



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

April 1, 2015 – September 30, 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 records. The second section describes the Department's actions during the semiannual period ended September 30, 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 322 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 Records

In response to the OIG's statement that on occasion they were not provided timely access to certain records, the Department has repeatedly stated its commitment to ensuring that the OIG has access to the information it needs to perform its oversight mission effectively. In every instance where the OIG has sought access to material protected from disclosure by statute – such as grand jury material protected by Federal Rule of Criminal Procedure 6(e), Title III wiretap information, or material 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. In keeping with our commitment, the Department has been working to draft a legislative proposal which would ensure that the OIG has access to the information it needs to conduct its investigations and reviews, including information protected from disclosure by statutes such as the Federal Wiretap Act, Rule 6(e) of the Federal Rules of Criminal Procedure, and section 626 of the Fair Credit Reporting Act. On November 3, 2015, the Department provided to Congress draft legislation to ensure that the OIG receives the records it needs to complete its reviews. We look forward to working with the OIG and Congress to address this important issue.

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 September 30, 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	\$7,584,178	22	
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	\$34,386		
Subtotal	\$7,549,792		
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$7,620,664		
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$15,170,456		
Value of disallowed costs for which final action was taken during the reporting period (sum of next three lines)	\$5,554,599		
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$5,537,938		
Disallowed costs referred to the U.S. Department of the Treasury for collection	\$16,661		
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	\$9,615,857		19

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 September 30, 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	\$3,705,760	
Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines)	\$3,705,760	
Value of FBU recommendations for which final action was taken during the reporting period (sum of next two lines)	\$3,625,920	
FBU recommendations completed	\$3,625,920	
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	\$79,840	

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
ATR – Anti-Trust Division					
NFPR ⁵	FISMA Audit Report	3/28/2014	3	2	ATR has taken final action on 2 of the 3 recommendations related to FISMA and plans to complete final action on the remaining recommendation in FY 2016.
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.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
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 2017.
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 2016.
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 implement an enterprise data warehouse that will contain data elements from all three grant-issuing components, allowing accessibility to data by all three components. Final action on the remaining recommendation is expected to be completed in FY 2016.
Various	7 Grant Audit Reports	Various	59	16	COPS continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$1,602,129.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
CRM – Criminal Division					
GR-50-14-003	Arlington Heights Police Department's Equitable Sharing Program Activities, Arlington Heights, Illinois	4/22/2014	4	2	CRM has taken final action on 2 of the 4 recommendations. In addition, CRM has completed various actions on the remaining recommendations related to the Arlington Heights Police Department's Equitable Sharing Program activities. CRM plans to complete final action on the remaining recommendations in FY 2016.
GR-50-14-008	Oak Lawn Police Department's Equitable Sharing Program Activities, Oak Lawn, Illinois	8/27/2014	7	0	CRM completed various actions during the reporting period on the recommendations related to the Oak Lawn Police Department's Equitable Sharing Program activities. CRM plans to complete final action on the recommendations in FY 2016.
EOIR – Executive Office for Immigration Review					
NFPR	2 FISMA Audit Reports	Various	23	18	EOIR has taken final action on 18 of the 23 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2016.
EOUSA - Executive Office for United States Attorneys					
14-15	Executive Office For United States Attorneys' Laptop Computer and Electronic Tablet Encryption Program and Practices	3/19/2014	13	6	EOUSA has taken final action on 6 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.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
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 2016.
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 2016.
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 2016.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
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 various 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 2016.
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 2016.
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 2016.
NFPR	6 FISMA Audit Reports	Various	83	51	FBI has taken final action on 51 of the 83 recommendations related to FISMA. In addition, FBI completed various actions during the reporting period on the remaining recommendations. FBI is awaiting OIG concurrence that FBI has completed final action.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
JMD – Justice Management Division					
13-40	Department of Justice's Implementation of and Compliance with Certain Classification Requirements	9/27/2013	14	11	JMD has taken final action on 11 of the 14 recommendations. In addition, JMD has completed various actions related to the remaining recommendations involving security classification guides and dissemination control markings. JMD plans to complete final action on the remaining recommendations in FY 2016.
14-32	Department of Justice's Oversight of Costs Incurred through the Fees and Expenses of Witness Appropriation	9/23/2014	12	1	JMD has taken final action on 1 of the 12 recommendations. In addition, JMD has completed various actions related to the remaining recommendations involving policies and procedures for costs incurred through the fees and expenses of witness appropriation. JMD plans to complete final action on the remaining recommendations in FY 2016.
NFPR	2 FISMA Audit Reports	Various	16	13	JMD has taken final action on 13 of the 16 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2016.
OJP – Office of Justice Programs					
14-23	Office of Justice Programs Bureau of Justice Assistance John R. Justice Grant Program	5/19/2014	12	8	OJP has taken final action on 8 of the 12 recommendations. In addition, OJP has completed various actions related to the remaining recommendations involving grant program participants and service agreements. OJP plans to complete final action on the remaining recommendations in FY 2016.
Various	23 Grant Audit Reports	Various	247	162	OJP completed final action during the reporting period on disallowed costs valued at \$149,814. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$3,364,866.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
Various	68 Single Audit Act Reports	Various	240	79	OJP completed final action during the reporting period on disallowed costs valued at \$84,517. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$2,485,473.
OVW - Office on Violence Against Women					
Various	17 Grant Audit Reports	Various	161	101	OVW completed final action during the reporting period on disallowed costs valued at \$67,996. OVW continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$69,920.
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 and is awaiting OIG concurrence that USMS has completed final action on the recommendation to streamline timekeeping practices for court security officers. USMS plans to complete final action on the remaining recommendation involving policy changes in FY 2016.
13-05	United States Marshals Service's Procurement Activities	12/18/2012	12	8	USMS has taken final action on 8 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 2016.

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 September 30, 2015)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Taken	
NFPR	FISMA Audit Report	6/25/2014	8	7	USMS has taken final action on 7 of the 8 recommendations related to FISMA and plans to complete final action on the remaining recommendation in FY 2016.
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 2016.
14-33	Crime Victim Fund Disbursements to the Federal Bureau of Investigation and Executive Office for United States Attorneys	9/26/2014	10	3	The Department has taken final action on 3 of the 10 recommendations. In addition, the Department has completed various actions related to the remaining recommendations for enhancing program performance and improving the effectiveness of internal control over Crime Victim Fund disbursements. The Department plans to complete final action on the remaining recommendations in FY 2016.