Maryland Network Against Domestic Violence, Inc., Lanham, Maryland FY 2014
City of McAllen, Texas FY 2014
City of Miami, Florida FY 2013
City of Moss Point, Mississippi FY 2013
County of Nassau, New York FY 2013
National Center for State Courts, Williamsburg, Virginia FY 2013
National Center for Victims of Crime, Washington, D.C. FY 2013
National Network to End Domestic Violence, Inc., Washington, D.C. FY 2013
City of New York, New York FY 2014
City of Nogales, Arizona FY 2013
City of Nogales, Arizona FY 2014
Northern California Regional Public Safety Training Authority, McClellan, California FYs 2010, 2011, and 2012
City of Oakland, California FY 2014
Ogle County, Illinois FY 2013
Oklahoma County, Oklahoma FY 2013
City of Omaha, Nebraska FY 2013
City of Orange, California FY 2014
County of Orange, California FY 2014
Pala Band of Mission Indians, Pala, California FY 2013
City of Pine Bluff, Arkansas FY 2013
City of Plant City, Florida FY 2013
Department of Justice of the Commonwealth of Puerto Rico FY 2014
Putnam County, Florida FY 2013
Putnam County, Indiana FY 2013
City of Redlands, California FY 2014
Village of Richton Park, Illinois FY 2013
City of Rolling Meadows, Illinois FY 2013
County of San Bernardino, California FY 2014

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City of San Leandro, California FY 2014
Seminole Nation of Oklahoma FY 2013
Sherburne County, Minnesota FY 2013
Sitka Tribe of Alaska, Sitka, Alaska FY 2013
South Dakota Network Against Family Violence and Sexual Assault, Inc., Sioux Falls, South Dakota FY 2014
Stearns County, Minnesota FY 2013
City of Sunrise, Florida FY 2014
City of Syracuse, New York FY 2014
Tahirih Justice Center, Falls Church, Virginia FY 2013
City of Taylor, Michigan FY 2014
State of Texas FY 2014
County of Union, New Jersey FY 2013
City of Uniontown, Pennsylvania FY 2013
Government of the United States Virgin Islands FY 2013
Washington County, Oregon FY 2014
City of Waukegan, Illinois FY 2014
Western States Information Network, Inc., Sacramento, California FY 2013
Womenspace, Inc., Eugene, Oregon FY 2013
City of York, Pennsylvania FY 2013
YWCA of Greater Flint, Flint, Michigan FY 2013
YWCA of Hawaii Island, Hilo, Hawaii FY 2013

Other Reports

Controls to Prevent Duplicate Reimbursements for Salary and Leave in Office of Community Oriented Policing Services Hiring Grants

Examination of the U.S. Department of Justice's Fiscal Year Compliance under the *Improper Payments Elimination and Recovery Act* 2010

Quality Control Review of the PricewaterhouseCoopers LLP Fiscal Year 2011 Single Audit of Big Brothers Big Sisters of America

System Review Report of the U.S. Department of Homeland Security Office of the Inspector General

Appendices

Appendix 4

Quantifiable Potential Monetary Benefits

Audit Report	Questioned Costs (including unsupported costs)	Unsupported Costs	Funds Put to Better Use
Audits Performed by the DOJ OIG			
Audit of the Office of Justice Programs Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona	\$35,354,077	\$656,921	\$535,545
Audit of the Office of Justice Programs Grants Awarded to the National Indian Justice Center Santa Rosa, California	\$715,545	\$369,418	\$0
Audit of the Office on Violence Against Women Technical Assistance Program Cooperative Agreements Awarded to First Nations Development Institute, Longmont, Colorado	\$391,263	\$360,687	\$0
Audit of the Office on Violence Against Women and Office for Victims of Crime Cooperative Agreements Awarded to Tapestry Incorporated, Tucker, Georgia	\$4,179	\$0	\$0
Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to the Penobscot Indian Nation, Indian Island, Maine	\$393,480	\$237,080	\$0
Audit of the Office on Violence Against Women Legal Assistance for Victims Grant Awarded to House of Ruth Maryland, Inc., Baltimore, Maryland	\$76,173	\$76,173	\$0
Audit of the Charter Township of Plymouth Police Department's Equitable Sharing Program Activities, Plymouth Township, Michigan	\$51,383	\$0	\$0
Audit of the Office of Justice Programs Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Fort Peck Assiniboine and Sioux Tribes, Poplar, Montana	\$355,655	\$109,737	\$0
Audit of the Office of Justice Programs Support for Adam Walsh Act Implementation and Sex Offender Registration and Notification Act Grants Awarded to the New Mexico Department of Public Safety, Santa Fe, New Mexico	\$5,636	\$0	\$0
Audit of the Office of Justice Programs' Tribal Youth Program Training and Technical Assistance Cooperative Agreement Awarded to Lamar Associates, LLC, Albuquerque, New Mexico	\$16,430	\$8,720	\$0
Audit of Office of Justice Programs Grants Awarded to the Puerto Rico Department of Justice, San Juan, Puerto Rico	\$5,100,358	\$4,572,135	\$1,503,625
Audit of the Federal Bureau of Prisons Contract No. DJB1PC007 Awarded to Reeves County, Texas to Operate the Reeves County Detention Center I/II, Pecos, Texas	\$2,028,847	\$74,765	\$945,024
Audit of the Office of Justice Programs Services for Victims of Human Trafficking Grant Awarded to Catholic Charities, Archdiocese of San Antonio, Inc., Texas	\$20,363	\$20,363	\$0
Audit of the Office on Violence Against Women Grants Awarded to the Utah Domestic Violence Advisory Council, Salt Lake City, Utah	\$96,803	\$14,295	\$0
Audit of the Office of Justice Programs Bureau of Justice Assistance Award to Project Lifesaver International Chesapeake, Virginia	\$208,036	\$208,036	\$0
Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Award to Communities in Schools, Inc., Arlington, Virginia	\$1,806,551	\$1,806,551	\$177,646
Subtotal (Audits Performed by the DOJ OIG)	\$46,624,779	\$8,514,881	\$3,161,840

Appendices

Audits Performed by State/Local Auditors and Independent Public Accounting Firms Under the <i>Single Audit Act</i>¹			
City of Albany, New York FY 2013	\$175,527	\$113,114	\$0
Native Village of Barrow, Alaska FY 2013	\$58,455	\$0	\$0
Town of Cicero, Illinois FY 2013	\$25,897	\$25,897	\$0
Dallas County, Texas FY 2014	\$51,191	\$0	\$0
DeKalb County, Georgia FY 2012	\$222,149	\$222,149	\$0
City of Detroit, Michigan FY 2013	\$1,822,132	\$0	\$0
City of Downey, California FY 2014	\$41	\$0	\$0
City of Hickory Hills, Illinois FY 2014	\$42,721	\$14,199	\$0
City of Inglewood, California FY 2013	\$300,028	\$300,028	\$0
City of Killeen, Texas FY 2014	\$16,531	\$0	\$0
Lexington-Fayette Urban County Government, Lexington, Kentucky FY 2013	\$21,060	\$21,060	\$0
Macon County, Illinois FY 2013	\$12,168	\$12,168	\$0
Maricopa County, Arizona FY 2014	\$49,277	\$49,277	\$0
City of Miami, Florida FY 2013	\$152,993	\$152,993	\$0
City of Moss Point, Mississippi FY 2013	\$17,477	\$0	\$0
City of New York, New York FY 2014	\$15,400	\$15,400	\$0
City of Oakland, California FY 2014	\$924,235	\$0	\$0
City of Omaha, Nebraska FY 2013	\$252,144	\$0	\$0
City of Pine Bluff, Arkansas FY 2013	\$32,998	\$32,998	\$0
City of Redlands, California FY 2014	\$4,175	\$0	\$0
City of San Leandro, California FY 2014	\$109,505	\$0	\$0
City of Sunrise, Florida FY 2014	\$28,314	\$0	\$0
City of Syracuse, New York FY 2014	\$11,553	\$0	\$0
State of Texas FY 2014	\$16,949	\$0	\$0
Washington County, Oregon FY 2014	\$226,089	\$226,089	\$0
Subtotal (Audits Performed by State/Local Auditors and Independent Public Accounting Firms Under the <i>Single Audit Act</i>)	\$4,589,009	\$1,185,372	\$0
Total	\$51,213,788	\$9,700,253	\$3,161,840

¹ These audits are reviewed by the OIG to assess the quality and the adequacy of the entity's management of federal funds. The OIG issues these audits to the responsible component and performs follow-up on the audit reports' findings and recommendations.

Appendices

Appendix 5

Evaluation and Inspections Division Reports

Review of the Impact of an Aging Inmate Population on the Federal Bureau of Prisons

Review of the Debt Collection Program of the United States Attorneys' Offices

Status Review on the Department's International Prisoner Transfer Program

Management of the Special Programs Unit at the Federal Bureau of Prisons Metropolitan Detention Center in Brooklyn, New York

Oversight and Review Division Reports

FBI's Use of Section 215 Orders: Assessment of Progress in Implementing Recommendations and Examination of Use in 2007 through 2009

A Review of the FBI's Use of Pen Register and Trap and Trace Devices Under the *Foreign Intelligence Surveillance Act* in 2007 through 2009

Appendices

Appendix 6

Peer Reviews

Peer Reviews Conducted by Another OIG

Audit Division

The most recent peer review of the Audit Division was performed by the Department of Agriculture OIG (USDA OIG). In its report issued March 18, 2013, the DOJ OIG received a peer review rating of pass for its system of quality control for FY 2012. The USDA OIG did not make any recommendations.

Investigations Division

The most recent peer review of the Investigations Division was performed by the Department of Labor (DOL OIG) in March 2013. The DOL OIG found that the DOJ OIG is in full compliance of its internal safeguards and management procedures. The DOL OIG did not make any recommendations. The Department of Defense OIG will conduct the next peer review of the DOJ OIG between November 2015 and January 2016.

Outstanding Recommendations from Peer Reviews of the OIG

There are no outstanding recommendations from peer reviews of the OIG.

Peer Reviews Conducted by the OIG

In accordance with the schedule established by the CIGIE, the DOJ OIG Audit Division conducted a peer review of the DHS OIG. In this report, issued on June 10, 2015, the DHS received a peer review rating of pass for its system of quality control.

Outstanding Recommendations from Peer Reviews Conducted by the OIG

There are no outstanding recommendations from peer reviews conducted by the OIG.

Appendices

Appendix 7

Reporting Requirements Index

The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages.

IG Act References	Reporting Requirements	Page
Section 4(a)(2)	Review of Legislation and Regulations	65
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	16-61
Section 5(a)(2)	Significant Recommendations for Corrective Actions	16-61
Section 5(a)(3)	Significant Recommendations for Which Corrective Actions Have Not Been Completed	71
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	20, 25-26, 30-32, 34-36, 39-40, 44, 51-52, 57, 61
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	79-84
Section 5(a)(7)	Summary of Significant Reports	16-61
Section 5(a)(8)	Questioned Costs	69
Section 5(a)(9)	Funds Recommended to Be Put to Better Use	70
Section 5(a)(10)	Reports Without Management Decisions for More than 6 Months	72
Section 5(a)(11)	Description and Explanation of the Reasons for Any Significant Revised Management Decision Made During the Reporting Period	72
Section 5(a)(12)	Significant Recommendations in Disagreement for More than 6 Months	72
Section 5(a)(14)	Peer Reviews Conducted by Another OIG	88
Section 5(a)(15)	Outstanding Recommendations from Peer Reviews of the OIG	88
Section 5(a)(16)	Outstanding Recommendations from Peer Reviews Conducted by the OIG	88

Report Waste, Fraud, Abuse, or Misconduct

To report allegations of waste, fraud, abuse, or misconduct regarding DOJ programs, employees, contractors, or grants, please go to the OIG website at oig.justice.gov or call the OIG's Hotline at (800) 869-4499.

The OIG website has complaint forms that allow you to report the following to the OIG:

- General allegations of fraud, waste, and abuse in DOJ programs or by DOJ employees;
- Contract fraud, including mandatory disclosures required by contractors when they have credible evidence of violations of the civil *False Claims Act* or certain violations of criminal law;
- Grant fraud, including fraud, waste, or abuse related to DOJ's award of Recovery Act funds; and
- Violations of civil rights or civil liberties by DOJ employees.

To give information by mail or facsimile, please send to:

Office of the Inspector General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Room 4706
Washington, D.C., 20530
Fax: (202) 616-9881

For further information on how to report a complaint to the OIG, please call (800) 869-4499.

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