



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

October 1, 2014 – March 31, 2015

Background

In accordance with the Inspector General Act of 1978,¹ as amended, 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 timely access to certain documents. The second section describes the Department's actions during the semiannual period ended March 31, 2015, 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 final action for OIG reports with disallowed costs. The second sub-section provides information on the status of 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 open longer than one year for which management decisions have been made but final action has not been taken. During the semiannual reporting period, DOJ components implemented policy and management changes to close 330 recommendations that had been open longer than one year.

I. Department Management's Response to Concerns Raised by the OIG Related to Timely Access to Certain Documents

In response to the OIG's statement that on occasion it was not provided timely access to certain documents, 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 documents – 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 documents. 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 documents necessary to complete OIG audits and reviews, consistent with existing law. To that end, on April 23, 2015, the Deputy Attorney General issued a new Department-wide policy to ensure the OIG promptly receives wiretap, grand jury, and Fair Credit Reporting Act material when it believes that material is necessary to complete its reviews, consistent with the Deputy Attorney General's authority under the relevant statutes.

¹ 5 U.S.C. App.

II. DOJ Management Report on Final Action

A. Status of Final Action for OIG Reports with Disallowed Costs²

Status of Final Action on Disallowed Costs (six-month period ended March 31, 2015)			
Category	Disallowed Costs	No. of OIG Reports	
Value of disallowed costs for which final action had not been taken by the beginning of the reporting period	\$3,668,755	26	
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	\$31,148		
Subtotal	\$3,637,607		
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$5,583,479		
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$9,221,086		
Value of disallowed costs for which final action was taken during the reporting period (sum of next three lines)	\$1,636,908		
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$1,545,327		
Disallowed costs referred to the U.S. Department of the Treasury for collection	\$91,581		
Disallowed costs written off by management	\$0		
Value of disallowed costs for which final action had not been taken by the end of the reporting period	\$7,584,178		27

² 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. Status of Final Action for OIG Reports with Recommendations that Funds be Put to Better Use³

Status of Final Action on Funds to Better Use Recommendations (six-month period ended March 31, 2015)		
Category	FBU Recommendations	No. of OIG Reports
Value of FBU recommendations for which final action had not been taken 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 taken during the reporting period (sum of next two lines)	\$0	
FBU recommendations 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 taken by the end of the reporting period	\$0	0

³ 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. Status of Final Action for OIG Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Taken⁴

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Taken (as of March 31, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
ATF – Alcohol, Tobacco, Firearms, and Explosives					
13-36	Bureau of Alcohol, Tobacco, Firearms and Explosives' Use of Income-Generating, Undercover Operations	9/24/2013	17	15	ATF has taken final action on 15 of the 17 recommendations. In addition, ATF completed various actions during the reporting period on the remaining recommendations related to the inventory and management of products procured for investigations. ATF plans to request OIG concurrence that the audit report is closed.
ATR – Anti-Trust Division					
NFPR ⁵	FISMA Audit Report	3/28/2014	3	1	ATR has taken final action on 1 of the 3 recommendations and plans to complete final action on the remaining recommendations related to FISMA in FY 2015.

⁴ This sub-section reflects the status of final action for OIG audit reports open longer than one year for which management decisions have been made but final action has not been taken. For purposes of this report, the term *final action* means the completion of all actions that management concluded in its final decision are necessary with respect to the findings and recommendations in the audit report.

⁵ Due to law enforcement sensitivity reasons, the OIG issues its Federal Information Security Management Act (FISMA) audit reports as Not For Public Release (NFPR).

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Taken (as of March 31, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
BOP – Federal Bureau of Prisons					
10-30	Follow-up Audit of the Federal Bureau of Prisons' Efforts to Manage Inmate Health Care	7/7/2010	7	6	BOP has taken 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.
10-44	The Federal Bureau of Prisons' Furlough Program	9/1/2010	7	5	BOP has taken 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.
14-17	The Federal Bureau of Prisons' Efforts to Improve Acquisition Through Strategic Sourcing	3/26/2014	3	1	The BOP has taken final action on 1 of the 3 recommendations. In addition, BOP plans to complete final action on the remaining recommendations related to the management and use of strategic sourcing in FY 2015.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
COPS - Office of Community Oriented Policing Services					
10-25	A Review of the Grantee Selection Process for the COPS Hiring Recovery Program	5/14/2010	7	6	COPS has taken 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	6 Grant Audit Reports	Various	54	14	COPS recovered \$615,156 in disallowed costs during the reporting period, which completed final action for all disallowed costs. COPS continues to work with grantees to remedy reported deficiencies and questioned costs.
CRM – Criminal Division					
GR-50-14-002	Lansing Police Department's Equitable Sharing Program Activities, Lansing, Michigan	12/20/2013	6	5	CRM has taken final action on 5 of the 6 recommendations. In addition, CRM completed various actions during the reporting period on the remaining recommendation related to the Lansing Police Department's Equitable Sharing Program activities. CRM is awaiting OIG concurrence that the audit report is closed.

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			Recommended	Final Action Taken	
DEA – Drug Enforcement Administration					
12-02	The Drug Enforcement Administration's Personnel Resource Management and Casework	12/7/2011	6	5	DEA has taken final action on 5 of the 6 recommendations. In addition, DEA completed various actions during the reporting period on the remaining recommendation involving the resource allocation process for domestic field division personnel. DEA is awaiting OIG concurrence that the audit report is closed.
EOIR – Executive Office for Immigration Review					
NFPR	2 FISMA Audit Reports	Various	23	9	EOIR has taken final action on 9 of the 23 recommendations and plans to complete final action on the remaining recommendations related to FISMA 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 taken 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 changes to its case management system to address the issue. Implementation is expected to be completed in FY 2015.

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14-15	Executive Office For United States Attorneys' Laptop Computer and Electronic Tablet Encryption Program and Practices	3/19/2014	13	4	EOUSA has taken final action on 4 of the 13 recommendations. In addition, EOUSA has completed various actions related to the remaining recommendations for EOUSA's Encryption Program. EOUSA plans to complete final action on the remaining recommendations in FY 2016.
FBI – Federal Bureau of Investigation					
08-03	The Federal Bureau of Investigation's Management of Confidential Case Funds and Telecommunications Costs	1/9/2008	16	14	FBI has taken 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	5/6/2009	16	15	FBI has taken final action on 15 of the 16 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving an evaluation of the overall watchlisting 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.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
10-02	Follow-up Audit of the Federal Bureau of Investigation's Foreign Language Translation Program	10/21/2009	24	23	FBI has taken final action on 23 of the 24 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving 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.
13-18	Federal Bureau of Investigation's Foreign Terrorist Tracking Task Force	3/27/2013	7	6	FBI has taken final action on 6 of the 7 recommendations. In addition, FBI has completed actions related to the remaining recommendation to update the Privacy Impact Assessment for the Task Force Datamart. FBI plans to complete final action on the remaining recommendation in FY 2015.
14-16	Federal Bureau of Investigation's Management of Terrorist Watchlist Nominations	3/24/2014	12	11	FBI has taken final action on 11 of the 12 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving the watchlist. 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	1/23/2009	6	5	FBI has taken final action on 5 of the 6 recommendations. FBI continues to coordinate with the Louisiana State Police Crime Laboratory to complete final action on the remaining recommendation. The recommendation 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. FBI plans for final action to be completed on the remaining recommendation in FY 2015.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
NFPR	2 FISMA Audit Reports	Various	39	34	FBI has taken final action on 34 of the 39 recommendations and plans to complete final action on the remaining recommendations related to FISMA in FY 2015.
JMD – Justice Management Division					
13-40	Department of Justice's Implementation of and Compliance with Certain Classification Requirements	9/27/2013	14	9	JMD has taken final action on 9 of the 14 recommendations. In addition, JMD has completed various actions related to the remaining recommendations involving classification guides, automated classification marking tools, and training. JMD plans to complete final action on the remaining recommendations in FY 2015.
NFPR	3 FISMA Audit Reports	Various	21	15	JMD has taken final action on 15 of the 21 recommendations. Of the 6 remaining recommendations related to FISMA, JMD plans to complete final action on 4 in FY 2015 and 2 in FY 2016.
OJP – Office of Justice Programs					
Various	18 Grant Audit Reports	Various	242	143	OJP completed final action during the reporting period on disallowed costs valued at \$259,359. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$2,600,985.
Various	72 Single Audit Act Reports	Various	255	94	OJP completed final action during the reporting period on disallowed costs valued at \$82,251. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$2,196,273.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
OVW - Office on Violence Against Women					
Various	14 Grant Audit Reports	Various	129	74	OVW completed final action during the reporting period on disallowed costs valued at \$17,368. OVW continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$79,879.
USMS - United States Marshals Service					
11-02	United States Marshals Service's Oversight of Its Judicial Facilities Security Program	11/18/2010	15	13	USMS has taken 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.
13-05	United States Marshals Service's Procurement Activities	12/18/2012	12	6	USMS has taken final action on 6 of the 12 recommendations. In addition, USMS has completed various actions related to the remaining recommendations for strengthening procurement policies and managing acquisitions across the organization. USMS plans to complete final action on the remaining recommendations in FY 2015.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
Audit Reports Encompassing More Than One DOJ Component					
14-12	Department of Justice's Efforts to Address Mortgage Fraud	3/12/2014	7	4	The Department has taken final action on 4 of the 7 recommendations. In addition, the Department has completed various actions related to the remaining recommendations for improving the reporting of its efforts to combat mortgage fraud. The Department plans to complete final action on the remaining recommendations in FY 2015.