

UNITED STATES DEPARTMENT
OF
JUSTICE



**THE ATTORNEY GENERAL'S
SEMIANNUAL MANAGEMENT REPORT
TO CONGRESS**

April 1, 2014 – September 30, 2014

Background

In accordance with the Inspector General Act of 1978¹ and the amendments to agency semiannual reporting requirements provided in the Inspector General Reform Act of 2008,² the Department of Justice (Department or DOJ) provides the following management report. The first section provides Department management's response to concerns raised by the Office of the Inspector General (OIG) in its Semiannual Report to Congress related to access to legally-restricted material. The second section describes the Department's actions during the semiannual period ended September 30, 2014, to address recommendations from the OIG provided in audit, inspection, and evaluation reports. The first sub-section in Section II provides information on the status of completing final action for OIG reports with disallowed costs. The second sub-section provides information on the status of completing final action for OIG reports with recommendations that funds be put to better use. The third and final sub-section of the report, which addresses a reporting requirement for OIG audit reports only, provides the status of final action for reports with management improvements not completed within one year as of September 30, 2014. During the semiannual reporting period, Departmental components implemented policy and management changes to close 260 recommendations that had been open more than a year.

I. Department Management's Response to the Concerns Raised by the OIG Related to Access to Legally-Restricted Material

In response to the OIG's statement that on occasion it was not provided timely access to certain records, the Department has repeatedly stated its commitment to ensuring the OIG has access to the information it needs to perform its oversight mission effectively. In every instance when the OIG has sought access to legally-restricted material – such as grand jury material protected by Federal Rule of Criminal Procedure 6(e), Title III wiretap information, or materials protected by the Fair Credit Reporting Act – from the Department, the Attorney General or the Deputy Attorney General has ensured that the OIG obtained the requested material. To assist the Department in resolving the legal issues implicated by the interaction of Section 6(a)(1) of the Inspector General Act and other statutes limiting the disclosure and dissemination of particular categories of sensitive information, the Department has requested a formal opinion from the Office of Legal Counsel (OLC). If the outcome of OLC's legal review does not assure the OIG the access it needs to do its job, the Department is willing to work with the OIG to develop legislative remedies. In the meantime, the Attorney General and Deputy Attorney General are committed to working with the OIG to provide efficient access to all materials necessary to complete OIG audits and reviews, consistent with existing law.

¹ 5 U.S.C. App.

² P.L. 110-409.

II. DOJ Management Report on Final Action

A. Final Action for OIG Reports with Disallowed Costs³

| Status of Final Action on Disallowed Costs (six-month period ended September 30, 2014) | | | |
|--|--------------------|-----------------------|-----------|
| Category | Disallowed Costs | No. of OIG Reports | |
| Value of disallowed costs for which final action had not been completed by the beginning of the reporting period | \$1,510,245 | 19 | |
| Value of disallowed costs included in the total above that management determined during the reporting period to be allowable costs based on the review of additional information | \$136,617 | | |
| Subtotal | \$1,373,628 | | |
| Value of disallowed costs agreed to by management in a final decision during the reporting period | \$4,427,124 | | |
| Value of disallowed costs pending final action during the reporting period (sum of preceding two lines) | \$5,800,752 | | |
| Value of disallowed costs for which final action was completed during the reporting period (sum of next two lines) | \$2,131,997 | | |
| Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means | \$2,131,997 | | |
| Disallowed costs written off by management | \$0 | | |
| Value of disallowed costs for which final action had not been completed by the end of the reporting period | \$3,668,755 | | 26 |

³ This sub-section reflects the status of final action for OIG reports with disallowed costs, in accordance with the Inspector General Act, as amended. For purposes of this report, the term *disallowed cost* means an incurred cost questioned by the OIG that DOJ management, in a final decision, agreed should not have been charged to the Government. The term *final decision* means management has evaluated the finding and recommendation and made a decision concerning its response, including actions concluded to be necessary or that no action is necessary. The OIG can question costs for various findings such as, at the time of audit, costs were not supported by adequate documentation. Historically, the Department has been able to provide adequate support for the majority of OIG questioned costs, resulting in the questioned costs being deemed allowable.

B. Final Action for OIG Reports with Recommendations that Funds be put to Better Use⁴

| Status of Final Action on Funds to Better Use Recommendations (six-month period ended September 30, 2014) | | |
|--|----------------------------|---------------------------|
| Category | FBU Recommendations | No. of OIG Reports |
| Value of FBU recommendations for which final action had not been completed by the beginning of the reporting period | \$0 | 0 |
| Value of FBU recommendations agreed to by management in a final decision during the reporting period | \$0 | |
| Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines) | \$0 | |
| Value of FBU recommendations for which final action was completed during the reporting period (sum of next two lines) | \$0 | |
| FBU recommendations that were completed | \$0 | |
| FBU recommendations that management subsequently concluded should not or could not be implemented or completed | \$0 | |
| Value of FBU recommendations for which final action had not been completed by the end of the reporting period | \$0 | |

⁴ This sub-section reflects the status of final action for OIG reports with recommendations that funds be put to better use (FBU) that management agreed to in a final decision, in accordance with the Inspector General Act, as amended. For purposes of this report, the term *FBU recommendation* means a recommendation by the OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation.

C. DOJ Management Report on Status of Final Action for OIG Audit Reports with Management Improvements Not Completed Within One Year⁵

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|---|--|-------------|-------------------------|-----------|---|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| BOP – Federal Bureau of Prisons | | | | | |
| 09-01 | The Federal Bureau of Prisons' Witness Security Program | 10/16/2008 | 18 | 17 | BOP has completed final action on 17 of the 18 recommendations. In addition, BOP has completed various actions related to the remaining recommendation involving the need for a non-disclosure agreement from BOP staff working with WITSEC inmates or handling WITSEC information. BOP drafted a Non-Disclosure Acknowledgement and incorporated it into the BOP Protective Custody Units Manual. Implementation of the requirements set forth in the Manual is pending negotiation with the BOP national union. |
| 10-30 | Follow-up Audit of the Federal Bureau of Prisons' Efforts to Manage Inmate Health Care | 07/07/2010 | 7 | 6 | BOP has completed final action on 6 of the 7 recommendations. In addition, BOP has completed various actions related to the remaining recommendation involving the need for BOP to formalize guidance established in response to the audit's recommendations. BOP incorporated the Credential Verification Program Statement and related interim guidance into the BOP Program Statement pertaining to health care providers. Implementation of the requirements set forth in the Program Statement is pending negotiation with the BOP national union. |

⁵ In accordance with the Inspector General Act, as amended, the reporting on final action related to OIG-recommended management improvements not completed within one year includes only the management improvements that DOJ management agreed to in a final decision.

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|--|--|--------------------|--------------------------------|------------------|---|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| 10-44 | The Federal Bureau of Prisons' Furlough Program | 09/01/2010 | 7 | 5 | BOP has completed final action on 5 of the 7 recommendations. In addition, BOP has completed various actions related to the remaining recommendations involving electronic sharing and storing of documentation related to furloughs and releases. Completion of final action is dependent, in part, on BOP's conversion to electronic inmate files, which is scheduled to be completed in FY 2015. |
| COPS - Office of Community Oriented Policing Services | | | | | |
| 10-25 | A Review of the Grantee Selection Process for the COPS Hiring Recovery Program | 05/14/2010 | 7 | 6 | COPS has completed final action on 6 of the 7 recommendations. In addition, COPS has completed various actions related to the remaining recommendation to provide OJP with access to additional COPS grant management data to facilitate the grant management functions OJP performs for COPS. COPS is working with OJP and OVW, as part of an Enterprise Grants Management Data Collaboration Initiative, to develop an enterprise data warehouse that will contain data elements from all three grant-issuing components, allowing accessibility to data by all three components. COPS plans to complete final action on the remaining recommendation in FY 2015. |
| Various | 8 Grant Audit Reports | Various | 82 | 34 | COPS completed final action during the reporting period on disallowed costs valued at \$54,331. COPS continues to work with grantees to remedy reported deficiencies and questioned costs. |

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|--|---|--------------------|--------------------------------|------------------|--|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| DEA - Drug Enforcement Administration | | | | | |
| 12-02 | The Drug Enforcement Administration's Personnel Resource Management and Casework | 12/07/2011 | 6 | 5 | DEA has completed final action on 5 of the 6 recommendations. In addition, DEA has completed various actions related to the remaining recommendation involving the resource allocation process for domestic field division personnel. DEA plans to complete final action on the remaining recommendation in FY 2015. |
| EOUSA - Executive Office for United States Attorneys | | | | | |
| 09-03 | Resource Management of United States Attorneys' Offices | 11/10/2008 | 10 | 9 | EOUSA has completed final action on 9 of the 10 recommendations. In addition, EOUSA has completed various actions related to the remaining recommendation involving the need to ensure that reopened cases are not double counted in statistical reports. EOUSA is in the process of implementing a new case management system to address the issue. Implementation is expected to be completed in FY 2015. |
| 13-34 | Follow-up Audit of the Department of Justice's Internal Controls over Reporting of Terrorism-Related Statistics: The Executive Office for United States Attorneys | 9/13/2013 | 8 | 3 | EOUSA has completed final action on 3 of the 8 recommendations. In addition, EOUSA has completed various actions related to the remaining recommendations to help improve reporting practices, to include ensuring the Annual Statistical Report provides clear definitions of the methodologies used to collect the data for reported statistics. EOUSA plans to complete final action on the remaining recommendations in FY 2015. |

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|--|--|--------------------|--------------------------------|------------------|---|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| FBI - Federal Bureau of Investigation | | | | | |
| 08-03 | The Federal Bureau of Investigation's Management of Confidential Case Funds and Telecommunications Costs | 01/09/2008 | 16 | 14 | FBI has completed final action on 14 of the 16 recommendations. In addition, FBI has completed various actions related to the remaining recommendations involving measures to enhance FBI management of confidential case funds and telecommunications costs. FBI plans to complete final action on the remaining recommendations in FY 2015. |
| 09-25 | The Federal Bureau of Investigation's Management of Terrorist Watchlist Nominations | 05/06/2009 | 16 | 15 | FBI has completed final action on 15 of the 16 recommendations. In addition, FBI has completed various actions related to the remaining recommendation to evaluate the overall watchlist nomination process and the time frames that should be allocated to the various phases of the process. OIG suspended follow-up for the audit in December 2011 pending completion of its follow-on audit of FBI's management of terrorist watchlist nominations. OIG issued the follow-on audit report in March 2014 and, in April 2014, reopened follow-up for the 2009 audit. FBI plans to complete final action on the remaining recommendation in FY 2015. |

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|--|---|--------------------|--------------------------------|------------------|---|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| 10-02 | Follow-up Audit of the Federal Bureau of Investigation's Foreign Language Translation Program | 10/21/2009 | 24 | 23 | FBI has completed final action on 23 of the 24 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving the development of protocols to ensure the timely translation of foreign language material collected for high-priority cases. FBI plans to complete final action on the remaining recommendation in FY 2015. |
| GR-80-09-002 | Compliance with Standards Governing Combined DNA Index System Activities at the Louisiana State Police Crime Laboratory, Baton Rouge, Louisiana | 01/23/2009 | 6 | 4 | FBI has completed final action on 4 of the 6 recommendations. FBI continues to coordinate with the Louisiana State Police Crime Laboratory to complete final action on the remaining recommendations. One pertains to the laboratory needing to review arrestee profiles to ensure the allowability of profiles uploaded to the National DNA Index System (NDIS) prior to January 2007. The other recommendation involves the need for FBI to ensure the laboratory has updated the criterion used by its staff to qualify profiles for upload to NDIS. FBI plans for final action to be completed for both recommendations in FY 2015. |

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|---|-----------------------------|-------------|-------------------------|-----------|---|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| OJP - Office of Justice Programs | | | | | |
| Various | 16 Grant Audit Reports | Various | 239 | 144 | OJP completed final action during the reporting period on disallowed costs valued at \$896,239. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$1,032,498. |
| Various | 41 Single Audit Act Reports | Various | 169 | 75 | OJP completed final action during the reporting period on disallowed costs valued at \$166,574. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$2,311,689. |
| OVW - Office on Violence Against Women | | | | | |
| Various | 10 Grant Audit Reports | Various | 80 | 37 | OVW completed final action during the reporting period on disallowed costs valued at \$9,560. OVW continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$69,920. |

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|---|--|-------------|-------------------------|-----------|---|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| USMS - U.S. Marshals Service | | | | | |
| 11-02 | United States Marshals Service's Oversight of Its Judicial Facilities Security Program | 11/18/2010 | 15 | 13 | USMS has completed final action on 13 of the 15 recommendations. In addition, USMS continues to make progress on policy and contract changes associated with the remaining recommendations. USMS plans to complete final action on the policy-related recommendation in FY 2015. Final action on the recommendation involving contract changes is expected to be completed in FY 2016, because the contract changes are being made in conjunction with new contract awards to avoid costs that would be associated with modifying existing contracts. |
| 13-06 | Department of Justice's Oversight of Non-Federal Detention Facility Inspections | 1/9/2013 | 7 | 6 | The Office of the Deputy Attorney General (ODAG) has completed final action on the recommendation directed at ODAG, and USMS has completed final action on 5 of the 6 recommendations directed at USMS. In addition, USMS has completed various actions on the remaining recommendation related to enhancing processes and guidance for conducting and monitoring inspections, to include modifying inspections for facilities that repeatedly receive acceptable inspection ratings. USMS plans to complete final action on the remaining recommendation in FY 2015. |

| Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2014) | | | | | |
|--|---|--------------------|--------------------------------|------------------|--|
| Report Number | Audit Report Title | Report Date | Management Improvements | | Status of Final Action |
| | | | Recommended | Completed | |
| 13-24 | The Financial Management of the United States Marshals Service's Office in the Superior Court of the District of Columbia | 6/4/2013 | 18 | 14 | USMS has completed final action on 14 of the 18 recommendations. In addition, USMS has completed various actions on the remaining recommendations related to cellblock staffing and policy for the accountability of firearms, to include reporting requirements for stolen firearms. USMS plans to complete final action on the remaining recommendations in FY 2015. |
| USNCB - United States National Central Bureau - INTERPOL Washington | | | | | |
| 09-35 | INTERPOL Washington – United States National Central Bureau (USNCB) | 09/18/2009 | 27 | 24 | USNCB and ODAG have completed final action on 24 of the 27 recommendations. In addition, various actions have been completed on the remaining recommendations related to enhancing automated processes for transmitting INTERPOL information to U.S. agency systems and USNCB analytical and workflow processes. USNCB and ODAG plan to complete final action on the remaining recommendations in FY 2015. |