



# THE ATTORNEY GENERAL'S SEMIANNUAL MANAGEMENT REPORT TO CONGRESS

**April 1, 2017 – September 30, 2017**

## Background

In accordance with the Inspector General Act of 1978,<sup>1</sup> 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, 2017, 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 209 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 Use<sup>2</sup>

Status of Final Action on Funds to Better Use Recommendations (six-month period ended September 30, 2017)		
Category	FBU Recommendations	No. of OIG Reports
<b>Value of FBU recommendations for which final action had not been completed by the beginning of the reporting period</b>	<b>\$72,275</b>	<b>1</b>
Value of FBU recommendations agreed to by management in a final decision during the reporting period	\$602,359	
Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines)	\$674,634	
Value of FBU recommendations for which final action was completed during the reporting period (sum of next two lines)	\$602,359	
FBU recommendations completed	\$602,359	
FBU recommendations that management subsequently concluded should not or could not be implemented or completed	\$0	
<b>Value of FBU recommendations for which final action had not been completed by the end of the reporting period</b>	<b>\$72,275</b>	<b>1</b>

<sup>1</sup> 5 U.S.C. App.

<sup>2</sup> 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 Costs<sup>3</sup>

Status of Final Action on Disallowed Costs (six-month period ended September 30, 2017)		
Category	Disallowed Costs	No. of OIG Reports
<b>Value of disallowed costs for which final action had not been completed by the beginning of the reporting period</b>	<b>\$5,136,078</b>	<b>16</b>
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	
<b>Subtotal</b>	<b>\$5,136,078</b>	
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$574,747	
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$5,710,825	
Value of disallowed costs for which final action was completed during the reporting period (sum of next three lines)	\$2,457,490	
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$763,755	
Disallowed costs referred to the U.S. Department of the Treasury for collection	\$1,693,735	
Disallowed costs written off by management	\$0	
<b>Value of disallowed costs for which final action had not been completed by the end of the reporting period</b>	<b>\$3,253,335</b>	<b>15</b>

<sup>3</sup> 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 Completed<sup>4</sup>

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, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
BOP – Bureau of Prisons					
10-44	Federal Bureau of Prisons' Furlough Program	09/01/2010	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 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 2018.
16-17	Federal Bureau of Prisons' Armory Munitions and Equipment	03/30/2016	14	9	BOP has completed final action on 9 of the 14 recommendations. In addition, BOP has completed various actions related to the remaining recommendations involving armory inventory management. Completion of final action is dependent on incorporating revised procedures into policy. BOP plans to complete the policy updates in FY 2018.

<sup>4</sup> 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, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
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 grants management data to facilitate the grants management functions OJP performs for COPS. COPS continues to work with OJP and OVW on an Enterprise Grants Management Data Collaboration Initiative that will allow all three grant-issuing components to access each other’s grants data. Final action on the remaining recommendation is expected to be completed in FY 2018.
Various	3 Grant Audit Reports	Various	19	3	COPS continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$69,383.
CRM – Criminal Division					
GR-50-15-007	Charter Township of Plymouth Police Department's Equitable Sharing Program Activities, Plymouth Township, Michigan	09/30/2015	12	8	CRM has completed final action on 8 of the 12 recommendations, including final action during the reporting period on disallowed costs valued at \$24,009. CRM continues to work with the Charter Township of Plymouth Police Department to remedy reported deficiencies and complete final action on the remaining disallowed costs valued at \$27,374. CRM plans for final action on the recommendations to be completed in FY 2018.

<b>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</b> (as of September 30, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
GR-50-16-006	Floyd County Sheriff's Department Equitable Sharing Program Activities, New Albany, Indiana	07/26/2016	8	7	CRM has completed final action on 7 of the 8 recommendations, including final action during the reporting period on disallowed costs valued at \$119,320. In addition, CRM has completed various actions on the remaining recommendation related to ensuring compliance with the single audit requirement for FY 2015. CRM plans for final action on the recommendation to be completed in FY 2018.
<b>DEA – Drug Enforcement Agency</b>					
16-08	Drug Enforcement Administration's Controls Over Seized and Collected Drugs	02/17/2016	9	5	DEA has completed final action on 5 of the 9 recommendations. 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 2018.
16-16	Drug Enforcement Administration's Aviation Operations with the Department of Defense in Afghanistan	03/29/2016	13	7	DEA has completed final action on 7 of the 13 recommendations. In addition, DEA has completed various actions on the remaining recommendations to remedy questioned costs and ensure deliverables under the Memorandum of Understanding with the Department of Defense are meeting desired objectives. DEA plans to complete final action on the remaining recommendations in FY 2018.
16-33	Drug Enforcement Administration's Management and Oversight of its Confidential Source Program	09/28/2016	7	1	DEA has completed final action on 1 of the 7 recommendations. 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 2018.

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EOUSA – Executive Office for United States Attorneys					
NFPR <sup>5</sup>	2 FISMA Audit Reports	Various	9	6	EOUSA has completed final action on 6 of the 9 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2018.
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 related to 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 2018.
NFPR <sup>5</sup>	7 FISMA Audit Reports	Various	135	103	FBI has completed final action on 103 of the 135 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2018.
JMD – Justice Management Division					
13-40	Department of Justice’s Implementation of and Compliance with Certain Classification Requirements	09/27/2013	14	12	JMD has completed final action on 12 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 2018.

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

<b>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</b> (as of September 30, 2017)					
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	JMD has completed 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 2018.
16-26	Follow-Up of the Department of Justice's Implementation of and Compliance with Certain Classification Requirements	09/12/2016	3	0	JMD has completed various actions on the recommendations, which related to ensuring classification practices do not result in over or under classification, publishing the updated DOJ Mandatory Declassification Review Instruction in the Federal register, and ensuring DOJ components include classification management elements in the performance plans and evaluations for personnel whose duties significantly involve the creation or handling of classified information or who regularly apply derivative classification markings. JMD plans to complete final action on the recommendations in FY 2018.
NFPR <sup>5</sup>	3 FISMA Audit Reports	Various	13	8	JMD has completed final action on 8 of the 13 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2018.



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, 2017)					
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NSD – National Security Division					
16-24	National Security Division's Enforcement and Administration of the Foreign Agents Registration Act	09/06/2016	14	6	NSD has completed final action on 6 of the 14 recommendations and is awaiting OIG concurrence that final action has been completed on 7 other recommendations. In addition, NSD has completed various actions related to the remaining recommendation to develop a comprehensive strategy for the enforcement and administration of the Foreign Agents Registration Act. NSD plans to complete final action on the remaining recommendation in FY 2018.
OJP – Office of Justice Programs					
14-23	Office of Justice Programs Bureau of Justice Assistance John R. Justice Grant Program	05/19/2014	12	11	OJP has completed final action on 11 of the 12 recommendations, including final action during the reporting period on disallowed costs valued at \$515,202. In addition, OJP has completed various actions related to the remaining recommendation involving repayments by grant beneficiaries who have exited the program. OJP plans to complete final action on the remaining recommendation in FY 2018, including final action on the remaining disallowed costs valued at \$525,205.
15-21	Office of Justice Programs' Processing of Public Safety Officers' Benefit Programs Claims	05/19/2014	4	2	OJP has completed final action on 2 of the 4 recommendations. In addition, OJP has completed various actions related to the remaining recommendations involving the collection, management, and reporting of claims data. OJP plans to complete final action on the remaining recommendations in FY 2018.

<b>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</b> (as of September 30, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
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	OJP has completed final action on 1 of the 4 recommendations. 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 2018.
Various	30 Grant Audit Reports	Various	266	159	OJP completed final action during the reporting period on disallowed costs valued at \$21,024 and funds to better use valued at \$602,359. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on the remaining disallowed costs valued at \$2,544,453.
Various	35 Single Audit Act Reports	Various	130	64	OJP continues to work with grantees to remedy reported deficiencies and questioned costs.
<b>OVW - Office on Violence Against Women</b>					
Various	22 Grant Audit Reports	Various	172	93	OVW completed final action during the reporting period on disallowed costs valued at \$1,293,369 and continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on the remaining disallowed costs valued at \$55,713 and funds to better use valued at \$72,275.
<b>USMS - United States Marshals Service</b>					
16-27	United States Marshals Service's Judicial Facility Security Program Task Order DJM-13-A32-D-0066 Awarded to Akal Security, Inc.	09/19/2016	2	0	USMS has completed various actions on the recommendations, which related to internal controls for tracking contract expenses and billing start-up costs. USMS plans to complete final action on the recommendations in FY 2018.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
NFPR <sup>5</sup>	2 FISMA Audit Reports	Various	14	7	USMS has completed final action on 7 of the 14 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2018.
<b>Audit Reports Encompassing More Than One DOJ Component</b>					
14-33	Crime Victim Fund Disbursements to the Federal Bureau of Investigation and Executive Office for United States Attorneys	09/26/2014	10	8	The Department has completed final action on 8 of the 10 recommendations. In addition, the Department has completed various actions related to the remaining recommendations for developing uniform reporting standards for performance statistics and improving the effectiveness of internal controls over Crime Victim Fund disbursements. The Department plans to complete final action on the remaining recommendations in FY 2018.
15-01	Department of Justice's Management of International Fugitive Removal Activities	11/12/2014	9	8	The Department has completed final action on 8 of the 9 recommendations. In addition, the Department has completed various actions related to the remaining recommendation to seek legislative change to address the significant costs of venue-specific international removals. The Department plans to complete final action on the remaining recommendation in FY 2018.
16-19	Department's Use of Pretrial Diversion and Diversion-Based Court Programs as Alternatives to Incarceration	07/13/2016	5	3	The Department has completed final action on 3 of the 5 recommendations. In addition, the Department has 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 2018.

<b>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</b> (as of September 30, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
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16-32	Handling of Firearms Purchase Denials Through the National Instant Criminal Background Check System	09/27/2016	6	1	The Department has completed final action on 1 of the 6 recommendations and is awaiting OIG concurrence that final action has been completed on 3 other recommendations. In addition, Department components have completed various actions related to the remaining recommendations which involve ATF modifying its criminal background check referral database to allow it to maintain the results of ATF's quality control reviews and OLC ensuring Department components use consistent definitions for categories of persons that form the basis for referrals. The Department plans to complete final action on the remaining recommendations in FY 2018.