

UNITED STATES DEPARTMENT
OF
JUSTICE



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

April 1, 2013 – September 30, 2013

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 report describes the Department's actions during the semiannual period of April 1, 2013 through September 30, 2013, to address recommendations from the Office of the Inspector General (OIG) provided in audit, inspection, and evaluation reports. The first section of this report provides information on the status of completing final action for OIG reports with disallowed costs. The second 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 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, 2013. During the semiannual reporting period, Departmental components completed improvements to close 347 recommendations that had been open more than a year.

DOJ Management Report on Final Action for OIG Reports with Disallowed Costs³

Status of Final Action on Disallowed Costs (six-month period ended September 30, 2013)		
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	\$4,243,379	5
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$2,397,193	
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$6,640,572	
Value of disallowed costs for which final action was completed during the reporting period (sum of next two lines)	\$5,621,981	
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$1,997,449	
Disallowed costs written off by management	\$3,624,532	
Value of disallowed costs for which final action had not been completed by the end of the reporting period	\$1,018,591	13

¹ 5 U.S.C. App.

² P.L. 110-409.

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.

DOJ Management Report on 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, 2013)		
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	\$158,699	
Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines)	\$158,699	
Value of FBU recommendations for which final action was completed during the reporting period (sum of next two lines)	\$158,699	
FBU recommendations that were completed	\$158,699	
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 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.

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, 2013)					
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. In February 2013, the revised BOP Program Statement was signed by the BOP Director and submitted to the BOP national union for review and possible negotiation.

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, 2013)					
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	4	BOP has completed final action on 4 of the 7 recommendations. BOP is continuing its negotiations with the BOP national union on policies developed for the Furlough Program in response to the recommendations, as well as associated proposed changes to the Master Agreement. 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. Because of the complexity of this endeavor, final action is expected to be completed in FY 2014.
Various	9 Grant Audit Reports	Various	98	41	COPS continues to work with grantees to remedy the noted deficiencies and questioned costs and complete final action on disallowed costs valued at \$297,023.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
CRM - Criminal Division					
12-24	Management of the Criminal Division's International Criminal Investigative Training Assistance Program and Office of Overseas Prosecutorial Development, Assistance, and Training	03/30/2012	6	4	CRM has completed final action on 4 of the 6 recommendations. In addition, CRM has completed various actions related to the remaining recommendations that involve working with the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs to formalize a template for Interagency Agreements and institute a process for discussing future funding lines and programs up for potential renewal. CRM plans to complete final action on the remaining recommendations in FY 2014.
DEA - Drug Enforcement Administration					
07-19	The Drug Enforcement Administration's International Operations	02/14/2007	25	24	DEA has completed final action on 24 of the 25 recommendations. In addition, DEA has completed various actions related to the remaining recommendation involving DEA's ability to account for special agents carrying firearms in foreign countries. DEA has enhanced its Firearms Qualifications Tracking System and associated processes and is in the process of conducting a pilot program to ensure enhancements will provide the necessary accountability. The remaining recommendation is dependent upon a successfully developed and populated database, which is in process. DEA anticipates completing final action in FY 2014; however, that is contingent upon how DEA is affected by budget constraints.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
12-02	The Drug Enforcement Administration's Personnel Resource Management and Casework	12/07/2011	6	4	DEA has completed final action on 4 of the 6 recommendations. In addition, DEA has completed various actions related to the remaining recommendations. For example, DEA initiated a comprehensive review of its resource allocation process for domestic field division personnel and a performance data analysis. DEA plans to complete final action on the remaining recommendations in FY 2014.
12-05	The Drug Enforcement Administration's Aviation Operations	12/13/2011	11	7	DEA has completed final action on 7 of the 11 recommendations. In addition, DEA has completed various actions related to the remaining recommendations. For example, DEA is evaluating its hangar leases, conducting on-site security assessments of hangar space, and creating a Flight Risk Assessment Tool for conducting and documenting pre-flight assessments. To complete final action on the remaining recommendations, DEA is evaluating the complexity of the OIG recommendations and considering how best to accomplish this endeavor within budget restraints.
EOUSA - Executive Office for United States Attorneys					
08-04	The Department of Justice's Victim Notification System	01/24/2008	19	18	EOUSA has completed final action on 18 of the 19 recommendations. In addition, EOUSA has completed various actions related to the remaining recommendation involving the development of an interface that will allow the Victim Notification System (VNS) to accept USMS custody status data. EOUSA is coordinating with USMS and expects to complete final action on the recommendation in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
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 2014.
11-37	The Executive Office for United States Attorneys' Information Security Program Pursuant to the Federal Information Security Management Act, Fiscal Year 2010	09/06/2011	6	5	EOUSA has completed final action on 5 of the 6 recommendations. In addition, EOUSA completed various actions during the reporting period on the remaining recommendation related to configuration management procedures for hardware and software. EOUSA is awaiting OIG concurrence that EOUSA has completed final action.
FBI - Federal Bureau of Investigation					
02-38	The Federal Bureau of Investigation's Counterterrorism Program	09/13/2002	14	13	FBI has completed final action on 13 of the 14 recommendations. Closure of this report is dependent upon FBI's implementation of the Department's Unified Financial Management System (UFMS). FBI began implementing UFMS in October 2012. Implementation across FBI is scheduled for early FY 2014. OIG suspended follow-up for this audit report until UFMS is operational within FBI.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
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08-03	The Federal Bureau of Investigation's Management of Confidential Case Funds and Telecommunications Costs	01/09/2008	16	13	FBI has completed final action on 13 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. Implementation of UFMS across FBI will complete the majority of final action on the remaining recommendations.
09-25	The Federal Bureau of Investigation's Management of Terrorist Watchlist Nominations	05/06/2009	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 watchlist nominations and justifications for retaining watchlist status for subjects of closed investigations. OIG suspended follow-up for the remaining recommendations in December 2011 pending completion of its audit of FBI's management of terrorist watchlist nominations. OIG expects to issue that audit in FY 2014.
09-31	The Federal Bureau of Investigation's BlackNet System Pursuant to the Federal Information Security Management Act, Fiscal Year 2008	06/24/2009	5	4	FBI has completed final action on 4 of the 5 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving the need to strengthen configuration management controls. FBI is implementing corrective actions to ensure that a standard security baseline configuration is formally documented and implemented for its servers, workstations, and network devices. FBI made substantial progress in FY 2013 and plans to complete final action on the recommendation in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
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 is in the process of implementing a new policy on the use of analytical tools to reduce the backlog of technically corrected FISA-acquired information. The policy will provide guidance for managing responsibilities and examples of best practices for prioritization. FBI made substantial progress in FY 2013 and plans to complete final action on the recommendation in FY 2014.
11-34	The Federal Bureau of Investigation's Information Security Program Pursuant to the Federal Information Security Management Act, Fiscal Year 2010	09/01/2011	17	15	FBI has completed final action on 15 of the 17 recommendations. In addition, FBI has completed various actions related to the remaining recommendations involving access to its Mapping and Tracking System (MATS) and encryption of data transferred to portable media. FBI is in the process of developing a virtualized solution to control system access to MATS and maintain segregation of duties. FBI plans to implement the solution in FY 2014. In addition, FBI is testing an encryption solution for data transferred to portable media. FBI plans to implement the solution across the FBI in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year					
(as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
12-26	The Federal Bureau of Investigation's Information Security Program Pursuant to the Federal Information Security Management Act, Fiscal Year 2012	06/26/2012	18	0	FBI has completed various actions related to the recommendations involving the need to enhance processes pertaining to risk management, mitigation of control deficiencies, external media protection, configuration management, incident reporting, and account management. FBI made substantial progress in FY 2013 and plans to complete final action on all recommendations in FY 2014.
12-27	The Federal Bureau of Investigation's Technical Response Unit Computer System Pursuant to the Federal Information Security Management Act, Fiscal Year 2012	06/26/2012	6	0	FBI has completed various actions related to the recommendations involving the need to enhance processes pertaining to vulnerability management, configuration management, physical access logs, and system audit logs. FBI made substantial progress in FY 2013 and plans to complete final action on the recommendations in FY 2014.
12-28	The Federal Bureau of Investigation's Sheep Dog System Pursuant to the Federal Information Security Management Act, Fiscal Year 2012	06/26/2012	4	1	FBI has completed final action on 1 of the 4 recommendations. In addition, FBI has completed various actions related to the remaining recommendations involving the need to enhance processes pertaining to vulnerability management and system audit logs. FBI made substantial progress in FY 2013 and plans to complete final action on the recommendations in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
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 2014.
JMD - Justice Management Division					
09-28	The Justice Management Division's Information Security Program Pursuant to the Federal Information Security Management Act, Fiscal Year 2008	06/09/2009	7	6	JMD has completed final action on 6 of the 7 recommendations. In addition, JMD has completed various actions related to the remaining recommendation involving the evaluation of configuration settings identified as non-compliant with the minimum secure configuration policy. JMD is assisting applicable organizational components with bringing their system configurations into compliance. JMD plans to complete final action on the remaining recommendation in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
10-32	The Justice Management Division's Information Security Program Pursuant to the Federal Information Security Management Act, Fiscal Year 2009	07/19/2010	23	21	JMD and the Office of Privacy and Civil Liberties (OPCL) have completed final action on 21 of the 23 recommendations. OIG has closed all recommendations addressed to JMD. OPCL is in the process of updating DOJ Order 3011.1A, <i>Compliance with the Privacy Requirements of the Privacy Act, the E-Government Act, and the Federal Information Security Management Act (FISMA)</i> . OPCL estimates that the updated Order will be issued in FY 2014, which will complete final action on the remaining recommendations.
11-25	The Justice Management Division's Justice Consolidated Office Network - Secret Pursuant to the Federal Information Security Management Act, Fiscal Year 2010	08/15/2011	13	12	JMD has completed final action on 12 of the 13 recommendations. In addition, JMD has completed actions related to the remaining recommendation involving the implementation of multifactor authentication in the classified environment. JMD plans to complete final action on the remaining recommendation in FY 2014.
11-46	The Justice Security Operations Center's Capabilities and Coordination	09/27/2011	20	19	JMD has completed final action on 19 of the 20 recommendations. In addition, JMD has completed various actions related to the remaining recommendation involving the Justice Security Operations Center (JSOC) obtaining system feeds from all DOJ components for review and trending purposes. JSOC continues to work with applicable component security personnel and has obtained feeds from several components. In addition, JSOC has updated the tools within its environment to accommodate the additional feeds. JMD plans to complete final action on the recommendation in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
12-22	The Justice Management Division's Information Security Program Pursuant to the Federal Information Security Management Act, Fiscal Year 2011	03/27/2012	7	5	JMD has completed final action on 5 of the 7 recommendations. In addition, JMD has completed various actions related to the remaining recommendations involving the implementation of multifactor authentication. JMD plans to complete final action on the remaining recommendations in FY 2014.
OJP - Office of Justice Programs					
Various	16 Grant Audit Reports	Various	221	121	OJP completed final action during the reporting period on disallowed costs valued at \$9,513 and FBU recommendations valued at \$43,503. OJP continues to work with grantees to remedy the noted deficiencies and questioned costs and complete final action on disallowed costs valued at \$402,924.
Various	34 Single Audit Act Reports	Various	152	64	OJP completed final action during the reporting period on disallowed costs valued at \$17,214. OJP continues to work with grantees to remedy the noted deficiencies and questioned costs.
OVW - Office on Violence Against Women					
Various	10 Grant Audit Reports	Various	85	49	OVW continues to work with grantees to remedy the noted deficiencies and questioned costs.
USMS - U.S. Marshals Service					
11-02	The United States Marshals Service's Oversight of its Judicial Facilities Security Program	11/18/2010	15	12	USMS has completed final action on 12 of the 15 recommendations. In addition, USMS continues to make progress on policy and contract changes associated with the remaining recommendations. USMS expects to complete final action on the remaining recommendations in FY 2014.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
11-10	The United States Marshals Service's Annual Financial Statements, Fiscal Year 2010	01/05/2011	7	5	USMS has completed final action on 5 of the 7 recommendations. USMS continues to make progress on enhancing its financial management and accounting processes. USMS expects to complete final action on the remaining recommendations in FY 2014.
USNCB - United States National Central Bureau - INTERPOL Washington					
09-35	INTERPOL Washington – United States National Central Bureau (USNCB)	09/18/2009	27	18	USNCB and the Office of the Deputy Attorney General (ODAG) have completed final action on 18 of the 27 recommendations. In addition, various actions have been completed on the remaining recommendations related to facilitating access to U.S. law enforcement and INTERPOL information among domestic and international law enforcement agencies, enhancing USNCB analytical and workflow processes, and developing formal agreements with domestic federal law enforcement agencies regarding staffing commitments and length-of-duty assignments. USNCB and ODAG plan to complete final action on two of the remaining recommendations in FY 2014. Completion of final action on projects that require domestic and international coordination is expected to take longer.

Status of Final Action on Management Improvements Not Completed Within One Year (as of September 30, 2013)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Completed	
Audit Reports Encompassing More Than One DOJ Component					
08-16	U.S. Department of Justice Terrorist Watchlist Nomination Processes (recommendations are addressed to DOJ, ATF, DEA, FBI, and USNCB)	03/14/2008	7	6	The Department has completed final action on 6 of the 7 recommendations. For the remaining recommendation, which is addressed to FBI only, FBI has completed action to improve the policies concerning non-investigative subjects that FBI nominates to the consolidated terrorist watchlist. FBI is awaiting OIG concurrence that FBI has completed final action. OIG suspended follow-up for the recommendation in January 2011 pending completion of its audit of FBI's management of terrorist watchlist nominations. OIG expects to issue that audit in FY 2014.
10-01	Explosives Investigation Coordination Between the Federal Bureau of Investigation and the Bureau of Alcohol, Tobacco, Firearms and Explosives	10/21/2009	15	13	The Department has completed final action on 13 of the 15 recommendations. The Department continues to work on the remaining recommendations involving the development of a joint FBI-ATF explosives training plan and an update to the Memorandum of Understanding for ATF participation on Joint Terrorism Task Forces within non-regulatory type investigations. The Department plans to complete final action on both of the recommendations in FY 2014.