

UNITED STATES DEPARTMENT
OF
JUSTICE



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

April 1, 2018 – September 30, 2018

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 report describes the Department's actions during the semiannual period ended September 30, 2018, to address recommendations from the OIG provided in audit, inspection, and evaluation reports. The first section provides information on the status of final action for OIG reports with recommendations that funds be put to better use. The second section provides information on the status of final action for OIG reports with disallowed costs. The third and final 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 completed. During the semiannual reporting period, DOJ components implemented policy and management changes to close 245 recommendations that had been open longer than one year.

DOJ Management Report on Final Action

1. Status of Final Action for OIG Reports with Recommendations that Funds be Put to Better Use²

Status of Final Action on Funds to Better Use Recommendations (six-month period ended September 30, 2018)		
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	\$25,690	
Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines)	\$25,690	
Value of FBU recommendations for which final action was completed during the reporting period (sum of next two lines)	\$25,690	
FBU recommendations completed	\$25,690	
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	0

¹ 5 U.S.C. App.

² This 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.

2. Status of Final Action for OIG Reports with Disallowed Costs³

Status of Final Action on Disallowed Costs (six-month period ended September 30, 2018)			
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	\$1,304,318	13	
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	\$0		
Subtotal	\$1,304,318		
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$1,444,431		
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$2,748,749		
Value of disallowed costs for which final action was completed during the reporting period (sum of next three lines)	\$2,329,316		
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$1,071,176		
Disallowed costs referred to the U.S. Department of the Treasury for collection	\$19,742		
Disallowed costs written off by management	\$1,238,398		
Value of disallowed costs for which final action had not been completed by the end of the reporting period	\$419,433		14

³ This 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.

3. 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 Completed⁴

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 Completed (as of September 30, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
ATF – Bureau of Alcohol, Tobacco, Firearms and Explosives					
17-17	Bureau of Alcohol, Tobacco, Firearms and Explosives' Management and Oversight of Confidential Informants	03/27/2017	5	3	The OIG has closed 3 of the 5 recommendations based on ATF completing final action. In addition, ATF has completed various actions related to the remaining recommendations involving implementation of a recordkeeping system to maintain confidential informant information and improving the monitoring of foreign national confidential informants to ensure their legal status does not lapse. ATF plans for final action to be completed in FY 2019.
BOP – Bureau of Prisons					
10-44	Federal Bureau of Prisons' Furlough Program	09/01/2010	7	6	The OIG has closed 6 of the 7 recommendations based on BOP completing final action. In addition, BOP has completed various actions related to the remaining recommendation involving the sharing and storing of documentation regarding furloughs. Completion of final action is dependent, in part, on BOP's implementation of the Furlough/Release Application, which is scheduled to be completed in FY 2019.

⁴ This 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 completed. 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.

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 Completed (as of September 30, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
16-17	Federal Bureau of Prisons' Armory Munitions and Equipment	03/30/2016	14	13	The OIG has closed 13 of the 14 recommendations based on BOP completing final action. In addition, BOP has completed various actions related to the remaining recommendation involving armory inventory management. BOP plans to complete final action on the remaining recommendation in FY 2019.
17-08	Federal Bureau of Prisons' Contract with CoreCivic, Inc., Natchez, Mississippi	12/19/2016	9	5	The OIG has closed 5 of the 9 recommendations based on BOP completing final action. In addition, BOP has completed various actions related to contract management. BOP plans to complete final action on the remaining recommendations in FY 2019.
COPS - Office of Community Oriented Policing Services					
Various	3 Grant Audit Reports	Various	19	3	The OIG has closed 3 of the 19 recommendations based on COPS completing final action. COPS continues to work with grantees to remedy reported deficiencies and questioned costs.
CRM – Criminal Division					
GR-70-17-003	Franklin County District Attorney's Office's Equitable Sharing Program Activities, Franklin County, New York	03/08/17	15	0	CRM has completed various actions on the recommendations and continues to work with the Franklin County District Attorney's Office to remedy the reported deficiencies and questioned costs. CRM plans for final action on the recommendations to be completed in FY 2019.

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 Completed (as of September 30, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
GR-90-17-004	San Jose Police Department's Equitable Sharing Program Activities, San Jose, California	06/28/17	13	8	The OIG has closed 8 of the 13 recommendations based on CRM completing final action. CRM continues to work with the San Jose Police Department to remedy the reported deficiencies and questioned costs. CRM plans to complete final action in FY 2019.
DEA – Drug Enforcement Agency					
16-08	Drug Enforcement Administration's Controls Over Seized and Collected Drugs	02/17/2016	9	6	The OIG has closed 6 of the 9 recommendations based on DEA completing final action. In addition, DEA has completed various actions on the remaining recommendations related to documentation for drug seizures. DEA plans to complete final action on the remaining recommendations in FY 2019.
16-16	Drug Enforcement Administration's Aviation Operations with the Department of Defense in Afghanistan	03/29/2016	13	8	The OIG has closed 8 of the 13 recommendations based on DEA completing final action. In addition, DEA has completed various actions on the remaining recommendations involving the use or return of aircraft spare parts and remedying questioned costs. DEA plans to complete final action on the remaining recommendations in FY 2019.
16-33	Drug Enforcement Administration's Management and Oversight of its Confidential Source Program	09/28/2016	7	2	The OIG has closed 2 of the 7 recommendations based on DEA completing final action. In addition, DEA has completed various actions on the remaining recommendations related to management and oversight of its Confidential Source Program. DEA plans to complete final action on the remaining recommendations in FY 2019.

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NFPR ⁵	FISMA Audit Report	02/08/2017	6	5	The OIG has closed 5 of the 6 recommendations based on DEA completing final action. DEA plans to complete final action on the remaining recommendation related to FISMA in FY 2019.
FBI – Federal Bureau of Investigation					
16-20	Federal Bureau of Investigation's Cyber Threat Prioritization	07/20/2016	2	0	FBI has completed various actions on the recommendations which involve the use of an algorithmic, data-driven tool to prioritize cyber threats and implementation of a record keeping system that tracks agent time utilization by threat set. FBI plans to complete final action on the recommendations in FY 2019.
17-35	Federal Bureau of Investigation's Insider Threat Program	9/22/2017	8	2	The OIG has closed 2 of the 8 recommendations based on FBI completing final action. FBI plans to complete final action on the remaining recommendations related to processes and tools for managing and monitoring the FBI's insider threat program in FY 2019.
NFPR	7 FISMA Audit Reports	Various	134	106	The OIG has closed 106 of the 134 recommendations based on FBI completing final action. FBI plans to complete final action on the remaining recommendations related to FISMA in FY 2019.
JMD – Justice Management Division					
13-40	Department of Justice's Implementation of and Compliance with Certain Classification Requirements	09/27/2013	14	13	The OIG has closed 13 of the 14 recommendations based on JMD completing final action. In addition, JMD has completed various actions on the remaining recommendation involving security classification guides. JMD plans to complete final action on the remaining recommendation in FY 2019.

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 Completed (as of September 30, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
14-32	Department of Justice's Oversight of Costs Incurred through the Fees and Expenses of Witness Appropriation	09/23/2014	12	1	The OIG has closed 1 of the 12 recommendations based on JMD completing final action. 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 2019.
16-26	Follow-Up of the Department of Justice's Implementation of and Compliance with Certain Classification Requirements	09/12/2016	3	1	The OIG has closed 1 of the 3 recommendations based on JMD completing final action. In addition, JMD has completed various actions on the recommendations related to ensuring classification practices do not result in over or under classification and publishing the updated Mandatory Declassification Review process in the Federal Register to ensure compliance with Executive Order 13526. JMD plans to complete final action on the remaining recommendations in FY 2019.
17-06	Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statements FY 2016	12/08/2016	5	4	The OIG has closed 4 of the 5 recommendations based on JMD completing final action. In addition, JMD has completed various actions related to the remaining recommendation involving the review of the Annual Financial Statements. JMD plans to complete final action on the remaining recommendation in FY 2019.
NFPR	FISMA Audit Report	03/27/2017	7	4	The OIG has closed 4 of the 7 recommendations based on JMD completing final action. JMD plans to complete final action on the remaining recommendations related to FISMA in FY 2019.

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 Completed (as of September 30, 2018)					
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OJP – Office of Justice Programs					
16-15	National Institute of Justice's Management and Oversight of DNA Backlog Reduction Grantees' Reporting and Use of Program Income	03/28/2016	4	1	The OIG has closed 1 of the 4 recommendations based on OJP completing final action. In addition, OJP has completed various actions related to the remaining recommendations involving program income guidance, technical assessment tools, and training. OJP plans to complete final action on the remaining recommendations in FY 2019.
17-10	Office of Justice Programs' Tribal Justice Systems Infrastructure Program	01/18/2017	12	7	The OIG has closed 7 of the 12 recommendations based on OJP completing final action. OJP continues to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$842,880. OJP plans to complete final action on the remaining recommendations in FY 2019.
17-31	Office of Juvenile Justice and Delinquency Prevention Title II Part B Formula Grant Program Related to Allegations of the OJJDP's Inappropriate Conduct	7/24/2017	4	3	The OIG closed 3 of the 4 recommendations upon issuance of the final report, based on OJP completing final action. OJP continues to work to remedy the final recommendation which is reliant upon OJP issuing an OJJDP guidance manual containing OJJDP's revised policies, procedures, and objective standards pertaining to updated Juvenile Justice and Delinquency Prevention Act regulations. OJP plans to complete final action on the remaining recommendation in FY 2019.
17-36	Risks Associated with the Office of Justice Programs' Management of the Crime Victims Fund Grant Programs	9/25/2017	11	7	The OIG has closed 7 of the 11 recommendations based on OJP completing final action. OJP plans to complete final action on the remaining recommendations related to management of the Crime Victims Fund Grant Programs in FY 2019.

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 Completed (as of September 30, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
Various	20 Grant Audit Reports	Various	197	103	The OIG has closed 103 of the 197 recommendations based on OJP completing final action. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$331,151.
Various	19 Single Audit Act Reports	Various	65	26	The OIG has closed 26 of the 65 recommendations based on OJP completing final action. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$38,900.
OVW - Office on Violence Against Women					
Various	26 Grant Audit Reports	Various	226	124	The OIG has closed 124 of the 226 recommendations based on OVW completing final action. OVW continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$61,261.
USMS - United States Marshals Service					
17-22	United States Marshals Service Contract with CoreCivic, Inc., to Operate the Leavenworth Detention Center, Leavenworth, Kansas	4/24/2017	24	7	The OIG has closed 7 of the 24 recommendations based on USMS completing final action. In addition, USMS has completed various actions related to contract management. USMS plans to complete final action on the remaining recommendations in FY 2019.
NFPR	FISMA Audit Report	08/01/2016	2	1	The OIG has closed 1 of the 2 recommendations based on USMS completing final action. USMS plans to complete final action on the remaining recommendation related to FISMA in FY 2019.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
Audit Reports Encompassing More Than One DOJ Component					
16-19	Department's Use of Pretrial Diversion and Diversion-Based Court Programs as Alternatives to Incarceration	07/13/2016	5	3	The OIG has closed 3 of the 5 recommendations based on components completing final action. In addition, Department components have completed various actions related to the remaining recommendations to conduct an assessment of the impact of the USAOs' use of pretrial diversion and participation in diversion-based court programs in reducing prosecution and incarceration costs and recidivism. The Department plans to complete final action on the remaining recommendations in FY 2019.
16-32	Handling of Firearms Purchase Denials Through the National Instant Criminal Background Check System	09/27/2016	6	4	The OIG had closed 4 of the 6 recommendations as of the end of the reporting period based on the components completing final action. The OIG has since closed the remaining 2 recommendations and the audit report.