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U.S. Department of Justice

Office of the Inspector General

February 10, 2020

Subject: Freedom of Information/Privacy Act Request [19-OIG-240]

This responds to your Freedom of Information Act request to the Office of the Inspector General (OIG). Specifically, you are seeking the OIG's Budget and Performance Plans from FY 2014 to FY 2019. It has been determined that this material is appropriate for release without excision, and a copy is enclosed.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

You may contact our FOIA Public Liaison, Deborah Waller at (202) 616-0646 for any further assistance of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at (202) 741-5770; toll free at 1-877-684-6448.

If you are not satisfied with OIG's determination in response to this request, you may administratively appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, 441 G Street, NW, 6th Floor, Washington, D.C. 20530, or you may submit an appeal

through OIP's FOIA STAR portal by creating an account following the instructions on OIP's website: <https://www.justice.gov/oip/submit-and-track-request-or-appeal>. Your appeal must be postmarked or electronically transmitted within 90 days of the date of my response to your request. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal."

Sincerely,

Kim Kochurka

Government Information Specialist
Office of the General Counsel

U.S. Department of Justice

FY 2014 PERFORMANCE BUDGET Congressional Justification

Office of the Inspector General



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Appendix A. OIG Statistical Highlights

I. Overview for Office the of the Inspector General

1. Introduction

In FY 2014, the Office of the Inspector General (OIG) requests a total of \$85,845,000, 452 FTE, and 474 positions (of which 139 are Agents and 30 are Attorneys) to investigate allegations of fraud, waste, abuse, and misconduct by Department of Justice (Department) employees, contractors, and grantees and to promote economy and efficiency in Department operations. This request is an increase of \$1,131,000 (approximately 1.32%) over the FY 2013 current rate. This request includes adjustments-to-base of \$701,000.

With these resources, the OIG will be able to sustain the number of quality audits, inspections, investigations, and special reviews it conducts to help assure Congress and the taxpayers that the substantial funding provided to support these Department priorities and infrastructure investments are used efficiently, effectively, and for their intended purposes.

Electronic copies of the Department of Justice Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>

2. Background

The OIG was statutorily established in the Department on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against Department employees in the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Federal Bureau of Prisons (BOP), U.S. Marshals Service (USMS), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), U.S. Attorneys' Offices (USAO), Office of Justice Programs (OJP), and other Offices, Boards and Divisions. The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. Appendix A contains a table that provides statistics on recent OIG activities discussed in this budget request. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department programs and operations.

OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C., and a smaller office in Dallas. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.
- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office is located in Washington, D.C. The Investigations Division has smaller area offices in Atlanta, Boston, Trenton, Detroit, El Paso, Houston, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Operations II, Investigative Support, Research and Analysis, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.
- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, ethics, and legal matters; and responds to Freedom of Information Act requests.

3a. Notable Reviews and Recent Accomplishments

ATF's Operation Fast and Furious

In September 2012, the OIG reviewed ATF's Operation Fast and Furious and Related Matters focused on the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) Operations Wide Receiver and Fast and Furious, and described what the OIG found to be serious failures in the handling of the investigations by both ATF and the U.S. Attorney's Office (USAO) for the District of Arizona, as well as serious failures in the Department's response to Congressional inquiries about these operations. In the course of its review, the OIG identified individuals ranging from line agents and prosecutors in Phoenix and Tucson to senior ATF officials in Washington, D.C., who bore a share of responsibility for ATF's knowing failure in both operations to interdict firearms illegally destined for Mexico, and for pursuing this risky strategy without adequately taking into account the significant danger to public safety that it created. The OIG made six recommendations designed to increase the Department's involvement in and oversight of ATF operations, improve coordination among the Department's law enforcement components, and enhance the Department's wiretap application review and authorization process. The OIG also recommended that the Department review the conduct and performance of the Department personnel identified in the report and determine whether discipline or other administrative action is appropriate.

Report on the Operations of the Voting Section of the Civil Rights Division

On March 12, 2013, the Office of the Inspector General (OIG) released a report examining the operations of the Voting Section of the Civil Rights Division. This review was initiated based upon concerns raised by members of Congress in letters sent to the OIG concerning allegations surrounding the enforcement of voting rights laws by the Department of Justice. A primary focus of the review was to determine how the enforcement priorities of the Voting Section have changed over time and to determine whether the voting rights laws have been enforced in a non-discriminatory fashion. The OIG did not find sufficient evidence to conclude that the decisions made in a variety of cases under the prior and current administrations were based on racial or partisan concerns. However, the report does identify some issues in the handling of a few cases, including the New Black Panther Party matter, that the OIG believes risked undermining public confidence in the non-ideological enforcement of the voting rights laws.

The OIG's investigation also examined several incidents in which deep ideological polarization fueled disputes and mistrust that harmed the functioning of the Voting Section. The report details numerous examples of harassment and marginalization of employees and managers, as well as the unauthorized disclosure of confidential information. The OIG also examined allegations concerning recent partisanship in hiring and in the prioritization of responses to records requests. The OIG did not find sufficient evidence to substantiate these allegations, although the report does identify some areas of concern and makes recommendations for improvements in both areas.

Whistleblower Ombudsperson Appointed

The OIG created a Whistleblower Ombudsperson position, one of the first within the federal government, to enable the OIG to continue its leadership as a strong and independent voice within the Department on whistleblower issues. The efforts of the OIG Whistleblower Ombudsperson will be focused on training and educating employees and managers within the Department about the role and importance of whistleblowers and their protections against retaliation. The Ombudsperson will ensure that whistleblower complaints are reviewed in a timely and thorough fashion, and that whistleblowers are kept appropriately informed about the status and resolution of their complaints. The Ombudsperson will serve as OIG liaison with other agencies, including the Office of Special Counsel, and relevant non-governmental organizations and advocacy groups. An experienced federal prosecutor has been assigned to head up the program within the OIG Front Office, reflecting the importance of whistleblowers in facilitating the OIG's efforts to detect and deter waste, fraud, abuse, and misconduct in Department programs and personnel, and to promote economy and efficiency in its operations.

Counterterrorism

The OIG is conducting an audit of the FBI's Foreign Terrorist Tracking Task Force (FTTTF). The FTTTF was created in October 2001 pursuant to Homeland Security Presidential Directive-2 (HSPD-2). According to HSPD-2, the FTTTF is to coordinate programs with other federal agencies to: (1) deny entry into the United States of aliens associated with, suspected of being engaged in, or supporting terrorist activity; and (2) locate, detain, prosecute, or deport any such aliens already present in the United States. This audit seeks to determine whether: (1) the FBI has implemented a viable FTTTF strategy to locate and track suspected terrorists and their supporters; (2) the FTTTF's coordination with law enforcement and intelligence agencies, as well as other outside entities, has enhanced its abilities; and (3) the FBI has appropriately managed terrorist-related information maintained by the FTTTF.

The OIG is reviewing the FBI's Activities Under Section 702 of the *Foreign Intelligence Surveillance Act Amendments Act of 2008* (Act), which authorizes the targeting of non-U.S. persons reasonably believed to be outside the United States for the purpose of acquiring foreign intelligence information. As required by the Act, the OIG is reviewing the number of disseminated FBI intelligence reports containing a reference to a U.S. person identity, the number of U.S. person identities subsequently disseminated in response to requests for identities not referred to by name or title in the original reporting, the number of targets later determined to be located in the United States, and whether communications of such targets were reviewed. In addition, the OIG is reviewing the FBI's compliance with the targeting and minimization procedures required under the Act.

The OIG is continuing its audit of the FBI's management of terrorist watchlist nominations and encounters with watchlisted subjects. In fiscal years 2008 and 2009, the OIG conducted two audits related to the FBI terrorist watchlist nomination practices. In these audits, the OIG found that the FBI's procedures for processing international terrorist nominations were, at times, inconsistent and insufficient, causing watchlist data used by screening agencies to be incomplete and outdated. The OIG found that the FBI failed to nominate for watchlisting many subjects of its terrorism investigations, did not nominate many others in a timely manner, and did not update or remove watchlist records as required. As a result of these reviews, the FBI reported that it had

undertaken several initiatives and implemented new processes and guidelines to enhance its watchlisting system.

Immigration Review

In October 2012, the Office of the Inspector General (OIG) conducted a review to examine the Department's Executive Office for Immigration Review (EOIR) processing and management of immigration cases and appeals involving foreign-born individuals (aliens) charged with violating immigration laws. Among other duties, EOIR courts are responsible for determining whether aliens charged by the Department of Homeland Security (DHS) with immigration violations should be ordered to be removed from the United States or be granted relief from removal, which would allow them to remain in this country. The OIG found that immigration court performance reports are incomplete and overstate the actual accomplishments of these courts. These flaws in EOIR's performance reporting preclude the Department from accurately assessing the courts' progress in processing immigration cases or identifying needed improvements.

Information Technology Systems, Planning, Implementation, and Security

In September 2012, the Office of the Inspector General (OIG) examined whether the Department and its components effectively managed the personnel security process for individuals hired into DOJ positions. We evaluated the time to complete the personnel security process for government employees, how well the Department meets the timeliness and reciprocity requirements of the *Intelligence Reform and Terrorism Prevention Act of 2004* (IRTPA) and other directives, whether certain positions take longer to process, and whether the Department can ensure that only employees with favorably adjudicated background checks have access to sensitive and National Security Information.

The OIG found that the Department as a whole did not meet the 60-day IRTPA time guideline for processing National Security Information clearances. The time taken to complete the background investigation phase of the process was the primary reason for not meeting the IRTPA timeliness guideline. The oversight of the Department's personnel security processes by the Justice Management Division's Security and Emergency Planning Staff (SEPS) is not sufficient to identify security violations and enforce security policy. Although components track data on the status of employee background investigations, clearance levels, and reinvestigations, the tracking is inconsistent and often incomplete. Further, the field does not always have accurate information on individuals' clearance levels or the status of their investigations. The lack of information makes it difficult to ensure that only individuals with the appropriate clearance level have access to sensitive and classified information. Finally, reciprocity data is inconsistently tracked, not reported, or reported incompletely, which made it impossible to determine whether the Department applies reciprocity consistently.

In September 2012, the OIG issued a report examining the progress made by the FBI on the development and implementation of Project Sentinel, the FBI's new information and investigative case management system. This report – the ninth such OIG report on the Sentinel program – arises out of a congressional requirement that the OIG review the Department's status update reports on the program, the latest of which was received by the OIG on July 9, 2012. In its July report, the Department stated that the FBI made Sentinel available to all users on July 1, 2012, and estimated the cost of Sentinel at \$441 million, which is \$10 million under the latest Sentinel budget of \$451 million. However, the FBI originally planned for the Sentinel budget to

provide for two years of funding for the operation and maintenance of Sentinel once it was fully implemented, and we found that the FBI's \$441 million cost estimate did not include operations and maintenance costs for the next two years, which the FBI estimated to be \$30 million annually. In addition, the OIG audit also found that the FBI continues to operate other IT systems that initially were intended to be subsumed by Sentinel, because the FBI decided not to include certain functionalities originally planned for Sentinel. The OIG plans to conduct a more detailed assessment and report on Sentinel's user functionality in a future report.

Criminal Law Enforcement

In January 2012, the OIG's Chicago Field Office and the OIG's Chicago Regional Audit Office, with assistance from the Social Security Administration, conducted an investigation on the founder and former executive director of Looking for My Sister, a non-profit community organization. The former executive pled guilty to charges of theft of federal program funds in the Eastern District of Michigan, and in a plea agreement agreed to pay restitution in the amount of \$64,514.35 to the Department and \$18,618.50 to the Social Security Administration for using funds to purchase goods and services for herself and for her family members.

On July 23, 2012, Department grant recipients, Executive Director of the Sacred Shield Shelter and Batters Intervention Program and Director of the Sacred Shield Shelter, converted approximately \$170,000 in grant funds for their personal use; the two were issued formal suspension notices from the Procurement Executive at JMD based on an investigation by the OIG's Denver Field Office and the FBI. The two recipients have also been added to the federal Excluded Parties List System (EPLS), which precludes these entities from receiving federal contracts, grant awards, or other forms of federal assistance while under suspension.

The OIG is reviewing the Department's use of the material witness warrant statute, 18 U.S.C. § 3144. Pursuant to the OIG's responsibility under Section 1001 of the Patriot Act, the OIG is investigating whether the Department's post-9/11 use of the statute in national security cases violated civil rights and civil liberties. The OIG is also examining the Department's controls over the use of material witness warrants and trends in the use of material witness warrants over time, as well as issues such as length of detention, conditions of confinement, and access to counsel.

Financial Enforcement

In June 2012, the OIG released a report examining DOJ's implementation and oversight of statutory debarment activities. This report is a companion to the OIG's October 2011 report examining the DOJ's administrative statutory and debarment activities.

Statutory debarment is a tool designed to protect the government's financial interest by ensuring that individuals convicted of qualifying offenses are excluded from receiving certain federal benefits, such as grants, contracts, and loans. Such individuals are reported to the Bureau of Justice Assistance (BJA) by DOJ litigating divisions or by the federal and state courts. The BJA is then responsible for managing this information and communicating it to all government agencies' awarding officials, either directly or through the General Services Administration's Excluded Parties Listing System (EPLS).

The OIG found that statutory exclusions pursuant to 10 U.S.C. § 2408 and 21 U.S.C. § 862 are not completely and accurately reported, aggregated, and shared with the relevant federal agencies

to inform their award decisions. Our review identified multiple deficiencies that contributed to these problems. For example, our review found that not all qualifying cases were submitted to the BJA by DOJ litigating divisions, that relevant litigating components were unaware of the reporting requirements for such cases, and that the BJA had performed only limited outreach to these divisions to ensure that these requirements were met. Nor had the BJA performed any outreach at all to federal and state courts to request cases in which judges had imposed statutory debarment as the result of a relevant offense.

In December 2012, the OIG's audit office reviewed the procurement practices in the United States Marshals Service (USMS) District and Headquarters offices from October 2009 through March 2011, during which time the USMS made 455,000 purchases totaling more than \$521 million. The OIG found that the USMS did not fully comply with federal regulations and departmental policies in its award and administration of procurement actions; its internal controls were not fully effective at ensuring adequate oversight of procurement actions; and its management of vendor purchases did not ensure vendor billings were accurate. Our office made 12 recommendations to the USMS to improve the procurement practices within the USMS, including re-emphasizing the procurement policies and procedures that must be followed; developing a tracking system to monitor the training of all procurement staff; and establishing a process for following up on issues identified during USMS internal reviews.

Detention and Incarceration

In an audit issued in January 2013, the Office of the Inspector General found several inconsistencies and a lack of coordination between the inspection programs of the Office of the Federal Detention Trustee (OFDT) and the United States Marshals Service (USMS), resulting in the inefficient use of resources. The USMS did not consistently ensure that state and local facilities housing federal detainees took corrective action on deficiencies identified during the OFDT's inspections, which resulted in wasted taxpayer dollars and could potentially jeopardize the safety and security of federal detainees.

The audit found that while both the OFDT and USMS used the same basic standards to evaluate the conditions of non-federal detention facilities, these organizations applied the standards differently. As a result, a review by the OFDT typically took 3 days, while a review by the USMS typically took only 2 hours. The OIG review also found that the OFDT and the USMS used different processes to determine which of the approximately 1,100 non-federal detention facilities to review during a given fiscal year, and that neither process incorporated a risk-based assessment to ensure that facilities most in need of review were prioritized.

The American Recovery and Reinvestment Act (ARRA) of 2009

Since the enactment of the Recovery Act in February 2009, the OIG has trained 6,003 federal, state, and local program managers and participants on Recovery Act fraud awareness, conducted 106 outreach sessions with state and local agencies, and initiated 50 audits and reviews of Recovery Act funds. In addition, the OIG is conducting six investigations of allegations pertaining to the Department's Recovery Act programs. During the spring 2012 semiannual reporting period, the OIG issued eight reports on the Recovery Act grant management activities of state and local entities. From enactment of the Recovery Act in February 2009 through September 30, 2012, the Department has obligated more than 99 percent of its \$4 billion in

Recovery Act funds. Moreover, as of September 30, 2012, the Department had expended about 86 percent of its Recovery Act funds.

Hiring Reform

Report on Department's Contractor Personnel Security Processes

On March 8, 2013, the OIG released a report examining the personnel security process for Department contractors. The review found that a significant number of the Department's contractor cases exceeded government-wide timeliness standards and that the Department did not have sufficient policies or procedures in place for components to follow in managing the contractor personnel security process.

For what are considered Public Trust cases, where individuals do not require access to classified information but may be involved in policy making or fill other sensitive roles, nearly 10 percent of the 3,434 cases completed during our review period exceeded the Office of Personnel Management's 90-day standard for adjudications. Because Public Trust contractors generally receive a waiver to start work while their cases are being processed and may work in close proximity to sensitive systems and information, such delays may present a security risk to the Department. Further, the Department did not meet the 60-day *Intelligence Reform and Terrorism Prevention Act of 2004* guidelines for completing National Security Information cases, almost all of which belonged to the Federal Bureau of Investigation (FBI). FBI contract linguists took particularly long to investigate because of their foreign contacts and travel.

The OIG also found that some components did not maintain accurate personnel security information for their contractors and, in some cases, components could not identify all of the contractors working for them. Further, because the Department has not issued a comprehensive security policy, components must frequently seek guidance from the Department on routine contractor security issues. The OIG's report made four recommendations to improve the Department's management of its personnel security process for contractors. The Department and its components concurred with all four recommendations.

In January 2013, the OIG released a report examining whether and how the Department of Justice contacts job applicants' references when making hiring decisions and whether sufficient policy guidance exists to guide hiring officials who conduct reference checks. The OIG found that only 3 of the 39 components have written policies providing hiring officials with clear reference checking guidance that includes position-specific questions and documentation requirements. Although no government-wide requirements exist for reference checking as a part of the hiring process for federal applicants, the Office of Personnel Management (OPM) and the Merit Systems Protection Board (MSPB) encourage agencies to check applicant references for every hiring action.

The OIG made six recommendations to the Justice Management Division to enhance the Department's hiring process by improving the reference checking guidance and the training hiring managers receive. The Justice Management Division indicated its agreement with five of the six recommendations. The Justice Management Division disagreed with the OIG's recommendation to post on the Department's intranet both general reference checking guidance from other government sources as well as official Department guidance on reference checking.

3b. Support for the Department's Savings and Efficiencies Initiatives.

The OIG fully supports and participates in the Department's Savings and Efficiencies Initiatives, including:

- *Increasing the use of self-service online booking for official travel.* For FY 2012, the OIG used online services to book more than 85 percent of its official trips, for savings of approximately \$27,000.
- *Increasing the use of video conferencing to save travel costs.* For FY 2012, the OIG used video conferencing 108 times that resulted in estimated savings of \$98,000 in direct travel costs. These direct cost savings are in addition to the significant staff time saved by not having to be away from the office during travel.
- *Implemented a new automated timekeeping system, webTA, and converted the paper Official Personnel File to an electronic format, eOPF.* Both of these initiatives support a reduction in paper and printer ink consumption, increased records security and portability, decreased file space, streamlined processes, improved audit capability, and greater employee access to their records.

4. Challenges

The Department's mission has remained substantially unchanged since 2001, yet the budgetary environment in which the Department operates has changed dramatically. From FY 2001 through FY 2011, the Department's discretionary budget grew by more than 41 percent in real dollars, from \$20.4 billion to \$28.9 billion. Yet the Department's discretionary budget decreased by more than 7 percent in FY 2012 to \$26.8 billion, and its FY 2013 discretionary budget request of \$26.7 billion represents a further decrease from historical levels. With the President's budget for FY 2013 forecasting additional cuts to the overall Executive Branch discretionary budgets in coming years, it appears likely that Department leadership faces the significant challenge of fulfilling the Department's mission without the assurance of increased resources.

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affects the number of allegations the OIG receives, Department support for the OIG's mission, and financial support from the Office of Management and Budget (OMB) and Congress.

The OIG views the management of human capital as its biggest ongoing internal challenge to achieving its performance goals. In this regard, the OIG must use all available recruitment tools and hiring flexibilities in a competitive job market to attract – and keep – top talent. Maintaining an optimal, committed workforce is critical to the OIG's overall performance and ability to achieve desired results. The OIG's focus on ensuring that its employees have the appropriate analytical and technological skills for the OIG's complex mission will bolster its reputation as a premier federal workplace and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly affected by the number of experienced personnel the OIG can devote to these activities.

II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
Council of Inspectors General on Integrity and Efficiency (CIGIE)	The OIG is requesting funding for its annual share of supporting the government efforts and operations of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).	0	0	\$468	22
IT Savings	This offset represents savings that will be generated through greater inter-component collaboration in IT contracting.	0	0	(\$38)	24
	Total			\$430	

III. Appropriations Language and Analysis of Appropriations Language

OFFICE OF THE INSPECTOR GENERAL Salaries and Expenses

For necessary expenses of the Office of the Inspector General, [\$84,714,000] \$85,845,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

Analysis of Appropriations Language

No substantive changes proposed.

IV. Decision Unit Justification

A. Office of the Inspector General

OIG	Direct Pos.	Estimate	Amount
2012 Enacted	474	465	\$84,199,000
2013 Continuing Resolution	474	454	\$84,199,000
2013 Continuing Resolution 0.612% Increase			\$84,714,000
2013 Supplemental Appropriation – Sandy Hurricane Relief	0	0	\$0
Base and Technical Adjustments	0	0	\$701,000
2014 Current Services	474	454	\$85,415,000
2014 Program Increases			\$468,000
2014 Program Offsets		(2)	(\$38,000)
2014 Request	474	452	\$85,845,000
Total Change 2012-2014			\$1,646,000

OIG Information Technology Breakout (of Decision Unit Total)	Direct Pos.	Estimate	Amount
2012 Enacted	12	12	\$5,354,000
2013 Continuing Resolution	12	12	\$5,372,000
2013 Continuing Resolution 0.612% Increase			
Adjustments to Base and Technical Adjustments			
2014 Current Services	12	11	\$5,671,000
2014 Program Increases			\$0
2014 Program Offsets			(\$38,000)
2014 Request			\$5,633,000
Total Change 2012-2014			\$279,000

1. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

2. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE (Goal 1)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.											
WORKLOAD/RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2014 Program Changes		FY 2014 Request	
		FY 2012		FY 2012		FY 2013 CR					
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		465	\$84,199	465	\$84,199	454	\$84,714	(2)	\$1,131	452	\$85,845
			[\$18,203]		[\$16,404]		[\$13,050]		[\$149]		[\$13,199]
Performance Report and Performance Plan											
Number of Cases Opened per 1,000 DOJ employees:											
	Fraud*		*		0.51		*				*
	Bribery*		*		0.20		*				*
	Rights Violations*		*		0.13		*				*
	Sexual Crimes*		*		0.37		*				*
	Official Misconduct*		*		1.28		*				*
	Theft*		*		0.22		*				*
Workload											
	Investigations closed		300		361		300		0		300
	Integrity Briefings/Presentations										
	to DOJ employees		75		134		75		0		75
	DOJ employees at Integrity Briefings		3,500		7,200		3,500		0		3,500
* Indicators for which the OIG only reports actuals.											

* Indicators for which the OIG only reports actuals.

PERFORMANCE AND RESOURCES TABLE (Goal 1) (continued)									
Decision Unit:	OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan:	Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #1:	Detect and deter misconduct in programs and operations within or financed by the Department.								
WORKLOAD/RESOURCES		Final Target		Actual		Projected		Changes	
								Current Services	
								Adjustment and FY 2014	
		FY 2012		FY 2012		FY 2013 CR		Program Changes	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		465	\$84,199	465	\$84,199	454	\$84,714	(2)	\$1,131
			[\$18,203]		[\$16,404]		[\$13,050]		[\$149]
Performance Report and Performance Plan									
Intermediate Outcome									
Percentage of Investigations closed or referred for prosecution within 6 months**			75%		71%		75%		75%
Number of closed Investigations substantiated*			*		215		*		*
Arrests *			*		90		*		*
End Outcome									
Convictions *			*		94		*		*
Administrative Actions *			*		192		*		*
Response to Customer Surveys:									
Report completed in a timely manner (%)			90%		100%		90%		90%
Issues were sufficiently addressed (%)			90%		100%		90%		90%
* Indicators for which the OIG only reports actuals.									
** Our FY 2012 numbers dropped due to cases that required more than 6 months to close or refer.									

PERFORMANCE AND RESOURCES TABLE (Goal 1)									
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
The OIG does not project targets and only reports actuals for workload measures, the number of closed investigations substantiated, arrests, convictions, and administrative actions. The number of convictions and administrative actions are not subsets of the number of closed investigations substantiated.									
B. Data Sources, Validation, Verification, and Limitations:									
Investigations Data Management System (IDMS) – consists of a computer-based relational database system that became operational at the end of June 2005. We upgraded the system from the initial version to provide added functionality and data integrity. Most of the legacy data from the old IDMS was converted, except for records older than FY 1993, which were archived. We developed new reports to run against the database and verified the accuracy of the conversion. We ran the new reports against historical data and also compared them with historical reports and validated the results. The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up in 3 hour intervals.									
Investigations Division Report of Investigation (ROI) Tracking System - a web-based SQL-Server application was launched in June 2007 to track all aspects of the ROI lifecycle. The ROI and Abbreviated Report of Investigation (AROI) are the culmination of OIG investigations and are submitted to DOJ components. These reports are typically drafted by an agent and go through reviews at the Field Office and at Headquarters levels before final approval by Headquarters. The new ROI Tracking System reads data from IDMS. By providing up-to-the-minute ROI status information, the Tracking System is expected to be a key tool in improving the timeliness of the Division's reports. The ROI Tracking System also documents the administration of customer satisfaction questionnaires sent with each completed investigative report to components and includes all historical data. The system captures descriptive information as well as questionnaire responses. Descriptive information includes the questionnaire form administered, distribution and receipt dates, and component and responding official. The database records responses to several open-ended questions seeking more information on deficiencies noted by respondents and whether a case was referred for administrative action and its outcome. Questionnaire responses are returned to Investigations Headquarters and are manually entered into the Tracking System by Headquarters personnel. No data validation tools, such as double key entry, are used though responses are entered through a custom Form in an effort to ease input and reduce errors.									
Investigations Division Investigative Activity Report – Most of the data for this report is collected in IDMS. In 2009, a custom IDMS screen was launched to collect the data for this report. The use of certain investigative techniques and integrity briefing activities are also tracked externally by appropriate Headquarters staff.									
C. FY 2013 Performance Report:									
For the workload measure, "Investigations Closed" the OIG has increased focus on more complex and document-intensive cases (e.g., grant and contract fraud) that require more in-depth financial and forensic analysis. The OIG is also diversifying its caseload to extend more investigative coverage to other Department components.									

PERFORMANCE MEASURE TABLE (Goal 1)								
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.								
Performance Report	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Workload	Actual	Actual	Actual	Actuals	Actuals	Actuals	Target	Target
Number of Cases Opened per 1,000 DOJ employees:								
Fraud**	0.37	0.45	0.50	0.5	0.58	0.51	**	**
Bribery**	0.71	0.36	0.30	0.24	0.21	0.2	**	**
Rights Violations**	0.13	0.16	0.15	0.11	0.1	0.13	**	**
Sexual Crimes**	0.35	0.40	0.21	0.29	0.4	0.37	**	**
Official Misconduct**	1.53	1.27	1.28	1.05	1	1.28	**	**
Theft**	0.26	0.21	0.25	0.17	0.22	0.22	**	**
Investigations closed	400	355	367	300	356	361	300	300
Integrity Briefings and Presentations to DOJ employees	296	248	346	91	89	134	75	75
DOJ employees attending Integrity Briefings	11,269	8,342	7,545	4,527	3,551	7,200	3,500	3,500
Intermediate Outcome								
Percentage of Investigations closed or referred for prosecution within 6 months*	N/A	N/A	N/A	N/A	N/A	71	75	75
Number of closed Investigations substantiated (QSR Measure)**	227	220	218	180	223	215	**	**
Arrests**	107	115	111	114	113	90	**	**
End Outcome								
Convictions**	105	121	104	105	104	94	**	**
Administrative Actions**	239	231	211	207	198	192	**	**
Response to Customer Surveys:								
Report completed in a timely manner (%)	99%	98%	100%	100%	100%	100%	90%	90%
Issues were sufficiently addressed (%)	99%	99%	100%	100%	100%	100%	90%	90%
*Our FY 2012 numbers dropped due to cases that required more than 6 months to close or refer.								
** Indicators for which the OIG only reports actuals.								

PERFORMANCE AND RESOURCES TABLE (Goal 2)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.											
WORKLOAD/RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2014		FY 2014 Request	
								Program Changes			
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(Reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total.)		465	\$84,199	465	\$84,199	454	\$84,714	(2)	\$1,131	452	\$85,845
			[\$18,203]		[\$16,404]		[\$13,050]		[\$149]		[\$13,199]
Performance Report and Performance Plan											
Workload											
Audit and E&I assignments initiated			107		116		102		(6)		96
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems			75%		97%		75%		0%		75%
Percent of internal audit assignments that assess component performance measures			18%		42%		18%		0%		18%
Percent of direct resources devoted to audits, evaluations, and reviews of Top Mgmt. Challenges and GAO and JMD-identified High-Risk Areas.			75%		93%		75%		0%		75%
Intermediate Outcome											
Audit and E&I assignments completed			96		109		94		(2)		92

PERFORMANCE AND RESOURCES TABLE (Goal 2)										
(continued)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
WORKLOAD/RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
							Current Services			
							Adjustment and FY 2014		FY 2014 Request	
							Program Changes			
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	465	\$84,199	465	\$84,199	454	\$84,714	(2)	\$1,131	452	\$85,845
		[\$18,203]		[\$16,404]		[\$13,050]		[\$149]		[\$13,199]
Performance Report and Performance Plan										
Intermediate Outcome										
Percent of Audit resources devoted to reviews of grants and grant management		40%		42%		40%		0%		40%
Components receiving information system audits		6		11		6		(1)		5
Products issued to the Dept. containing significant findings or information for management decision-making by Audit & E&I		96		187		94		(7)		87
Products issued to Congress by Audit and E&I**		96		94		94		(7)		87
Percent of E&I assignments completed within 7 months***		60%		NA		60%		-10%		50%
Percent of contract, grant, IGA, and other external audits to be completed in draft within 5 months		50%		34%		50%		0%		50%
Percent of internal audits to be completed within 1 year		40%		43%		N/A		N/A		N/A
Percent of internal audits to be completed in draft within 1 year*		N/A		N/A		40%		-5%		35%
*Beginning in FY 2013 the OIG's Audit Division will report "percent of internal audits to be completed in draft within 1 year".										
**Target was not met due to personnel changes in the organization and changes to scope and the direction of some reviews.										
***Beginning in FY 2012, the OIG tracked timeliness using a different metric that was greater than 7 months. Therefore, the current target no longer represents a viable metric. A refined measure will be developed in FY 2015.										

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)									
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
"Assignment" covers all audits (including internals, CFO, and Externals, but not Single Act Audits), evaluations, and inspections. "Assignments" may also include activities that do not result in a report or product (e.g., a memorandum to file rather than a report).									
B. Data Sources, Validation, Verification, and Limitations:									
Project Resolution and Tracking (PRT) system- PRT was implemented on April 18, 2011, this OIG system was									
designed to track audits, evaluations, and reviews from initiation to completion. The system provides senior									
management with the data to respond to information requests and to track and report on current status of work activities.									
Work activities prior to PRT were conducted by using two separate systems; the Audit Division Administrative Management System (ADAM)									
and Inspection Tracking System (ITS).									
C. FY 2013 Performance Report: N/A									

PERFORMANCE MEASURE TABLE (Goal 2)								
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan: Strategic Goal 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.								
Performance Report	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Workload	Actual	Actual	Actual	Actuals	Actuals	Actuals	Target	Target
Audit and E&I assignments initiated	134	142	159	142	124	116	102	96
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems	86%	86%	75%	82%	92%	97%	75%	75%
Percent of internal audit assignments that assess component performance measures	10%	10%	18%	20%	20%	42%	18%	18%
Percent of direct resources devoted to audits, evaluations, and reviews of Top Mgmt. Challenges and GAO and JMD-identified High-Risk Areas.	78%	78%	94%	89%	86%	93%	75%	75%
Intermediate Outcome								
Audit and E&I Assignments completed	133	126	155	128	99	109	94	92
Percent of Audit resources devoted to reviews of grants and grant management	25%	30%	47%	49%	39%	42%	40%	40%
Components receiving information system audits	5	4	6	7	8	11	6	5
Products issued to the Dept. containing significant findings or information for mngt decision-making by Audit and E&I	102	99	116	107	99	187	94	87
Products issued to Congress by Audit and E&I **	45	48	47	49	91	94	94	87
Percent of E&I assignments to be completed in 7 months***	70%	70%	17%	40%	25%	N/A	60%	50%
Percent of contract, grant, IGA, and other external audits to be completed within 5 months	60%	66%	60%	64%	54%	34%	50%	50%
Percent of internal audits to be completed within 1 year	60%	66%	66%	60%	44%	43%	N/A	N/A
Percent of internal audits to be completed in draft within 1 year*	N/A	N/A	N/A	N/A	N/A	N/A	40%	35%

*Beginning in FY 2013 the OIG's Audit Division will report "percent of internal audits to be completed in draft within 1 year".

**Target was not met due to personnel changes in the organization and changes to scope and the direction of some reviews.

***Beginning in FY 2012, the OIG tracked timeliness using a different metric that was greater than 7 months. Therefore, the current target no longer represents a viable metric. A refined measure will be developed in FY 2015.

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Tables, the OIG helps the Department achieve its strategic goals through conduct of its audits and its special reviews. Specifically, the OIG contributes to promoting the efficiency and integrity in the Department's programs and its operations. For the Department's programs and activities to be effective, Department personnel, contractors, and grantees must conduct themselves in accordance with the highest standards of integrity, accountability, and efficiency. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities. In addition, the OIG assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others using the coordinated efforts of the OIG's investigative, audit, inspection, and special review resources.

The OIG continues to review its performance measures and targets, especially in light of the changing nature of the cases it investigates and the nature of the Department programs it reviews. Today's work is much more complex and expansive than it was only a few years ago. The number of documents to be reviewed, the number of people to interview, the amount of data to examine, and the analytical work involved in many OIG reviews are significantly greater than in prior years. For example, the OIG completed audits and reviews covering issues central to the challenges facing the Department, including an audit of the Department's statutory debarment activities; a review of improper hiring practices within the Justice Management Division; an examination of the Federal Bureau of Investigation's (FBI) activities under the *Foreign Intelligence Surveillance Act Amendments of 2008*; an evaluation of components' personnel security clearance processes; and a review of the FBI's case management system called Project Sentinel. In addition, we investigated a wide variety of allegations involving misconduct by Department employees, including a murder-for-hire case. We also made a significant addition to the OIG, by creating a Whistleblower Ombudsperson position. Whistleblowers play an important role in the OIG's efforts to prevent and detect waste, fraud, abuse, and mismanagement.

b. Strategies to Accomplish Outcomes

The OIG will devote all resources necessary to investigate allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees, and will develop cases for criminal prosecution and civil and administrative action. The OIG will use its audit, inspection, and attorney resources to review Department programs or activities identified as high-priority areas in the Department's strategic plan and devote resources to review the Department's Top Management and Performance Challenges.

V. Program Increases by Item

A. Item Name: Funding for Council of Inspectors General on Integrity and Efficiency (CIGIE) Operations

Budget Decision Unit(s): Audits, Inspections, Investigations, and Reviews

Strategic Goal(s) & Objective(s): Supporting the Mission: Efficiency and Integrity
In the Department of Justice

Organizational Program: OIG

Program Increase: Positions +0 Agt/Atty +0/+0 FTE +0 Dollars +\$468,000

Description of Item

The OIG is requesting \$468,000 to fund its support of the government-wide efforts of the Council of Inspectors General on Integrity and Efficiency (CIGIE).

Justification

This funding will support the coordinated government-wide activities that identify and review areas of weakness and vulnerability in federal programs and operations with respect to fraud, waste, and abuse. There are no current services for this initiative.

Funding (Dollars in Thousands)

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews. By the nature of its mission, the OIG must be able to move its resources and funding freely across all functions to address new priorities. Therefore, base funding for the OIG is only meaningful at the single decision unit level.

Base Funding

FY 2012 Enacted				FY 2013CR				FY 2014 Current Services			
Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0
474	139/30	465	\$84,199	474	139/30	454	\$84,714	474	139/30	452	\$85,415

Personnel Increase cost Summary

Type of Position	Modular cost per Position (\$000)	Number of Positions Requested	FY 2014 Requested (\$000)	FY 2015 Net Annualization (change from 2014) (\$000)	FY 2016 Net Annualization (change from 2015) (\$000)
	\$0	0	\$0	\$0	\$0
Total Personnel	\$0	0	\$0	\$0	\$0

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2014 Request (\$000)	FY 2015 Net Annualization (change from 2014) (\$000)	FY 2016 Net Annualization (change from 2015) (\$000)
Funding for Council of Inspectors General on Integrity and Efficiency (CIGIE) Operations	1	1	\$468	\$0	\$0
Total Non-Personnel	1	1	\$468	\$0	\$0

Total Request for this item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2015 Net Annualization (Change from 2014) (\$000)	FY 2016 Net Annualization (Change from 2015) (\$000)
Current Services	474	139/30	454	\$66,907	\$18,508	\$85,415	\$0	\$0
Increases*	0	0/0	0	\$0	\$468	\$468	\$0	\$0
Grand Total	474	139/30	454	\$66,907	\$18,976	\$85,883	\$0	\$0

*Note: The Grand Total will be reduced by \$38,000 due to an IT Savings program offset.

VI. Program Offsets by Item

A. Item Name:

IT Savings:

Budget Decision Unit(s): Audits, Inspections, Investigations, and Reviews
 Strategic Goal(s) & Objective(s): Enabling/Administrative
 Organizational Program: OIG

Component Ranking of Item: 1 of 1

Program Offset: Positions (0) FTE (0) Dollars (\$38,000)

Description of Item

The Department is actively reviewing its IT programs to identify efficiencies and improve performance. Some of the areas being reviewed include consolidation of commodity IT services and strategic sourcing. The Department is also improving IT governance, visibility, and program management. This offset represents savings that will be generated through greater inter-component collaboration in IT contracting. The offset to support these initiatives for the OIG is \$38,000.

Impact on Performance

No known effect on priority goals.

Base Funding

FY 2012 Enacted				FY 2013 CR				FY 2014 Current Services			
Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0
12	0	12	\$5,354	12	0	12	\$5,372	12	0	11	\$5,671

Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2014 Request (\$000)	FY 2015 Net Annualization (change from 2014) (\$000)	FY 2016 Net Annualization (change from 2015) (\$000)
IT Savings	1	1	(\$38)	\$0	\$0
Total Non- Personnel	1	1	(\$38)	\$0	\$0

Total Request for this item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non- Personnel (\$000)	Total (\$000)	FY 2015 Net Annualization (Change from 2014) (\$000)	FY 2016 Net Annualization (Change from 2015) (\$000)
Current Services	12	0/0	11	\$1,312	\$4,359	\$5,671	\$0	\$0
Decreases	0	0/0	0	\$0	(\$38)	(\$38)	\$0	\$0
Grand Total	12	0/0	11	\$1,312	\$4,321	\$5,633	\$0	\$0

APPENDIX A

OIG STATISTICAL HIGHLIGHTS

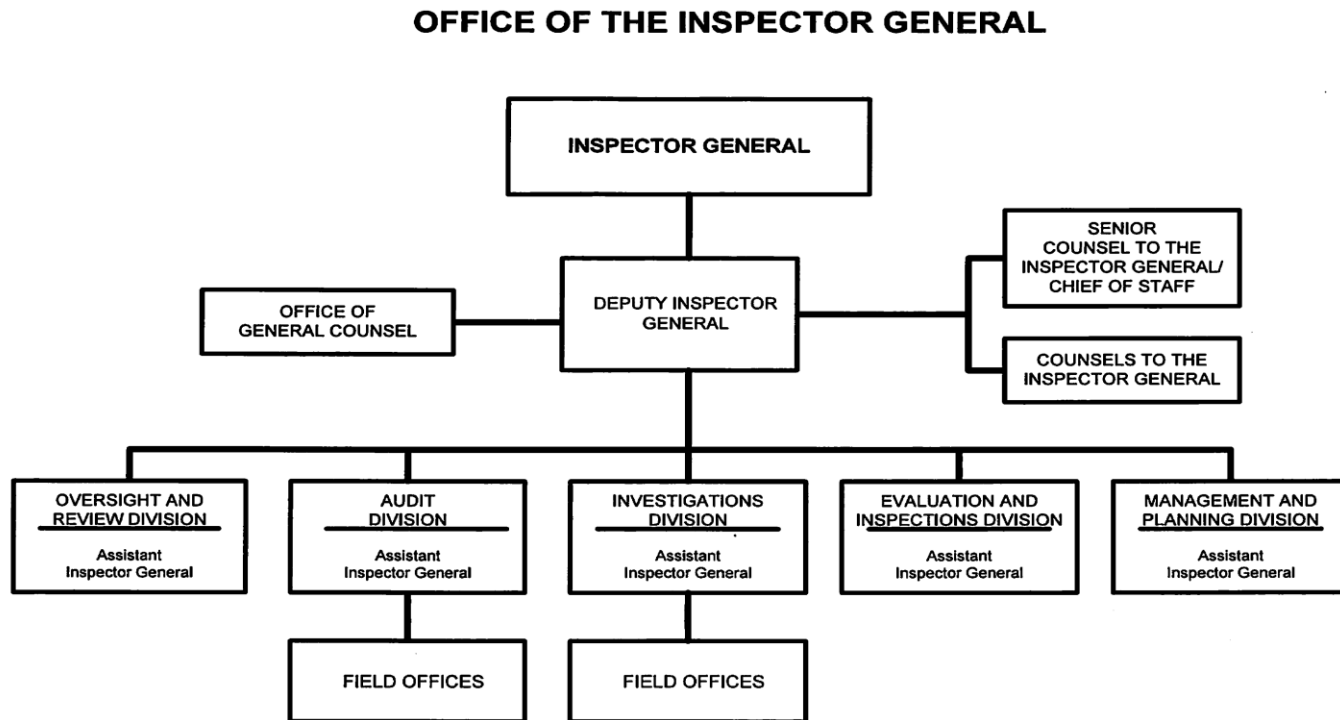
Statistical Highlights

April 1, 2012 – September 30, 2012

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice programs and operations.

Source of Allegations	
Hotline (telephone, mail, and e-mail)	1,738
Other Sources	3,955
Total allegations received	5,693
Investigative Caseload	
Investigations opened this period	205
Investigations closed this period	200
Investigations in progress as of 9/30/12	381
Prosecutive Actions	
Criminal indictments/informations	46
Arrests	47
Convictions/Pleas	43
Administrative Actions	
Terminations	12
Resignations	46
Disciplinary action	32
Monetary Results	
Fines/Restitutions/Recoveries/Assessments/Forfeitures	\$2,013,939
Civil Fines/Restitutions/Recoveries/Penalties/Damages/Forfeitures	\$1,850,000

A: Organizational Chart



Approved by: Michael E. Horowitz Date: 9/27/12
Michael E. Horowitz
Inspector General

B. Summary of Requirements

Summary of Requirements

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

	FY 2014 Request		
	Direct Pos.	Estimate FTE	Amount
2012 Enacted ^{1/}	474	465	84,199
2012 Balance Rescission			0
Total 2012 Enacted (with Balance Rescission) ^{1/}	474	465	84,199
2013 Continuing Resolution	474	454	84,199
2013 Balance Rescission			0
2013 CR 0.612% Increase			515
2013 Supplemental Appropriation - Sandy Hurricane Relief			0
Total 2013 Continuing Resolution (with Balance Rescission and Supplemental)	474	454	84,714
Technical Adjustments			
Supplemental Adjustment - Sandy Hurricane Relief	0	0	0
Adjustment - 2013 CR 0.612%	0	0	-515
Total Technical Adjustments	0	0	-515
Base Adjustments			
Transfers:			
JCON and JCON S/TS Transfer	0	0	37
OIP Transfer	0	0	-63
PRAO Transfer	0	0	-7
Pay and Benefits	0	0	602
Domestic Rent and Facilities	0	0	623
Other Adjustments	0	0	24
Total Base Adjustments	0	0	1,216
Total Technical and Base Adjustments	0	0	701
2014 Current Services	474	454	85,415
Program Changes			
Council of the Inspector General on Integrity and Efficiency	0	0	468
Subtotal, Increases	0	0	468
Offsets:			
IT Savings	0	0	-38
Reimbursable FTE	0	-2	0
Subtotal, Offsets	0	-2	-38
Total Program Changes	0	-2	430
2014 Total Request	474	452	85,845
2014 Balance Rescission			0
2014 Total Request (with Balance Rescission)	474	452	85,845
2012 - 2014 Total Change	0	-2	1,646

^{1/} FY 2012 FTE is actual

B. Summary of Requirements

Summary of Requirements

Name of Budget Account
Salaries and Expenses
(Dollars in Thousands)

Program Activity	2012 Appropriation Enacted			2013 Continuing Resolution *			2014 Technical and Base Adjustments			2014 Current Services		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount
Audits, Inspections, Investigations and Reviews	474	442	84,199	474	431	84,714	0	0	701	474	431	85,415
Total Direct	474	442	84,199	474	431	84,714	0	0	701	474	431	85,415
Balance Rescission			0			0			0			0
Total Direct with Rescission			84,199			84,714			701			85,415
Reimbursable FTE		23			23			0			23	
Total Direct and Reimb. FTE		465			454			0			454	
Other FTE:												
LEAP		0			0			0			0	
Overtime		0			0			0			0	
Grand Total, FTE		465			454			0			454	

Program Activity	2014 Increases			2014 Offsets			2014 Request		
	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount
Audits, Inspections, Investigations and Reviews	0	0	468	0	0	-38	474	431	85,845
Total Direct	0	0	468	0	0	-38	474	431	85,845
Balance Rescission			0			0			0
Total Direct with Rescission			468			-38			85,845
Reimbursable FTE		0			-2			21	
Total Direct and Reimb. FTE		0			-2			452	
								0	
Other FTE:								0	
LEAP		0			0			0	
Overtime		0			0			0	
Grand Total, FTE		0			-2			452	

*The 2013 Continuing Resolution includes the 0.612% funding provided by the Continuing Appropriations Resolution, 2013 (P.L. 112-175, Section 101(c)).

C. Program Changes by Decision Unit

FY 2014 Program Increases/Offsets by Decision Unit

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Program Increases	Location of Description by Program Activity	OIG			
		Direct Pos.	Agt./ Atty.	Est. FTE	Amount
Council of the Inspector General on Integrity and Efficiency	OIG	0	0	0	468
Total Program Increases		0	0	0	468

Program Offsets	Location of Description by Program Activity	OIG			
		Direct Pos.	Agt./ Atty.	Est. FTE	Amount
IT Savings	OIG	0	0	0	-38
Reimbursable FTE	OIG	0	0	-2	0
Total Program Offsets		0	0	-2	-38

D. Resources by DOJ Strategic Goal and Strategic Objective

Resources by Department of Justice Strategic Goal/Objective

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Strategic Goal and Strategic Objective	2012 Appropriation Enacted		2013 Continuing Resolution		2014 Current Services		2014 Increases		2014 Offsets		2014 Total Request	
	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount
Goal 2 Prevent Crime, Protect the Rights of the American People, and enforce Federal Law												
2.6 Protect the federal fisc and defend the interests of the United States.	465	84,199	454	84,714	454	85,415	0	468	-2	-38	452	85,845
TOTAL	465	84,199	454	84,714	454	85,415	0	468	-2	-38	452	85,845

*Note: The OIG helps promote accountability, efficiency, and effectiveness through its audits, inspections, investigations, special reviews, and other activities.

Note: Excludes Balance Rescission and/or Supplemental Appropriations.

E. Justification for Technical and Base Adjustments

Justifications for Technical and Base Adjustments

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

	Direct Pos.	Estimate FTE	Amount
Technical Adjustments			
1 <u>Adjustment - 2013 CR 0.612%:</u> PL 112-175 section 101 (c) provided 0.612% across the board increase above the current rate for the 2013 CR funding level. This adjustment reverses this increase.	0	0	-515
	0	0	-515
Transfers			
1 JCON and JCON S/TS: A transfer of \$ \$37,000 is included in support of the Department's Justice Consolidated Office Network (JCON) and JCON S/TS programs which will be moved to the Working Capital Fund and provided as a billable service in FY 2014.	0	0	0
2 The OIG transfers for the Office of Information Policy (OIP) and the Professional Responsibility Advisory Office (PRAO) into the General Administration appropriation will centralize appropriated funding and eliminate the current reimbursable financing process. The centralization of the funding is administratively advantageous because it eliminates the paper-intensive reimbursement process. The FY 2014 transfer amounts for OIP \$(63,000) and PRAO \$(7,000) are based on the FY 2011 actual costs plus standard inflation per year (the average increase over the past three years) to bridge to FY 2014 amounts. The amount per component is based on the average percentage of total costs paid by that component since 2007.	0	0	37
	0	0	-70
Subtotal, Transfers	0	0	-33
Pay and Benefits			
1 <u>2014 Pay Raise:</u> This request provides for a proposed 1 percent pay raise to be effective in January of 2014. The increase only includes the general pay raise.			437
2 <u>Annualization of 2013 pay raise:</u> This pay annualization represents first quarter amounts (October through December) of the 2013 pay increase of 0.5 percent included in the 2013 President's Budget. The amount requested, \$73,000, represents the pay amounts for 1/4 of the fiscal year plus appropriate benefits (\$49,640 for pay and \$18,360 for benefits).	0	0	73
4 <u>Employee Compensation Fund:</u> The \$(55,000) decrease reflects payments to the Department of Labor for injury benefits paid in the past year under the Federal Employee Compensation Act. This estimate is based on the first quarter of prior year billing and current year estimates.			-55
5 <u>Health Insurance:</u> Effective January 2014, the Office of the Inspector General contribution to Federal employees' health insurance increases by 0.9% percent. Applied against the 2013 estimate of \$2,557,000 the additional amount required is \$22,000.			22
6 <u>Retirement:</u> Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on U.S. Department of Justice agency estimates, we project that the DOJ workforce will convert from CSRS to FERS at a rate of 1.3 percent per year. The requested increase of \$125,000 is necessary to meet our increased retirement obligations as a result of this conversion.			125
Subtotal, Pay and Benefits	0	0	602
Domestic Rent and Facilities			
1 <u>General Services Administration (GSA) Rent:</u> GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested decrease of \$(494,000) is the FY 2014 estimate total for security services and is compared against the amount estimated last year for FY 2013; cost estimates were developed by Department of Homeland Security (DHS). The costs associated with GSA rent were derived through the use of an automated system, which uses the latest inventory data, including rate changes to be effective in FY 2014 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. GSA provided data on the rate changes.			-494
2 <u>Guard Services:</u> This includes DHS Federal Protective Service charges, Justice Protective Service charges and other security services across the country. The decrease of \$(30,000) is the FY 2014 estimated total for security services and is compared against the amount estimated last year for FY 2013; cost estimates were developed by DHS.			-30
3 <u>Moves (Lease Expirations):</u> GSA requires all agencies to pay relocation costs associated with lease expirations. This request provides for the costs associated with new office relocations caused by the expiration of leases in FY 2014.			1,147
Subtotal, Domestic Rent and Facilities	0	0	623
Other Adjustments			
1 <u>WCF Rate Adjustments:</u> The Department's Working Capital Fund (WCF) provides Department components with centralized administrative and infrastructure support services. The WCF is a cost effective mechanism that eliminates duplication of effort and promotes economies of scale through consolidation and centralization. Inflationary adjustments are required to account for pay adjustments, contractual changes, and information technology maintenance and technology refreshment upgrades. Funding of \$24,000 is required for this account.			24
Subtotal, Other Adjustments	0	0	24
TOTAL DIRECT TECHNICAL and BASE ADJUSTMENTS	0	0	701

F. Crosswalk of 2012 Availability

Crosswalk of 2012 Availability

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Program Activity	2012 Appropriation Enacted w/o Balance Rescission			Balance Rescission			Reprogramming/Transfers			Carryover*	Recoveries/ Refunds	2012 Actual		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Amount	Amount	Direct Pos.	Actual FTE	Amount
Audits, Inspections, Investigations and Reviews	474	442	84,199	0	0	0	0	0	0	1,103	0	474	442	85,302
Total Direct	474	442	84,199	0	0	0	0	0	0	1,103	0	474	442	85,302
Reimbursable FTE		23			0			0					23	
Total Direct and Reimb. FTE		465			0			0					465	
Grand Total, FTE		465			0			0					465	

***Carryover:** \$1.1 million for the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA funds were available to the OIG for obligation until December 31, 2012.
Carryover in the amount of \$3K in our Global War on Terrorism No Year account (GWOT)

G. Crosswalk of 2013 Availability

Crosswalk of 2013 Availability
Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Program Activity	FY 2013 Continuing Resolution			Supplemental Appropriation	Reprogramming/Transfers			Carryover**	Recoveries/ Refunds	2013 Availability		
	Direct Pos.	Estim. FTE	Amount	Amount	Direct Pos.	Estim. FTE	Amount	Amount	Amount	Direct Pos.	Estim. FTE	Amount
Audits, Inspections, Investigations and Reviews	474	431	84,714	0	0	0	0	203	0	474	431	84,917
Total Direct	474	431	84,714	0	0	0	0	203	0	474	431	84,917
Balance Rescission			0									0
Total Direct with Rescission			84,714									84,917
Reimbursable FTE		23				0		0			23	
Total Direct and Reimb. FTE		454				0		203			454	
Other FTE:												
LEAP		0				0		0			0	
Overtime		0				0		0			0	
Grand Total, FTE		454				0		203			454	

*The 2013 Continuing Resolution includes the 0.612% funding provided by the Continuing Appropriations Resolution, 2013 (P.L. 112-175, Section 101 (c)).

**Carryover in the amount of \$200K for the American Recovery and Reinvestment Act (ARRA) of 2009 was available to the OIG for obligation until December 31, 2012.
Carryover in the amount of \$3K in our Global War on Terrorism No Year account (GWOT)

H. Summary of Reimbursable Resources

Summary of Reimbursable Resources

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Collections by Source	2012 Actual			2013 Planned			2014 Request			Increase/Decrease		
	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE**	Amount	Reimb. Pos.	Reimb. FTE**	Amount	Reimb. Pos.	Reimb. FTE	Amount
Bureau of Alcohol, Tobacco, Firearms and Explosives	0	2	1,275	0	0	0	0	0	0	0	0	0
Drug Enforcement Administration	0	2	1,508	0	0	0	0	0	0	0	0	0
Federal Bureau of Investigation	0	2	2,141	0	2	1,558	0	2	1,627	0	0	69
Offices, Boards, and Divisions	0	2	2,182	0	5	4,486	0	5	4,652	0	0	166
Asset Forfeiture Fund	0	2	1,210	0	2	1,084	0	2	1,088	0	0	4
Federal Bureau of Prisons	0	2	1,498	0	2	1,078	0	2	1,113	0	0	35
Federal Prison Industries	0	1	1,243	0	2	1,011	0	2	1,002	0	0	-9
Office of Justice Programs	0	2	1,282	0	0	0	0	0	0	0	0	0
United States Marshals Service	0	1	1,317	0	2	1,178	0	2	1,117	0	0	-61
Working Capital Fund (ITSS)	0	7	2,393	0	7	2,472	0	7	2,539	0	0	67
IG Criminal Investigator Academy	0	0	161	0	0	183	0	0	61	0	0	-122
Council of the IGs on Integrity and Efficiency	0	0	194	0	0	0	0	0	0	0	0	0
Budgetary Resources	0	23	16,404	0	21	13,050	0	21	13,199	0	0	149

*Note: FTE level for FY 2013 shows a decrease from 23 to 21 which represents a planned reduction of reimbursable support. Reimbursable FTE on Exhibit I & L represent the reimbursable FTE ceiling.

**The columns will add to a different amount due to rounding.

I. Detail of Permanent Positions by Category

Detail of Permanent Positions by Category
Office of the Inspector General
Salaries and Expenses

Category	2012 Appropriation Enacted		2013 Continuing Resolution		2014 Request				
	Direct Pos.	Reimb. Pos.	Direct Pos.	Reimb. Pos.	ATBs	Program Increases	Program Offsets	Total Direct Pos.	Total Reimb. Pos.
Intelligence Series (132)	0	0	0	0	0	0	0	0	0
Personnel Management (200-299)	7	0	7	0	0	0	0	7	0
Clerical and Office Services (300-399)	160	3	160	3	0	0	0	160	3
Accounting and Budget (500-599)	95	15	95	13	0	0	0	95	11
Attorneys (905)	30	0	30	0	0	0	0	30	0
Paralegals / Other Law (900-998)	5	0	5	0	0	0	0	5	0
Information & Arts (1000-1099)	0	0	0	0	0	0	0	0	0
Business & Industry (1100-1199)	0	0	0	0	0	0	0	0	0
Operation Research Analyst (1515)	2	0	2	0	0	0	0	2	0
Equipment/Facilities Services (1600-1699)	0	0	0	0	0	0	0	0	0
Miscellaneous Inspectors Series (1802)	9	0	9	0	0	0	0	9	0
Criminal Investigative Series (1811)	139	0	139	0	0	0	0	139	0
Supply Services (2000-2099)	0	0	0	0	0	0	0	0	0
Motor Vehicle Operations (5703)	0	0	0	0	0	0	0	0	0
Information Technology Mgmt (2210)	18	5	18	7	0	0	0	18	7
Security Specialists (080)	3	0	3	0	0	0	0	3	0
Miscellaneous Operations (010-099)	6	0	6	0	0	0	0	6	0
Total	474	23	474	23	0	0	0	474	21
Headquarters (Washington, D.C.)	228	23	228	23	0	0	0	228	21
U.S. Field	246	0	246	0	0	0	0	246	0
Foreign Field	0	0	0	0	0	0	0	0	0
Total	474	23	474	23	0	0	0	474	21

J. Financial Analysis of Program Changes

Financial Analysis of Program Changes

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Object Class	OIG			
	Program Increase		Program Offsets	
	Direct Pos.	Amount	Direct Pos.	Amount
13.0 Benefits for former personnel		0		0
21.0 Travel and Transportation of Persons		0		0
22.0 Transportation of Things		0		0
23.1 Rental Payments to GSA		0		0
23.3 Communications, Utilities, and Miscellaneous Charges		0		0
24.0 Printing and Reproduction		0		0
25.1 Advisory and Assistance Services		0		0
25.2 Other Services from Non-Federal Sources		0		0
25.3 Other Goods and Services from Federal Sources		468		0
25.5 Research and Development Contracts		0		0
25.7 Operation and Maintenance of Equipment		0		0
26.0 Supplies and Materials		0		0
31.0 Equipment		0		-38
Total Program Change Requests	0	468	0	-38

K. Summary of Requirements by Grade

Summary of Requirements by Grade

Office of the Inspector General
Salaries and Expenses

Grades and Salary Ranges	2012 Enacted		2013 Continuing Resolution		2014 Request		Increase/Decrease	
	Direct Pos.	Amount	Direct Pos.	Amount	Direct Pos.	Amount	Direct Pos.	Amount
EX, \$145,700 - \$199,700	1	0	1	0	1	0	0	0
SES, \$119,554 - \$179,700	9	0	9	0	9	0	0	0
SL, \$119,554 - \$179,700	2	0	2	0	2	0	0	0
GS-15, \$123,758 - \$155,500	65	0	65	0	65	0	0	0
GS-14, \$105,211 - \$136,771	86	0	86	0	86	0	0	0
GS-13, \$89,033 - \$115,742	208	0	208	0	208	0	0	0
GS-12, \$74,872 - \$97,333	34	0	34	0	34	0	0	0
GS-11, \$62,467 - \$81,204	29	0	29	0	29	0	0	0
GS-10, \$56,857 - \$73,917	0	0	0	0	0	0	0	0
GS-9, \$51,630 - \$67,114	16	0	16	0	16	0	0	0
GS-8, \$46,745 - \$60,765	10	0	10	0	10	0	0	0
GS-7, \$42,209 - \$54,875	14	0	14	0	14	0	0	0
Total, Appropriated Positions	474	0	474	0	474	0	0	0
Average SES Salary		173,258		174,124		175,865		
Average GS Salary		100,904		101,409		102,423		
Average GS Grade		13		13		13		

L. Summary of Requirements by Object Class

Summary of Requirements by Object Class

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Object Class	2012 Actual		2013 Availability		2014 Request		Increase/Decrease	
	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount
11.1 Full-Time Permanent	418	43,022	407	44,545	407	44,746	0	201
11.3 Other than Full-Time Permanent	24	1,393	24	1,005	24	1,165	0	160
11.5 Other Personnel Compensation	0	3,806	0	4,020	0	4,087	0	67
<i>Overtime</i>	0	0	0	0	0	0	0	0
<i>Other Compensation</i>	0	0	0	0	0	0	0	0
11.8 Special Personal Services Payments	0	0	0	0	0	0	0	0
Total	442	48,221	431	49,570	431	49,998	0	428
Other Object Classes								
12.0 Personnel Benefits		16,638		16,695		16,996		301
13.0 Benefits for former personnel		0		0		0		0
21.0 Travel and Transportation of Persons		2,831		2,259		2,592		333
22.0 Transportation of Things		125		0		0		0
23.1 Rental Payments to GSA		8,281		9,466		8,972		-494
23.2 Rental Payments to Others		426		473		560		87
23.3 Communications, Utilities, and Miscellaneous Charges		1,397		1,841		1,633		-208
24.0 Printing and Reproduction		19		0		0		0
25.1 Advisory and Assistance Services		1,182		1,000		900		-100
25.2 Other Services from Non-Federal Sources		1,720		1,709		1,682		-27
25.3 Other Goods and Services from Federal Sources		1,847		1,298		1,766		468
25.4 Operation and Maintenance of Facilities		208		32		32		0
25.5 Research and Development Contracts		0		0		0		0
25.6 Medical Care		82		0		0		0
25.7 Operation and Maintenance of Equipment		279		231		256		25
25.8 Subsistence and Support of Persons		0		0		0		0
26.0 Supplies and Materials		391		0		0		0
31.0 Equipment		458		343		459		116
32.0 Land and Structures		0		0		0		0
41.0 Grants, Subsidies, and Contributions		0		0		0		0
42.0 Insurance Claims and Indemnities		490		0		0		0
Total Obligations		84,595		84,917		85,845		928
Subtract - Unobligated Balance, Start-of-Year		-1,103		-203		0		203
Subtract - Transfers/Reprogramming		0		0		0		0
Subtract - Recoveries/Refunds		0		0		0		0
Add - Unobligated End-of-Year, Available		203		0		0		0
Add - Unobligated End-of-Year, Expiring		504		0		0		0
Total Direct Requirements		84,199		84,714		85,845		1,131
Reimbursable FTE								
Full-Time Permanent	23		23		21		-2	
23.1 Rental Payments to GSA (Reimbursable)		0		0		0		0
25.3 Other Goods and Services from Federal Sources - DHS Security (Reimbursable)		0		0		0		0

M. Additional Required Information for OIG Budget Submissions

The Inspector General Reform Act of 2008 (P.L. 110-409) requires that the Department of Justice OIG submit the following information related to its requested budget for Fiscal Year 2014:

- *the aggregate budget request for the operations of the OIG is \$85,845,000;

- *the portion of this amount needed for OIG training is \$425,000;

- *the requested amount includes \$468,000 to support the operations of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The Inspector General of the Department of Justice certifies that the amount requested for training satisfies all OIG training needs for FY 2014.



U.S. Department of Justice FY 2015 PERFORMANCE BUDGET

Office of the Inspector General Congressional Justification



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Appendix A. OIG Statistical Highlights

I. Overview

1. Introduction

In FY 2015, the Office of the Inspector General (OIG) requests a total of \$88,577,000, 440 FTE, and 474 positions (of which 139 are Agents and 30 are Attorneys) to investigate allegations of fraud, waste, abuse, and misconduct by Department of Justice (Department) employees, contractors, and grantees and to promote economy and efficiency in Department operations. This request is an increase of \$2,177,000 (approximately 2.5%) over the FY 2014 current rate, and includes adjustments-to-base of \$5,330,000 and a program offset of \$3,153,000.

With these resources, the OIG will be able to sustain the number of quality audits, inspections, investigations, and special reviews it conducts to help assure Congress and the taxpayers that the substantial funding provided to support these Department priorities and infrastructure investments are used efficiently, effectively, and for their intended purposes.

Electronic copies of the Department of Justice Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>

2. Background

The OIG was statutorily established in the Department on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against Department employees in the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Federal Bureau of Prisons (BOP), U.S. Marshals Service (USMS), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), U.S. Attorneys' Offices (USAO), Office of Justice Programs (OJP), and other Offices, Boards and Divisions. The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. Appendix A contains a table that provides statistics on the most recent Semiannual Reporting period. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department programs and operations.

OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.
- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office and the Digital Forensics and Technology Investigations Office are located in Washington, D.C. The Investigations Division has smaller area offices in Atlanta, Boston, Trenton, Detroit, El Paso, Houston, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Operations II, Investigative Support, Research and Analysis, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigates sensitive allegations involving Department employees and operations.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.
- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, ethics, and legal matters; and responds to Freedom of Information Act requests.

3a. Notable Reviews and Recent Accomplishments

Information Security

The *Federal Information Security Management Act (FISMA)* requires the Inspector General for each agency to perform an annual independent evaluation of the agency's information security programs and practices. The evaluation includes testing the effectiveness of information security policies, procedures, and practices of a representative subset of agency systems. The FY 2013 FISMA results were due to OMB by November 15, 2013.

During FY 2013, the OIG audited the FY 2012 information security programs of the FBI, JMD, ATF, DEA, Civil Division, and the Executive Office of the U.S. Trustees (EOUST) and during FY 2013 issued separate reports for its reviews of the selected security systems for the FBI, ATF, Civil Division, and EOUST. The OIG audit provided 90 recommendations for improving implementation of the Department's information security program and practices for its sensitive but unclassified, classified, and national security systems. The components agreed with the recommendations. For the FY 2013 testing period, OIG reviewed the security programs of five Department components: the FBI, JMD, USMS, Antitrust Division, and the Executive Office for Immigration Review (EOIR). The OIG plans to issue reports in March 2014 evaluating these selected systems as well as reports on each component's information security program.

In May 2013, the OIG issued a report examining an allegation that ATF Special Agent John Dodson, who provided significant information regarding ATF's handling of Operation Fast and Furious, was retaliated against through the unauthorized disclosure in late June 2011 of an ATF memorandum he had drafted. The report found that Dennis Burke, who was then United States Attorney for the District of Arizona, provided the memorandum to a Fox News producer in violation of Department policies. The OIG also concluded that Burke's disclosure was likely motivated by a desire to undermine Dodson's public criticisms of Operation Fast and Furious. The OIG did not identify any other Department employee who had disclosed this document. The OIG referred its finding regarding Burke's violation of Department policy to the Department's Office of Professional Responsibility for a determination of whether this conduct violated the Rules of Professional Conduct for the state bars of which Burke is a member.

Civil Rights and Civil Liberties

Section 1001 of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (Patriot Act) directs the OIG to receive and review complaints of civil rights and civil liberties abuses by Department employees, to publicize how people can contact the OIG to file a complaint, and to send a semiannual report to Congress discussing the OIG's implementation of these responsibilities. In August 2013, the OIG issued its 23rd report summarizing its Section 1001 activities from January 1 through June 30, 2013. The report described the number of complaints the OIG received under this section and the status of investigations conducted by the OIG and Department components.

Counterterrorism

In May 2013, the OIG of the DOJ, Intelligence Community, Central Intelligence Agency, and Department of Homeland Security, initiated a coordinated and independent review into the U.S. Government's handling of intelligence information leading up to the Boston Marathon

Bombings. The Director of National Intelligence supports the review, which will examine the information-sharing protocols and procedures followed between and among the intelligence and law enforcement agencies.

In May 2013, the OIG issued an interim report on the audit of the Witness Security Program (WITSEC); the OIG found that WITSEC Program participants include individuals known or suspected by the federal government to be involved in terrorism. This includes individuals trained in areas such as aviation and explosives, involved in plotting bombing attacks, and guilty of serious offenses such as conspiracy to murder U.S. nationals. The OIG also found significant deficiencies in the handling of known or suspected terrorists who were admitted into the WITSEC Program. Specifically, the OIG determined that the Criminal Division's Office of Enforcement Operations and the United States Marshals Service (USMS)—the two entities primarily responsible for managing the WITSEC Program for participants who are not incarcerated—did not involve national security stakeholders when admitting and monitoring known or suspected terrorists into the WITSEC Program. The OIG will begin issuing reports in March 2014 reflecting the evaluation of the selected systems as well as reports on each component's information security program.

Federal Firearms

In April 2013, the OIG released a report examining the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) inspections of federal firearms licensees (FFL). The report was a follow-up to a 2004 review in which the OIG found that ATF's inspections were not fully effective in ensuring FFLs comply with federal firearms laws. The OIG found that since 2004, ATF had made a series of changes and improvements to its inspection processes and increased outreach activities to the firearms industry. However, there were four areas where ATF needed to improve its performance.

First, ATF still had not met its goal of inspecting all FFLs on a cyclical basis, resulting in over 58 percent of FFLs not being inspected within 5 years. Additionally, ATF did not track whether high-risk FFL inspections met annual operating plan priorities. Further, although ATF performed the majority of in-person follow-up compliance inspections for FFLs that received an initial telephone qualification inspection, it did not do so in every case. Finally, ATF did not ensure that administrative actions were not unduly prolonged after cases moved to Division Counsels for review. In situations where ATF concluded that revocation for a non-compliant FFL was the appropriate remedy, the administrative action process remained lengthy, sometimes lasting over 2 years.

The OIG made four recommendations to ATF. ATF concurred in whole or in part with all of the recommendations, and the OIG has requested additional information to follow up on ATF's progress in each area.

Criminal Law Enforcement

On May 13, 2013, two BOP employees were arrested on a charge of witness tampering. The indictment alleges that the two employees made false statements in their written memoranda to management concerning an incident in which correctional officers used force against an inmate that resulted in injuries to the inmate. The memoranda submitted by the two employees omitted

any mention of force being used against the inmate. The investigation is being conducted by the OIG's Chicago Field Office.

On June 17, 2013, a former program director of the Family Resource Center in Seminole, Oklahoma, was arrested and pled guilty to an information filed in the Eastern District of Oklahoma on a charge of federal program theft. In pleading guilty, the program director admitted that from about February 2010 to about August 2012, she embezzled, stole, and intentionally misapplied program property worth \$90,486.14. This investigation was conducted by the OIG's Dallas Field Office with assistance from the Seminole Police Department of Seminole, Oklahoma, and the Seminole County District Attorney's Office, Wewoka, Oklahoma.

On August 13, 2013, a former FBI Special Agent and two non-Department subjects were indicted in the Southern District of New York on charges of conspiracy and bribery. The indictment alleges that, in or about September 2011 through about March 2012, the three were involved in soliciting cash payments in exchange for providing confidential internal law enforcement documents and information that the Special Agent had access to by virtue of his position.

Financial Enforcement

In June 2013, the OIG issued a report on the audit of Department grants, totaling over \$23 million, awarded by OJP's Office of Juvenile Justice and Delinquency Prevention to the Big Brothers Big Sisters of America (BBBSA). The grants, awarded in 2009, 2010, and 2011, were to support BBBSA's national programs designed to provide mentoring services to tribal youth, youth with a parent in the military, and other high-risk populations that were considered underserved. The audit determined that BBBSA was in material non-compliance with the majority of the grants' requirements as BBBSA's grant administration practices were inadequate to safeguard grant funds and ensure compliance with the grant-funded programs. The audit found that BBBSA could not adequately support any of the expenditures it made for the grant-funded programs because grant funds were commingled within BBBSA's general fund account, making it impossible to identify how grant funds were used. The audit also determined that BBBSA did not adequately oversee the funds provided to local affiliate agencies, charged unallowable expenditures to the grants, failed to adequately monitor consultants, and did not properly report program income generated through the programs.

In September 2013, the OIG issued a report on the audit of the FBI's accounting and reporting of funds it receives from the Crime Victims Fund (CVF) and found that the FBI did not have adequate internal controls over CVF funds and that its system to track and document CVF expenditures was insufficient and unreliable. The FBI received between \$14 million and \$18 million annually from FY 2009 through FY 2012 in CVF funds, which it used to support 134 victim specialists who assist victims and facilitate their cooperation with the investigation of federal crimes. The OIG found that in FY 2009 alone, approximately \$249,000 in transactions lacked sufficient documentation to support the expenses. In addition, the FBI had not ensured that all unspent CVF funds were returned to the FBI's CVF account, which resulted in approximately \$527,000 in CVF funds left idle at the FBI for 2 years instead of being used to fund victim services.

In November 2013, the OIG released a report examining the Drug Enforcement Administration's (DEA) accounting for Permanent Change of Station (PCS) transfers. The OIG's report found that the DEA established sound practices for the management of transfer activities and appeared to have adequate controls over resources expended on PCS transfers. The OIG audit tested PCS-related documents that included expenditure records totaling more than \$2 million and identified only five discrepancies totaling \$1,656; the DEA has taken appropriate steps to address all five discrepancies. The remaining PCS expenditures we tested were all allowable and in accordance with the General Services Administration's (GSA) Federal Travel Regulation.

In November 2013, the OIG released a report examining the U.S. Marshals Service's (USMS) use of appropriated funds to purchase promotional items, commonly referred to as "swag." The OIG found that the USMS Investigative Operations Division (IOD) spent at least \$793,118 on swag during fiscal years 2005 to 2010, and that these expenditures were excessive and, in some instances, in contravention of Department policies and Government Accountability Office (GAO) decisions and guidance. We found that the significant growth in spending on swag was the result of the absence of internal controls and accountability within the USMS, and the failure of USMS personnel who were given purchasing responsibilities to exercise good judgment.

Subsequent to the AG's directive to reduce such spending, the Department and the USMS issued policies that provided explicit guidance on the purchase and use of promotional items in the future. The OIG found that the new policies will encourage restraint and enhance accountability with respect to the purchase of these types of items. However, the OIG also found that the USMS policy contained flaws that the USMS should rectify. The OIG made 3 recommendations to assist the USMS in this area; the USMS concurred with all 3 recommendations.

Detention and Incarceration

In April 2013, the OIG issued a report on BOP's compassionate release program. In the *Sentencing Reform Act of 1984*, Congress authorized the Director of BOP to request that a federal judge reduce an inmate's sentence for "extraordinary and compelling" circumstances. Under the statute, the request can be based on either medical or non-medical conditions that could not reasonably have been foreseen by the judge at the time of sentencing. The BOP has issued regulations and a Program Statement entitled "Compassionate Release" to implement this authority. This review assessed the BOP's compassionate release program, including whether it provides cost savings or other benefits to the BOP.

The OIG found that an effectively managed compassionate release program would result in cost savings for the BOP, as well as assist the BOP in managing its continually growing inmate population and the significant capacity challenges it is facing. However, we found that the existing BOP compassionate release program has been poorly managed and implemented inconsistently, likely resulting in eligible inmates not being considered for release and in terminally ill inmates dying before their requests were decided. In this report, we made 11 recommendations to improve the BOP's management of the compassionate release program and to ensure that eligible inmates are considered for release.

In September 2013, the OIG issued an audit examining the management of the Federal Prison Industries (FPI), a wholly owned government corporation and inmate reentry program operating within the BOP. The audit found that FPI has struggled financially in recent years, and FPI's

employment figures have also dropped in recent years. The OIG concluded that FPI's reduction in inmate employment is primarily the result of efforts to compensate for its declining revenues and earnings. In an effort to increase inmate employment, FPI also implemented an inmate job-sharing initiative in 2010; however, the OIG was unable to gauge FPI's job-sharing progress over the past 2 years in part due to FPI's unclear performance metrics for this initiative.

The audit also found that FPI's longstanding goal of employing 25 percent of the total inmate population was no longer representative of current conditions, in part because of the rise in BOP's total inmate population. Finally, the OIG determined that FPI's internal controls did not ensure that aliens who had been ordered deported were removed from FPI employment as required. As of June 2012, FPI employed 37 inmates who were under a final order of deportation and therefore appeared to be ineligible for FPI employment under federal regulations. Once the OIG brought this issue to FPI's attention, 35 of the 37 deportable inmates were immediately removed from FPI employment. The OIG made four recommendations to assist FPI in its efforts to maintain and create opportunities for inmates. The BOP agreed with the recommendations.

Whistleblower Ombudsperson

The OIG's Whistleblower Ombudsperson program emphasizes the importance of educating employees and supervisors about how to report wrongdoing and the rights and protections for whistleblowers under the Whistleblower Protection Act and related civil service laws. The Whistleblower Ombudsperson program provides training for all Department OIG employees, and the OIG is working with the Department to provide this important training to other components. The OIG's public website, www.justice.gov/oig, currently has a designated "Hotline and Whistleblower Protection" link that leads employees and others to detailed information about how and where to report wrongdoing, whistleblower rights and protections, and an overview with contact information for the Whistleblower Ombudsperson program. The OIG continues to coordinate the working group of federal Whistleblower Ombudspersons through the Council of Inspectors General on Integrity and Efficiency (CIGIE) to facilitate the sharing of experiences and information in this area throughout the OIG community. The OIG's efforts were recognized this fall in its certification by the U.S. Office of Special Counsel pursuant to Section 2302(c) of Title 5, United States Code.

3b. Support for the Department's Savings and Efficiencies Initiatives.

The OIG fully supports and participates in the Department's Savings and Efficiencies Initiatives, including:

- *Increasing the use of self-service online booking for official travel.* The OIG's online booking rate for FY 13 official travel was 85%, for estimated savings of approximately \$16,400 over agent-assisted ticketing costs.
- *Reducing commercial carrier shipping costs.* In FY 13, the OIG reduced its overnight shipping costs (i.e., Federal Express) by 15% compared to FY 2012 expenditures, saving more than \$7,000.
- *Reducing data communication lines.* By identifying and cancelling select data lines in favor of more cost-effective technology, the OIG saved more than \$30,000 in FY 13.

4. Challenges

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affects the number of allegations the OIG receives, Department support for the OIG's mission, and financial support from the Office of Management and Budget (OMB) and Congress.

The OIG views the management of human capital as a significant challenge to achieving its performance goals. In this regard, the OIG must use all available recruitment tools and hiring flexibilities in a competitive job market to attract – and keep – top talent. Maintaining an optimal, committed workforce is critical to the OIG's overall performance and ability to achieve desired results. The OIG's focus on ensuring that its employees have the appropriate analytical and technological skills for the OIG's complex mission will bolster its reputation as a premier federal workplace and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly affected by the number of experienced personnel the OIG can devote to these activities.

II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
Miscellaneous Program and Administrative Reductions	Reductions to existing operations and services necessary to pay for increases in existing costs, including pay raises, FERS contributions, and GSA rent, among others.	0	0	(\$3,153)	19

III. Appropriations Language and Analysis of Appropriations Language

For necessary expenses of the Office of Inspector General, [\$86,400,000] \$88,577,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character [: *Provided*, That \$1,000,000 shall be used to commission an independent review of the management and policies of the Civil Rights Division].

Analysis of Appropriations Language

The FY 2015 request proposes to delete language requiring the Office of the Inspector General to earmark \$1 million to commission an independent review of the management and policies of the Civil Rights Division. The Office of Inspector General will be contracting for this independent review during FY 2014.

IV. Program Activity Justification

A. Office of the Inspector General

OIG	Direct Pos.	Estimate	Amount
2013 Enacted with Recessions and Sequester	474	440	\$79,966,000
2014 Enacted	474	440	\$86,400,000
Adjustment to base and Technical Adjustments	0	0	\$5,330,000
2015 Current Services	474	440	\$91,730,000
2015 Program Offsets	0	0	-\$3,153,000
2015 Request	474	440	\$88,577,000
Total Change 2014-2015	0	0	\$2,177,000

1. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

2. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE (Goal 1)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2015 Program Changes		FY 2015 Request	
		FY 2013		FY 2013		FY 2014					
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		440	\$79,966	440	\$79,966	440	\$86,400	0	\$2,177	440	\$88,577
			[\$12,447]		[\$12,447]		[\$12,785]		[\$-84]		[\$12,701]
Performance Report and Performance Plan											
Number of Cases Opened per 1,000 DOJ employees:											
	Fraud*		*		0.63		*				
	Bribery*		*		0.16		*				
	Rights Violations*		*		0.17		*				
	Sexual Crimes*		*		0.35		*				
	Official Misconduct*		*		1.48		*				
	Theft*		*		0.22		*				
Workload											
	Investigations closed		300		366		264		0		264
	Integrity Briefings/Presentations										
	to DOJ employees		75		85		65		0		65
	DOJ employees at Integrity Briefings		3,500		3,710		3,080		0		3,080
*Indicators for which the OIG only reports actuals.											

*Indicators for which the OIG only reports actuals.

PERFORMANCE AND RESOURCES TABLE (Goal 1) (continued)											
Decision Unit:		OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2015		FY 2015 Request	
		FY 2013		FY 2013		FY 2014		Program Changes			
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		440	\$79,966	440	\$79,966	440	\$86,400	0	\$2,177	440	\$88,577
			[\$12,447]		[\$12,447]		[\$12,785]		[\$-84]		[\$12,701]
Performance Report and Performance Plan											
Intermediate Outcome											
Percentage of Investigations closed or referred for prosecution within 6 months #			75%		72%		75%		0%		75%
Number of closed Investigations substantiated*			*		221		*		*		*
Arrests *			*		86		*		*		*
End Outcome											
Convictions *			*		63		*				*
Administrative Actions *			*		266		*				*
Response to Customer Surveys:											
Report completed in a timely manner (%)			90%		100%		90%				90%
Issues were sufficiently addressed (%)			90%		99%		90%				90%
*Indicators for which the OIG only reports actuals.											
#FY 2013 numbers dropped due to cases that required more than 6 months to close or refer.											

PERFORMANCE AND RESOURCES TABLE (Goal 1)									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
The OIG does not project targets and only reports actuals for workload measures, the number of closed investigations substantiated, arrests, convictions, and administrative actions. The number of convictions and administrative actions are not subsets of the number of closed investigations substantiated.									
B. Data Sources, Validation, Verification, and Limitations:									
Investigations Data Management System (IDMS) – consists of a computer-based relational database system that became operational in June 2005.									
The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up in 3 hour intervals. In FY 2014 we will be upgrading to a web based technology.									
Investigations Division Report of Investigation (ROI) Tracking System - a web-based SQL-Server application that tracks all aspects of the ROI lifecycle. The ROI and Abbreviated Report of Investigation (AROI) are the culmination of OIG investigations and are submitted to DOJ components. These reports are typically drafted by an agent and go through reviews at the Field Office and at Headquarters levels before final approval by Headquarters. The ROI Tracking System reads data from IDMS. By providing up-to-the-minute ROI status information, the Tracking System is a key tool in improving the timeliness of the Division's reports. The ROI Tracking System also documents the administration of customer satisfaction questionnaires sent with each completed investigative report to components and includes all historical data. The system captures descriptive information as well as questionnaire responses. Descriptive information includes the questionnaire form administered, distribution and receipt dates, and component and responding official. The database records responses to several open-ended questions seeking more information on deficiencies noted by respondents and whether a case was referred for administrative action and its outcome. Questionnaire responses are returned to Investigations Headquarters and are manually entered into the Tracking System by Headquarters personnel. No data validation tools, such as double key entry, are used though responses are entered through a custom form in an effort to ease input and reduce errors.									
Investigations Division Investigative Activity Report – Most of the data for this report is collected in IDMS. The use of certain investigative techniques and integrity briefing activities are also tracked externally by appropriate Headquarters staff.									
C. FY 2014 Performance Report:									
For the workload measure "Investigations Closed," the OIG has plans to focus on more complex and document-intensive cases (e.g., grant and contract fraud) that require more in-depth financial and forensic analysis. The OIG is also diversifying its caseload to extend more investigative coverage to other Department components.									

PERFORMANCE MEASURE TABLE (Goal 1)							
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews							
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.							
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.							
Performance Report	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Workload	Actual	Actuals	Actuals	Actuals	Actuals	Target	Target
Number of Cases Opened per 1,000 DOJ employees:							
Fraud*	0.50	0.50	0.58	0.51	0.63	*	*
Bribery*	0.30	0.24	0.21	0.20	0.16	*	*
Rights Violations*	0.15	0.11	0.10	0.13	0.17	*	*
Sexual Crimes*	0.21	0.29	0.40	0.37	0.35	*	*
Official Misconduct*	1.28	1.05	1.00	1.28	1.48	*	*
Theft*	0.25	0.17	0.22	0.22	0.22	*	*
Investigations closed	367	300	356	361	366	264	264
Integrity Briefings and Presentations to DOJ employees	346	91	89	134	85	65	65
DOJ employees attending Integrity Briefings	7,545	4,527	3,551	7,200	3,710	3,080	3,080
Intermediate Outcome							
Percentage of Investigations closed or referred for prosecution within 6 months#	N/A	N/A	N/A	71	72	75	75
Number of closed Investigations substantiated (QSR Measure)*	218	180	223	215	221	*	*
Arrests*	111	114	113	90	86	*	*
End Outcome							
Convictions*	104	105	104	94	63	*	*
Administrative Actions	211	207	198	192	266	*	*
Response to Customer Surveys:							
Report completed in a timely manner (%)	100%	100%	100%	100%	100%	90%	90%
Issues were sufficiently addressed (%)	100%	100%	100%	100%	99%	90%	90%
* Indicators for which the OIG only reports actuals.							
#FY 2013 numbers dropped due to cases that required more than 6 months to close or refer.							

PERFORMANCE AND RESOURCES TABLE (Goal 2)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2015		FY 2015 Request	
								Program Changes			
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(Reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total.)		440	\$79,966	440	\$79,966	440	\$86,400	0	\$2,177	440	\$88,577
			[\$12,447]		[\$12,447]		[\$12,785]		[\$-84]		[\$12,701]
Performance Report and Performance Plan											
Workload											
Audit and E&I assignments initiated			102		103		89		3		92
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems			75%		97%		75%				75%
Percent of internal DOJ audit assignments that assess component performance measures			18%		40%		18%				18%
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges [Refined Measure]			NA		NA		45%				45%
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas			75%		96%		80%				80%
Percent of direct resources devoted to E&I products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas*			75%		81%		NA				NA
Intermediate Outcome											
Audit and E&I assignments completed			94		117		84		3		87
*This measure will no longer be used. It may or may not be replaced by a refined measure.											

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
WORKLOAD/RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
							Current Services Adjustment and FY 2015 Program Changes		FY 2015 Request	
	FY 2013		FY 2013		FY 2014					
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	440	\$79,966	440	\$79,966	440	\$86,400	0	\$2,177	440	\$88,577
		[\$12,447]		[\$12,447]		[\$12,785]		[\$-84]		[\$12,701]
Performance Report and Performance Plan										
Intermediate Outcome										
Percent of Audit resources devoted to reviews of grants and grant management		40%		51%		40%				40%
Components receiving information system audits		6		10		5				5
Products issued to the Dept. containing significant findings or information for management decision-making by Audit & E&I		94		98		77		3		80
Products issued to Congress by Audit and E&I*		94		98		NA				NA
Percent of E&I assignments completed within 7 months*		60%		***25%		NA				NA
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months. [Refined Measure]**		NA		NA		35%				35%
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months. [Refined Measure]**		NA		NA		35%				35%
Percent of contract, grant, IGA, and other external audits to be completed in draft within 5 months*		50%		22%		NA				NA
Percent of contract, grant, IGA, and other external audits to be completed in draft within 8 months [Refined Measure]		NA		49%		50%				50%
Percent of less complex internal DOJ audits to be completed as a working draft within 8 months. [New Measure]		NA		NA		35%				35%
Percent of internal DOJ audits to be completed in draft within 1 year*		40%		40%		NA				NA
Percent of more complex internal DOJ audits to be completed as a working draft within 13 months [New Measure]		NA		NA		35%				35%
*This measure will no longer be used. It may or may not be replaced by a refined measure.										
** These two timeliness measures reflect the 2014 Assistant Inspector General (AIG) for Evaluation and Inspection Division Performance Work Plan (PWP) (excellent level performance metric) and replace the 7 -month performance metric used in FY 2013.										
*** Target not achieved due to new business process and timeline for completing assignments in FY 2013 as well as on-board staffing levels were reduced (on average) by 20 percent all year.										

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
"Assignment" covers all audits (including internals, CFO Act, and externals, but not Single Audits), evaluations, and inspections. "Assignments" may also include activities that do not result in a report or product (e.g., a memorandum to file rather than a report); or reviews initiated and then cancelled.									
B. Data Sources, Validation, Verification, and Limitations:									
Project Resolution and Tracking (PRT) system- PRT was implemented on April 18, 2011; this OIG system was									
designed to track audits, evaluations, and reviews from initiation to completion. The system provides senior									
management with the data to respond to information requests and to track and report on current status of work activities.									
Work activities prior to PRT were conducted by using two separate systems: the Audit Division Administrative Management System (ADAM)									
and Inspection Tracking System (ITS).									
C. FY 2014 Performance Report: N/A									

PERFORMANCE MEASURE TABLE (Goal 2)								
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.								
Performance Report		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Workload	Actual	Actuals	Actuals	Actuals	Actuals	Actuals	Target	Target
Audit and E&I assignments initiated	159	142	124	116	103	89	92	
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems	75%	82%	92%	97%	75%	75%	75%	
Percent of internal DOJ audit assignments that assess component performance measures	18%	20%	20%	42%	40%	18%	18%	
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges.* [Refined Measure]	NA	NA	NA	NA	NA	45%	45%	
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas.	94%	89%	86%	93%	96%	80%	80%	
Percent of direct resources devoted to E&I products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas.	94%	89%	86%	93%	81%	NA	NA	
Intermediate Outcome								
Audit and E&I Assignments completed*	155	128	99	109	117	84	87	
Percent of Audit resources devoted to reviews of grants and grant management	47%	49%	39%	42%	40%	40%	40%	
Components receiving information system audits	6	7	8	11	6	5	5	
Products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I	116	107	99	187	98	77	80	
Products issued to Congress by Audit and E&I*	47	49	91	94	98	NA	NA	
Percent of E&I assignments completed within 7 months*	17%	40%	25%	NA	25%	NA	NA	
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months. [Refined Measure]**	NA	NA	NA	NA	NA	35%	35%	
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months. [Refined Measure]**	NA	NA	NA	NA	NA	35%	35%	
Percent of contract, grant, IGA, and other external audits to be completed in draft within 5 months*	60%	64%	54%	34%	22%	NA	NA	
Percent of contract, grant, IGA, and other external audits to be completed in draft within 8 months [Refined Measure]	NA	NA	NA	NA	49%	50%	50%	
Percent of less complex internal DOJ audits to be completed as a working draft within 8 months. [New Measure]	NA	NA	NA	NA	NA	35%	35%	
Percent of internal DOJ audits to be completed in draft within 1 year*	NA	NA	NA	NA	40%	NA	NA	
Percent of more complex internal DOJ audits to be completed as a working draft within 13 months [New Measure]	NA	NA	NA	NA	NA	35%	35%	
*This measure will no longer be used. It may or may not be replaced by a refined measure.								
measures are based on sequestration, subsequent budgetary cuts, and reduced staffing levels.								
** These two timeliness measures reflect the 2014 Assistant Inspector General (AIG) for Evaluation and Inspection Division Performance Work Plan (PWP) (excellent level performance metric) and replace the 7 -month performance metric used in FY 2013.								
*** Target not achieved due to new business process and timeline for completing assignments in FY 2013 as well as on-board staffing levels were reduced (on average) by 20 percent all year.								

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Tables, the OIG helps the Department achieve its strategic goals through conduct of its audits and its special reviews. Specifically, the OIG contributes to promoting the efficiency and integrity in the Department's programs and its operations. For the Department's programs and activities to be effective, Department personnel, contractors, and grantees must conduct themselves in accordance with the highest standards of integrity, accountability, and efficiency. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities. In addition, the OIG assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others using the coordinated efforts of the OIG's investigative, audit, inspection, and special review resources.

The OIG continues to review its performance measures and targets, especially in light of the changing nature of the cases it investigates and the Department programs it audits and reviews. Today's work is much more complex and expansive than it was only a few years ago. The number of documents to be reviewed, the number of people to interview, the amount of data to examine, and the analytical work involved in many OIG products are significantly greater than in prior years.

b. Strategies to Accomplish Outcomes

The OIG will devote all resources necessary to investigate allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees, and will develop cases for criminal prosecution and civil and administrative action. The OIG will use its audit, inspection, and attorney resources to review Department programs or activities identified as high-priority areas in the Department's strategic plan and devote resources to review the Department's Top Management and Performance Challenges.

V. Program Offsets by Item

A. Item Name: **Miscellaneous Program and Administrative Reductions**

Strategic Goal: Strategic Goal 2
Strategic Objective: Strategic Objective 2.6
Budget Decision Unit(s): OIG
Organizational Program: OIG

Program Offset: Positions +0 Agt/Atty +0/+0 FTE +0 Dollars (\$3,153.000)

Description of Item:

Program and administrative reductions will be identified once funds are appropriated.

Justification:

Reductions to existing operations and services are necessary to pay for increases in existing costs, including pay raises, FERS contributions, and GSA rent, among others. Program and administrative reductions will be identified once funds are appropriated.

Impact on Performance

Performance impact information is not yet available for this offset.

APPENDIX A

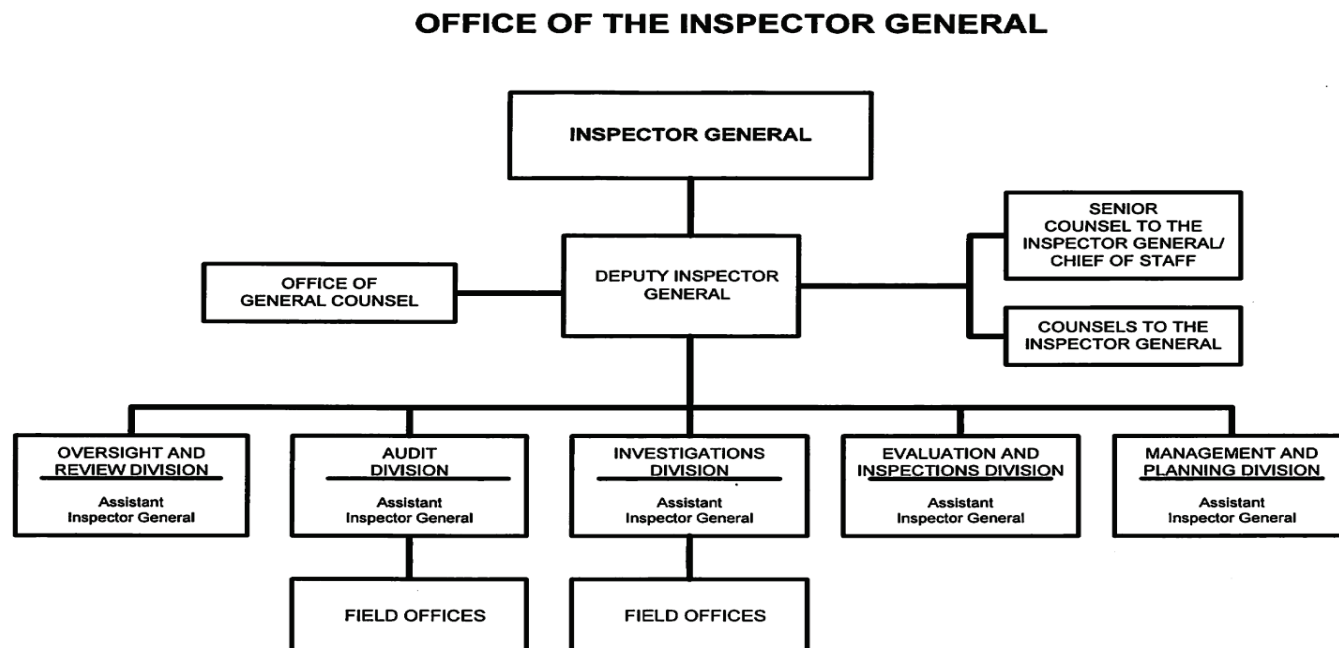
Statistical Highlights

April 1, 2012 – September 30, 2012

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

Source of Allegations	
Hotline (telephone, mail, and e-mail)	2,039
Other Sources	4,285
Total allegations received	6,324
Investigative Caseload	
Investigations opened this period	242
Investigations closed this period	207
Investigations in progress as of 9/30/12	446
Prosecutive Actions	
Criminal indictments/informations	41
Arrests	45
Convictions/Pleas	32
Administrative Actions	
Terminations	29
Resignations	54
Disciplinary action	78
Monetary Results	
Fines/Restitutions/Recoveries/Assessments/Forfeitures	\$125,522
Civil Fines/Restitutions/Recoveries/Penalties/Damages/Forfeitures	\$11,311,995

A: Organizational Chart



Approved by: Michael E. Horowitz Date: 9/27/12
Michael E. Horowitz
Inspector General

B. Summary of Requirements

Summary of Requirements

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

	FY 2015 Request		
	Direct Positions	FTE	Amount
2013 Enacted	474	440	85,985
2013 Rescissions (1.877% & 0.2%)			-1,783
2013 Sequester			-4,236
2013 Balance Rescission			0
2013 Hurricane Sandy Supplemental			
Total 2013 Enacted (with Rescissions and Sequester)	474	440	79,966
2014 Enacted	0	0	86,400
2014 Balance Rescission	0	0	0
Total 2014 Enacted (with Balance Rescission)	474	440	86,400
Base Adjustments			
Pay and Benefits	0	0	1,660
Domestic Rent and Facilities	0	0	3,670
Total Base Adjustments	0	0	5,330
Total Technical and Base Adjustments	0	0	5,330
2015 Current Services	474	440	91,730
Program Changes			
Offsets:			
Miscellaneous Program and Administrative Reductions	0	0	-3,153
Subtotal, Offsets	0	0	-3,153
Total Program Changes	0	0	-3,153
2015 Total Request	0	0	88,577
2015 Balance Rescission	0	0	0
2015 Total Request (with Balance Rescission)	474	440	88,577
2014 - 2015 Total Change	0	0	2,177

Note: The FTE for FY 2013 is actual and for FY 2014 and FY 2015 is estimated.

B. Summary of Requirements

Summary of Requirements

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Program Activity	2013 Enacted with Rescissions and Sequester			2014 Enacted			2015 Technical and Base Adjustments			2015 Current Services		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount
Audits, Inspections, Investigations and Reviews	474	419	79,966	474	419	86,400	0	0	5,330	474	419	91,730
Total Direct	474	419	79,966	474	419	86,400	0	0	5,330	474	419	91,730
Balance Rescission			0			0			0			0
Total Direct with Rescission			79,966			86,400			5,330			91,730
Reimbursable FTE		21			21			0			21	
Total Direct and Reimb. FTE		440			440			0			440	
Grand Total, FTE		440			440			0			440	

Program Activity	2015 Increases			2015 Offsets			2015 Request		
	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount
Audits, Inspections, Investigations and Reviews	0	0	0	0	0	-3,153	474	419	88,577
Total Direct	0	0	0	0	0	-3,153	474	419	88,577
Balance Rescission			0			0			0
Total Direct with Rescission			0			-3,153			88,577
Reimbursable FTE		0			0			21	
Total Direct and Reimb. FTE		0			0			440	
								0	
Grand Total, FTE		0			0			440	

C. Program Changes by Decision Unit

FY 2015 Program Changes by Decision Unit

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Program Offsets	Location of Description in Narrative	OIG			
		Direct Pos.	Agt./ Atty.	Est. FTE	Amount
Miscellaneous Program and Administrative Reductions	19	0	0	0	-3,153
Total Program Offsets		0	0	0	-3,153

D. Resources by DOJ Strategic Goal and Strategic Objective

Resources by Department of Justice Strategic Goal/Objective

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Strategic Goal and Strategic Objective	2013 Enacted with Rescissions and Sequester		2014 Enacted		2015 Current Services		2015 Increases		2015 Offsets		2015 Total Request	
	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount
2.6 Protect the federal fisc and defend the interests of the United States	440	79,966	440	86,400	440	91,730	0	0	0	-3,153	440	88,577
Subtotal, Goal 2	440	79,966	440	86,400	440	91,730	0	0	0	-3,153	440	88,577
TOTAL	440	79,966	440	86,400	440	91,730	0	0	0	-3,153	440	88,577

Note: Excludes Balance Rescission and/or Supplemental Appropriations.

E. Justification for Technical and Base Adjustments

Justifications for Technical and Base Adjustments

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

	Direct Pos.	Estimate FTE	Amount
Pay and Benefits			
1 2015 Pay Raise: This request provides for a proposed 1 percent pay raise to be effective in January of 2015. The increase only includes the general pay raise. The amount requested, \$402,000 represents the pay amounts for 3/4 of the fiscal year plus appropriate benefits (\$301,500 for pay and \$100,500 for benefits.)			402
2 Annualization of 2014 Pay Raise: This pay annualization represents first quarter amounts (October through December) of the 2014 pay increase of 1.0% included in the 2014 President's Budget. The amount requested, \$146,000, represents the pay amounts for 1/4 of the fiscal year plus appropriate benefits (\$102,200 for pay and \$43,800 for benefits).			146
3 FERS Regular/Law Enforcement Retirement Contribution: Effective October 1, 2014 (FY 2015), the new agency contribution rates of 13.2% (up from the current 11.9%, or an increase of 1.3%) and 28.8% for law enforcement personnel (up from the current 26.3%, or an increase of 2.5%). The amount requested, \$804,000, represents the funds needed to cover this increase.			804
4 Employee Compensation Fund: The \$95,000 request reflects anticipated changes in payments to the Department of Labor for injury benefits under the Federal Employee Compensation Act.			95
5 Health Insurance: Effective January 2015, the Office of the Inspector General's contribution to Federal employees' health insurance increases by 5.1 percent. Applied against the 2014 estimate of \$2,766,000 the additional amount required is \$142,000.			142
6 Retirement: Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on U.S. Department of Justice Agency estimates, we project that the DOJ workforce will convert from CSRS to FERS at a rate of 1.3 percent per year. The requested increase of \$71,000 is necessary to meet our increased retirement obligations as a result of this conversion.			71
Subtotal, Pay and Benefits	0	0	1,660
Domestic Rent and Facilities			
1 General Services Administration (GSA) Rent: GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of \$921,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of an automated system, which uses the latest inventory data, including rate increases to be effective FY 2015 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. GSA provides data on the rate increases.			921
2 Guard Services: This includes Department of Homeland Security (DHS) Federal Protective Service charges, Justice Protective Service charges and other security services across the country. The requested increase of \$2,000 is required to meet these commitments.			2
3 Moves (Lease Expirations): GSA requires all agencies to pay relocation costs associated with lease expirations. This request provides for the costs associated with new office relocations caused by the expiration of leases in FY 2015.			2,747
Subtotal, Domestic Rent and Facilities	0	0	3,670
TOTAL DIRECT TECHNICAL and BASE ADJUSTMENTS	0	0	5,330

F. Crosswalk of 2013 Availability

Crosswalk of 2013 Availability

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Program Activity	2013 Appropriation Enacted w/o Balance Rescission ¹			Supplementals			Balance Rescission			Sequester			Reprogramming/Transfers			Carryover	Recoveries/ Refunds	2013 Actual		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Amount	Amount	Direct Pos.	Actual FTE	Amount
Audits, Inspections, Investigations and Reviews	474	419	85,985	0	0	0	0	0	-1,783	0	0	-4,236	0	0	664	203	0	474	419	80,833
Total Direct	474	419	85,985	0	0	0	0	0	-1,783	0	0	-4,236	0	0	664	203	0	474	419	80,833
Reimbursable FTE		21			0			0			0			0					21	
Total Direct and Reimb. FTE		440			0			0			0			0					440	
Grand Total, FTE		440			0			0			0			0					440	

Footnotes:

1) The 2013 Enacted appropriation includes the 2 across-the-board rescissions of 1.877% and 0.2%

Reprogramming/Transfers

The approved sequestration plan submitted to Congress on April 17, 2013 stated that up to \$664,000 could be transferred to the OIG from the Federal Prisoner Detention (FPD) appropriation. The full \$664,000 was transferred to OIG.

Carryover:

Carryover in the amount of \$200K for the American Recovery and Reinvestment Act (ARRA) of 2009 was available to the OIG for obligation until December 31, 2012.

Carryover in the amount of \$3K in our Global War on Terrorism No Year account (GWOT)

G. Crosswalk of 2014 Availability

Crosswalk of 2014 Availability
Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Program Activity	FY 2014 Enacted			Reprogramming/Transfers			Carryover	Recoveries/Refunds	2014 Availability		
	Direct Pos.	Estim. FTE	Amount	Direct Pos.	Estim. FTE	Amount	Amount	Amount	Direct Pos.	Estim. FTE	Amount
Audits, Inspections, Investigations and Reviews	474	419	86,400	0	0	0	0	0	474	419	86,400
Total Direct	474	419	86,400	0	0	0	0	0	474	419	86,400
Balance Rescission			0								0
Total Direct with Rescission			86,400								86,400
Reimbursable FTE		21			0		0			21	
Total Direct and Reimb. FTE		440			0		0			440	
Grand Total, FTE		440			0		0			440	

H. Summary of Reimbursable Resources

Summary of Reimbursable Resources

Office of the Inspector General
Salaries and Expenses
(Dollars in Thousands)

Collections by Source	2013 Actuals			2014 Planned			2015 Request			Increase/Decrease		
	Reimb. Pos.*	Reimb. FTE**	Amount	Reimb. Pos.*	Reimb. FTE**	Amount	Reimb. Pos.*	Reimb. FTE**	Amount	Reimb. Pos.*	Reimb. FTE**	Amount
Federal Bureau of Investigation	0	2	1,554	0	2	1,639	0	2	1,657	0	0	18
Offices, Boards, and Divisions	0	5	4,472	0	5	4,691	0	6	5,606	0	1	915
Asset Forfeiture Fund	0	2	1,080	0	2	1,100	0	2	1,107	0	0	7
Federal Bureau of Prisons	0	2	1,074	0	2	1,125	0	2	1,132	0	0	7
Federal Prison Industries	0	2	1,007	0	2	1,014	0	2	1,019	0	0	5
United States Marshals Service	0	2	1,173	0	2	1,129	0	0	0	0	-2	-1,129
Working Capital Fund (ITSS)	0	7	1,905	0	7	2,026	0	7	2,180	0	0	154
IG Criminal Investigator Academy	0	0	176	0	0	61	0	0	0	0	0	-61
Budgetary Resources	21	21	12,441	21	21	12,785	21	21	12,701	0	0	-84

*Reimbursable Positions are not able to be split by Collection Source.

**The columns will add to a different amount due to rounding.

I. Detail of Permanent Positions by Category

Detail of Permanent Positions by Category

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Category	2013 Enacted with Rescissions & Sequestration		2014 Enacted		2015 Request				
	Direct Pos.	Reimb. Pos.	Direct Pos.	Reimb. Pos.	ATBs	Program Increases	Program Offsets	Total Direct Pos.	Total Reimb. Pos.
Personnel Management (200-299)	7	0	7	0	0	0	0	7	0
Clerical and Office Services (300-399)	160	3	160	3	0	0	0	160	3
Accounting and Budget (500-599)	95	11	95	11	0	0	0	95	11
Attorneys (905)	30	0	30	0	0	0	0	30	0
Paralegals / Other Law (900-998)	5	0	5	0	0	0	0	5	0
Operation Research Analyst (1515)	2	0	2	0	0	0	0	2	0
Miscellaneous Inspectors Series (1802)	9	0	9	0	0	0	0	9	0
Criminal Investigative Series (1811)	139	0	139	0	0	0	0	139	0
Information Technology Mgmt (2210)	18	7	18	7	0	0	0	18	7
Security Specialists (080)	3	0	3	0	0	0	0	3	0
Miscellaneous Operations (010-099)	6	0	6	0	0	0	0	6	0
Total	474	21	474	21	0	0	0	474	21
Headquarters (Washington, D.C.)	228	21	228	21	0	0	0	228	21
U.S. Field	246	0	246	0	0	0	0	246	0
Total	474	21	474	21	0	0	0	474	21

J. Financial Analysis of Program Changes

Financial Analysis of Program Changes

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Object Class	OIG			
	Program Increase 1		Program Offsets	
	Direct Pos.	Amount	Direct Pos.	Amount
13.0 Benefits for former personnel		0		0
21.0 Travel and Transportation of Persons		0		-631
22.0 Transportation of Things		0		-158
23.1 Rental Payments to GSA		0		0
23.3 Communications, Utilities, and Miscellaneous Charges		0		-315
24.0 Printing and Reproduction		0		-158
25.1 Advisory and Assistance Services		0		-158
25.2 Other Services from Non-Federal Sources		0		-315
25.3 Other Goods and Services from Federal Sources		0		-315
25.5 Research and Development Contracts		0		-158
25.7 Operation and Maintenance of Equipment		0		-315
26.0 Supplies and Materials		0		-315
31.0 Equipment		0		-315
Total Program Change Requests	0	0	0	-3,153

K. Summary of Requirements by Object Class

Summary of Requirements by Object Class

Office of the Inspector General

Salaries and Expenses

(Dollars in Thousands)

Object Class	2013 Actual		2014 Availability		2015 Request		Increase/Decrease	
	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount
11.1 Full-Time Permanent	419	42,342	419	43,963	419	45,285	0	1,322
11.3 Other than Full-Time Permanent	0	1,442	0	847	0	994	0	147
11.5 Other Personnel Compensation	0	3,160	0	3,600	0	3,456	0	-144
<i>Overtime</i>	0	0	0	0	0	0	0	0
<i>Other Compensation</i>	0	0	0	0	0	0	0	0
11.8 Special Personal Services Payments	0	-3	0	0	0	0	0	0
Total	419	46,941	419	48,410	419	49,735	0	1,325
Other Object Classes								
12.0 Personnel Benefits		16,739		16,931		17,622		691
13.0 Benefits for former personnel		36		20		0		-20
21.0 Travel and Transportation of Persons		2,400		2,785		2,846		61
22.0 Transportation of Things		117		109		0		-109
23.1 Rental Payments to GSA		8,251		9,258		9,258		0
23.2 Rental Payments to Others		397		345		3,118		2,773
23.3 Communications, Utilities, and Miscellaneous Charges		1,248		1,417		1,405		-12
24.0 Printing and Reproduction		9		7		0		-7
25.1 Advisory and Assistance Services		826		1,342		1,101		-241
25.2 Other Services from Non-Federal Sources		1,542		1,665		1,766		101
25.3 Other Goods and Services from Federal Sources		1,608		1,976		1,211		-765
25.4 Operation and Maintenance of Facilities		18		43		25		-18
25.6 Medical Care		90		101		269		168
25.7 Operation and Maintenance of Equipment		254		288		0		-288
26.0 Supplies and Materials		113		345		0		-345
31.0 Equipment		63		540		221		-319
32.0 Land and Structures		50		800		0		-800
42.0 Insurance Claims and Indemnities		18		18		0		-18
Total Obligations		80,720		86,400		88,577		2,177
Subtract - Unobligated Balance, Start-of-Year		-203		0		0		0
Subtract - Transfers/Reprogramming		-664		0		0		0
Subtract - Recoveries/Refunds		0		0		0		0
Add - Unobligated End-of-Year, Available		0		0		0		0
Add - Unobligated End-of-Year, Expiring		110		0		0		0
Total Direct Requirements	419	79,963	419	86,400	419	88,577	0	2,177
Reimbursable FTE								
Full-Time Permanent	21		21		21		0	

L. Status of Congressionally Requested Studies, Reports, and Evaluations

Office of the Inspector General

Salaries and Expenses (Dollars in Thousands)

Status of Congressionally Requested Studies, Reports, and Evaluations

1. The Senate Report associated with the FY 2013 Consolidated Appropriations Act, page 5, directs the OIG to submit a report examining travel contractor costs to identify excessive expenditures and identify areas of savings, and to make this report publicly available. The OIG issued its report in September 2013.
2. The Consolidated Appropriation Act FY 2014, CJS Title V section 514, page 75, directs the OIG to conduct audits, pursuant to the Inspector General Act (5 U.S.C. App.), of grants or contracts for which funds are appropriated by this Act, and shall submit reports to Congress on the progress of such audits, which may include preliminary findings and a description of areas of particular interest. The OIG will issue its report 180 days after initiating such an audit and every 180 days thereafter until any such audit is completed.
3. The Consolidated Appropriation Act FY 2014, CJS Statement of Managers, Title II, page 18, directs the OIG to engage an independent entity to conduct an assessment of the operation and management of the Department's Civil Rights Division (CRT). The OIG will issue its report in January 2015.
4. The Department's OIG shall conduct audits and oversight of funds provided under the Comprehensive School Safety Initiative, page 98 of the Senate Report. The OIG shall also review concerns raised by the public about specific investments using funds made available in this program, and relay findings of their reviews to the Directors of the NIJ and COPS Office and the Committees on Appropriations. This is a new requirement that is ongoing and does not have a due date associated with it.

M. Additional Required Information for OIG Budget Submissions

The Inspector General Reform Act of 2008 (P.L. 110-409) requires that the Department of Justice OIG submit the following information related to its requested budget for Fiscal Year 2015:

- *the aggregate budget request for the operations of the OIG is \$88,577,000;

- *the portion of this amount needed for OIG training is \$580,000;

The Inspector General of the Department of Justice certifies that the amount requested for training satisfies all OIG training needs for FY 2015.



U.S. Department of Justice FY 2016 PERFORMANCE BUDGET

Office of the Inspector General Congressional Justification Submission



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Appendix A. OIG Statistical Highlights

I. Overview

1. Introduction

In FY 2016, the Office of the Inspector General (OIG) requests a total of \$93,709,000, 455 FTE, and 474 positions (of which 139 are Agents and 30 are Attorneys) to investigate allegations of fraud, waste, abuse, and misconduct by Department of Justice (Department) employees, contractors, and grantees and to promote economy and efficiency in Department operations. This request is an increase of \$5,132,000 (approximately 5.79%) over the FY 2015 enacted, and includes program increases for Contract Oversight of \$2,970,000, Council of Inspectors General on Integrity and Efficiency (CIGIE) Operations of \$580,000 and adjustments-to-base of \$1,582,000.

The OIG has identified seven challenges that represent the most pressing concerns for the Department. We will discuss a number of our work products as they relate to these challenges.

1. Addressing the Persisting Crisis in the Federal Prison System
2. Safeguarding National Security Consistent with Civil Rights and Liberties
3. Enhancing Cybersecurity in an Era of Ever-Increasing Threats
4. Effectively Implementing Performance-Based Management
5. Ensuring Effective and Efficient Oversight of Law Enforcement Programs
6. Upholding the Highest Standards of Integrity and Public Service
7. Protecting Taxpayer Funds from Mismanagement and Misuse

With these resources, the OIG will be able to sustain the number of quality audits, inspections, investigations, and special reviews it conducts to help assure Congress and the taxpayers that the substantial funding provided to support these Department priorities and infrastructure investments are used efficiently, effectively, and for their intended purposes.

Electronic copies of the Department of Justice Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>

2. Background

The OIG was statutorily established in the Department on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against Department of Justice employees, including the Federal Bureau of Investigation (FBI); Drug Enforcement Administration (DEA); Federal Bureau of Prisons (BOP); U.S. Marshals Service (USMS); Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); United States Attorney's Offices (USAO); Office of Justice Programs (OJP); and other Offices, Boards and Divisions. The one exception is that allegations of misconduct by a Department attorney or law enforcement personnel that relate to the exercise of the Department attorney's authority to investigate, litigate, or provide legal advice are the responsibility of the Department's Office of Professional Responsibility.

The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. Appendix A contains a table that provides statistics on the most recent Semiannual Reporting period. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department programs and operations.

OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.
- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office and the Cyber Investigations Office are located in Washington, D.C. The Investigations Division has smaller area offices in Atlanta, Boston, Trenton, Detroit, El Paso, Houston, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Operations II, Investigative Support, Research and Analysis, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.

- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, ethics, and legal matters; and responds to Freedom of Information Act requests.

3a. Notable Reviews and Recent Accomplishments

Addressing the Persisting Crisis in the Federal Prison System

The Department continues to face two interrelated crises in the federal prison system. First, despite a slight decrease in the total number of federal inmates in FY 2014, the Department projects that the costs of the federal prison system will continue to increase in the years ahead, consuming a large share of the Department's budget. Second, federal prisons remain significantly overcrowded and therefore face a number of important safety and security issues. The following are some examples of the OIG's oversight efforts in this critical challenge area.

During April 2014 thru September 2014, the OIG opened 115 investigations and referred 25 allegations to the Bureau of Prisons Office of Internal Affairs (BOP) for action or investigation. At the close of the reporting period, the OIG had 216 open cases of alleged misconduct against BOP employees. The criminal investigations covered a wide range of allegations, including official misconduct; and force, abuse, and rights violations.

BOP's Residential Reentry Center Contract with Glory House, Inc.

In July 2014, the OIG audited a BOP contract with Glory House, Inc., to operate and manage the Residential Reentry Center (RRC) located in Sioux Falls, South Dakota. The contract had an estimated award amount of \$9,416,880. The audit disclosed that the Sioux Falls RRC did not comply with all the criteria outlined in the contract statement of work (SOW) for RRC operations. Specifically, the Sioux Falls RRC did not always: (1) update the Individualized Program Plans in a timely manner or with the detail required by the SOW; (2) submit inmate release plans and terminal reports in a timely manner; and (3) conduct monthly inmate vehicle searches.

BOP financial administrator charged with making false statements

In June 2014, a BOP financial administrator was arrested pursuant to criminal information charging him with making a false statement. The information alleged that the BOP administrator submitted to the BOP a false Financial Disclosure Report stating he had no reportable outside employment position when in fact he knew he had a business relationship with a for-profit BOP contractor that distributed medical products. The investigation was conducted by the OIG's Dallas Field Office.

International Prisoner Transfer Program

The OIG is examining the progress the Department has made to more effectively manage the International Prisoner Transfer Program, which allows selected foreign national inmates to serve the remainders of their sentences in their home countries' prison systems. The review will also further evaluate factors that limit the number of inmates ultimately transferred.

Ongoing BOP Reviews

BOP Aging Inmates

The OIG is examining the impact of the BOP's aging inmate population on inmate and custody management, including programming, housing, and costs. The review will also assess the recidivism rate of inmates aged 50 and older that were released from FY 2006 through FY 2013.

BOP Contract with Reeves County Detention Center

The OIG is auditing a BOP contract awarded to the Reeves County Detention Center located in Pecos, Texas. The preliminary objective is to assess the BOP's and contractor's compliance with contract terms and conditions in the areas of billings and payments, staffing requirements, and contract oversight and monitoring. The scope of this audit is focused on but not limited to contract performance from October 1, 2008.

Private Contract Prisons

The OIG is examining how the BOP monitors its private contract prisons; whether contractor performance meets inmate safety and security indicators requirements; and how contract facilities compare with similar BOP facilities in terms of inmate safety, security, and cost.

Safeguarding National Security Consistent with Civil Rights and Liberties

The Department's national security efforts continue to be a focus of the OIG's oversight work, which has consistently shown that the Department faces myriad challenges in its efforts to protect the nation from attack.

Boston Marathon Bombings

In April 2014, The Inspectors General for the Intelligence Community, the Department of Justice, the Department of Homeland Security (DHS), and the Central Intelligence Agency (CIA) issued a report on the handling and sharing of information prior to the April 15, 2013, Boston Marathon bombings. The review examined the information available to the U.S. government before the bombings and the information sharing protocols and procedures followed among the intelligence and law enforcement agencies. The OIGs concluded that the Federal Bureau of Investigation (FBI), CIA, DHS, and National Counterterrorism Center generally shared information and followed procedures appropriately. They identified a few areas where broader information sharing may have been required, such as FBI coordination with the CIA after receiving lead information in 2011, or where broader information sharing on Joint Terrorism Task Forces (JTTF) should be considered. The report included recommendations that the FBI and DHS clarify JTTF alert procedures and that the FBI consider establishing a procedure for sharing threat information with state and local JTTF partners more proactively and uniformly.

A Review of the FBI's Use of National Security Letters: Assessment of Progress in Implementing Recommendations and Examination of Use in 2007 through 2009.

In August 2014, The OIG issued a report examining the FBI's progress in implementing recommendations from prior reports involving the use of national security letters (NSL) and the use of NSLs from 2007 through 2009. This report follows up on the OIG's March 2007 and March 2008 reports on the FBI's use of NSLs after the enactment of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (Patriot Act) in 2001, as well as the OIG's separate January 2010 report on the FBI's use of exigent letters and other informal methods to obtain telephone records. In sum, the OIG's latest report found that the FBI and the Department have devoted considerable resources toward implementing the recommendations made in the OIG's past reports and taking additional

measures to improve the FBI's compliance with NSL requirements. The OIG found that the FBI and the Department have fully implemented 31 of 41 recommendations made in the OIG's prior reports on these topics, and that 10 recommendations require additional information or attention. In addition, because the OIG identified challenges in certain areas during its compliance review, the OIG made 10 new recommendations to the FBI and the Department to further improve the use and oversight of NSLs. The FBI agreed with the recommendations.

Patriot Act

In September 2014, the OIG issued its most recent Patriot Act report, which summarized the OIG's Section 1001 activities from January 1 through June 30, 2014. The report described the number of complaints the OIG received under this section and the status of investigations conducted by the OIG and Department components in response to those complaints. Section 1001 of the Patriot Act directs the OIG to receive and review complaints of civil rights and civil liberties abuses by Department employees, to publicize how people can contact the OIG to file a complaint, and to send a semiannual report to Congress discussing the OIG's implementation of these responsibilities.

Use of Material Witness Warrants

In September 2014, the OIG issued a report examining the Department's use of the federal material witness statute in international terrorism investigations from 2000 through 2012. The OIG evaluated the cases of approximately 112 material witnesses detained during this period, from which the OIG identified 12 individuals whose arrests appeared to raise questions regarding whether the Department was misusing the statute. The OIG's in-depth review of the 12 individuals' cases did not find sufficient evidence to conclude that the Department misused the statute in international terrorism investigations. Specifically, the OIG review found no evidence that the Department's use of the statute in these 12 individuals' cases resulted in the arbitrary or indiscriminate detention of Muslim men, and it confirmed that the statute was used for its intended purpose—to secure relevant testimony from a witness who might flee—rather than as a pretext to preemptively detain and investigate individuals suspected of criminal offenses.

Enhancing Cybersecurity in an Era of Ever-Increasing Threats

In an era of ever-increasing cyber threats, the Department will be challenged to sustain a focused, well-coordinated cybersecurity approach for the foreseeable future. The Department must continue to emphasize protection of its own data and computer systems, while marshalling the necessary resources to combat cybercrime and effectively engaging the private sector. The OIG is prepared to address these cyber challenges.

Next Generation Cyber Initiative

The OIG is evaluating the FBI's implementation of its Next Generation Cyber Initiative, which is intended to enhance the FBI's ability to combat cyber intrusions. The audit will also assess whether the FBI has established outreach efforts to facilitate information sharing and collaboration with the private sector.

Insider Threat Prevention and Detection Program

The OIG has become part of the Department's Insider Threat Prevention and Detection Program (ITPDP), which is designed to deter, detect, and mitigate insider threats that would use their authorized access to do harm to the security of the U.S., including damage through espionage, terrorism, unauthorized disclosure of information, or through the loss or degradation of departmental resources or capabilities. The initial focus is Department classified information and networks; the plan is to expand to unclassified law enforcement sensitive information.

There are two parts to OIG's role in the DOJ ITPDP. One requires the OIG to work with the Department in its efforts to monitor user network activity relating to classified material and networks. The second part of the ITPDP involves the Investigations Division Cyber Investigations Office using a dedicated position that will act as a law enforcement liaison to the Department's security operations center relating to other cyber matters such as unauthorized access, network intrusion, child exploitation, and other potential violations of 18 USC 1030. The OIG intends to utilize this position to generate new cyber investigative leads and potential cases.

Effectively Implementing Performance-Based Management

Performance-based management has been a long-standing challenge not only for the Department but across the entire federal government. Office of Management and Budget (OMB) Circular No. A-11 and the Government Performance and Results Modernization Act (GPRA) place a heightened emphasis on priority-setting, cross-organizational collaboration to achieve shared goals, and the use and analysis of goals and measurements to improve outcomes. A significant management challenge for the Department is ensuring, through performance-based management, that its programs are achieving their intended purposes. The OIG will ensure that the Department is effectively implementing performance-based management and taking actions to meet the requirements of the GPRA Modernization Act.

Procurement of X-ray Equipment

In June 2014, the OIG issued an audit of the Bureau of Prisons September 2011 procurement of 65 pallet sized x-ray machines used to enhance its ability to detect contraband. The BOP purchased the x-ray machines in response to a thwarted attempt by an inmate to smuggle in contraband in August 2010. The OIG found significant concerns about the use of the pallet x-ray machines to assist with contraband detection, while trying to effectively identify contraband prior to moving goods into secure areas of the institutions. The audit confirmed that the machines were not effective for screening certain commodities commonly received by institution warehouses because those products are too dense to be effectively scanned. Additionally, prior to the audit, the BOP had no formal policy outlining the actual capabilities of the new x-ray machines and what additional measures should be in place for pallets that are too dense to be effectively scanned. The OIG identified three machines that were not in use as of January 2014, representing \$182,556 in expended funds for which no benefit has been actualized. The OIG made seven recommendations to the BOP to help ensure that the pallet x-ray machines are used effectively, and that the security concerns discussed in this report are mitigated as quickly as possible. The BOP agreed with the recommendations.

Public Safety Officers' Benefits Programs

Public Safety Officers' Benefits (PSOB) Programs provide education and death benefits to eligible survivors of federal, state, or local public safety officers, and disability benefits to eligible public safety officers, as the direct result of death or catastrophic personal injury sustained in the line of duty. The audit will assess the process used by the PSOB to make determinations for death and disability claims, paying particular attention to claims for which no initial determination had been made within 1 year of the claim's initiation.

Pre-Trial Diversion and Drug Court Programs

Pre-trial diversion and drug court programs are alternatives to incarceration that enable prosecutors, judges, and correctional officials to divert certain offenders from traditional criminal justice proceedings into programs designed to address the underlying cause for criminal behavior. This OIG audit will evaluate the design and implementation of the programs, variances

in the usage of the programs among the USAOs, and costs savings associated with successful program participants.

Ensuring Effective and Efficient Oversight of Law Enforcement Programs

The Department continues to be challenged in its oversight role of the vast variety of complex and evolving law enforcement issues. It is crucial that the Department ensure proper oversight of its programs while acting consistent with the protection of civil rights for American citizens.

FBI Laboratory Task Force

In July 2014, the OIG issued a follow-up report related to alleged irregularities by the FBI Laboratory. The OIG analyzed how a Department Task Force in operation from 1996 through 2004 managed the identification, review, and follow-up of cases involving the use in criminal prosecutions of scientifically unsupportable analysis and overstated testimony by 13 FBI Laboratory examiners. The OIG found serious deficiencies in the Department's and the FBI's design, implementation, and overall management of the case review process. The deficiencies included: (1) the Department did not treat capital cases with sufficient urgency; (2) the Department did not review all cases involving a problematic examiner; (3) the Department inappropriately eliminated multiple categories of cases from review; (4) the Department failed to ensure all disclosures were made; (5) the Department failed to adequately staff the Task Force that conducted the review; and (6) the Department was deficient in its communications with the prosecutors. The OIG made five recommendations to the Department and the FBI regarding additional review of cases and notification to defendants whose convictions may have been tainted by unreliable scientific analyses and testimony. The Department and FBI agreed with the recommendations.

The FBI's Sentinel Program

In September 2014, the OIG issued the 10th in its series of audit reports on Sentinel, the FBI's electronic information and case management system. Since Sentinel's initial development in 2006, the OIG issued to the FBI nearly 50 recommendations to help the FBI address significant issues in managing the development and implementation of Sentinel. Since its initial deployment in July 2012, Sentinel's budget has increased from \$451 million to \$551.4 million. Critical OIG recommendations resulted in FBI corrective actions, such as the FBI moving to an incremental approach to Sentinel development, tracking budget data consistently, implementing contingency planning, and ensuring adequate staffing for Sentinel support and end-user training. This OIG report examined Sentinel's effect on the FBI's daily operations, while also reviewing the project costs and updates made since July 2012. The FBI employees surveyed for this report indicated that Sentinel has had an overall positive impact on their work, yet some expressed dissatisfaction with two major functions of the system: search and indexing. The OIG found that only 42 percent of respondents who used Sentinel's search functionality often received the results they needed; 41 percent of survey respondents reported that they spent more time indexing in Sentinel than they did in the previous system. Over a third of the survey respondents also reported that Sentinel was missing features that they believed are critical to their duties, including features related to Sentinel's integration with other FBI IT systems. The FBI agreed with the OIG's three recommendations to address these findings.

Equitable Sharing Audits

Under the Department's Asset Forfeiture Program, state and local law enforcement agencies receive equitable sharing assets when participating directly with the Department's law enforcement components in joint investigations that lead to the seizure or forfeiture of cash and property. Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations.

The OIG audited \$14,437,545 in Department equitable sharing revenues received by the New York Police Department (NYPD) for equitable sharing program activities for July 1, 2008 through June 30, 2011. The OIG determined that the NYPD did not submit its Agreement and Certification Forms in a timely fashion, potentially inhibiting the Criminal Division Asset Forfeiture and Money Laundering Section's management and oversight. The audit also found that the equitable sharing database could not be updated when the NYPD received equitable sharing receipts because the requisite identification numbers were not always properly entered into the system. The OIG made two recommendations to the Criminal Division to assist in its oversight of the NYPD's equitable sharing program. Both the Criminal Division and the NYPD agreed with the recommendations.

The OIG audited \$1,393,971 in Department equitable sharing revenues received by the Arlington Heights Police Department (Arlington Heights PD) equitable sharing program activities for May 1, 2010, through April 30, 2012. While the OIG determined that the Arlington Heights PD expended equitable sharing funds in accordance with the guidelines, the Arlington Heights PD did not separately account for equitable sharing receipts in the official accounting records, incorrectly categorized several expenditures, inaccurately reported non-cash assets received, and did not separately account for interest income earned on Department equitable sharing funds. Further, it neither maintained copies of all equitable sharing requests, nor maintained the request log in the form required by the 2009 Equitable Sharing Guide. The OIG made four recommendations to the Criminal Division to assist in its oversight of the Arlington Heights PD's equitable sharing program.

Upholding the Highest Standards of Integrity and Public Service

Charged with enforcing the nation's laws and defending its interests, the Department's senior officials and employees are expected to uphold the highest standards of integrity. Meeting this expectation is a key component in fulfilling the Department's crucial role in public service.

Improper Hiring Practices

In November 2014, the OIG released a report examining allegations of improper hiring practices by senior officials in the DOJ Executive Office for Immigration Review (EOIR). The OIG's investigation focused on possible violations of the federal nepotism prohibition and other personnel rules arising from the hiring of four students who were relatives of the three most senior officials in the organization – EOIR Director, Chairman of the Board of Immigration Appeals, and a Chief Immigration Judge. We also found that the practice of hiring relatives of employees into Student Temporary Employment Program positions in EOIR generally was widespread, constituting 16% of hires into the program from 2007 through 2012.

Deputy U.S. Marshal charged with intent to defraud and mislead

In September 2014, a Deputy U.S. Marshal was arrested and pled guilty to criminal information filed in the U.S. District Court for the Northern District of California charging him with two counts of introduction and delivery in interstate commerce of unapproved drugs with intent to

defraud and mislead. According to the guilty plea, on or about November 2010 and July 2012, the U.S. Marshals Service (USMS) employee knowingly caused the manufacture and distribution in interstate commerce of two purported dietary supplements, Methastadrol and Lipodrene, both which contained drugs that were not approved by the Food and Drug Administration. Both products were knowingly labeled as dietary supplements but, in fact, could not be defined as dietary supplements. The active ingredient in Methastadrol was a Schedule III anabolic steroid, and the active ingredient in Lipodrene was the unapproved drug Ephedrine. This joint investigation was conducted by the OIG's New York Field Office, the DEA, and the Food and Drug Administration's Office of Criminal Investigations.

Conspiracy to defraud the Internal Revenue Service

In September 2014, a former FBI Special Agent and his spouse were arrested and pled guilty to a one count criminal information charging conspiracy to defraud the Internal Revenue Service (IRS). According to court filings and statements, the defendants conspired to divert monies from their jointly-owned pharmacy by using various financial institutions and, in addition, filed false tax returns for tax years 2004 through 2011. The former Special Agent also admitted to filing false financial disclosure statements with the FBI for the years 2007 through 2011. According to the criminal information to which the defendants entered their guilty pleas, the amount diverted totaled approximately \$1.5 million, and the total tax loss from the fraud was between \$200,000 and \$400,000. The employee resigned from his FBI position effective July 23, 2013, as a result of the investigation. Sentencing was scheduled for December 2014. The investigation was conducted by the OIG's New Jersey Area Office and the IRS.

Off-duty conduct of employees on official travel or assignment in foreign countries

The OIG will be examining the Department and five components' policies, guidance, and training governing the off-duty conduct of employees on official travel or assignment in foreign countries. The five components in the review are ATF, Criminal Division, DEA, FBI, and USMS.

BOP employee charged with submitting false documents

In July 2014, a BOP psychology technician was sentenced in the Northern District of Georgia pursuant to her guilty plea to one count of making a false official certificate or writing. The former BOP employee was sentenced to 12 months' probation and ordered to pay restitution of \$42,822.47. In pleading guilty, the employee admitted to submitting documents that falsely stated she was performing duties that met the requirements for a federal student loan repayment program, thereby fraudulently obtaining over \$40,000 in student loan repayments. The employee resigned from her position as a result of this investigation. The investigation was conducted by the U.S. Department of Health and Human Services and the OIG's Atlanta Area Office.

Protecting Taxpayer Funds from Mismanagement and Misuse

The OIG's recent oversight work assists the Department in its efforts to ensure that taxpayer funds are protected from fraud, mismanagement, and misuse. It is essential that the Department continue to manage its resources wisely and maximize the effectiveness of its programs even as the Department's current budget environment improves.

Annual Risk Assessment of Department Charge Card Program

In September 2014, the OIG issued a report assessing the risk of misuse of Department charge cards that identified specific issues relating to purchasing methods and recommended actions to reduce the risk of illegal, improper, or erroneous purchases and payments. The report covered four types of purchasing methods used by the Department: purchase cards (generally centrally

billed accounts used to buy items and services), travel cards (usually individually billed accounts used by employees to pay for costs associated with official travel), integrated cards (used only by ATF and combine the features of purchase and travel cards in a single account), and convenience checks (written from specially-designated purchase or integrated card accounts to pay for goods and services from vendors that do not accept charge cards).

In FY 2013, Department employees purchased a total of more than \$900 million in goods and services, representing 9,298 active purchase card accounts with over \$705 million in activity, 33,249 active travel card accounts with over \$194 million in activity, and 3,984 active integrated card accounts with over \$38 million in activity. In addition, 85 Department employees had the authority to use convenience checks and wrote 1,000 checks valued at more than \$513,000. Ninety-nine percent of these checks were issued by ATF and the FBI during FY 2013.

The report identified specific areas where the Department may need to take action. For example, the OIG found that 640 purchase, travel, and integrated card accounts recorded no charges for at least 180 days and therefore should be suspended or closed. In addition, the Department needs to ensure that charge card bills are reconciled properly and that card holders receive the required training regarding the use of their centrally billed accounts. Further, the OIG identified a limited number of instances where charge card accounts had not been closed after the employee had left the Department.

Although used much less frequently than other methods examined, the OIG determined that convenience checks present the highest risk of misuse. Out of 50 high-dollar convenience checks sampled, the OIG identified 6 (12 percent of the sample) valued at \$11,679 that should not have been written because the employee either wrote a check to a vendor that accepted charge cards, converted a check to cash, or did not document that they had secured the necessary prior approval to use a convenience check. The OIG made four recommendations to the Department and its components to improve internal controls and help reduce the risk of fraud, waste, and misuse in this area. The Department agreed with the recommendations.

Department of Justice FY 2013 Compliance with the *Improper Payments Information Act of 2002*

In April 2014, the OIG examined the Department's FY 2013 compliance with the improper payments reporting requirements of the *Improper Payments Information Act of 2002*, as amended. The examination assessed the Department's compliance with OMB Circular A-123, *Management's Responsibility for Internal Control*, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*, and OMB Circular A-136, *Financial Reporting Requirements*, as they relate to the *Improper Payments Information Act of 2002*, as amended. The OIG concluded that the Department complied, in all material respects, with the above mentioned requirements for FY 2013.

Office of Violence Against Women grantee audits

The OIG audited an OVW grant totaling \$1,750,000 awarded to the Crisis Center for Domestic Abuse and Sexual Assault (Crisis Center) in Fremont, Nebraska. The audit found that the Crisis Center did not comply with essential grant conditions in the areas of internal controls, grant expenditures, and grant reporting. Specifically, the Crisis Center did not maintain timesheets for grant-funded personnel that showed the amount of time worked on the grant or documentation supporting the data reported in its progress reports. The audit also identified grant expenditures that were not supported by adequate documentation detailing the allocation of costs across multiple funding sources. Overall, the audit identified \$174,521 in questioned costs. The audit made three recommendations to OVW to address dollar related findings and five

recommendations to improve the management of Department grants. Both the grantee and OVW agreed with the recommendations.

The OIG audited two grants totaling \$1,409,822 awarded to the Coalition to Stop Violence Against Native Women (CSVANW) to provide resources for organizing and supporting efforts to end violence against Indian women. The audit found that the CSVANW did not comply with essential award conditions in several areas including internal controls, drawdowns, grant expenditures, budget management and control, financial reporting, program performance and accomplishments, post grant end-date activity, and special grant requirements. Specifically, the CSVANW did not have current or complete fiscal policies, drew down excess cash for each of its 82 drawdowns, and had \$79,026 in unallowable and unsupported expenditures. Additionally, the CSVANW did not submit accurate budget narratives to OVW for approval, and did not consistently submit accurate or timely financial reports, including the final financial report submitted during closeout. The audit made 13 recommendations to OVW to remedy questioned costs and address the issues noted during the audit. OVW agreed with the recommendations.

BOP contractor agrees to civil settlement

In September 2014, Galligan Wholesale Meat Company, formerly a Denver-based contractor supplying meat to the BOP, agreed to pay \$80,000 in a civil settlement with the United States. Galligan had contracted with the BOP to provide ground beef products that met the BOP contractual specification of 80 percent lean meat and 20 percent fat but, instead, fraudulently provided the BOP with ground beef products that contained less than 80 percent lean meat and higher percentages of fat. Prior to the settlement, Galligan had voluntarily surrendered its federal inspection license to produce federally inspected products and closed the business. The investigation was conducted by the U.S. Department of Agriculture Food Safety Inspection Service, the Affirmative Civil Enforcement Unit of the U.S. Attorney's Office for the District of Colorado, and the OIG's Denver Field Office.

Whistleblower Ombudsperson

The OIG's Whistleblower program continues to be an important source of information regarding waste, fraud, and abuse within the Department, and to perform an important service by allowing Department employees to come forward with such information. As publicity about retaliation against whistleblowers from across the federal government continues to receive widespread attention, it is particularly important that the Department act affirmatively to ensure that whistleblowers feel protected and, indeed, encouraged to come forward.

During the past 6 months, the OIG Whistleblower Ombudsperson Program has continued to focus its efforts on expanding outreach and training throughout the Department. In April 2014, the Deputy Attorney General sent a memorandum to all Department employees encouraging them to view the educational video prepared by the OIG entitled, "Reporting Wrongdoing: Whistleblowers and their Rights and Protections," and the OIG is working with the Department's components to assist them in integrating whistleblower education within their training programs. The BOP has made viewing this video mandatory for all employees, and the DEA has posted links to the video and the Deputy Attorney General's memorandum on its intranet. The OIG also is partnering with the FBI in the development of specialized training that will highlight the particular requirements applicable to FBI employees.

The OIG Ombudsperson program also continued its outreach to non-governmental organizations active in the whistleblower area, including hosting representatives of these organizations at the

Council of the Inspectors General on Integrity and Efficiency (CIGIE) Whistleblower Ombudsman working group meetings that the OIG continued to chair during the reporting period for the purpose of sharing information and best practices. The OIG Ombudsperson also was invited to speak about these issues to the Council of Federal Ombudspersons, at the annual conference of Inspectors General organized by the CIGIE, and at the National Government Ethics Summit organized by the United States Office of Government Ethics.

As a result of newly-developed tracking mechanisms within the OIG, the OIG Ombudsperson Program has enhanced its ability to ensure that these important matters are handled in a timely fashion. The OIG continuously enhances the content on its public website, www.justice.gov/oig.

The OIG has continued to refine its internal mechanisms to ensure that the OIG is promptly reviewing whistleblower submissions and communicating with those who come forward with information in a timely fashion. Finally, the OIG has committed to ensuring that appropriate language reflecting whistleblower rights and protections is included in its non-disclosure agreements to further ensure that employees are fully aware that the OIG strongly encourages them to come forward with evidence of wrongdoing and that the OIG will work to ensure that their rights and protections are fully observed.

Congressional Testimony

The Inspector General testified on four occasions, including before the U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies on April 3, 2014, regarding the Department's FY 2015 budget request; before the U.S. Senate Committee on Homeland Security and Governmental Affairs on April 30, 2014, regarding the U.S. government's handling and sharing of information prior to the Boston Marathon Bombings; before the U.S. House of Representatives Committee on the Judiciary on September 9, 2014, regarding the OIG's access to information in the Department's possession; and before the U.S. House of Representatives Committee on Oversight and Government Reform on September 10, 2014, regarding Inspectors' General access to information in their respective agency's possession.

3b. Support for the Department's Savings and Efficiencies Initiatives.

In support of the DOJ's SAVE initiatives, the OIG contributed to the Department's cost-saving efforts in FY 2014, including:

- *Increasing the use of self-service online booking for official travel.* The OIG's online booking rate for FY 2014 official travel was 91%, for estimated savings of \$19,845 over agent-assisted ticketing costs.
- *Reducing commercial carrier shipping costs.* In FY 2014, the OIG reduced its overnight commercial shipping costs by 15% compared to FY 2013 expenditures, saving more than \$5,000.
- *Using non-refundable airfares rather than contract airfares or non-contract refundable fares (under appropriate circumstances).* From February through September 2014, the OIG achieved cost savings of \$7,572 on non-refundable tickets.
- *Increased use of video conferencing.* Saved training and travel dollars, as well as productive staff time while in travel status, by utilizing increased video teleconferencing for all applicable OIG-wide training.

Getting the most from taxpayer dollars requires ongoing attention and effort. The OIG continues to look for ways to use its precious resources wisely and to examine how it does business to further improve efficiencies and reduce costs.

4. Challenges

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affects the number of allegations the OIG receives, Department support for the OIG's mission, and financial support from the OMB and Congress.

For the OIG to conduct effective oversight, it must have complete and timely access to all records in the Department's possession that the OIG deems relevant to its review. Most of the OIG's audits and reviews are conducted with full and complete cooperation from Department components and with timely production of material. However, there have been occasions when the OIG has had issues arise with timely access to certain records due to the Department's view that access was limited by other laws. For a review to be truly independent, an Inspector General must have the authority to determination about what agency records are relevant and necessary. The recent legislative changes in the 2015 Appropriations Act are expected to result in more timely production of all relevant materials from the Department to the OIG.

The limitation on the OIG's jurisdiction has also been an ongoing impediment to strong and effective independent oversight over agency operations. While the OIG has jurisdiction to review alleged misconduct by non-lawyers in the Department, it does not have jurisdiction over alleged misconduct committed by Department attorneys when they act in their capacity as lawyers – namely, when they are litigating, investigating, or providing legal advice. In those instances, the Inspector General Act grants exclusive investigative authority to the Department's Office of Professional Responsibility (OPR). As a result, these types of misconduct allegations against Department lawyers, including any that may be made against the most senior Department lawyers (including those in Departmental leadership positions), are handled differently than those made against agents or other Department employees. The OIG has long questioned this distinction between the treatment of misconduct by attorneys acting in their legal capacity and misconduct by others, and this disciplinary system cannot help but have a detrimental effect on the public's confidence in the Department's ability to review misconduct by its own attorneys.

The OIG's greatest asset is its highly dedicated personnel, so strategic management of human capital is paramount to achieving organizational performance goals. In this regard, the OIG must use all available recruitment tools and hiring flexibilities in a competitive job market to attract – and keep – top talent. Hiring up to its full staffing complement, then maintaining an optimal, committed, and engaged workforce is critical to the OIG's overall performance and ability to achieve desired results. The OIG's focus on ensuring that its employees have the appropriate analytical and technological skills for the OIG's complex mission will continue to bolster its reputation as a premier federal workplace and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly impacted by the number of experienced personnel the OIG can devote to these critical oversight activities.

II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
Contract Oversight	Enhancement of contract oversight	0	15	2,970	25
Council of Inspectors General on Integrity and Efficiency (CIGIE) Operations	The OIG is requesting funding for its annual share of supporting the government efforts and operations of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).	0	0	580	29

III. Appropriations Language and Analysis of Appropriations Language

For necessary expenses of the Office of Inspector General, [\$88,577,000] \$93,709,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

Analysis of Appropriations Language

No substantive changes

IV. Program Activity Justification

A. Office of the Inspector General

OIG	Direct Pos.	Estimate	Amount
2014 Enacted	474	440	\$86,400,000
2015 Enacted	474	440	\$88,577,000
Adjustment to base and Technical Adjustments	0	0	\$1,582,000
2016 Current Services	474	440	\$90,159,000
2016 Program Increases	0	15	\$3,550,000
2016 Request	474	455	\$93,709,000
Total Change 2015-2016	0	15	\$5,132,000

1. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

2. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE (Goal 1)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2016		FY 2016 Request	
		FY 2014		FY 2014		FY 2015		Program Changes			
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		440	\$86,400	440	\$86,400	440	\$88,577	15	\$5,132	455	\$93,709
			[\$12,650]		[\$12,650]		[\$11,360]		[\$50]		[\$11,410]
Performance Report and Performance Plan											
Number of Cases Opened per 1,000 DOJ employees:											
	Fraud*		*		0.67		*				
	Bribery*		*		0.15		*				
	Rights Violations*		*		0.19		*				
	Sexual Crimes*		*		0.43		*				
	Official Misconduct*		*		1.34		*				
	Theft*		*		0.10		*				
Workload											
	Investigations closed		264		402		310		0		310
	Integrity Briefings/Presentations										
	to DOJ employees		80		91		80		0		80
	DOJ employees at Integrity Briefings		3,080		4,732		3,500		0		3,500
*Indicators for which the OIG only reports actuals.											

PERFORMANCE AND RESOURCES TABLE (Goal 1) (continued)											
Decision Unit:		OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
								Current Services			
								Adjustment and FY 2016		FY 2016 Request	
								Program Changes			
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		440	\$86,400	440	\$86,400	440	\$88,577	15	\$5,132	455	\$93,709
			[\$12,650]		[\$12,650]		[\$11,360]		[\$50]		[\$11,410]
Performance Report and Performance Plan											
Intermediate Outcome											
Percentage of Investigations closed or referred for prosecution within 6 months **			75%		71%		75%		0%		75%
Number of closed Investigations substantiated*			*		243		*		*		*
Arrests *			*		84		*		*		*
End Outcome											
Convictions *			*		88		*		*		*
Administrative Actions *			*		219		*		*		*
Response to Customer Surveys:											
Report completed in a timely manner (%)			90%		95%		90%		0%		90%
Issues were sufficiently addressed (%)			90%		99%		90%		0%		90%
*Indicators for which the OIG only reports actuals.											
**Due to the composition and complexity of our cases in recent years, this has required more than 6 months in completing our caseload. Our caseload was approximately 70% BOP cases and those cases tended to be less complex and document-intensive, which lent itself to more timely resolution of these cases. Since then, we have been working to diversify our caseload by focusing more on developing cases in the other components and on developing contract and grant fraud cases, which are traditionally more complex and document-intensive and hence require more than 6 months to complete.											

PERFORMANCE AND RESOURCES TABLE (Goal 1)									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
The OIG does not project targets and only reports actuals for workload measures, the number of closed investigations substantiated, arrests, convictions, and administrative actions. The number of convictions and administrative actions are not subsets of the number of closed investigations substantiated.									
B. Data Sources, Validation, Verification, and Limitations:									
Investigations Data Management System (IDMS) – consists of a computer-based relational database system that became operational in June 2005.									
The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up in 3 hour intervals. We have upgraded to a web based technology.									
Investigations Division Report of Investigation (ROI) Tracking System - a web-based SQL-Server application that tracks all aspects of the ROI lifecycle. The ROI and Abbreviated Report of Investigation (AROI) are the culmination of OIG investigations and are submitted to DOJ components. These reports are typically drafted by an agent and go through reviews at the Field Office and at Headquarters levels before final approval by Headquarters. The ROI Tracking System reads data from IDMS. By providing up-to-the-minute ROI status information, the Tracking System is a key tool in improving the timeliness of the Division's reports. The ROI Tracking System also documents the administration of customer satisfaction questionnaires sent with each completed investigative report to components and includes all historical data. The system captures descriptive information as well as questionnaire responses. Descriptive information includes the questionnaire form administered, distribution and receipt dates, and component and responding official. The database records responses to several open-ended questions seeking more information on deficiencies noted by respondents and whether a case was referred for administrative action and its outcome. Questionnaire responses are returned to Investigations Headquarters and are manually entered into the Tracking System by Headquarters personnel. No data validation tools, such as double key entry, are used though responses are entered through a custom form in an effort to ease input and reduce errors.									
Investigations Division Investigative Activity Report – Most of the data for this report is collected in IDMS. The use of certain investigative techniques and integrity briefing activities are also tracked externally by appropriate Headquarters staff.									
C. FY 2015 Performance Report:									
For the workload measure "Investigations Closed," the OIG has plans to focus on more complex and document-intensive cases (e.g., grant and contract fraud) that require more in-depth financial and forensic analysis. The OIG is also diversifying its caseload to extend more investigative coverage to other Department components.									

PERFORMANCE MEASURE TABLE (Goal 1)							
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews							
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.							
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.							
Performance Report	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Workload	Actuals	Actuals	Actuals	Actuals	Actuals	Target	Target
Number of Cases Opened per 1,000 DOJ employees:							
Fraud*	0.50	0.58	0.51	0.63	0.67	*	*
Bribery*	0.24	0.21	0.20	0.16	0.15	*	*
Rights Violations*	0.11	0.10	0.13	0.17	0.19	*	*
Sexual Crimes*	0.29	0.40	0.37	0.35	0.43	*	*
Official Misconduct*	1.05	1.00	1.28	1.48	1.34	*	*
Theft*	0.17	0.22	0.22	0.22	0.1	*	*
Investigations closed	300	356	361	366	402	310	310
Integrity Briefings and Presentations to DOJ employees	91	89	134	85	91	80	80
DOJ employees attending Integrity Briefings	4,527	3,551	7,200	3,710	4,732	3500	3500
Intermediate Outcome							
Percentage of Investigations closed or referred for prosecution within 6 months**	N/A	N/A	71	72	71	75	75
Number of closed Investigations substantiated (QSR Measure)*	180	223	215	222	243	*	*
Arrests*	114	113	90	86	84	*	*
End Outcome							
Convictions*	105	104	94	63	88	*	*
Administrative Actions	207	198	192	266	219	*	*
Response to Customer Surveys:							
Report completed in a timely manner (%)	100%	100%	100%	100%	95%	90%	90%
Issues were sufficiently addressed (%)	100%	100%	100%	99%	99%	90%	90%

* Indicators for which the OIG only reports actuals.

**Due to the composition and complexity of our cases in recent years, this has required more than 6 months in completing our caseload. Our caseload was approximately 70% BOP cases and those cases tended to be less complex and document-intensive, which lent itself to more timely resolution of these cases. Since then, we have been working to diversify our caseload by focusing more on developing cases in the other components and on developing contract and grant fraud cases, which are traditionally more complex and document-intensive and hence require more than 6 months to complete.

PERFORMANCE AND RESOURCES TABLE (Goal 2)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
WORKLOAD/RESOURCES	Target		Actual		Projected		Changes		Requested (Total)	
							Current Services			
	FY 2014		FY 2014		FY 2015		Adjustment and FY 2016 Program Changes		FY 2016 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(Reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total.)	440	\$86,400	440	\$86,400	440	\$88,577	15	\$5,132	455	\$93,709
		[\$12,650]		[\$12,650]		[\$11,360]		[\$50]		[\$11,410]
Performance Report and Performance Plan										
Workload										
Audit and E&I assignments initiated		89		94		92				92
Percent of Audit CSITAO* resources devoted to security reviews of major Dept. information systems		75%		98%		80%				80%
Percent of internal DOJ audit assignments that assess component performance measures		18%		47%		18%				18%
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges		45%		89%		70%				70%
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas		80%		96%		80%				80%
Intermediate Outcome										
Audit and E&I assignments completed		84		104		87				87
*Computer Security & Information Tecchnology Audit Office										

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
WORKLOAD/RESOURCES	Target		Actual		Projected		Changes		Requested (Total)	
							Current Services			
	FY 2014		FY 2014		FY 2015		Adjustment and FY 2016 Program Changes		FY 2016 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	440	\$86,400	440	\$86,400	440	\$88,577	15	\$5,132	455	\$93,709
		[\$12,650]		[\$12,650]		[\$11,360]		[\$50]		[\$11,410]
Performance Report and Performance Plan										
Intermediate Outcome										
Percent of Audit resources devoted to reviews of grants and grant management		40%		54%		50%				50%
Percent of Audit resources devoted to reviews of contracts and contract management #		NA		NA		NA		10%		10%
Components receiving information system audits		5		9		5				5
Products issued to the Dept. containing significant findings or information for management decision-making by Audit & E&I		77		88		80				80
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months		35%		100%		35%				35%
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months##		35%		0%		35%				35%
Percent of contract, grant, IGA, and other external audits to be completed in draft within 8 months		50%		51%		50%				50%
Percent of less complex internal DOJ audits to be completed as a working draft within 8 months		35%		50%		40%				40%
Percent of more complex internal DOJ audits to be completed as a working draft within 13 months		35%		63%		45%				45%
# This is a new performance measure.										
## This target was not achieved at 11 months as the average was over 12 months. The missed target was due to insufficient internal staffing and difficulty in obtaining data from components										

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)									
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
"Assignment" covers all audits (including internals, CFO Act, and externals, but not Single Audits), evaluations, and inspections. "Assignments" may also include activities that do not result in a report or product (e.g., a memorandum to file rather than a report); or reviews initiated and then cancelled.									
B. Data Sources, Validation, Verification, and Limitations:									
Project Resolution and Tracking (PRT) system- PRT was implemented on April 18, 2011; this OIG system was									
designed to track audits, evaluations, and reviews from initiation to completion, including the status of recommendations. The system provides senior management with the data to respond to information									
and to track and report on current status of work activities.									
and Inspection Tracking System (ITS).									
C. FY 2015 Performance Report: N/A									

PERFORMANCE MEASURE TABLE (Goal 2)							
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews							
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.							
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.							
Performance Report	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Workload	Actuals	Actuals	Actuals	Actuals	Actuals	Target	Target
Audit and E&I assignments initiated	142	124	116	103	94	92	92
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems	82%	92%	97%	75%	98%	80%	80%
Percent of internal DOJ audit assignments that assess component performance measures	20%	20%	42%	40%	47%	18%	18%
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges.* [Refined Measure]	NA	NA	NA	NA	89%	70%	70%
Percent of direct resources devoted to E&I products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas.	89%	86%	93%	81%	NA	NA	NA
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas.	89%	86%	93%	96%	96%	80%	80%
Intermediate Outcome							
Audit and E&I Assignments completed*	128	99	109	117	104	87	87
Percent of Audit resources devoted to reviews of grants and grant management	49%	39%	42%	40%	54%	50%	50%
Percent of Audit resources devoted to reviews of contracts and contract management #	NA	NA	NA	NA	NA	NA	10%
Components receiving information system audits	7	8	11	6	9	5	5
Products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I	107	99	187	98	88	80	80
Products issued to Congress by Audit and E&I*	49	91	94	98	NA	NA	NA
Percent of E&I assignments completed within 7 months*	40%	25%	NA	25%	NA	NA	NA
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months. [Refined Measure]##	NA	NA	NA	NA	100%	35%	35%
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months. [Refined Measure]	NA	NA	NA	NA	0%	35%	35%
Percent of contract, grant, IGA, and other external audits to be completed in draft within 5 months*	64%	54%	34%	22%	NA	NA	NA
Percent of contract, grant, IGA, and other external audits to be completed in draft within 8 months [Refined Measure]	NA	NA	NA	49%	51%	50%	50%
Percent of less complex internal DOJ audits to be completed as a working draft within 8 months. [New Measure]	NA	NA	NA	NA	50%	40%	40%
Percent of internal DOJ audits to be completed in draft within 1 year*	NA	NA	NA	40%	NA	NA	NA
Percent of more complex internal DOJ audits to be completed as a working draft within 13 months [New Measure]	NA	NA	NA	NA	63%	45%	45%
*This measure will no longer be used. It may or may not be replaced by a refined measure. measures are based on sequestration, subsequent budgetary cuts, and reduced staffing levels.							
#This is a new performance measure							
## This target was not achieved at 11 months but rather the average was 12.8 months. The missed target was attributable to unplanned events related to difficulty obtaining data from components and staffing challenges.							

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Tables, the OIG helps the Department achieve its strategic goals and promotes efficiency, integrity, economy, and effectiveness through conduct of its audits, inspections, investigations, and reviews. For the Department's programs and activities to be effective, Department personnel, contractors, and grantees must conduct themselves in accordance with the highest standards of integrity, accountability, and efficiency. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities.

The OIG continues to review its performance measures and targets, especially in light of the changing nature of the cases it investigates and the Department programs it audits and reviews. Today's work is much more complex and expansive than it was only a few years ago. The number of documents to be reviewed, the number of people to interview, the amount of data to examine, and the analytical work involved in many OIG products are significantly greater than in prior years. The OIG ensures sufficient time and resources are devoted to produce high-quality, well-respected work.

b. Strategies to Accomplish Outcomes

The OIG will devote all resources necessary to investigate allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees, and will develop cases for criminal prosecution and civil and administrative action. The OIG will use its audit, inspection, and attorney resources to review Department programs or activities identified as high-priority areas in the Department's Strategic Plan and devote resources to review the Department's Top Management and Performance Challenges.

V. Program Increases by Item

A. Item Name:	Enhanced Contract Oversight
Strategic Goal:	2.6 Protect the federal fisc and defend the interests of the United States
Strategic Objective:	Supporting the Mission: Efficiency and Integrity in the Department of Justice
Budget Decision Unit:	Audits, Inspections, Investigations, and Reviews
Organizational Program:	OIG
Program Increase:	Positions <u>0</u> FTE <u>15</u> Dollars <u>\$2,970,000</u>

Description of Item

The OIG is requesting a Program Increase of \$2,970,000 for the enhancement of contract oversight. Our request is comprised of 15 FTE (0 positions) which includes 10 auditors and 5 agents to be located in selected Audit and Investigations field offices nation-wide.

Justification

Anytime taxpayer funds are distributed to third parties, such as grantees and contractors, there is an increased risk of mismanagement and misuse. Throughout the federal government, procurement has historically been prone to fraud and waste. Improving management in this area, while minimizing loss, continues to be a daunting challenge. Contract spending at the Department of Justice (DOJ or Department) for each of the past five years has been approximately \$7 billion, according to USASpending.gov, which represents over 25 percent of DOJ's discretionary budget. This program increase will allow the OIG to expand oversight to this high-risk area. For instance, DOJ reported \$15.4 million in improper commercial payments in FY 2013. The requested program increase will allow the OIG to audit higher risk contract expenditures, investigate allegations of waste and fraud for possible criminal or civil violations, evaluate the Department's development and implementation of prudent procurement policies and procedures, assess compliance with Department procurement policies and the Federal Acquisition Regulations (FAR), and review the Department's suspension and debarment activities .

OIG intends to model the enhanced contract oversight program similar to the grant oversight program, which has seen much success and positive results from both audits and investigations. For example, over the prior 5 fiscal years (FY 2010 to FY 2014), the Department has awarded approximately \$13 billion in grants. During this same time period, the OIG issued more than 200 grant-related audit reports containing about 1,000 recommendations and nearly \$100 million of "dollar-related" findings, which have included both questioned costs and funds that could have been put to better use. In addition, from FY 2009 to FY 2013, the OIG opened 109 grant-related investigations that resulted in 12 convictions, and more than \$1.6 million in recoveries. Most recently, OIG reported in its Semiannual Report to Congress (covering the six month period from April 1, 2014 – September 30, 2014) approximately \$13.4 million in questioned

costs, \$8.0 million in unsupported costs, and \$0.7 million in funds put to better use related to grant funding.

The OIG can recruit and hire individuals that have the requisite contract expertise in the Federal Acquisition Regulation and experience in contract auditing and fraud investigations. The ten auditors will be dispersed across the Audit Division's regional audit offices, giving the offices the necessary skills and ability to enhance contract oversight. The five investigators will be assigned to the OIG Investigations Division Fraud Detection Office (FDO). With the requested increase, the OIG will be able to expand our contract oversight without sacrificing our cost effective grant and program activity oversight. Currently, FDO is comprised of ten agents, one forensic auditor, and one investigative specialist. FDO agents and auditors possess significant contract and grant fraud experience.

The OIG Investigations Division established the FDO to provide centralized detection and investigation services to the Department components for contracts, grants, programs, and operations. In addition, the FDO assists other OIG offices by providing investigative and forensic audit support to fraud investigations undertaken by them. The FDO has nationwide responsibility for the management of the fraud program.

In the past, the FDO has successfully developed a grant fraud initiative that includes outreach to grant giving components on a quarterly basis, liaison with State Administering Agencies receiving grant funds, provision of training to agents related to grant fraud, nationwide grant fraud investigations, and collaboration with the Audit Division on fraud indicators. The OIG is a leader in the grant fraud community. OIG representatives speak at nationwide conferences, as well as in the IG community to further grant fraud investigations. As a participant in the Financial Fraud Enforcement Task Force, specifically leading the Grant Fraud Subcommittee, OIG has worked with the IG community to improve internal controls over and transparency of grant funds. The OIG was an active participant with the Council on Financial Assistance Reform (COFAR) to make recommendations for improvements to the OMB Circular reforming the federal grant process (December 2013).

As mentioned above, the Department spent approximately \$7 billion in contracts for FY 2014. BOP is the largest component awarding funds with \$2.2 billion in contracts; followed by the FBI with \$1.5 billion; and Offices, Boards, and Divisions with \$1.4 billion. Given the FDO's present staffing levels, the OIG was only able to investigate a small portion of the billions of dollars spent in procurements each year.

Providing the OIG with the requested additional resources for contract oversight will greatly assist with the formalization of a robust contract fraud initiative, while allowing OIG to continue its significant grant fraud efforts. Currently, the OIG maintains a contract fraud program which consists of outreach, liaison, training, and investigations. However, the OIG believes that this program can be made more robust with additional agents. The ten auditors and five additional agents with contract fraud experience would enable OIG to focus its contract fraud initiatives in the areas such as Information Technology contracts, medical billing for inmates and detainees, drug treatment counseling, and small business certifications.

Funding this important program increase will further support the OIG's ongoing efforts to rebuild staff and oversight capabilities back to pre-sequestration levels. Furthermore, the program increase request is consistent with Department leadership interest in the OIG providing increased oversight of potential waste, fraud, and abuse in contract matters. The OIG takes very seriously its commitment to taxpayers, Congress, and other stakeholders to continue providing quality reports and results. The OIG believes that this request will significantly enhance its ability to provide the high level of quality work that stakeholders expect.

Impact on Performance

Additional resources would allow the OIG to provide more rigorous oversight of the Department's contract activities. At current staffing levels, agents divide their time between grant fraud and contract fraud matters. However, contract oversight and fraud investigations require specialized knowledge and expertise. The OIG continuously reassesses our efforts to ensure the proper amount of oversight is attributed commensurate with the level of assessed risk. As grant funding continues to be an area in need of critical oversight (DOJ reported \$9.7 million in improper grant expenditures in FY 2014), it would be imprudent to redirect existing OIG resources from grant oversight to another program area and run the risk of diminished coverage in this equally important and high-profile program area.

All personnel requests are in direct support of the Department's Strategic Goals and Objectives. The OIG is a key player in meeting the Department's Strategic Goals and Objectives by providing leadership in integrity, efficiency and effectiveness, and management excellence. We propose adding a performance measure:

Strategic Objectives 2.6: Protect the federal fisc and defend the interests of the United States.

General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.

Intermediate Outcome goal: Percent of Audit resources devoted to reviews of contracts and contract management. Our target level for this new performance measure is 10 percent.

Funding

Base Funding

FY 2014 Enacted				FY 2015 Enacted				FY 2016 Current Services			
Pos	agt/ atty	FTE	\$(000)	Pos	agt/ atty	FTE	\$(000)	Pos	agt/ atty	FTE	\$(000)
0	0/0	0	0	0	0/0	0	0	0	0/0	0	0

Personnel Increase Cost Summary

Type of Position/Series	Modular Cost per Position (\$000)	Number of Positions Requested (FTE's)	FY 2016 Request (\$000)	FY 2017 Net Annualization (change from 2016) (\$000)	FY 2018 Net Annualization (change from 2017) (\$000)
Accounting and Budget (0500-0599)	175	10	1,750	779	0
Criminal Investigative Series (1811)	244	5	1,220	500	0
Total Personnel	-	15	2,970	1,279	0

Total Request for this Item

	Pos	Agt/ Atty	FTE	Personnel (\$000)	Non- Personnel (\$000)	Total (\$000)	FY 2017 Net Annualization (change from 2016) (\$000)	FY 2018 Net Annualization (change from 2017) (\$000)
Current Services	0	0	0	0	0	0	0	0
Increases	0	0	15	2,202	768	2,970	1,279	0
Total	0	0	15	2,202	768	2,970	1,279	0

V. Program Increases by Item

B. Item Name: Funding for Council of Inspectors General on Integrity and Efficiency (CIGIE)

Budget Decision Unit(s): Audits, Inspections, Investigations, and Reviews
 Strategic Goal(s) & Objective(s): Supporting the Mission: Efficiency and Integrity In the Department of Justice
 Organizational Program: OIG

Program Increase: Positions +0 Agt/Atty +0/+0 FTE +0 Dollars +\$580,000

Description of Item

The OIG is requesting \$580,000 to fund its support of the government-wide efforts of the Council of Inspectors General on Integrity and Efficiency (CIGIE).

Justification

This funding will support the coordinated government-wide activities that identify and review areas of weakness and vulnerability in federal programs and operations with respect to fraud, waste, and abuse.

Funding (Dollars in Thousands)

Base Funding

FY 2014 Enacted				FY 2015 Enacted				FY 2016 Current Services			
Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0
0	0/0	0	\$468	0	0/0	0	\$468	0	0/0	0	\$468

Personnel Increase cost Summary

Type of Position	Modular cost per Position (\$000)	Number of Positions Requested	FY 2016 Requested (\$000)	FY 2017 Net Annualization (change from 2016) (\$000)	FY 2018 Net Annualization (change from 2017) (\$000)
	\$0	0	\$0	\$0	\$0
Total Personnel	\$0	0	\$0	\$0	\$0

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2016 Request (\$000)	FY 2017 Net Annualization (change from 2016) (\$000)	FY 2018 Net Annualization (change from 2017) (\$000)
Funding for Council of Inspectors General on Integrity and Efficiency (CIGIE)	1	1	\$580	\$0	\$0
Total Non-Personnel	1	1	\$580	\$0	\$0

Total Request for this item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2017 Net Annualization (Change from 2016) (\$000)	FY 2018 Net Annualization (Change from 2017) (\$000)
Current Services	0	0/0	0	\$0	\$468	\$468	\$0	\$0
Increases	0	0/0	0	\$0	\$580	\$580	\$0	\$0
Grand Total	0	0/0	0	\$0	\$1,048	\$1,048	\$0	\$0

APPENDIX A

Statistical Highlights

April 1, 2014 – September 30, 2014

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

Source of Allegations	
Hotline (telephone, mail, and e-mail)	2,438
Other Sources	3,669
Total allegations received	6,107
Investigative Caseload	
Investigations opened this period	206
Investigations closed this period	218
Investigations in progress as of 9/30/14	445
Prosecutive Actions	
Criminal indictments/informations	48
Arrests	52
Convictions/Pleas	50
Administrative Actions	
Terminations	19
Resignations	55
Disciplinary action	56
Monetary Results	
Fines/Restitutions/Recoveries/Assessments/Forfeitures	\$4,581,477
Civil Fines/Restitutions/Recoveries/Penalties/Damages/Forfeitures	\$205,000



U.S. Department of Justice FY 2017 PERFORMANCE BUDGET

Office of the Inspector General Congressional Justification Submission



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I. Overview

A. Introduction

In Fiscal Year (FY) 2017, the Office of the Inspector General (OIG) requests a total of \$97,814,000, 461 FTE, and 480 positions (of which 139 are Agents and 35 are Attorneys) to investigate allegations of fraud, waste, abuse, and misconduct by Department of Justice (Department) employees, contractors, and grantees and to promote economy and efficiency in Department operations. This request is an increase of \$4,105,000 which is 4.4% over the FY 2016 President's Budget, and includes program increases of 6 POS, 6 FTE, and \$1,202,000 for Whistleblower Protection; Information Technology (IT) and Telecommunication upgrades, including investment in Data Analytics infrastructure, of \$940,000; and adjustments-to-base of \$1,963,000.

The OIG is committed to protecting taxpayer dollars from misuse, waste, fraud and abuse, and we intend to honor that commitment, even in this uncertain fiscal climate. The OIG has continually made every effort to make smart and strategic investments, and consistently delivered performance that is effective and efficient.

Keeping in line with the Department's priorities and ensuring the Department is spending wisely, the OIG will focus its audits, inspections, investigations, and special reviews on personnel and programs related to Detention and Incarceration, National Security, Cybercrime, Public Corruption, IT Security, and Mission Critical Infrastructure, and continue to promote savings and efficiencies wherever possible. We will discuss in this request some of our planned initiatives and recent accomplishments in these priority areas. We will also provide further explanation and justification in support of our request for enhancements for Whistleblower Protection, and IT and telecommunication upgrades.

The OIG's critical oversight mission to prevent misuse, waste, fraud, and abuse and to detect and deter misconduct in Department programs and operations can only be accomplished with appropriate budgetary resources. With the requested resources, the OIG will be able to sustain the number of quality audits, inspections, investigations, and special reviews to help assure Congress and the American taxpayers that funding provided will support the OIG's priorities.

B. Background

The OIG was statutorily established in the Department on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against Department of Justice employees, including the Federal Bureau of Investigation (FBI); Drug Enforcement Administration (DEA); Federal Bureau of Prisons (BOP); U.S. Marshals Service (USMS); Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); United States Attorneys' Offices (USAO); Office of Justice Programs (OJP); and other Offices, Boards and Divisions. The one exception is that allegations of misconduct by a Department attorney or law enforcement personnel that relate to the exercise of the Department attorneys' authority to investigate, litigate, or provide legal advice are the responsibility of the Department's Office of Professional Responsibility (OPR).

The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. Appendix A contains a table that provides statistics on the most recent Semiannual Reporting period. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department programs and operations.

C. OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.
- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office and the Cyber Investigations Office are located in Washington, D.C. The Investigations Division has smaller area offices in Atlanta, Boston, Trenton, Detroit, El Paso, Houston, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Operations II, Investigative Support, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.
- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, ethics, and legal matters; and responds to *Freedom of Information Act* requests.

D.1. Notable Highlights, Reviews and Recent Accomplishments

1. Addressing the Persisting Crisis in the Federal Prison System

The Department continues to face challenges within the federal prison system. The Department projects that the costs of the federal prison system will continue to increase in the years ahead. Ultimately, this cost is consuming a large share of the Department's budget. Another challenge continues to be the significant overcrowding in the federal prisons, which potentially poses a number of important safety and security issues. The following are some examples of the OIG's oversight efforts in this critical challenge area.

Audit of the OJP Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona

In September 2015, the OIG issued an audit examining 4 grants totaling \$70 million to the Navajo Division of Public Safety (NDPS). The grants, which were awarded by the DOJ OJP in 2008 and 2009, were intended to fund the design and construction of tribal justice facilities for the incarceration and rehabilitation of adult offenders subject to tribal jurisdiction. The OIG's audit identified over \$35 million in questionable uses of grant funding, as well as concerns relating to compliance with grant requirements. Most of the questioned costs were related to the construction of correctional facilities in Tuba City and Kayenta, Arizona that were built with capacities that were at least 250 percent larger than needed, and at an excess cost of more than \$32 million. We further found that OJP had the information necessary to identify the changes that expanded these projects' scope but did not take sufficient action to prevent the questionable spending. The OIG also identified other concerns with NDPS's management of the 4 grants we audited, including that NDPS did not check the suspension and debarment status of contractors paid with grant funds and did not submit accurate financial reports to OJP for 3 of the 4 grants.

The OIG report made nine recommendations to the OJP to remedy over \$35 million in findings and assist NDPS in improving its management of DOJ grants. OJP agreed with seven of the nine recommendations, but only partially agreed with the OIG's recommendation to remedy \$32 million associated with the Tuba City and Kayenta facilities, and disagreed with a recommendation to remedy \$290,116 in unnecessary planning grants. The Navajo Nation, which provided a response on behalf of the NDPS, agreed with three of our recommendations, and disagreed in whole or in part with recommendations regarding planning for detention space and specific questioned costs covering facility construction.

International Prisoner Transfer Program

The International Prisoner Transfer Program (treaty transfer program) began in 1977 when the United States and Mexico entered into a bilateral treaty primarily to return American citizens incarcerated in Mexico to U.S. prisons, but also to return Mexican inmates in the United States to Mexican prisons. Currently, the United States has transfer agreements with 79 countries negotiated principally by the U.S. Department of State.

In August 2015, the OIG completed a status review examining the progress the Department has made in managing the treaty transfer program since the OIG's 2011 report finding that few foreign national inmates from treaty transfer nations were transferred to their home countries each year to complete their sentences. In the current review, we analyzed recent program data and assessed how the Department informs inmates about the program, determined transfer eligibility, and evaluated suitability for transfer. We further assessed how limitations on the number of inmates who are ultimately transferred affects the costs and overcrowding of the federal prison system.

Our review concluded that the Department has taken a number of steps to improve the management of the treaty transfer program, including ensuring that inmates fully understand the program and that the Department considers transfer requests consistently. Additionally, the Department has recently begun implementing the Smart on Crime initiative, which is intended in part to reduce incarceration costs and help alleviate prison overcrowding. We made 5 recommendations to the Department to further improve the management of the treaty transfer program. The Department agreed with all 5 of the recommendations.

BOP Aging Inmates

In May 2015, the OIG issued a report on the impact of the aging inmate population on the BOP. In addition to the greater costs of incarcerating inmates age 50 or older (aging inmates), the OIG found that the BOP has challenges in providing a safe, cost-efficient, and appropriately secure environment for aging inmates and in preparing them to reenter the community.

The OIG identified several concerns about the BOP's management of its aging inmate population: (1) aging inmates cost, on average, 8 percent more than inmates age 49 and younger, primarily due to healthcare expenditures; (2) institutions do not have appropriate staffing levels to address the needs of aging inmates, and they provide limited training for this purpose; (3) institutions' infrastructures pose challenges for aging inmates with physical limitations; (4) educational programs do not address the needs of aging inmates, many of whom have already obtained an education or do not plan to seek further employment after release; and (5) many aging inmates could be viable candidates for early, compassionate release, but even the BOP's revised eligibility provisions for aging inmates have not been effective. In considering the effect of early release on public safety, the OIG also found that aging inmates commit less misconduct while incarcerated and that, once released, they have a lower rate of re-arrest than younger inmates. The OIG made 8 recommendations to improve the BOP's management of its aging inmate population. BOP agreed with each of the 8 recommendations.

BOP Contract with Reeves County Detention Center

In April 2015, the OIG audited a BOP contract awarded to the Reeves County Detention Center (RCDC) located in Pecos, Texas. The preliminary objective of this audit was to assess the BOP's and contractor's compliance with contract terms and conditions in the areas of billings and payments, staffing requirements, and contract oversight and monitoring. The scope of this audit focused on but was not limited to contract performance from October 1, 2008. The OIG found that between February 2007 and December 2014, RCDC I/II was rated "deficient" or "unsatisfactory" in 6 of 12 award fee evaluation periods. BOP's award fee rating reports reflected that RCDC I/II consistently struggled to meet or exceed baseline contractual standards, received an unacceptable number of deficiencies and notices of concern; was unresponsive to BOP inquiries; struggled with staffing issues in health services and correctional services; and frequently submitted inaccurate routine paperwork, including erroneous disciplinary hearing records and monthly invoices. In addition, the BOP reports repeatedly described RCDC I/II's quality control program as minimally or marginally effective. BOP reports indicate that performance improved over time, particularly in 2013 when the contractor received a "good" rating and its first award fee, and in 2014 when the contractor received a "very good" rating and its second award fee. The OIG made 18 recommendations to assist BOP in improving contractor and subcontractor operations and BOP monitoring and oversight at RCDC I/II, and also identified \$3 million as questioned costs and funds that should be put to better use. BOP agreed with 17 out of the 18 recommendations.

Private Contract Prisons

The OIG is examining how the BOP monitors its private contract prisons; whether contractor performance meets certain inmate safety and security requirements; and how contract prisons and similar BOP institutions compare in an analysis of certain inmate safety and security data. The review is in progress, with a tentative report release date of March 2016.

2. Safeguarding National Security Consistent with Civil Rights and Liberties

The Department's national security efforts continue to be a focus of the OIG's oversight work, which has consistently shown that the Department faces myriad challenges in its efforts to protect the nation from attack.

Use of Pen Register and Trap and Trace Devices under the Foreign Intelligence Surveillance Act in 2007 through 2009

Pen registers and trap and trace devices have long been used for federal law enforcement purposes. The federal criminal pen register statute was enacted in 1986 and, in 1998, Congress amended the *Foreign Intelligence Surveillance Act* to authorize the government to use pen registers to collect foreign intelligence information in national security investigations after obtaining an order from the FISA Court.

In June 2015, the OIG released a public Executive Summary providing an overview of the results of the OIG's review of the FBI's use of pen registers and trap and trace devices. The summary described the methodology the OIG used to conduct the review and provides some legal background about pen registers. The summary also described the OIG's findings regarding the FBI's storage and handling of pen register information and the compliance process relating to the use of pen registers.

National Security Division's Administration and Enforcement of the Foreign Agents Registration Act

In March 2015, the OIG initiated an audit of the National Security Division's administration and enforcement of the *Foreign Agents Registration Act*. The preliminary objectives of the audit are to determine: (1) the trends in the numbers and types of registrations; (2) the timeliness and sufficiency of the information provided by registrants; (3) the monitoring and enforcement actions taken by the Department to ensure appropriate registration; and (4) areas for administrative or legislative improvements. The draft report is in the review stage with a tentative release date of March 2016.

Patriot Act, Section 1001

Section 1001 of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (Patriot Act) directs the OIG to receive and review complaints of civil rights and civil liberties abuses by DOJ employees, to publicize how people can contact the OIG to file a complaint, and to send a semiannual report to Congress discussing the OIG's implementation of these responsibilities. In September 2015, the OIG issued its most recent such report, which summarized the OIG's Section 1001 activities from January 1 through June 30, 2015. The report described the number of complaints the OIG received under this section, the status of investigations conducted by the OIG and DOJ components in response to those complaints, and an estimate of the OIG's expenses for conducting these activities. The report also describes other OIG reviews that are related to potential civil rights and civil liberties issues but not explicitly required by Section 1001.

Handling of Known or Suspected Terrorists Admitted into the Federal Witness Security Program

The OIG is conducting a follow-up audit of the Department's handling of known or suspected terrorists admitted into the federal Witness Security Program (Program). The preliminary objectives are to review the Department's handling of known or suspected terrorists admitted to the Program, practices for watch listing and processing encounters with this group of Program participants, and procedures for mitigating risks to the public through restrictions placed on this high-risk group of Program participants. The audit is in progress with a tentative report release date of June 2016.

3. Enhancing Cybersecurity in an Era of Ever-Increasing Threats

The Department will be challenged to sustain a focused, well-coordinated cybersecurity approach for the foreseeable future. Cybersecurity is a high risk across the federal government and the Department must continue to emphasize protection of its own data and computer systems, while marshalling the necessary resources to combat cybercrime and effectively engaging the private sector.

Federal Bureau of Investigation's Implementation of its Next Generation Cyber Initiative

In July 2015, the OIG issued an audit of the FBI's implementation of its Next Generation Cyber Initiative. The FBI's initiative was launched in 2012, shortly after the OIG issued a report in 2011 on the FBI's ability to address the cyber intrusion threat. The OIG found that there has been considerable progress made in achieving the goals established by the Next Generation Cyber Initiative; however, several challenges have prevented the FBI from fully meeting its objectives. Specifically, the audit found that the FBI has strengthened the National Cyber Investigative Joint Task Force, an information sharing center among 19 U.S. agencies and international representatives. In addition, the FBI implemented new training to improve the awareness of all FBI employees, as well as the technical capabilities of those investigating cyber intrusions.

The audit also found that the FBI faces challenges when competing with the private sector to hire and retain highly qualified cybersecurity personnel, including computer scientists, because private sector employers often have less onerous background investigations, as well as higher salaries. In addition the OIG found that the FBI had difficulty attracting external participants, particularly state and local law enforcement agencies, to its local Cyber Task Forces. The FBI continues to face challenges relating to information sharing with private sector entities, in part because of concerns in the private sector about privacy and the security of sensitive information it shares with the government. The OIG made 8 recommendations to help the FBI achieve its goals for the Next Generation Cyber Initiative and the FBI agreed with all of them.

Cyber Security examination

The Investigations Division's Cyber Investigations Office (INV/CIO) continues to conduct computer forensic examination and mobile device forensic examinations for over 200 pieces of digital evidence annually, which includes computers, hard drives, cell phones, and other electronic media. The INV/CIO reviews numerous referrals from the Justice Security Operations Center (JSOC) regarding the leak or spillage of Personally Identifiable Information and other sensitive DOJ data and makes appropriate disposition in consultation with Investigations Division senior officials.

The INV/CIO will continue to build its expertise in cyber security and work with the JSOC to identify potential intrusion cases deemed appropriate for investigation.

Insider Threat Prevention and Detection Program

The Insider Threat Prevention and Detection Program (ITPDP) is designed to deter, detect, and mitigate insider threats from DOJ employees and contractors who would use their authorized access to do harm to the security of the U.S., which can include damage through espionage, terrorism, unauthorized disclosure of information, or through the loss or degradation of departmental resources or capabilities. While the initial focus is DOJ classified information and networks, it has expanded to unclassified sensitive information.

There are two parts to OIG's role in the DOJ ITPDP. One is compliance with DOJ Order 0901 that requires OIG to work with the Department in its efforts to monitor user network activity relating to classified material and networks. The reporting, training, and coordination requirements in this first role will be implemented by M&P Division's Office of Security Programs. The second part of the ITPDP involves the INV/CIO. The OIG has representatives that act as law enforcement liaisons to the JSOC relating to Insider Threat referrals as well as other cyber matters such as unauthorized access, network intrusion, child exploitation, and other potential violations of 18 USC 1030.

Joint Review on Domestic Sharing of Counterterrorism Information

In response to a Congressional request, the Inspectors General of the Intelligence Community, DOJ, and Department of Homeland Security (DHS) initiated a coordinated, joint review focusing on domestic sharing of counterterrorism information. The objectives of this review will be to: (1) identify and examine the federally supported field-based intelligence entities engaged in counterterrorism information-sharing to determine their overall missions, specific functions, capabilities, funding, and personnel and facility costs; (2) determine whether counterterrorism information is being adequately and appropriately shared with all participating agencies; and (3) identify any gaps and/or duplication of effort among the entities.

4. Effectively Implementing Performance-Based Management

Performance-based management has been a long-standing challenge not only for the Department but across the entire federal government. Office of Management and Budget (OMB) Circular No. A-11 and the *Government Performance and Results Modernization Act* (GPRA Modernization Act) place a heightened emphasis on priority-setting, cross-organizational collaboration to achieve shared goals, and the use and analysis of goals and measurements to improve outcomes. A significant management challenge for the Department is ensuring, through performance-based management, that its programs are achieving their intended purposes. The OIG will ensure that the Department is effectively implementing performance-based management and taking actions to meet the requirements of the GPRA Modernization Act.

Audit of Grants Awarded to the California Governor's Office for Emergency Services in Mather, California

In January 2016, the OIG issued an audit of 10 grants totaling over \$382 million to the California Governor's Office for Emergency Services (Cal OES) in Mather, California. These DOJ OJP grants, which were awarded for FYs 2002 - 2015, provided funds from the Crime Victims Fund to community-based organizations that provide direct services to victims of crime. The audit found that Cal OES did not comply with essential award requirements in 4 of the 8 areas the OIG tested, and questioned over \$492 thousand in grant expenditures as unallowable. The OIG questioned most of these costs based on indications that Cal OES may not have complied with the requirement that it use DOJ grant funds to supplement, and not replace, state funds for grant-related activities. In addition, the OIG found that Cal OES inaccurately reported indirect cost expenditures on its financial reports to OJP, and it received reimbursements for indirect costs charged to one of its awards that exceeded the allowed amount. The OIG made 11

recommendations to OJP to improve Cal OES's management of DOJ grant funds and remedy questioned costs, and OJP and Cal OES agreed with all of them.

Audit of the Anaheim, California Police Department's Equitable Sharing Program

In December 2015, the OIG issued an audit of the Anaheim, California Police Department's (Anaheim PD) equitable sharing activities for FYs 2012 – 2014. The OIG assessed whether the approximately \$9.8 million in DOJ equitable sharing funds received by the Anaheim PD to support law enforcement operations was properly accounted for and used for allowable purposes. The audit found that the Anaheim PD failed to comply with 4 of the 5 DOJ Equitable Sharing Program requirements that the OIG tested. Specifically, the audit questioned \$8 thousand in unallowable expenditures, and also determined that the Anaheim PD commingled DOJ equitable sharing funds with funds from other sources. Finally, the OIG determined that the Anaheim PD would benefit from enhanced internal controls to ensure compliance with equitable sharing program guidelines and requirements. The OIG made 7 recommendations to the Criminal Division to assist in the Anaheim PD's management of equitable sharing funds and the police department's involvement in the DOJ Equitable Sharing Program. The Criminal Division, through its Asset Forfeiture and Money Laundering Section, agreed with all of the recommendations. The Anaheim PD indicated that it had addressed or was in the process of addressing all of the recommendations outlined in the audit.

Audit of the Office of Justice Programs Bureau of Justice Assistance Award to the Supreme Court of Virginia, Richmond, Virginia

In December 2015, the OIG audited OJP's Bureau of Justice Assistance awarded grant to the Supreme Court of Virginia (SCV) under its Adult Drug Court Discretionary Grant Program. The award provided \$1.5 million to implement drug treatment courts that integrated substance abuse treatments, mandatory drug testing, and other sanctions with non-violent, substance-abusing offenders across Virginia.

The objective of this audit was to determine whether costs claimed under the grant were allowable, supported, and complied with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, program performance, expenditures, budget management and control, drawdowns, and federal financial reports. The criteria we audited against are contained in the OJP Financial Guide and the grant award documents.

As of April 2015, the SCV spent over \$800 thousand of the grant funds awarded. We examined the SCV's accounting records, financial and progress reports, and operating policies and procedures and found that the SCV complied with essential award conditions related to transactions, contract management, sub recipient monitoring, federal financial reports, and progress reports.

After examining SCV's accounting records, budget documents, financial and progress reports, and financial management procedures, the audit found that the SCV did not have any reportable deficiencies. However, we did note in our report that the SCV did drawdown unallowable indirect costs from federal funds and also misreported expenses on the Federal Financial Reports. Because the SCV corrected these errors, our report contains no recommendations.

Audit of the Office on Violence Against Women Grants Awarded to the Dawson County Domestic Violence Program, Glendive, Montana

In November 2015, the OIG audited five grants awarded by the Office on Violence Against Women to the Dawson County Domestic Violence Program (DCDV) in Glendive, Montana.

The DCDV was awarded over \$4.8 million. The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, expenditures, budget management and control, drawdowns, Federal Financial Reports, and program performance.

The OIG made 13 recommendations and we questioned approximately \$4.0 million of the total amount drawn down. Four of the recommendations addressed dollar-related findings and 9 recommendations addressed improvements to the management of DOJ grants. The Office of Violence against Women agreed with all the recommendations and resolved to coordinate with DCDV to address all the issues. DCDV disagreed with one of the recommendations but neither agreed nor disagreed with the remaining recommendations.

Audit of the Department of Justice's Use of Extended Temporary Duty Travel

The Department's employees are often required to perform official travel on either a domestic or foreign basis. If an employee is traveling more than 50 miles away from his or her permanent duty station to the same location, for longer than 30 calendar days, the employee is considered to be in extended temporary duty (ETDY) status and can be restricted to a reduced amount of authorized travel reimbursements to allow for the reduction of costs associated with traveling for an extended period.

In September 2015, the OIG audited the Department's use of extended temporary duty travel. Our objectives in the audit was to evaluate whether DOJ: (1) had sound ETDY policies and practices that promote cost effectiveness, (2) had adequate tracking systems and documentation for ETDY expenditures, and (3) is making appropriate use of ETDY.

We focused on the following DOJ components: the Criminal Division, the Executive Office for United States Attorneys and the U.S. Attorney's Offices (EOUSA/USAO), the FBI, and the National Security Division (NSD) that made significant use of ETDY. Based on the limited data available, we estimated that these components spent more than \$54 million on 4,788 ETDY events during our audit review period. We examined the policies, procedures, tracking, and use of ETDY within these components during FYs 2012 and 2013, and the first quarter of 2014.

Our report found that the Department did have an ETDY policy from 1998 in place. We found it was outdated and did not include thorough or current guidance to Department components; components selected for review did not consistently interpret and implement existing DOJ ETDY policy; and DOJ components tracked ETDY in only a minimal and manual manner, which led to various errors and a lack of knowledge by JMD and the components of ETDY activity.

The OIG made 14 recommendations to help the Department improve its oversight of ETDY to ensure that ETDY is used appropriately and efficiently, and that all DOJ components consistently follow ETDY guidelines. The Department concurred with all the recommendations and resolved to address them.

Use of Section 215 of the Patriot Act

In May 2015, the OIG issued a classified report examining the FBI's progress in implementing recommendations from prior reports involving the use of Section 215 orders for business records. The report also examined the number of Section 215 applications filed by the FBI between 2007 and 2009, and any improper or illegal use of these authorities. This report follows up the OIG's

March 2007 and March 2008 reports on the FBI's use of Section 215 authorities after the enactment of the Patriot Act.

Department's Use and Support of Unmanned Aircraft Systems

In March 2015, the OIG audited the Department's use and support of Unmanned Aircraft Systems (UAS), commonly referred to as "drones," which followed up on findings from the OIG's September 2013 interim report on the Department's use and support of UAS, as well as examined the extent to which Department components have relied on other agencies' UAS to support Department law enforcement efforts. The OIG found that the FBI, which remains the only Department component that operationally deploys its own UAS, faces discrete program management challenges regarding its use of UAS. Specifically, during the OIG's review the FBI maintained all 17 of its operational UAS at a single location and had only one pilot team on staff adequately trained to fly all models of its UAS.

In addition, ATF spent approximately \$600 thousand on UAS but never flew them operationally. After a series of technological limitations with these UAS related to flight time and maneuverability, ATF subsequently suspended its UAS program in June 2014 and disposed of these UAS. Yet less than a week after that suspension, a separate unit within ATF purchased 5 small commercial UAS for approximately \$15 thousand without coordinating with ATF's UAS program office. That unit of ATF has grounded these UAS until they receive further guidance regarding their use. Further, the audit found that while the FBI, ATF, DEA, and USMS have all received support from Predator-B UAS operated by DHS and U.S. Customs and Border Protection, the Department components did not have recordkeeping policies or practices to document support received from non-Department operated UAS, and they maintained only minimal documentation of such support in the field. Without such efforts, the OIG believes that Department components may not be able to accurately assess their need for UAS support or how to use UAS most effectively and appropriately to support their operations. As a result, the OIG made 4 recommendations to help the Department continue to improve its UAS management and oversight. The Department, including the FBI and ATF, agreed with the recommendations.

5. Ensuring Effective and Efficient Oversight of Law Enforcement Programs

The Department continues to be challenged in its oversight role of the vast variety of complex and evolving law enforcement issues. It is crucial that the Department ensure proper oversight of its programs while acting consistently with the protection of civil rights for American citizens.

Audit of the Office of Community Oriented Policing Services Hiring Program Grants Awarded to the Metropolitan Police Department, Washington, D.C.

In December 2015, the OIG audited the Office of Community Oriented Policing Services (COPS Office) Hiring Program (CHP) grants awarded to the Washington, D.C., Metropolitan Police Department (MPD). The CHP grants provided funding directly to law enforcement agencies that have primary law enforcement authority to impact their community policing efforts. During FYs 2011 through 2014, the COPS Office awarded the MPD \$6.2 million to hire 46 police officers and implement CHP initiatives.

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. We also assessed the MPD's program performance in meeting grant objectives and overall accomplishments.

The audit found that the MPD generally complied with the essential grant requirements in the areas we tested and that all tested expenditures were allowable, supported, and in accordance

with applicable laws, regulations, guidelines, and the terms and conditions of the grant. However, while the CHP Grant Owner's Manual states that agencies should report only accurate data in grant applications, we identified several discrepancies in the MPD's application statistics. MPD officials told us that these differences occurred mainly because of data entry error or because MPD officials used the incorrect data sources.

Although we determined, based on COPS Office input, that the misreported data did not affect the MPD's eligibility to receive any of these CHP awards, because the COPS Office uses application data as a basis for awarding its grants, we believe it is vital that the MPD submits only accurate data to the COPS Office. Our report recommended that the COPS Office require that the MPD establish procedures that ensure it will compile and submit accurate data for future CHP award opportunities.

Audit of Office of Justice Programs Grants Awarded to the Puerto Rico Department of Justice, San Juan, Puerto Rico

In September 2015, the OIG audited the Department's grants, including *American Recovery and Reinvestment Act* (Recovery Act) grants, awarded by OJP to the Puerto Rico Department of Justice. The purposes of these grants were to support a broad range of activities to control and prevent crime based on local needs and conditions; provide services to victims of crime; enhance sex offender registration and notification programs; and provide loan repayment assistance for local, state, and federal public defenders and local and state prosecutors.

The objective of the audit was to assess performance in the key areas of grant management that were applicable and appropriate for the grants under review. We assessed performance in the areas of: (1) internal controls; (2) grant fund drawdowns; (3) management of sub-recipients, including the processes for soliciting applications for funding, awarding grant funds and contracts, and monitoring of sub-recipients; (4) income generated from grant funds and programs; (5) grant expenditures; (6) management of property items bought with grant funds; and (7) grant goals and accomplishments.

The results of our audit identified over \$6.6 million in dollar-related findings, including \$5.1 million in net questioned costs and \$1.5 million in funds put to better use. The report made 5 recommendations to address dollar-related findings and 15 recommendations to improve the management of DOJ grants.

DEA's Confidential Source Program

In July 2015, the OIG issued a report examining aspects of the DEA's Confidential Source Program. The audit was initiated as a result of numerous allegations regarding the DEA's handling and use of confidential sources. The OIG found that the DEA's policy for confidential sources, which was approved by the DOJ Criminal Division in 2004, differs in several significant respects from the Attorney General's (AG) Guidelines Regarding the Use of Confidential Informants (AG Guidelines), which is the DOJ's overarching policy regarding component use of confidential sources. The results of the audit also found that the DEA's Confidential Source Program lacks sufficient oversight and consistency with the rules governing other DOJ law enforcement components. In review of the program we found that between 2003 and 2009, the DEA used over 240 long-term confidential sources without rigorous review. In addition, in most instances the DEA continued to use these sources without obtaining the required DOJ concurrence. In our audit we found that the DEA policy does not include any specific guidance regarding the use of DEA licensees as confidential sources. Finally, we found that the DEA provided *Federal Employees' Compensation Act* (FECA) benefits to confidential sources without any process in place for reviewing the claims and determining eligibility for these benefits. We

have estimated that between July 1, 2013, and June 30, 2014, the DEA paid 17 confidential sources and their dependents FECA benefits totaling more than \$1 million, and that the DEA had not adequately considered the implications of awarding such benefits on the disclosure obligations of federal prosecutors nor consulted with DOJ on the issue. The report made 7 recommendations to the DEA to improve the policies and management of its Confidential Source Program, and the DEA agreed with all of them.

6. Upholding the Highest Standards of Integrity and Public Service

Charged with enforcing the nation's laws and defending its interests, the Department's senior officials and employees are expected to uphold the highest standards of integrity. Meeting this expectation is a key component in fulfilling the Department's crucial role in public service.

Review of DEA Bonuses and Other Favorable Personnel Actions for Employees Involved in Alleged Sexual Misconduct Incidents

In October 2015, the OIG released a report examining whether DEA employees implicated in an earlier OIG report on sexual harassment and misconduct, received any promotions, bonuses, awards, or other favorable personnel actions after the allegations against them were disclosed to the DEA. The latest report was initiated in response to a request from the Chairman of the U.S. House of Representatives Committee on Oversight and Government Reform. It followed our March 2015 report, titled "Review of the Handling of Sexual Harassment and Misconduct Allegations by the Department's Law Enforcement Components," which revealed significant systemic issues requiring prompt corrective action. In the report issued last week, the OIG found that none of the 14 employees referenced in the incidents discussed in our prior report received promotions. However, 8 of the 14 employees received bonuses or awards contrary to DEA policy. DEA policy generally prohibits employees from receiving such awards for 3 years after being subject to discipline for significant misconduct or while a misconduct investigation is pending, absent a specifically approved basis for approval. The report made 2 recommendations to help the DEA ensure that officials are aware of and consistently comply with the DEA's awards policy, and the DEA agreed with both of them.

Handling of Sexual Harassment and Misconduct Allegations in Law Enforcement Components

In March 2015, the OIG issued a report on the handling of sexual harassment and sexual misconduct allegations by the Department's four law enforcement components: ATF, DEA, FBI, and USMS. The review focused on the nature, frequency, reporting, investigation, and adjudication of allegations of sexual harassment or sexual misconduct.

The report uncovered deficiencies related to communication, as well as reporting, investigating, qualifying, and detecting sexual harassment and misconduct. At ATF, the DEA, and the USMS, ineffective communication between internal affairs offices and security offices led to potential security risks. In all four components, supervisors sometimes failed to report sexual harassment and misconduct. At the DEA, there were failures to fully investigate credible allegations of sexual harassment and misconduct, particularly in two cases related to overseas prostitution. The FBI elected not to investigate multiple credible allegations of sexual harassment and sexual misconduct. Each component sometimes charged employees with broad offenses when more specific offenses applied. All the components had weaknesses in detecting sexually explicit text messages and images. The limitations affected the components' ability to make the information available to investigators and risked hampering the components' ability to satisfy their discovery obligations. The report included 8 recommendations to improve the law enforcement components' disciplinary and security processes relating to allegations of sexual harassment and sexual misconduct.

Former Secret Service Special Agent Sentenced on Charges of Money Laundering and Obstruction of Justice Related to the Silk Road Investigation

A former Secret Service special agent who had been a member of the Baltimore Silk Road Task Force was sentenced to 71 months in prison on charges of money laundering and obstruction of justice; the agent was also ordered to forfeit \$651 thousand.

Between 2012 and 2014, the agent was assigned to the Baltimore Silk Road Task Force, a multi-agency group investigating illegal activity on the Silk Road, a covert online marketplace for illicit goods, primarily drugs. The agent's responsibilities included, among other things, conducting forensic computer investigations in an effort to locate, identify, and prosecute targets.

The agent admitted to using account information that he obtained during the January 2013 search and arrest of an assailant, a customer support representative on Silk Road. This assailant was to reset passwords and PINs of various accounts on Silk Road and move approximately 20,000 bitcoin, at the time worth approximately \$350 thousand, from those accounts into a bitcoin "wallet" that the agent controlled. The agent admitted that he moved the stolen bitcoin into an account at Mt. Gox, an online digital currency exchange based in Japan, and that between March and May 2015, he liquidated the bitcoin into \$820 thousand in U.S. currency and had the funds transferred to a personal investment account in the United States. In June 2014, the agent transferred money from the investment account into a personal bank account that he shared with another person.

The agent is the second of two federal agents to be sentenced in connection with the Baltimore Silk Road Task Force's investigation into the Silk Road. A special agent with the DEA Baltimore office pleaded guilty in July 2015 to a three-count Information charging him with money laundering with predicates of wire fraud and theft of government property, obstruction of justice, and extortion under color of official right related to his theft and diversion of more than \$700 thousand in digital currency to which he gained control as part of an undercover role on the Baltimore Silk Road Task Force. In October 2015, the DEA agent was sentenced to 78 months in prison.

Findings Concerning a DOJ Attorney Who Sent Harassing E-mails to Government Employees and Lacked Candor with the OIG

The OIG initiated an investigation upon receipt of information that a DOJ employee received a harassing message from a non-attributable email address which originated from the DOJ. The OIG investigation identified a DOJ attorney as the author of the message. We also determined that the attorney sent similarly harassing messages to two other government employees using the same non-attributable email address. The attorney had worked with all three recipients in a prior job years earlier.

The OIG concluded that the attorney transmitted harassing messages in violation of DOJ policy and federal law. The OIG also found that the attorney displayed a lack of candor during an OIG interview by initially denying any knowledge of the messages or sending them, and maintaining they could have resulted from hacking, before admitting to having sent the messages when confronted with computer forensic proof. Prosecution was declined. The OIG has completed its investigation and has provided a report to the division at which the attorney is employed, and to the DOJ Office of Professional Responsibility for their review and appropriate action.

Findings Concerning On-Duty Gambling and Related Misconduct by an ATF Special Agent in Charge While in a Prior Position

The OIG initiated this investigation based on information from ATF alleging that a current Special Agent in Charge (SAC) gambled on duty and engaged in related misconduct while in a position with ATF prior to being promoted. The OIG investigation determined that the SAC gambled on duty, misused his government travel card to facilitate his gambling, and misused his assigned government vehicle by using it to travel to casinos. By gambling while on duty, the SAC violated federal regulations that prohibit federal employees from gambling while on duty. In addition, the SAC violated ATF policy by, among other things, misusing his government travel card to obtain cash advances to gamble, and using his assigned government vehicle to travel to casinos to gamble, which is not an “official purpose” for which use of the government vehicle is authorized. Prosecution was declined. The OIG provided a report of investigation to ATF for appropriate action.

Findings Concerning the Absence from Work Without Approved Leave of a DOJ Attorney

The OIG initiated this investigation based on a referral from the employing division of a Department’s attorney. According to the division, the attorney’s time and attendance at work for approximately 5 months were unaccounted for, both by the attorney’s assigned division and by another Department component to which the attorney had been temporarily assigned. The OIG determined that for a period of months during which the attorney was receiving full salary and benefits, the attorney was not present at work, did not complete any work-related functions, and was not on approved leave. Prosecution was declined. The Department and the attorney reached a settlement. Although the attorney did not admit liability, the attorney agreed to resign Department employment, forfeit the annual leave that had accrued during the period for which time and attendance was unaccounted, and repay a sum of money to the Department. The OIG provided its report to the Department’s Office of Professional Responsibility.

U.S. Congressman and Others Indicted for Participating in a Racketeering Conspiracy

In July 2015, a United States Congressman and four other individuals were indicted in the Eastern District of Pennsylvania related to their participation in a racketeering conspiracy which included the misuse of hundreds of thousands of dollars of federal, charitable, and campaign funds. The 29-count Indictment outlines five distinct fraud schemes, including one related to an OIG audit and investigation of the Educational Advancement Alliance’s (EAA) use of \$1.8 million in DOJ grant funds. According to the Indictment, in 2007 the Congressman and others conspired to receive an illegal \$1 million campaign loan related to the Congressman’s failed 2007 attempt to become elected mayor of Philadelphia. In 2008, the Congressman and other officials conspired to create a false \$500 thousand contract between EAA and other officials in order to repay a portion of this loan using non-DOJ funds. The case is being investigated by the FBI and the Internal Revenue Service. Assistance was also provided by the DOJ OIG’s office, the National Aeronautics and Space Administration Office of Inspector General and the Department of Commerce’s Office of Inspector General.

Improper Hiring Practices at INTERPOL Washington

In February 2015, the OIG released a report examining allegations of improper hiring practices by senior officials in the International Criminal Police Organization (INTERPOL) Washington, a Department component co-managed by the DHS. The OIG report describes the efforts of the organization’s Executive Officer obtaining positions for his son and three additional persons associated with members of his family, as well as the efforts of the Executive Officer and other INTERPOL Washington managers to obtain internships for people they knew. The OIG referred

its findings regarding the Executive Officer and other INTERPOL Washington managers to the ODAG for its review and appropriate action.

7. Protecting Taxpayer Funds from Mismanagement and Misuse

The OIG's recent oversight work assists the Department in its efforts to ensure that taxpayer funds are protected from fraud, mismanagement, and misuse. It is essential that the Department continue to manage its resources wisely and maximize the effectiveness of its programs regardless of the Department's budget environment.

Debt Collection Program of the U.S. Attorneys' Offices

In June 2015, the OIG released a report examining the efforts of the U.S. Attorneys' Offices (USAO) and the Executive Office for U.S. Attorneys (EOUSA) to collect debts resulting from criminal and civil cases that are owed to the United States and federal crime victims. Collecting these debts is an important part of the USAOs' mission, and the DOJ has indicated that it places a high priority on improving debt collection efforts and ensuring that crime victims receive full and timely restitution. However, the OIG found that, in many cases, USAOs have not devoted the resources or put in place the policies and procedures needed to make this a reality. Rather, the OIG found that many USAOs have failed to appropriately prioritize debt collection, which has resulted in insufficient staffing of Assistant U.S. Attorneys and support positions, as well as ineffective collaboration between Financial Litigation Units and other units in the USAOs, all of which hinders the ability of the USAOs to fulfill their mission to collect debts. The OIG made five recommendations to EOUSA to improve the ability of the USAOs to fulfill their mission to collect debts. EOUSA agreed with all of the recommendations.

Government Contractor Arrested on Wire Fraud Charges

In August 2015, a government contractor providing services for the BOP, FBI, and other government agencies was arrested in the District of New Jersey and charged with one count of conspiracy to commit wire fraud. According to the Criminal Complaint, the contractor allegedly engaged in a scheme to win contract bids and then not pay subcontractors for their actual work. The losses claimed by victim vendors exceed \$900 thousand. The contractor's activity took place from November 2012 through August 2015, when he was arrested by the OIG.

Former FBI Agent Sentenced for Obstructing Justice, Falsifying Records, and Possessing Heroin

In July 2015, an agent assigned to the Washington, D.C., Field Office and a member of the Cross-Border Task Force participated in the undercover purchase of heroin and, in lieu of turning the heroin into evidence and documenting its seizure, Lowry ingested the heroin. He also tampered with heroin evidence seized during several of his investigations. The agent pleaded guilty to obstruction of justice, falsification of records, conversion of property, and possession of heroin. He was sentenced to 36 months in prison for tampering with substantial quantities of drug evidence and also ordered 2 years of supervised release, a \$15 thousand fine, and a special assessment.

Improper Payments

In May 2015, the OIG issued an audit assessing the Department's compliance with the reporting requirements of OMB Circular A-123, Management's Responsibility for Internal Control, Appendix C, Requirements for Effective Estimation and Remediation of Improper Payments; and OMB Circular A-136, Financial Reporting Requirements, as they relate to the *Improper Payments Information Act of 2002*, as amended, for FY 2014. We concluded that the Department complied, in all material respects, with these requirements for FY 2014.

Crime Victims Fund Risk Management Assessment

The OIG initiated an audit of OJP's Crime Victims Fund (CVF), which was established by the *Victims of Crime Act of 1984* to provide assistance and grants for victim services throughout the nation. Funding for the CVF is generated from criminal fines, forfeited bail bonds, penalties, and special assessments collected from offenders convicted of federal crimes. The audit is in process and includes a risk assessment of OJP's management of the CVF with a preliminary objective to assess the risk associated with managing funding increases. We anticipate releasing the report at the end of the year.

8. Whistleblower Ombudsperson

The OIG's Whistleblower program continues to be an important source of information regarding waste, fraud, and abuse within the Department, and to perform an important service by allowing Department employees to come forward with such information. As publicity about retaliation against whistleblowers from across the federal government continues to receive widespread attention, it is particularly important that the Department act affirmatively to ensure that whistleblowers feel protected and, indeed, encouraged to come forward.

The OIG is requesting additional resources in this budget request for enhanced protection of whistleblowers protection with an emphasis on the FBI. The OIG plays a pivotal and particularly labor-intensive role in fielding and investigating allegations of whistleblower retaliation against FBI employees. If a retaliation complaint states a cognizable claim, the OIG investigates the allegations "to the extent necessary to determine whether there are reasonable grounds to believe that a reprisal has been or will be taken" for a protected disclosure. 28 C.F.R. § 27.3(d). The OIG has 240 days to make this determination unless granted an extension by the complainant. Id. § 27.3(f). Aggressive OIG efforts to enhance FBI employees' awareness of their rights will likely increase the number of whistleblower retaliation complaints this office receives each year. Protecting whistleblower rights has been one of the Inspector General's highest priorities since he took office. Unfortunately, with limited resources and staffing we have had to go beyond deadlines and obtain extensions from whistle blowers, further delaying the investigation and ultimate resolution of these cases.

The OIG received a total of 18 new FBI whistleblower retaliation complaints in 2015, and initiated 7 new investigations. We believe that the numbers will only continue to increase as there is increased focus on whistleblowers in general.

The OIG is partnering with the FBI in the development of specialized training that will highlight the particular requirements applicable to FBI employees.

The OIG also continues to utilize the tracking system developed through the OIG Ombudsperson Program to ensure that it is handling these important matters in a timely manner. The OIG continuously enhances the content on its public website, oig.justice.gov. The table below presents important information.

Whistleblower Program
October 1, 2014–March 31, 2015

Employee complaints received	211
Complainants asserting to be whistleblowers	17
Employee complaints opened for investigation by the OIG	88
Employee complaints that were referred by the OIG to the components for investigation	88
Employee complaint cases closed by the OIG	62

The OIG has continued to refine its internal mechanisms to ensure that the OIG is promptly reviewing whistleblower submissions and communicating with those who come forward with information in a timely fashion.

9. Congressional Testimony



In 2015, the Inspector General testified before Congress on the following occasions:

- “Implementing Solutions: The Importance of Following through on GAO and OIG Recommendations” before the U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Regulatory Affairs and Federal Management on December 10, 2015
- “Inspector General Access to All Records Needed For Independent Oversight” before the U.S. Senate Committee on the Judiciary on August 5, 2015
- “Oversight of the Bureau of Prisons: First-Hand Accounts of Challenges
- Facing the Federal Prison System” before the U.S. Senate Committee on Homeland Security and Governmental Affairs on August 4, 2015
- “Watchdogs Needed: Top Government Investigator Positions Left Unfilled for Years” before the U.S. Senate Committee on Homeland Security and Governmental Affairs on June 3, 2015
- “Fiscal Year 2016 Funding Request and Budget Justification for the U.S. Department of Justice” before the U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science and Related Agencies on May 7, 2015

- “Analyzing Misconduct in Federal Law Enforcement” before the U.S. House of Representatives Committee on the Judiciary, Subcommittee on Crime, Terrorism, Homeland Security, and Investigations on April 15, 2015
- “The Department of Justice Office of the Inspector General’s Report on the Handling of Sexual Harassment and Misconduct Allegations by the Department’s Law Enforcement Components” before the U.S. House of Representatives Committee on Oversight and Government Reform on April 14, 2015
- Whistleblower Retaliation at the FBI: Improving Protections and Oversight” before the U.S. Senate Committee on the Judiciary on March 4, 2015
- Oversight Hearing of the Department of Justice, Commerce, and NASA before the U.S. House of Representatives Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies on February 25, 2015
- Improving the Efficiency, Effectiveness, and Independence of Inspectors General” before the U.S. Senate Committee on Homeland Security and Governmental Affairs on February 24, 2015
- “Inspectors General: Independence, Access and Authority” before the U.S. House of Representatives Committee on Oversight and Government Reform on February 3, 2015

D.2. Support for the Department’s Savings and Efficiencies Initiatives

In support of the DOJ’s SAVE initiatives, the OIG contributed to the Department’s cost-saving efforts in FY 2015, including:

- *Increasing the use of self-service online booking for official travel.* The OIG’s online booking rate for FY 2015 official travel was 92% (which is 24% above the Department’s on-line rate of 68%) for savings of more than \$26,662 over agent-assisted ticketing costs. Online reservations cost \$25.00 less than agent-assisted transactions.
- *Using non-refundable airfares rather than contract airfares or non-contract refundable fares (under appropriate circumstances).* Through September 2015, the OIG realized cost savings of more than \$17,360 by using non-refundable tickets.
- *Increased use of video conferencing.* The OIG saved training and travel dollars, as well as productive staff time while in travel status, by utilizing increased video teleconferencing for all applicable OIG-wide training.

Getting the most from taxpayer dollars requires ongoing attention and effort. The OIG continues to look for ways to use its precious resources wisely and to examine how it does business to further improve efficiencies and reduce costs.

E. Challenges

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affects the number of allegations the OIG receives; Department support for the OIG’s mission; and financial support from the OMB and Congress.

For the OIG to conduct effective oversight, it must have complete and timely access to all records in the Department's possession that the OIG deems relevant to its review. Most of the OIG's audits and reviews are conducted with full and complete cooperation from Department components and with timely production of material. However, there have been occasions when the OIG has had issues arise with timely access to certain records due to the Department's view that access was limited by other laws. For a review to be truly independent, an Inspector General must have the authority to determine what agency records are relevant and necessary. Recent legislative changes are expected to result in more timely production of all relevant materials from the Department to the OIG.

The limitation on the OIG's jurisdiction has also been an ongoing impediment to strong and effective independent oversight over agency operations. While the OIG has jurisdiction to review alleged misconduct by non-lawyers in the Department, it does not have jurisdiction over alleged misconduct committed by Department attorneys when they act in their capacity as lawyers—namely, when they are litigating, investigating, or providing legal advice. In those instances, the *Inspector General Act* grants exclusive investigative authority to the Department's OPR office. As a result, these types of misconduct allegations against Department lawyers, including any that may be made against the most senior Department lawyers (including those in Departmental leadership positions), are handled differently than those made against agents or other Department employees. The OIG has long questioned this distinction between the treatment of misconduct by attorneys acting in their legal capacity and misconduct by others, and this disciplinary system cannot help but have a detrimental effect on the public's confidence in the Department's ability to review misconduct by its own attorneys.

The OIG's greatest asset is its highly dedicated personnel, so strategic management of human capital is paramount to achieving organizational performance goals. In FY 2015, the OIG has been very successful in recruiting and hiring high quality talent to fulfill its staffing complement. In this competitive job market, the OIG must make every effort to maintain and retain its talented workforce. The OIG's focus on ensuring that its employees have the appropriate training and analytical and technological skills for the OIG's complex mission will continue to bolster its reputation as a premier federal workplace, and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly impacted by the number of experienced personnel the OIG can devote to these critical oversight activities.

II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
Whistleblower Protection Program	Strengthen the protection of civilian federal whistleblowers	6	6	\$1,202	32
IT and telecommunication upgrades	Support critical OIG mission support activities	0	0	940	37
				\$2,142	

III. Appropriations Language and Analysis of Appropriations Language

For necessary expenses of the Office of Inspector General, [\$93,709,000] \$97,814,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

A. Analysis of Appropriations Language

No substantive changes

IV. Program Activity Justification

A. Office of the Inspector General

OIG	Direct Pos.	Estimate FTE	Amount
2015 Enacted	474	444	\$88,577,000
2016 Enacted	474	455	93,709,000
Adjustment to base and Technical Adjustments	0	0	1,963,000
2017 Current Services	474	455	95,672,000
2017 Program Increases	6	6	2,142,000
2017 Request	480	461	97,814,000
Total Change 2016-2017	6	6	\$4,105,000

OIG IT Portfolio Breakout	Direct Pos.	Estimate FTE	Amount
2015 Enacted	12	12	\$6,005,000
2016 Enacted	12	12	6,597,000
Adjustments to Base and Technical Adjustments			157,000
2017 Current Services	14	14	6,754,000
2017 Program Increases			940,000
2017 Program Offsets			0
2017 Request	14	14	7,694,000
Total Change 2016-2017	2	2	\$1,097,000

B. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

C. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE (Goal 1)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.										
<u>WORKLOAD/RESOURCES</u>	Target		Actual		Projected		Changes		Requested (Total)	
	FY 2015		FY 2015		FY 2016		Current Services Adjustment and FY 2017 Program Changes		FY 2017 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	440	\$88,577	444	\$88,458	455	\$93,709	6	\$4,105	461	\$97,814
		[\$11,242]		[\$11,242]		[\$11,484]		[\$169]		[\$11,653]
Performance Measure										
Number of Cases Opened per 1,000 DOJ employees:										
Fraud*		*		0.47		*				
Bribery*		*		0.10		*				
Rights Violations*		*		0.12		*				
Sexual Crimes*		*		0.39		*				
Official Misconduct*		*		1.19		*				
Theft*		*		0.17		*				
Workload										
Investigations closed		310		357		310		0		310
Integrity Briefings/Presentations to DOJ employees		80		82		80		0		80
DOJ employees at Integrity Briefings		3,500		3,975		3,500		0		3,500
*Indicators for which the OIG only reports actuals.										

PERFORMANCE AND RESOURCES TABLE (Goal 1) (continued)											
Decision Unit:		OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2015		FY 2015		FY 2016		Current Services Adjustment and FY 2017 Program Changes		FY 2017 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		440	\$88,577	444	\$88,458	455	\$93,709	6	\$4,105	461	\$97,814
			[\$11,242]		[\$11,242]		[\$11,484]		[\$169]		[\$11,653]
Performance Measure											
Intermediate Outcome											
Percentage of Investigations closed or referred for prosecution within 6 months **			75%		76%		N/A				N/A
Percentage of BOP Investigations closed or referred for prosecution within 6 months of being opened [Refined Measure]**			N/A				75%				75%
Number of closed Investigations substantiated*			*		226		*				*
Arrests *			*		96		*				*
End Outcome											
Convictions *			*		73		*				*
Administrative Actions *			*		225		*				
Response to Customer Surveys:											
Report completed in a timely manner (%)			90%		97%		90%				90%
Issues were sufficiently addressed (%)			90%		100%		90%				90%
*Indicators for which the OIG only reports actuals.											
**Beginning in FY 2016 this measure will be replaced with "BOP" Investigations closed or referred for prosecution. This change would accurately reflect the performance measure found in our special agents' goals documents throughout the Division.											

PERFORMANCE AND RESOURCES TABLE (Goal 1)									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.									
Data Definition, Validation, Verification, and Limitations									
A. Data Definition:									
The OIG does not project targets and only reports actuals for workload measures, the number of closed investigations substantiated, arrests, convictions, and administrative actions. The number of convictions and administrative actions are not subsets of the number of closed investigations substantiated.									
B. Data Sources, Validation, Verification, and Limitations:									
Investigations Data Management System (IDMS) – consists of a computer-based relational database system that became operational in June 2005.*									
The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up in 3 hour intervals. We have upgraded to a web based technology.									
Investigations Division Report of Investigation (ROI) Tracking System - a web-based SQL-Server application that tracks all aspects of the ROI lifecycle. The ROI and Abbreviated Report of Investigation (AROI) are the culmination of OIG investigations and are submitted to DOJ components. These reports are typically drafted by an agent and go through reviews at the Field Office and at Headquarters levels before final approval by Headquarters. The ROI Tracking System reads data from IDMS. By providing up-to-the-minute ROI status information, the Tracking System is a key tool in improving the timeliness of the Division's reports. The ROI Tracking System also documents the administration of customer satisfaction questionnaires sent with each completed investigative report to components and includes all historical data. The system captures descriptive information as well as questionnaire responses. Descriptive information includes the questionnaire form administered, distribution and receipt dates, and component and responding official. The database records responses to several open-ended questions seeking more information on deficiencies noted by respondents and whether a case was referred for administrative action and its outcome. Questionnaire responses are returned to Investigations Headquarters and are manually entered into the Tracking System by Headquarters personnel. No data validation tools, such as double key entry, are used though responses are entered through a custom form in an effort to ease input and reduce errors.									
Investigations Division Investigative Activity Report – Most of the data for this report is collected in IDMS. The use of certain investigative techniques and integrity briefing activities are also tracked externally by appropriate Headquarters staff.									
C. FY 2015 Performance Report:									
For the workload measure "Investigations Closed," the OIG has plans to focus on more complex and document-intensive cases (e.g., grant and contract fraud) that require more in-depth financial and forensic analysis. The OIG is also diversifying its caseload to extend more investigative coverage to other Department components.									
*In FY 2016 , the IDMS Web interface will also be available for usage.									

PERFORMANCE MEASURE TABLE (Goal 1)								
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.								
Performance Measure Report	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015		FY 2016	FY 2017
Workload	Actuals	Actuals	Actuals	Actuals	Target	Actuals	Target	Target
Number of Cases Opened per 1,000 DOJ employees:								
Fraud*	0.58	0.51	0.63	0.67	0.67	0.47	*	*
Bribery*	0.21	0.20	0.16	0.15	0.15	0.10	*	*
Rights Violations*	0.10	0.13	0.17	0.19	0.19	0.12	*	*
Sexual Crimes*	0.40	0.37	0.35	0.43	0.43	0.39	*	*
Official Misconduct*	1.00	1.28	1.48	1.34	1.34	1.19	*	*
Theft*	0.22	0.22	0.22	0.10	0.10	0.17	*	*
Investigations closed	356	361	366	402	402	357	310	310
Integrity Briefings and Presentations to DOJ employees	89	134	85	91	91	82	80	80
DOJ employees attending Integrity Briefings	3,551	7,200	3,710	4,732	4,732	3,975	3,500	3,500
Intermediate Outcome								
Percentage of Investigations closed or referred for prosecution within 6 months**	N/A	71	72	71	71	76	NA	N/A
Percentage of BOP Investigations closed or referred for prosecution within 6 months of being opened [Refined Measure]**	N/A	N/A	N/A	N/A	N/A	N/A	75	75
Number of closed Investigations substantiated (QSR Measure)*	223	215	222	243	243	226	*	*
Arrests*	113	90	86	84	84	96		*
End Outcome							*	
Convictions*	104	94	63	88	88	73	*	*
Administrative Actions	198	192	266	219	219	225	*	*
Response to Customer Surveys:								
Report completed in a timely manner (%)	100%	100%	100%	95%	95%	90%	90%	90%
Issues were sufficiently addressed (%)	100%	100%	99%	99%	99%	90%	90%	90%
* Indicators for which the OIG only reports actuals.								
**Beginning in FY 2016 this measure will be replaced with "BOP" Investigations closed or referred for prosecution. This change would accurately reflect the performance measure found in our special agents' goals documents throughout the Division.								

PERFORMANCE AND RESOURCES TABLE (Goal 2)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
WORKLOAD/RESOURCES	Target		Actual		Projected		Changes		Requested (Total)	
	FY 2015		FY 2015		FY 2016		Current Services Adjustment and FY 2017 Program Changes		FY 2017 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(Reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total.)	440	\$88,577	444	\$88,458	455	\$93,709	6	\$4,105	461	\$97,814
		[\$11,242]		[\$11,242]		[\$11,484]		[\$169]		[\$11,653]
Performance Measure										
Workload										
Audit and E&I assignments initiated		92		106		92				92
Percent of Audit CSITAO* resources devoted to security reviews of major Dept. information systems		80%		88%		80%				80%
Percent of internal DOJ audit assignments that assess component performance measures		18%		42%		18%				18%
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges		70%		80%		70%				70%
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas		80%		96%		85%				85%
Intermediate Outcome										
Audit and E&I assignments completed		87		109		87				87
*Computer Security & Information Technology Audit Office										

PERFORMANCE AND RESOURCES TABLE (Goal 2)											
(continued)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.											
WORKLOAD/RESOURCES	Target		Actual		Projected		Changes		Requested (Total)		
							Current Services		Requested (Total)		
	FY 2015		FY 2015		FY 2016		Adjustment and FY 2017		FY 2017 Request		
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		440	\$88,577	444	\$88,458	455	\$93,709	6	\$4,105	461	\$97,814
			[\$11,242]		[\$11,242]		[\$11,484]		[\$169]		[\$11,653]
Performance Measure											
Intermediate Outcome											
Percent of Audit resources devoted to reviews of grants and grant management			40%		43%		35%				35%
Percent of Audit resources devoted to reviews of contracts and contract management			NA		13%		10%				10%
Components receiving information system audits			5		8		5		1		6
Products issued to the Dept. containing significant findings or information for management decision-making by Audit & E&I**			80		82		NA				NA
Percentage of products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I [Refined Measure]**			NA		100		92%				92%
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months			35%		100%		35%				35%
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months			35%		71%		35%				35%
Percent of contract, grant, Intra Government Agreements, and other external audits to be completed in draft within 8 months**			50%		57%		NA				NA
Percent of grant, CODIS, equitable sharing, Intra Government Agreements, and other external audits to be completed in draft within 8 months [Refined Measure]**			NA		58%		50%				50%
Percent of less complex internal DOJ audits to be completed as a working draft within 8 months**			40%		40%		NA				NA
Percent of less complex internal DOJ audits to be provided to the IG as a working draft within 8 months [Refined Measure]**			NA		40%		40%				40%
Percent of more complex internal DOJ audits to be completed as a working draft within 13 months**			45%		83%		NA				NA
Percent of more complex internal DOJ audits to be provided to the IG as a working draft within 13 months [Refined Measure]**			NA		83%		45%				45%
**This measure is being refined for clarification and consistency.											

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
Data Definition, Validation, Verification, and Limitations										
A. Data Definition:										
"Assignment" covers all audits (including internals, CFO Act, and externals, but not Single Audits), evaluations, and inspections. "Assignments" may also include activities that do not result in a report or product (e.g., a memorandum to file rather than a report); or reviews initiated and then cancelled.										
B. Data Sources, Validation, Verification, and Limitations:										
Project Resolution and Tracking (PRT) system- PRT was implemented on April 18, 2011; this OIG system was designed to track audits, evaluations, and reviews from initiation to completion, including the status of recommendations. The system provides senior management with the data to respond to information requests and track and report on current status of work activities.										
C. FY 2015 Performance Report: N/A										

PERFORMANCE MEASURE TABLE (Goal 2)								
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.								
Performance Measure Report Workload	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Target	FY 2015 Actuals	FY 2016 Target	FY 2017 Target
Audit and E&I assignments initiated	124	116	103	94	92	106	92	92
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems	92%	97%	75%	98%	80%	88%	80%	80%
Percent of internal DOJ audit assignments that assess component performance measures	20%	42%	40%	47%	18%	42%	18%	18%
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges.	NA	NA	NA	89%	70%	80%	70%	70%
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas	86%	93%	96%	96%	80%	96%	85%	85%
Intermediate Outcome								
Audit and E&I Assignments completed	99	109	117	104	87	109	87	87
Percent of Audit resources devoted to reviews of grants and grant management	39%	42%	40%	54%	50%	43%	35%	35%
Percent of Audit resources devoted to reviews of contracts and contract management	NA	NA	NA	NA	NA	13%	10%	10%
Components receiving information system audits	8	11	6	9	5	8	5	6
Products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I**	99	187	98	88	80	82	NA	NA
Percentage of products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I [Refined Measure]**	NA	NA	NA	NA	NA	100%	92%	92%
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months	NA	NA	NA	100%	35%	100%	35%	35%
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months	NA	NA	NA	NA	35%	71%	35%	35%
Percent of contract, grant, Intra Government Agreements, and other external audits to be completed in draft within 8 months**	NA	NA	49%	51%	50%	57%	NA	NA
Percent of grant, CODIS, equitable sharing, Intra Government Agreements, and other external audits to be completed in draft within 8 months [Refined Measure]**	NA	NA	NA	NA	NA	58%	50%	50%
Percent of less complex internal DOJ audits to be completed as a working draft within 8 months**	NA	NA	NA	50%	40%	40%	NA	NA
Percent of less complex internal DOJ audits to be provided to the IG as a working draft within 8 months [Refined Measure]**	NA	NA	NA	NA	NA	40%	40%	40%
Percent of more complex internal DOJ audits to be completed as a working draft within 13 months**	NA	NA	NA	63%	45%	83%	NA	NA
Percent of more complex internal DOJ audits to be provided to the IG as a working draft within 13 months [Refined Measure]**	NA	NA	NA	NA	NA	83%	45%	45%
**This measure is being refined for clarification and consistency.								

D. Performance, Resources, and Strategies

1. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Tables, the OIG helps the Department achieve its strategic goals and promotes efficiency, integrity, economy, and effectiveness through conduct of its audits, inspections, investigations, and reviews. For the Department's programs and activities to be effective, Department personnel, contractors, and grantees must conduct themselves in accordance with the highest standards of integrity, accountability, and efficiency. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities.

The OIG continues to review its performance measures and targets, especially in light of the changing nature of the cases it investigates and the Department programs it audits and reviews. Today's work is much more complex and expansive than it was only a few years ago. The number of documents to be reviewed, the number of people to interview, the amount of data to examine, and the analytical work involved in many OIG products are significantly greater than in prior years. The OIG ensures sufficient time and resources are devoted to produce high-quality, well-respected work.

2. Strategies to Accomplish Outcomes

The OIG will devote all resources necessary to investigate allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees, and will develop cases for criminal prosecution and civil and administrative action. The OIG will continue to use its audit, inspection, evaluation, and attorney resources to review Department programs or activities identified as high-priority areas in the Department's Strategic Plan, and focus its resources to review the Department's Top Management and Performance Challenges.

V. Program Increases by Item

A. Item Name: Whistleblower Protection

Strategic Goal(s) & Objective(s): 2.6 Protect the federal fisc and defend the interests of the United States

Organizational Program: OIG

Program Increase: Positions 6 Agt/Atty/Other 0/5/1 FTE 6 Dollars \$1,202,000

1. Description of Item

As part of the OIG's ongoing efforts to strengthen the protection of FBI and other DOJ whistleblowers from reprisal and to enhance training and outreach regarding such efforts, the OIG is requesting a Program Increase of \$1,202,000. Specifically, the OIG intends to enhance its whistleblower oversight program by increasing staffing within the Oversight and Review (O&R) Division. The O&R Division currently has primary responsibility for handling whistleblower cases and also investigates other highly sensitive matters. The additional funding will enable the OIG to hire one supervisor, the equivalent of four full time investigative counsels, and one full time analyst or paralegal specialist. The resources will enable the OIG to have a full-time supervisor for whistleblower matters, including investigative matters, training, outreach, and to enhance the ability to keep pace with the significant increase in whistleblower retaliation cases described below and the further increases anticipated as a result of training, outreach, and the expected regulatory expansion of the scope of whistleblower protections, as described below.

2. Justification

Whistleblowers provide an important public service to our nation by improving government efficiency, transparency, and accountability. These virtues not only save taxpayer dollars, but also more closely align the reality of federal executive agency operations with our nation's ideals, chief among them integrity and freedom from fear. The OIG has been at the forefront in recognizing the importance of whistleblowers and in its commitment to taking prompt action to pursue any allegations of reprisal against them.

Federal law generally prohibits retaliation against federal government employees or applicants for employment for reporting wrongdoing, or whistleblowing. 5 U.S.C. §§ 2301-2306. Under these provisions, most federal employees pursue whistleblower retaliation complaints with the Office of Special Counsel and the Merit Systems Protection Board. However, the FBI is excluded from this process. Instead, the Attorney General was required to establish regulations to ensure that FBI employees are protected against retaliation for reporting wrongdoing. Under these regulations, codified at 28 C.F.R. Part 27, the OIG plays a pivotal and particularly labor-intensive role in fielding and investigating allegations of whistleblower retaliation against FBI employees. If a retaliation complaint states a cognizable claim, the OIG investigates the allegations "to the extent necessary to determine whether there are reasonable grounds to believe that a reprisal has been or will be taken" for a protected disclosure. 28 C.F.R. § 27.3(d). The OIG has 240 days to make this determination unless granted an extension by the complainant. Id. § 27.3(f).

As part of its investigation, the OIG obtains relevant documents from the FBI and from any other relevant source, including the complainant. These documents may include, for example, e-mails and personnel files. The OIG interviews witnesses with relevant knowledge, typically including the complainant, the person(s) who allegedly retaliated against the complainant, and others (often other FBI employees working in the same unit) in a position to have knowledge of the relevant facts and circumstances.

If the OIG finds that there is no reasonable basis to believe that a reprisal occurred, it provides a draft report to the complainant with factual findings and conclusions justifying termination of the investigation. If the OIG determines that there are reasonable grounds to believe that there has been or will be a reprisal for a protected disclosure, it prepares a final report of its conclusions, along with any findings and recommendations for corrective action, to the Department's Office of Attorney Recruitment and Management. *Id.* § 27.4(a).

The number of FBI whistleblower retaliation complaints has proliferated in recent years. The number of such complaints received by the OIG has risen from 5 in 2007 to 18 in 2014 and 18 more in 2015. Similarly, after accepting for investigation an average of 2 complaints per year between 2007 and 2013, the OIG increased its acceptance of cases for investigation in 2014 to 9 complaints. Seven additional complaints were accepted for investigation in 2015. As a result, O&R is currently investigating 11 separate whistleblower retaliation claims. The O&R Division currently has 14 staff attorneys.

The OIG has many priorities competing for its limited time and staff resources. The O&R Division also investigates highly sensitive allegations involving DOJ employees, often at the request of the Attorney General, senior Department managers, or Congress, and regularly conducts systemic reviews of national security programs and other similarly complex and consequential matters. For example, the O&R Division is currently conducting a congressionally mandated review of the FBI's use of Section 215 authority under the *Foreign Intelligence Surveillance Act* (FISA) from 2012 through 2014. In recent years the O&R Division has been responsible for numerous national security reviews, including reviews of the FBI's use of Section 215, National Security Letters, and Section 702; the Department's use of material witness warrants in terrorism investigations; and the sharing of information among government agencies prior to the Boston Marathon bombing. Other major reviews undertaken by the O&R Division include the investigations of ATF's Operation Fast and Furious and improper hiring practices in various Department components. The O&R Division's ability to investigate and produce reports on such complex and consequential matters risks being adversely impacted by the growing time commitment required to conduct FBI whistleblower retaliation investigations with existing staff resources.

The complexity of FBI whistleblower retaliation cases and the time required to investigate them varies from case to case but all of them require a substantial investment in time. Even the complaints that ultimately are not accepted for investigation because of a failure to meet the elements required under the DOJ regulations receive careful analysis by management in the O&R Division as well as the OIG Front Office, including the Inspector General, before a declination decision is made. Where a complaint meets the requirements of the regulation and is accepted for investigation, it typically requires the attention of one attorney on at least a half-time basis (as well as additional part-time support from an agent, program analyst, and/or paralegal) for at least the 240-day investigation period provided under the regulations. Some

cases require the full-time attention of an attorney for the entire investigative period. In short, whistleblower retaliation cases previously comprised a minor part of O&R's workload but now represent the largest single category of investigations on the O&R docket in terms of attorney hours. The rapid expansion of this category of investigation is having an inevitable and growing impact on the ability of O&R to conduct investigations of other matters of great importance to the OIG and the Department.

This rapid increase in the FBI whistleblower caseload has complicated efforts to comply with the relevant regulatory timelines. As noted above, the regulations provide for the OIG to complete its investigation within 240 days unless the complainant consents to an extension. In recent years, the median time for the OIG to complete an investigation (including writing a report of investigation or final termination report) was 363 days. The longest was 478 days. The time required by the DOJ to complete FBI whistleblower retaliation cases was the subject of a recent critical Government Accountability Office report, *Whistleblower Protection—Additional Actions Needed to Improve DOJ's Handling of FBI Retaliation Complaints*, GAO-15-112. While the OIG is only responsible for the intake and investigation phases of these cases and the time taken by the OIG to complete its role in this process was not the largest part of the problem cited by GAO, we are committed to improving the timeliness of OIG investigations.

The OIG requires additional resources to manage the growing whistleblower case load thoroughly, fairly, and expeditiously—a financial need made more urgent by three recent developments, each of which will likely further increase the number of FBI whistleblower cases the OIG receives: (1) amplified OIG outreach, training, and education efforts; (2) additional procedures to ensure whistleblowers have enhanced opportunities to seek a full OIG investigation; and (3) a recent DOJ proposal to increase the number of offices and officials to whom disclosures may be made in order to be deemed “protected” under the FBI Whistleblower Regulations (Designated Officials). The OIG believes that these three factors will accelerate the already sharp increase in the number of whistleblower retaliation complaints this office receives each year.

Additionally, concerted OIG efforts to work with the FBI to enhance FBI employees' awareness of their rights will likely increase in the number of whistleblower retaliation complaints this office receives each year. Protecting whistleblower rights has been one of the Inspector General's highest priorities since he took office. He established a Whistleblower Ombudsperson Program shortly after becoming Inspector General in 2012 and has been significantly ramping up training and awareness programs as well as the OIG's ability to thoroughly and efficiently respond to complaints of illegal retaliation against FBI whistleblowers. To lead this aggressive new program, he assigned a senior attorney from his Front Office staff, and the OIG developed a video entitled “Reporting Wrongdoing: Whistleblowers and their Rights,” which discusses whistleblower rights and protections applicable to all DOJ employees, and specifically points out where the rules for FBI employees differ from those applicable to others. The OIG has been working with the FBI to create a specialized training program that recently was rolled out as required viewing for all FBI employees. This interactive program highlights the specific requirements and procedures for FBI whistleblowers, and gives them guidance as to how to make protected disclosures and how to pursue claims of reprisal for having done so. The OIG also is working with other Department components to develop particularized training on whistleblower rights and protections. The OIG has a dedicated ["Whistleblower Protection" page](#) on its website, available to FBI employees and others with a section on FBI whistleblowers that

we have enhanced to include additional links to the applicable regulation and other information specific to FBI employees. The OIG has also reached out to the whistleblower community, so that we can hear from them first-hand about issues and challenges that concern them. It is inevitable that these substantial and ongoing efforts to educate FBI and other DOJ employees regarding their rights and protections will continue the significant upward trend we have experienced in the number of these matters, and increase the need for greater OIG staffing to address it.

Further, the OIG has instituted new procedures for those whistleblower retaliation cases where the OIG has decided not to initiate an investigation that will require a greater expenditure of resources on whistleblower matters and will likely increase the number of whistleblower retaliation complaints this office investigates each year. A substantial proportion of the retaliation complaints submitted to the OIG do not require or call for the opening of an investigation because the facts alleged in the complaint, even if accepted as true, would not be sufficient to satisfy an essential element of a retaliation claim under the regulation. In the past, the OIG has closed such non-cognizable complaints by means of brief declination letters. In the interest of enhancing the transparency of our review process and giving whistleblowers the fullest possible opportunity to provide additional information that may be relevant to our determinations, the OIG is now providing whistleblowers more detailed information in our declination letters: identifying the deficiencies in complaints, including identifying the specific element(s) of a claim of reprisal under the regulations that are absent and informing the employee filing the complaint that we are providing them with an opportunity to submit any additional relevant information or comment on the OIG's initial determination prior to the OIG's declination of the complaint becoming final. These changes in practice go beyond the regulatory requirements, and will help the OIG ensure that all complainants have an opportunity to provide additional information or written comments before OIG closes their complaints consistent with our desire to provide the maximum possible support for whistleblowers from the FBI and throughout the DOJ. The Government Accountability Office (GAO) found that “if implemented effectively, these planned actions will help OIG ensure that all complainants have an opportunity to provide additional information or written comments before OIG closes their complaints and those complainants will receive the information they need to make decisions about their complaints.” This additional procedure increases the time needed for the initial review of all complaints and is likely to increase the number of cases the OIG accepts for full investigation.

A third factor likely to accelerate the already steep increase in the number of whistleblower retaliation complaints the OIG investigates each year is a recent DOJ proposal to increase the number of offices and officials to whom disclosures may be made in order to be deemed “protected” under the FBI Whistleblower Regulations (Designated Officials). The current restriction on who qualifies as a Designated Official increases the likelihood that a whistleblower claim will be terminated as non-cognizable during the initial stages of an OIG investigation and that an otherwise meritorious disclosure will receive no protection under the law. For example, a recent report by the GAO stated:

DOJ terminated at least 17 whistleblower complaints in recent years in part because a disclosure was made to someone in the employee's chain of command or management, such as a supervisor, who was not one of the nine high-level FBI or DOJ entities designated under the [FBI Whistleblower Regulations] to receive such disclosures. [D]ismissing retaliation complaints made to an employee's supervisor or someone in that person's chain of command leaves some FBI whistleblowers – such as the 17

complainants we identified – without protection from retaliation. By dismissing potentially legitimate complaints in this way, DOJ could deny some whistleblowers access to recourse, permit retaliatory activity to go uninvestigated, and create a chilling effect for future whistleblowers.

The OIG supports broadening the category of persons to whom FBI employees can make protected disclosure of wrongdoing. Increasing the number of Designated Officials to include the second-highest ranking official in any FBI field office (which is typically any of 2-3 Assistant Special Agents in Charge), as the DOJ recently has proposed and which the OIG supports, will result in more whistleblower complaints being filed with and investigated by the OIG.

Lastly, recent legislation has expanded the OIG’s responsibilities to include new categories of whistleblower retaliation cases. Section 828 of the *National Defense Authorization Act*, codified at 41 U.S.C. § 4712, requires the OIG to investigate certain whistleblower retaliation claims filed by an employee of a contractor, subcontractor, or grantee with respect to any component of the Department—not just the FBI, as part of a 4-year pilot program in the non-defense agencies. And pursuant to Presidential Policy Directive/PPD-19, the OIG now has jurisdiction to investigate allegations that actions affecting access to classified information throughout the Department were taken in reprisal for protected whistleblowing. Although the OIG has not yet received a large number of retaliation complaints pursuant to these responsibilities, we believe that this number is likely to increase, perhaps significantly, as the OIG and the Department provide additional training and education to make such employees aware of this statutory protection.

3. Impact on Performance

At current staffing levels, the rapid increase and expected further increase in FBI whistleblower cases—which OIG is required to investigate by regulation and are not discretionary—inevitably reduces the other kinds of critical investigations that the O&R Division can undertake in a timely fashion. Without the requested increase, the OIG will not be able to expand our whistleblower oversight without adversely impacting our other responsibilities.

Funding (Dollars in Thousands)

Base Funding

FY 2015 Enacted				FY 2016 Enacted				FY 2017 Current Services			
Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty/Other	FTE	\$0
0	0/0	0	\$0	0	0/0	0	\$0	0	0/0/0	0	\$0

Personnel Increase Cost Summary

Type of Position	Modular cost per Position (\$000)	Number of FTE's Requested	FY 2017 Requested (\$000)	FY 2018 Net Annualization (change from 2016) (\$000)	FY 2019 Net Annualization (change from 2017) (\$000)
Attorney (905)	\$206	5	\$1,030	\$443	\$0
Paralegals/Other Law (900-998)	\$172	1	\$172	\$74	\$0
Total Personnel		6	\$1,202	\$517	\$0

Total Request for this Item

	Pos	Agt/ Atty/ Other	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2018 Net Annualization (Change from 2016) (\$000)	FY 2019 Net Annualization (Change from 2017) (\$000)
Current Services	0	0/0/0	0	\$0	\$0	\$0	\$0	\$0
Increases	6	0/5/1	6	\$967	\$234	\$1,202	\$517	\$0
Grand Total	6	0/5/1	6	\$967	\$234	\$1,202	\$517	\$0

B. Item Name: IT Telecommunication Upgrades

Strategic Goal(s) & Objective(s): 2.6 Protect the federal fisc and defend the interests of the United States

Organizational Program: OIG

Program Increase: Positions 0 Agt/Atty 0/0 FTE 0 Dollars \$940,000

1. Description of Item

The OIG is requesting \$940,000 to enhance its IT and telecommunications program.

2. Justification

This funding will support critical OIG mission support activities. This enhancement will concentrate on replacing aging IT and telecommunications equipment that will reach its end-of-life cycle, as well as fund certain Department IT initiatives such as virtual desktops, data analytics toolset, and network infrastructure. The OIG is requesting to upgrade voice over Internet protocol (VoIP) phones and replace core Ethernet switches and routers, as well as video teleconferencing (VTC) equipment that will reach their end-of-life cycle in FY 2017.

The OIG is implementing a data analytics program to not only assist with the performance of our audits, investigations, and reviews but also accommodate the requirements of the *Digital*

Accountability and Transparency Act of 2014 (DATA Act). The data analytics program will provide: timely insights from the vast amounts of data already stored in DOJ databases; monitoring and forecasting of events that impact performance and operations; the ability to find, acquire, extract, manipulate, analyze, connect and visualize data; the capability to manage vast amounts of data; the ability to identify significant information that can improve decision quality; and the ability to mitigate risk. This program increase will allow the OIG to obtain the needed technology to develop risk indicators with which we can analyze large volumes of data and help us effectively orient our efforts to areas where we can make the greatest difference.

Obtaining new VoIP phone sets will utilize current Justice Uniform Telecommunications Network (JUTNet) circuits and replace aging phone systems. Replacement of these outdated systems to a newer, more cost-effective VoIP technology is in line with the Department's initiative in finding cost savings.

The OIG is constantly trying to provide peak performance with regard to IT network activity. Network performance is a key element in ensuring the OIG can fully function and provide state-of-the-art automated tools and services to employees. The additional funds will be used for e-mail, data storage, VTC, applications, VoIP, and in support of Internet protocol version 6, which is the required version of the Internet.

The OIG is in the forefront in implementing and utilizing VTC capabilities and we intend to maintain that posture. Current VTC equipment is used heavily and is used throughout the OIG for meetings, announcements, training, and interviews. This equipment is at the end of its life cycle and will need to be replaced. The replacement of this equipment will allow for the integration of video to the desktop. It will also enhance staff collaboration within the Department and hopefully within other agencies, which is also an initiative that the Administration has identified as a priority.

3. Impact on Performance

Every effort has been made to maintain and utilize the existing equipment that has or will soon exhaust its life cycle. However, in order for the OIG to stay abreast of the new and emerging technology and to properly perform our mission of protecting taxpayers and timely reporting to Congress, we will have no choice but to upgrade old outdated equipment. It is imperative that our IT system and applications that support OIG operations are running efficiently and effectively by sharing information and streamlining business processes.

Funding
(Dollars in Thousands)

Base Funding

FY 2015 Enacted				FY 2016 Enacted				FY 2017 Current Services			
Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0
0	0/0	0	\$0	0	0/0	0	\$0	0	0/0	0	\$0

Personnel Increase cost Summary

Type of Position	Modular cost per Position (\$000)	Number of Positions Requested	FY 2017 Requested (\$000)	FY 2018 Net Annualization (change from 2016) (\$000)	FY 2019 Net Annualization (change from 2017) (\$000)
	\$0	0	\$0	\$0	\$0
Total Personnel	\$0	0	\$0	\$0	\$0

Non-Personnel Increase Cost Summary

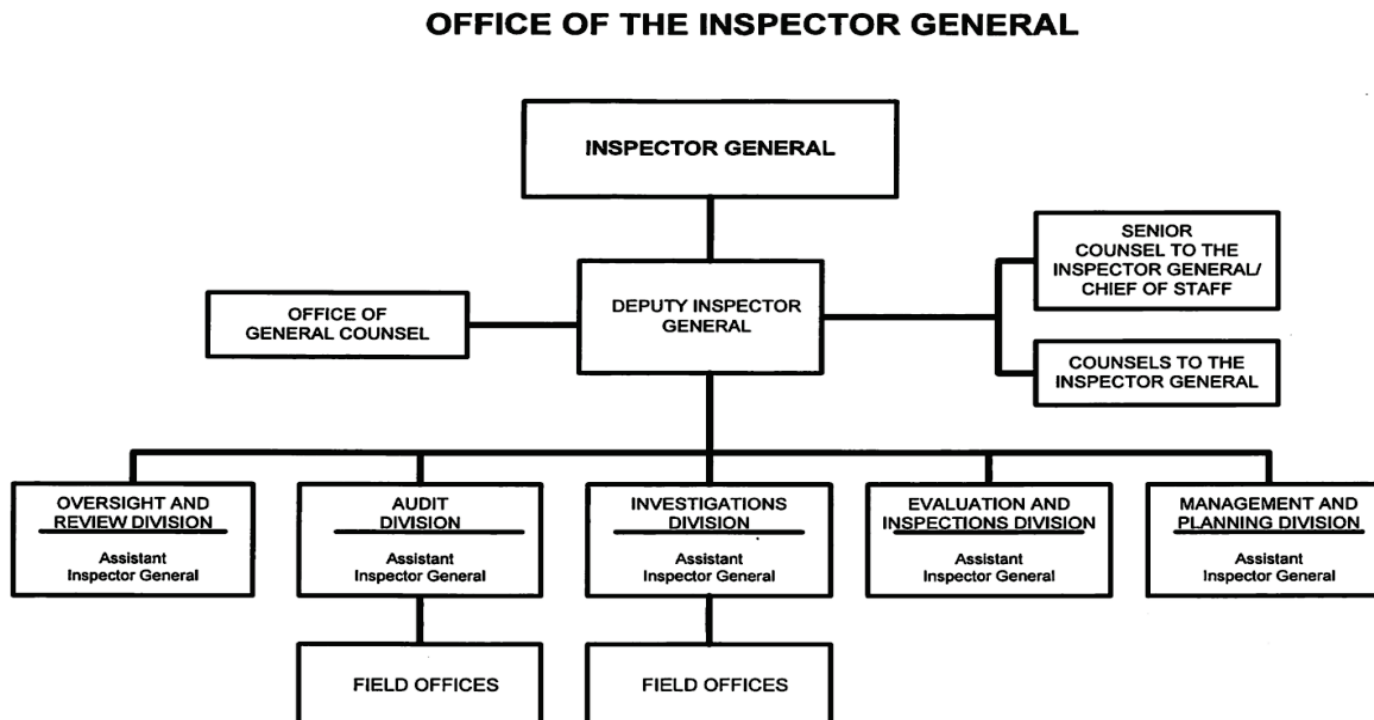
Non-Personnel Item	Unit Cost	Quantity	FY 2017 Request (\$000)	FY 2018 Net Annualization (change from 2016) (\$000)	FY 2019 Net Annualization (change from 2017) (\$000)
IT Telecommunication	1	1	\$940	\$20	\$20
Total Non-Personnel	1	1	\$940	\$20	\$20

Total Request for this item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2018 Net Annualization (Change from 2016) (\$000)	FY 2019 Net Annualization (Change from 2017) (\$000)
Current Services	0	0/0	0	\$0	\$0	\$0	\$0	\$0
Increases	0	0/0	0	\$0	\$940	\$940	\$20	\$20
Grand Total	0	0/0	0	\$0	\$940	\$940	\$20	\$20

VII. EXHIBITS

A. Organizational Chart



Approved by: Michael E. Horowitz Date: 9/27/12
Michael E. Horowitz
Inspector General

APPENDIX

Statistical Highlights

April 1, 2015 – September 30, 2015

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

Source of Allegations	
Hotline (telephone, mail, and e-mail)	2,230
Other Sources	3,807
Total allegations received	6,037
Investigative Caseload	
Investigations opened this period	169
Investigations closed this period	205
Investigations in progress as of 9/30/15	447
Prosecutive Actions	
Criminal indictments/informations	71
Arrests	60
Convictions/Pleas	33
Administrative Actions	
Terminations	32
Resignations	53
Disciplinary action	38
Monetary Results	
Fines/Restitutions/Recoveries/ Assessments/Forfeitures	\$456,118
Civil Fines/Restitutions/ Recoveries/Penalties/Damages/Forfeitures	\$2,559,431



U.S. Department of Justice FY 2018 PERFORMANCE BUDGET

Office of the Inspector General Congressional Justification



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I. Overview

A. Introduction

In Fiscal Year (FY) 2018, the Office of the Inspector General (OIG) requests a total of \$95,328,000, 451 FTE, and 470 positions (of which 139 are Agents and 30 are Attorneys) to investigate allegations of fraud, waste, abuse, and misconduct by Department of Justice (Department) employees, contractors, and grantees and to promote economy and efficiency in Department operations. This request of \$1,797,000 which is 1.92% more than the FY 2017 Continuing Resolution (CR) level, and is solely for base adjustments. Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address:

<http://www.justice.gov/02organizations/bpp.htm>

The Department is faced with a myriad of challenges that the OIG's office will have to carefully review to ensure the Department is keeping its mission to enforce the law and defend the interest of the United States. In particular the federal prison crisis, cybersecurity threats, drug enforcement interdiction and building trust and improving police-community relationships will be important challenges the Department will have to focus their attention towards.

The OIG's mission is to detect and deter waste and misconduct in DOJ programs in relation to the Department's challenges, execute programs that improve public safety and assist victims of crime and audits of programs with significant financial exposure that may result in criminal activity including fraud or misuse of government funds and grants. Accordingly, the OIG will have to maintain vigorous review over such programs and be able to adequately assess and review each program with the best people, up-to-date technology, and resources that the OIG can utilize.

The OIG must be committed to staying abreast of today's technology and being innovative and forward thinking to prepare for tomorrow's world. The OIG has a tremendous responsibility in protecting federal fiscal policy for the American tax payer, and we will strive to protect the tax payers' funds but also enhance the integrity, efficiency, and effectiveness of the Department's programs through our independent, fair, and obligatory oversight.

The OIG's primary focus to prevent misuse, waste, fraud, and abuse of DOJ programs; to detect and deter misconduct in these programs and to continue to investigate workforce integrity issues such as whistleblower retaliation can only be accomplished with appropriate budgetary resources.

B. Background

The OIG was statutorily established in the Department on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against Department of Justice employees, including the Federal Bureau of Investigation (FBI); Drug Enforcement Administration (DEA); Federal Bureau of Prisons (BOP); U.S. Marshals Service (USMS); Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); United States Attorneys' Offices (USAO); Office of Justice Programs (OJP); and other Offices, Boards and Divisions. The one

exception is that allegations of misconduct by a Department attorney or law enforcement personnel that relate to the exercise of the Department attorneys' authority to investigate, litigate, or provide legal advice are the responsibility of the Department's Office of Professional Responsibility (OPR).

The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. Appendix A contains a table that provides statistics on the most recent Semiannual Reporting period. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department programs and operations.

C. OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.
- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office and the Cyber Investigations Office are located in Washington, D.C. The Investigations Division has smaller area offices in Atlanta, Boston, Trenton, Detroit, El Paso, Houston, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Operations II, Investigative Support, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations, and manage the whistleblower program.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.

- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, ethics, and legal matters; and responds to *Freedom of Information Act* requests.

D. Notable Highlights, Reviews and Recent Accomplishments

1. Safeguarding National Security and Ensuring Privacy and Civil Liberties Protections

The Department's national security efforts continue to be a focus of the OIG's oversight work, which has consistently shown that the Department faces myriad challenges in its efforts to protect the nation from attack.

Patriot Act, Section 1001

Section 1001 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Patriot Act) directs the OIG to receive and review complaints of civil rights and civil liberty violations by DOJ employees, to publicize how people can contact the OIG to file a complaint, and to send a semiannual report to Congress discussing the OIG's implementation of these responsibilities. In March 2017, the OIG issued its most recent report, which summarized the OIG's Section 1001 activities from July 1 through December 31, 2016. The report described the number of complaints the OIG received under this section, the status of investigations conducted by the OIG and DOJ components in response to those complaints, and an estimate of the OIG's expenses for conducting these activities. During this period, the 507 complaints were processed. Of the 507 complaints, 461 were not within OIG's jurisdiction or not warranting further review, 46 complaints were within the OIG's jurisdiction warranting review, 38 were management issues referred to DOJ components for handling, and 8 possible Section 1001 complaints warranted investigations by DOJ components. The OIG did not find any possible Section 1001 complaints warranted investigation. The report also described other OIG reviews that are related to potential civil rights and civil liberty issues but not required by Section 1001.

Handling of Known or Suspected Terrorists Admitted into the Federal Witness Security Program

The OIG is conducting a follow-up audit of the Department's handling of known or suspected terrorists admitted into the federal Witness Security Program (Program). The preliminary objectives are to review the Department's handling of known or suspected terrorists admitted to the Program, practices for watch listing and processing encounters with this group of Program participants, and procedures for mitigating risks to the public through restrictions placed on this high-risk group of Program participants.

Review of Gender Equity in the Department of Justice Law Enforcement Components

The OIG is currently conducting a review examining gender equity in the Department's law enforcement components, specifically ATF, DEA, FBI, and USMS. The review will include an assessment of component demographics, gender discrimination complaints, and the complaint process. The OIG will also assess staff perceptions related to gender equity and the reasons why staff have those perceptions.

2. Enhancing Cybersecurity in an Era of Increasing Threats

The Department will be challenged to sustain a focused, well-coordinated cybersecurity approach for the foreseeable future. Cybersecurity is a high risk area across the federal government and the Department must continue to emphasize protection of its own data and computer systems, while marshalling the necessary resources to combat cybercrime and effectively engaging the private sector.

Cyber Security Examination

The Investigations Division's Cyber Investigations Office (INV/Cyber) continues to conduct computer forensic examination and mobile device forensic examinations for over 200 pieces of digital evidence annually, which includes computers, hard drives, cell phones, and other electronic media. The INV/Cyber reviews numerous referrals from the Justice Security Operations Center (JSOC) regarding the leak or spillage of Personally Identifiable Information and other sensitive DOJ data and makes appropriate disposition in consultation with Investigations Division senior officials.

The INV/Cyber will continue to build its expertise in cyber security and work with the JSOC to identify potential intrusion cases deemed appropriate for investigation.

Insider Threat Prevention and Detection Program

The Insider Threat Prevention and Detection Program (ITPDP) is designed to deter, detect, and mitigate insider threats from DOJ employees and contractors who would use their authorized access to do harm to the security of the U.S., which can include damage through espionage, terrorism, unauthorized disclosure of information, or through the loss or degradation of departmental resources or capabilities. While the initial focus is DOJ classified information and networks, it has expanded to unclassified sensitive information.

There are two parts to OIG's role in the DOJ ITPDP. One is compliance with DOJ Order 0901 that requires OIG to work with the Department in its efforts to monitor user network activity relating to classified material and networks. The reporting, training, and coordination requirements in this first role will be implemented by Management & Planning Division's Office of Security Programs. The second part of the ITPDP involves the INV/Cyber. The OIG has representatives that act as law enforcement liaisons to the JSOC relating to Insider Threat referrals as well as other cyber matters such as unauthorized access, network intrusion, child exploitation, and other potential violations of 18 USC 1030.

Joint Review on Domestic Sharing of Counterterrorism Information

In response to a Congressional request, the Inspectors General of the Intelligence Community, DOJ, and Department of Homeland Security (DHS) initiated a coordinated, joint review focusing on domestic sharing of counterterrorism information. The objectives of this review were to: (1) identify and examine the federally supported field-based intelligence entities engaged in counterterrorism information-sharing to determine their overall missions, specific functions, capabilities, funding, and personnel and facility costs, (2) determine whether counterterrorism information is being adequately and appropriately shared with all participating agencies, and (3) identify any gaps and/or duplication of effort among the entities.

In March 2017, the OIGs found that federal, state, and local entities are committed to sharing counterterrorism information by undertaking programs and initiatives that have improved information sharing. However, several areas were identified in which improvements could

enhance the sharing of counterterrorism information: (1) Federal, state, and local entities actively involved in counterterrorism efforts must understand each other's roles, responsibilities, and contributions, especially when multiple agencies are involved in complex investigations; (2) the DHS Intelligence Enterprise--the integrated function of DHS intelligence components and programs--is not as effective and valuable to the IC as it could be; (3) DOJ can improve its counterterrorism information sharing efforts by implementing a consolidated internal DOJ strategy and evaluating the continued need and most effective utilization for the U.S. Attorneys' Offices' Anti-Terrorism Advisory Council meetings; (4) the ODNI's Domestic DNI Representative Program is hindered by large geographic regions, as well as the lack of a clear strategic vision and guidance; and (5) at the state and local level, fusion centers are focused on sustaining operations rather than enhancing capabilities due to unpredictable federal support.

The report makes 23 recommendations to the components of ODNI, DHS, and, DOJ to help improve the sharing of counterterrorism information and ultimately, enhance the government's ability to prevent terrorist attacks. The components agreed with all 23 recommendations.

3. Managing an Overcrowded Federal Prison System in an Era of Limited Budgets and Continuing Security Concerns

The Department continues to face challenges within the federal prison system. The Department projects that the costs of the federal prison system will continue to increase in the years ahead. Ultimately, this cost is consuming a large share of the Department's budget. Another challenge continues to be the significant overcrowding in the federal prisons, which potentially poses a number of important safety and security issues. The following are some examples of the OIG's oversight efforts in this critical challenge area.

Review of the Department's Implementation of the Principles regarding Prosecution and Sentencing Reform under the Smart on Crime Initiative

The OIG initiated a review of the Department's implementation of certain principles regarding prosecution and sentencing reform in the Smart on Crime initiative. The OIG will assess compliance with the Department policy on the development of prosecution priorities and the Department's revisions to its charging and sentencing policies, specifically related to charging drug quantities, implicating mandatory minimum sentences, and the application of recidivism enhancements in certain drug cases.

Review of the Department's Clemency Process

The OIG is assessing the Department's clemency process. Following the OIG's 2011 report on the Department's processing of clemency petitions, this review will focus on the period from fiscal year 2012 to 2016 and will assess the procedures utilized by the Department and the impact of the Department's new criteria for prioritizing commutation petitions.

4. Strengthening the Relationships between Law Enforcement and Local Communities through Partnership and Oversight

The Department must work through critical issues to determine how to best use its limited but substantial resources to help foster partnerships, support law enforcement efforts across the country, and ensure confidence in community-police relations. Effective policing at the state and local level contributes significantly to the success of law enforcement efforts at the federal level.

Former Police Officer Sentenced to 33 Months in Prison for Civil Rights Violations, Federal Program Theft

The OIG investigated a former Reynoldsburg Police Officer of Columbus, Ohio, who engaged in a systematic corruption in his roles as a police officer and as a supervisor. It was discovered that he conspired with another police officer (now deceased) as far back as 2006, lied to judges in search warrant affidavits in support of drug trafficking investigations, admitted to stealing cash totaling between \$150,000 and \$250,000 during and after police searches, and removed some of the stolen cash from a safe when he found out that he was being investigated.

On May 27, 2016, the court accepted the defendant's guilty pleas to one count of conspiracy to deprive persons of civil rights and one count of federal program theft. The defendant was sentenced in U.S. District Court to 33 months in prison for using his position as a police officer to deprive people of their civil rights by falsifying search warrant affidavits and unlawfully seizing money and property during drug trafficking investigations. He was fined \$40,000 and ordered to remain under court supervision for two years after the completion of his prison term. He is also required to perform four hours of community service per week while under court supervision.

Examination of DOJ Efforts to Address Police Misconduct and Provide Technical Assistance

The OIG is examining how (1) the Civil Rights Division identifies and selects potential patterns or practices of unlawful police conduct for investigation, (2) the Office of Community Oriented Policing Services and the Office of Justice Programs direct technical assistance for accountability reforms to police departments addressing concerns over alleged misconduct, and (3) these agencies coordinate their efforts and assess their results.

5. Ensuring Effective Management and Oversight of Law Enforcement Programs and Promoting Public Trust Ensuring Effective and Efficient Oversight of Law Enforcement Programs

The Department continues to be challenged in its oversight role of the vast variety of complex and evolving law enforcement issues. It is crucial that the Department ensures proper oversight of its programs while acting consistently with the protection of civil rights for American citizens. Charged with enforcing the nation's laws and defending its interests, the Department's senior officials and employees are expected to uphold the highest standards of integrity. Meeting this expectation is a key component in fulfilling the Department's crucial role in public service.

Audit of the Office on Violence against Women's Grant Awarded to Shelter from the Storm, Incorporated Island City, Oregon

In January 2017, the OIG audited the Office on Violence Against Women's (OVW) Grant Awarded to Shelter From the Storm, Incorporated (SFS), located in Island City, Oregon. The SFS was awarded \$747,262 to: (1) have designated personnel working to increase victim safety and hold abusers accountable for their crimes; (2) provide support to assist victims' healing and recovery following an incident of sexual assault, domestic violence, dating violence, and stalking; (3) enhance the ability of rural victims to access advocacy services and resources; and (4) allow victims to access professionals trained specifically in areas of sexual assault, domestic violence, dating violence, and stalking.

The objective of this audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The audit found that the SFS did not comply with essential award

requirements in four of the six areas tested and generally complied with requirements related to program performance and budget management. Weaknesses were found in the internal control environment, grant expenditures, contractor oversight, and reporting, including non-compliance with award requirements. The report questioned a total of \$351,986 and contained 11 recommendations to OVW. In response to draft audit report, OVW demonstrated proposed actions to address the recommendations, and as a result, the status of the audit report is resolved.

Findings Concerning the DEA's Use of a TSA Airport Security Screener as a Paid Confidential Source

The OIG initiated an investigation upon the receipt of information from the DEA that a Transportation Security Administration (TSA) airport Security Screener had been registered as a paid Confidential Source (CS) for the DEA. This investigation was initiated to determine whether it was appropriate for the DEA to register a TSA employee as a CS and pay the employee for providing information to the DEA that the employee obtained during the course of his official duties.

The OIG concluded that the DEA violated its policies by registering the TSA Security Screener as a CS, and by offering a reward for money seized based on information he provided, the OIG found that the TSA Security Screener did not provide DEA any actionable information while a CS, and was not paid any money by the DEA. The CS was deactivated for inability to provide any useful information. The OIG provided its report to the DEA for appropriate action.

Investigative Summary Findings of Misconduct by an FBI Senior Executive

The OIG initiated an investigation of a Federal Bureau of Investigation (FBI) senior executive based on information it received that, among other things, the executive had not properly recused herself from matters involving a contract company that employed her husband.

The OIG investigation found that the executive failed to disqualify herself from participating in matters involving the FBI contractor that employed her husband, and that she created the appearance of a conflict of interest by failing to obtain a waiver allowing such participation. The OIG also found that the executive directed subordinate employees to draft official records stating that she was recused from matters involving the contractor, when in fact she took no official action to do so, or to obtain the required waiver. Prosecution was declined.

In the course of its investigation, the OIG also found that the executive failed to report the source of her husband's earned income on annual federal ethics filings, as required by federal ethics regulations and FBI policy, over the period from 2010 through 2014. The OIG has completed its investigation and provided its report to the FBI for appropriate action.

Findings of Misconduct by an FBI Assistant Special Agent in Charge

The OIG initiated an investigation of a FBI Assistant Special Agent in Charge (ASAC) based on information it received from the FBI that the ASAC: submitted a fraudulent temporary quarters voucher for payments to which he was not entitled in connection with a transfer associated with his promotion to ASAC; attempted to defraud the FBI's relocation contractor by soliciting sham offers for the purchase of his home; and misused his official Government travel card to purchase tickets for personal air travel.

The OIG investigation found that the ASAC submitted two temporary quarters' vouchers knowing he was not entitled to the amounts requested, and that he lacked candor during meetings with his supervisors who questioned him about the claims. The OIG has completed its investigation and provided this report to the FBI and the Department of Justice, Justice

Management Division, for appropriate action, including seeking repayment of improper reimbursement for travel and temporary quarters.

Findings Concerning a Lack of Candor to the OIG by a BOP Warden

The OIG initiated an investigation based on information from an anonymous complaint alleging that the warden had engaged in misconduct. According to the complaint, BOP staff escorted several federal law enforcement agents around the electronic screening equipment at a Federal Correctional Institution in violation of BOP policy. This resulted in several of the federal agents entering the secure area of the prison with their service weapons and without the prior approval of the warden.

The OIG investigation determined that the warden was not candid or forthcoming in statements to the OIG regarding when the warden became aware of the incident. This lack of candor violated BOP policy, and potentially constituted false statements in violation of federal law. Prosecution of the warden was declined. The OIG has completed its investigation and provided its report to the BOP.

Findings of Misconduct by an FBI Unit Chief

The OIG initiated an investigation based on information from the FBI alleging that a current FBI Unit Chief engaged in misconduct by accepting from a vendor who had contracts with the FBI tickets to at least two sporting events. It was further alleged that the FBI Unit Chief, without appropriate justification, sponsored the vendor for a badge which gave the vendor unescorted access to the FBI J. Edgar Hoover (JEH) Building.

The OIG substantiated these allegations, concluding that the FBI Unit Chief attended at least two sporting events with a vendor without paying for the tickets, and that the FBI Unit Chief inappropriately sponsored a vendor for unescorted access to the FBI JEH building. The OIG discovered the following additional instances of misconduct: the FBI Unit Chief attended three vendor-sponsored presentations at sporting venues and stayed to watch the sporting events without paying for a ticket; he engaged in social activities such as golfing, going to a shooting range, and watching mixed martial arts fights with vendors; and he accepted free lunches from vendors.

The OIG investigation found that the FBI Unit Chief had no pre-existing personal association with these vendors and, therefore, his conduct violated applicable standards of ethical conduct prohibiting acceptance of gifts, giving preferential treatment, and misuse of position. The OIG further concluded that the FBI Unit Chief failed to disclose receipt of gifts on annual Confidential Financial Disclosure forms as required and lacked candor in response to OIG questioning. Prosecution was declined. The OIG provided a report of investigation to the FBI for appropriate action.

Findings of Misconduct by an Assistant U.S. Attorney

The OIG initiated an investigation upon receipt of information from the Executive Office for U.S. Attorneys (EOUSA) alleging that a supervisory Assistant United States Attorney (AUSA) obtained without authorization a disc holding thousands of personnel records of current and former USAO employees in violation of the Privacy Act and numerous DOJ policies. The AUSA was also alleged to have shared some content of the disc with another AUSA, lacked candor with her supervisor about how she obtained the disc, and copied the records from the disc after having been instructed by her supervisor to return the disc without copying it. The investigation also established that the AUSA created a table which included salary and bonus information, as well as performance and disciplinary information, of the USAO attorneys identified by their initials.

The OIG completed its investigation and has provided a report to EOUSA, and to the DOJ Office of Professional Responsibility for review and appropriate action.

6. Monitoring Department Contracts and Grants

The OIG's recent oversight work assists the Department in its efforts to ensure that taxpayer funds are protected from fraud, mismanagement, and misuse. It is essential that the Department continue to manage its resources wisely and maximize the effectiveness of its programs regardless of the Department's budget environment.

Three Plead Guilty in Multi-Million Federal Prison Sentencing Reduction Fraud Scheme

In March 2017, three defendants pled guilty in the Southern District of Florida in connection with their participation in a \$4.4 million dollar federal prison sentencing scheme. The fraudulent scheme targeted federal inmates and their families in Miami-Dade County and elsewhere by promising them assistance in obtaining a sentencing reduction in exchange for money.

According to court documents, from 2009 through September 7, 2016, the defendants and others held themselves out as owners and operators of Private Services, a company that reportedly worked with a network of informants and law enforcement personnel to identify and provide information and third party cooperation that could be credited to federal. Using aliases, the defendants targeted federal inmates and their families by promising that they could provide substantial assistance services, which would be used to help secure the early release of the inmates. In return, the defendants required relatives of the federal inmates to make periodic payments via cash, check, wire, and electronic fund transfer, in order for the third party cooperation process to supposedly be conducted.

As part of the scheme, two defendants also provided fake invoices and fraudulent documents allegedly showing agreements between various U.S. Attorney's Offices, including the Eastern District of New York and the Southern District of New York, and a company affiliated with Private Services. In fact, the agreements were fake, the prosecutors' signatures were forged, and no substantial assistance was provided on behalf of these inmates. The defendants received payments from relatives of federal inmates, and used the fraudulently obtained funds for their personal use and benefit, including the purchase of luxury automobiles, vacations, and gambling activities.

Each defendant pled guilty to a single count of conspiracy to commit mail fraud and wire fraud, in violation of Title 18, U.S.C. § 1349, in connection with their participation in the multi-year fraud scheme. In addition to the Southern District of Florida matter, two defendants also pled guilty to one count of conspiracy to commit wire fraud in a related case originally brought in the Eastern District of Texas, and subsequently transferred to Florida.

The defendants each face a statutory maximum penalty of 20 years in prison as to each count.

BOP Audit on Contract with Spectrum Services Group, Inc., for Dental Services at the Federal Correctional Complex, Victorville, California

On March 2017, the OIG issued a report on the Federal Bureau of Prisons' (BOP) contract with Spectrum Services Group, Inc. (SSGi) which provided four dental assistants at the Federal Correctional Complex in Victorville, California (FCC Victorville).

The audit found that one of the four Dental Assistant positions specified in the contract was vacant for 25 of the 46 months from August 2012 through May 2016, or about 54 percent of

the time. Despite these vacancies, contracting personnel consistently rated SSGi “Very Good” during its annual evaluation, and the evaluations included no mention of the vacancies. The audit found SSGi and the BOP attributed the Dental Assistant vacancies due to the stringent BOP vetting process, the remote location of FCC Victorville, and the fact that the position was located within a federal prison. Additionally, the report questioned whether BOP adequately assessed its Dental Officer and Dental Assistant needs at FCC Victorville prior to contract solicitation and award.

The audit concluded that these staffing shortages had measurable consequences at the institution, including one out of every four inmates (or nearly 1,000 inmates) being placed on a national wait list for routine dental care as of May 2016. Some inmates have been on this wait list since 2008. Other findings included (1) numerous discrepancies and inaccuracies between the sign-in log books for contractors and the Dental Assistants’ timesheets, (2) SSGi did not comply with provisions of the Service Contract Labor Standards, and (3) BOP’s non-compliance with Federal Acquisition Regulation (FAR), including of the FAR’s requirements for retaining information submitted by the contractor during the award process.

The report made nine recommendations to the BOP that address the deficiencies identified. The BOP agreed with all nine recommendations.

BOP Audit on Reimbursement Rates for Outside Medical Care Evaluation

On June 2016, the OIG issued an audit of BOP on how they rely on outside medical services to provide care for inmates that cannot be provided by institution staff. From fiscal year (FY) 2010 to FY 2014, BOP spending for outside medical services increased 24 percent, from \$263 million to \$327 million, while BOP’s overall budget increased at less than half that rate, 11 percent, from \$6.2 billion to \$6.9 billion.

The audit found BOP spent at least \$100 million more than the Medicare rate in FY 2014 on outside medical care and further found that these 69 BOP institutions spent approximately \$241 million for outside medical care in FY 2014, but that this figure would have dropped to \$143 million, a \$98 million dollar (41 percent) decrease, if the BOP had capped its medical fees at the Medicare rate. Given that this analysis necessarily excluded more than one-quarter of the BOP’s institutions, we concluded that it was likely the BOP as a whole spent at least \$100 million more for outside medical care than the applicable rates paid by Medicare in FY 2014. We made three recommendations to assist the BOP in exploring legislative and other options for providing medically necessary care while maintaining access to providers and better controlling medical costs. The BOP concurred with the recommendations and stated that it would improve the collection and analysis of utilization data for inmate medical care to better understand the services that inmates need and the impact it has on the BOP’s medical spending.

Audit of Contract Management Deficiencies Boys and Girls Clubs of America

The OIG issued a report in September, 2016 identifying significant contract management deficiencies in the Boys and Girls Clubs of America’s (BGCA) management of 45 contracts that it awarded to subcontractors and paid for using OJP grant funds. As a result, the OIG questioned \$2.9 million—93 percent— of the \$3.1 million expended through these 45 contracts from July 2008 through September 2013. The OIG noted that the BGCA: 1) awarded all 45 contracts on a “sole source” basis, which means that the BGCA entered the contracts without first conducting an open, free, and fair contract competition. For most of these contracts, the BGCA did not sufficiently establish the need to use sole source contracting; 2) did not comply with several requirements concerning lobbying activities; 3) did not enforce the employee code of conduct for one of the BGCA’s contractors, which received \$2.5 million in contracts during the audit period;

and 4) generally retained sufficient documentation of specific billings and payments, although the audit questioned about \$75,000 in contract expenditures as unsupported or, in one instance of double billing, as unallowable. These expenditures were also questioned based on the inadequate sole-source justifications described above. The OIG made 11 recommendations to OJP to improve oversight of grant-funded contracts awarded by the BGCA, and to address the \$2.9 million in questioned costs. OJP agreed with all of them. The BGCA explicitly agreed with two recommendations in whole or in part, and either disagreed or did not explicitly agree with the remaining recommendations.

Examination of the U.S. Department of Justice's FY 2015 compliance under the Improper Payments Elimination and Recovery Act of 2010

In May 2016, the OIG examined the Department to determine compliance with the requirements, as set forth in OMB Circular A-123, Appendix C; and OMB Circular A-136. The examination was comprised of the OIG gaining an understanding of the Department and component-level controls through inquiry procedures, a review of documentation supporting the information published in the Department's Agency Financial Report, as well as re-performance of calculations computed by the Department. We found that the Department complied, in all material respects, with requirements for the fiscal year ended September 30, 2015.

Administration of the September 11th Victim Compensation Fund

The OIG is conducting an audit with the preliminary objective of reviewing DOJ's administration of the September 11th Victim Compensation Fund, which was re-authorized by the James Zadroga 9/11 Health and Compensation Act of 2010. Title II of the Act reactivated the 9/11 Victim Compensation Fund of 2001, provided an additional \$2.8 billion to compensate claimants, and added new categories of beneficiaries for the fund, including individuals with health conditions that took a long period to develop. As part of this audit, the OIG is reviewing how the Civil Division and the Special Master manage the fund, as well as how JMD supports the Victim Compensation Fund operations through legal and administrative contracts.

7. Using Performance-Based Management to Improve DOJ Programs

Performance-based management has been a long-standing challenge not only for the Department but across the entire federal government. Office of Management and Budget (OMB) Circular No. A-11 and the Government Performance and Results Modernization Act (GPRA Modernization Act) place a heightened emphasis on priority-setting, cross-organizational collaboration to achieve shared goals, and the use and analysis of goals and measurements to improve outcomes. A significant management challenge for the Department is ensuring, through performance-based management, that its programs are achieving their intended purposes. The OIG will ensure that the Department is effectively implementing performance-based management and taking actions to meet the requirements of the GPRA Modernization Act.

Federal Bureau of Prisons Release Preparation Program

The OIG issued a report in August 2016 on the BOP's Release Preparation Program (RPP), which, among other objectives, seeks to reduce recidivism. When former inmates recidivate and must be re-arrested, it strains DOJ resources and adds to the social costs in communities into which the inmates were released. The OIG identified weaknesses in the RPP's implementation that can hinder inmates' successful re-transition into society. BOP policy does not provide a nationwide RPP curriculum, which led to widely inconsistent curricula, content, and quality among RPP courses. The BOP does not systematically identify specific inmate needs, which is left to institutions' discretion. The OIG also determined that, given few incentives, less than a third of inmates required to participate in the RPP actually complete it. The BOP also does not

fully leverage its relationships with other federal agencies and BOP institutions must contact local offices to advocate for services for inmates. In the OIG's judgment, the BOP could take advantage of its memberships in national reentry forums to develop national agreements and facilitate consistent access to information and services for inmates. Additionally, the OIG found that the BOP does not collect comprehensive re-arrest data on former inmates, has no performance metrics to gauge the RPP's effectiveness, and does not attempt to link the RPP to recidivism. The report made seven recommendations to improve the RPP's effectiveness, and the BOP agreed with all of them.

8. Whistleblower Ombudsperson

The OIG's Whistleblower program continues to be an important source of information regarding waste, fraud, and abuse within the Department, and to perform an important service by allowing Department employees to come forward with such information. As publicity about retaliation against whistleblowers from across the federal government continues to receive widespread attention, it is particularly important that the Department act affirmatively to ensure that whistleblowers feel protected and, indeed, encouraged to come forward.

The OIG plays a pivotal and particularly labor-intensive role in fielding and investigating, under the FBI Whistleblower Statute (5 U.S. C § 2303) and the FBI Whistleblower Regulations (28 C.F.R. Part 27), allegations of whistleblower retaliation against FBI employees. If a retaliation complaint states a cognizable claim, the OIG investigates the allegations "to the extent necessary to determine whether there are reasonable grounds to believe that a reprisal has been or will be taken" for a protected disclosure. 28 C.F.R. § 27.3(d). The OIG has 240 days to make this determination unless granted an extension by the complainant. *Id.* § 27.3(f).

The OIG is partnering with the FBI in the development of specialized training that will highlight the particular requirements applicable to FBI employees. Aggressive OIG efforts to enhance FBI employees' awareness of their rights will likely increase the number of whistleblower retaliation complaints this office receives each year. Protecting whistleblower rights has been one of the Inspector General's highest priorities since he took office. Unfortunately, with limited resources and staffing we have had to go beyond deadlines and obtain extensions from whistleblowers, further delaying the investigation and ultimate resolution of these cases.

From April 1, 2016, through March 31, 2017, the OIG received 39 new FBI whistleblower retaliation complaints, and opened investigations on nine of them. We believe that the numbers will only continue to increase as there is increased focus on whistleblowers in general.

The OIG also continues to utilize the tracking system developed through the OIG Ombudsperson Program to ensure that it is handling these important matters in a timely manner. The OIG continuously enhances the content on its public website, oig.justice.gov. The table below, pulled from our *Semiannual Report to Congress, April 1, 2016 – September 30, 2016*, presents important information.

Whistleblower Program
April 1, 2016 – September 30, 2016

Employee complaints received ¹	262
Complainants asserting to be whistleblowers ²	17
Employee complaints opened for investigation by the OIG	81
Employee complaints that were referred by the OIG to the components for investigation	122
Employee complaint cases closed by the OIG ³	98

The OIG continues to refine its internal mechanisms to ensure that the OIG is promptly reviewing whistleblower submissions and communicating with those who come forward with information in a timely fashion.

9. Congressional Testimony

Since February 2016, the Inspector General and Deputy Inspector General testified before Congress on the following occasions:



- “Examining Systemic Management and Fiscal Challenges within the Department of Justice” before the U.S. House of Representatives Committee on the Judiciary on March 21, 2017
- “A Review of Investigations of the Osorio and Barba Firearms Trafficking Rings” before the U.S. House of Representatives Committee on Oversight and Government Reform on March 9, 2017
- “Five Years Later: A Review of the Whistleblower Protection Enhancement Act” before the U.S. House of Representatives Committee on Oversight and Government Reform, Subcommittee on Government Operations on February 1, 2017

¹ Employee complaint is defined as an allegation received from whistleblowers, defined broadly as complaints received from employees and applicants with DOJ, or its contractors, subcontractors, or grantees, either received directly from the complainant by the OIG Hotline, the field offices, or others in the OIG, or from a DOJ component if the complaint otherwise qualifies and is opened as an investigation.

² These complainants may or may not qualify as whistleblowers under relevant laws.

³ This number reflects cases closed during the reporting period regardless of when they were opened.

- “Empowering the Inspectors General” Oversight and Government Reform on February 1, 2017
- “Oversight of DEA's Confidential Source Program” before the U.S. House of Representatives Committee on Oversight and Government Reform on November 30, 2016
- “New Orleans: How the Crescent City Became a Sanctuary City” before the U.S. House of Representatives Committee on the Judiciary, Subcommittee on Immigration and Border Security on September 27, 2016
- “The Department of Justice Office of Justice Programs' Grant Management” before the U.S. House of Representatives Committee on Oversight and Government Reform, Subcommittee on Government Operations on July 14, 2016
- “Firearms and Munitions at Risk: Examining Inadequate Safeguards” before the U.S. House of Representatives Committee on Oversight and Government Reform concerning on July 6, 2016
- “Oversight of the Drug Enforcement Administration” before the U.S. Senate Committee on the Judiciary on June 22, 2016
- “The Need for More Timeliness and Transparency: Oversight of the Public Safety Officers’ Benefits (PSOB) Program” before the U.S. Senate Committee on the Judiciary on April 26, 2016
- “Compassionate Release and the Conditions of Supervision” before the U.S. Sentencing Commission on February 17, 2016

10. Support for the Department’s Savings and Efficiencies Initiatives

In support of the DOJ’s SAVE initiatives, the OIG contributed to the Department’s cost-saving efforts in FY 2017, including:

- *Increasing the use of self-service online booking for official travel.* The OIG’s online booking rate at the end of the second quarter of FY 2017 official travel was 91%, for estimated savings of \$13 thousand over agent-assisted ticketing costs.
- *Using non-refundable airfares rather than contract airfares or non-contract refundable fares (under appropriate circumstances).* Through March 2017, the OIG realized cost savings of more than \$5 thousand by using non-refundable tickets.
- *Increased use of video conferencing.* The OIG saved training and travel dollars, as well as productive staff time while in travel status, by utilizing increased video teleconferencing for all applicable OIG-wide training.

Getting the most from taxpayer dollars requires ongoing attention and effort. The OIG continues to look for ways to use its precious resources wisely and to examine how it does business to further improve efficiencies and reduce costs.

E. Challenges

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affects the number of allegations the OIG receives; Department support for the OIG's mission; and financial support from the OMB and Congress.

The limitation on the OIG's jurisdiction has also been an ongoing impediment to strong and effective independent oversight over agency operations. While the OIG has jurisdiction to review alleged misconduct by non-lawyers in the Department, it does not have jurisdiction over alleged misconduct committed by Department attorneys when they act in their capacity as lawyers—namely, when they are litigating, investigating, or providing legal advice. In those instances, the *Inspector General Act* grants exclusive investigative authority to the Department's OPR office. As a result, these types of misconduct allegations against Department lawyers, including any that may be made against the most senior Department lawyers (including those in Departmental leadership positions), are handled differently than those made against agents or other Department employees. The OIG has long questioned this distinction between the treatment of misconduct by attorneys acting in their legal capacity and misconduct by others. This disciplinary system cannot help but have a detrimental effect on the public's confidence in the Department's ability to review misconduct by its own attorneys.

The OIG's greatest asset is its highly dedicated personnel, so strategic management of human capital is paramount to achieving organizational performance goals. In the prior fiscal years, the OIG was very successful in recruiting and hiring high quality talent to fulfill its staffing complement. In this competitive job market, the OIG must make every effort to maintain and retain its talented workforce. The OIG's focus on ensuring that its employees have the appropriate training and analytical and technological skills for the OIG's mission will continue to bolster its reputation as a premier federal workplace, and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly impacted by the number of experienced personnel the OIG can devote to these critical oversight activities.

II. Summary of Program Changes

The Office of the Inspector General has no program changes to submit in the FY 2018 Congressional Justification.

III. Appropriations Language and Analysis of Appropriations Language

The appropriation language states the following for the Office of the Inspector General:

For necessary expenses of the Office of Inspector General, [\$93,531,000] \$95,328,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

A. Analysis of Appropriations Language

No substantive changes

IV. Program Activity Justification

A. Audits, Inspections, Investigations and Reviews

OIG	Direct Pos.	Direct FTE	Amount
2016 Enacted	474	455	\$93,709,000
2017 Continuing Resolution	474	455	\$93,531,000
Adjustment to base and Technical Adjustments	0	0	\$1,797,000
2018 Current Services	470	451	\$95,328,000
2018 Request	470	451	\$95,328,000
Total Change 2017-2018	-4	-4	\$1,797,000

<i>OIG Information Technology Breakout</i>	Direct Pos.	Direct FTE	Amount
2016 Enacted	12	12	\$6,597,000
2017 Continuing Resolution	18	18	\$8,519,000
Adjustments to Base and Technical Adjustments	0	0	\$758,000
2018 Current Services	18	18	\$9,277,000
2018 Request	18	18	\$9,277,000
Total Change 2017-2018	0	0	\$758,000

B. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

C. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE (Goal 1)									
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.									
<u>WORKLOAD/RESOURCES</u>	Target		Actual		Projected		Changes		Requested (Total)
	FY 2016		FY 2016		FY 2017		Current Services Adjustment and FY 2017 Program Changes		FY 2018 Request
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE \$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	455	\$93,709			455	\$93,531	(4)	\$1,797	451 \$95,328
		[\$11,484]				[\$12,150]		\$550	[\$12,700]
Performance Measure									
Number of Cases Opened per 1,000 DOJ employees:									
Fraud*		*		0.42		*			*
Bribery*		*		0.15		*			*
Rights Violations*		*		0.14		*			*
Sexual Crimes*		*		0.21		*			*
Official Misconduct*		*		1.17		*			*
Theft*		*		0.11		*			*
Workload									
Investigations closed		310		312		310		0	310
Integrity Briefings/Presentations to DOJ employees and other stakeholders		80		83		80		0	80
DOJ employees and stakeholders at Integrity Briefings		3,500		3,799		3,500		0	3,500
* Indicators for which the OIG only reports actuals.									

PERFORMANCE AND RESOURCES TABLE (Goal 1) (continued)											
Decision Unit:		OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan:		Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #1:		Detect and deter misconduct in programs and operations within or financed by the Department.									
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2016		FY 2016		FY 2017		Current Services Adjustment and FY 2017 Program Changes		FY 2018 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		455	\$93,709			455	\$93,531	(4)	\$1,797	451	\$95,328
			[\$11,484]				[\$12,150]		\$550		[\$12,700]
Performance Measure											
Intermediate Outcome											
Percentage of BOP Investigations closed or referred for prosecution within 6 months of being opened [Refined Measure]**			75%		83%		75%				75%
Number of closed Investigations substantiated*			*		196		*				*
Arrests *			*		91		*				*
End Outcome											
Convictions *			*		88		*				*
Administrative Actions *			*		251						
Response to Customer Surveys:											
Report completed in a timely manner (%)			90%		98%		90%				90%
Issues were sufficiently addressed (%)			90%		98%		90%				90%
* Indicators for which the OIG only reports actuals.											

PERFORMANCE AND RESOURCES TABLE (Goal 1)										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.										
Data Definition, Validation, Verification, and Limitations										
A. Data Definition:										
The OIG does not project targets and only reports actuals for workload measures, the number of closed investigations substantiated, arrests, convictions, and administrative actions. The number of convictions and administrative actions are not subsets of the number of closed investigations substantiated.										
B. Data Sources, Validation, Verification, and Limitations:										
Investigations Data Management System (IDMS) – consists of a web-based relational database system. It's a case management system.										
The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up in 3 hour intervals. We have upgraded to a web based technology.										
Investigations Division Report of Investigation (ROI) Tracking System - a web-based SQL-Server application that tracks all aspects of the ROI lifecycle. The ROI and Abbreviated Report of Investigation (AROI) are the culmination of OIG investigations and are submitted to DOJ components. These reports are typically drafted by an agent and go through reviews at the Field Office and at Headquarters levels before final approval by Headquarters. The ROI Tracking System reads data from IDMS. By providing up-to-the-minute ROI status information, the Tracking System is a key tool in improving the timeliness of the Division's reports. The ROI Tracking System also documents the administration of customer satisfaction questionnaires sent with each completed investigative report to components and includes all historical data. The system captures descriptive information as well as questionnaire responses. Descriptive information includes the questionnaire form administered, distribution and receipt dates, and component and responding official. The database records responses to several open-ended questions seeking more information on deficiencies noted by respondents and whether a case was referred for administrative action and its outcome. Questionnaire responses are returned to Investigations Headquarters and are manually entered into the Tracking System by Headquarters personnel. No data validation tools, such as double key entry, are used though responses are entered through a custom form in an effort to ease input and reduce errors.										
Investigations Division Investigative Activity Report – Most of the data for this report is collected in IDMS. The use of certain investigative techniques and integrity briefing activities are also tracked externally by appropriate Headquarters staff.										
C. FY 2016 Performance Report:										
For the workload measure "Investigations Closed," the OIG has plans to focus on more complex and document-intensive cases (e.g., grant and contract fraud) that require more in-depth financial and forensic analysis. The OIG is also diversifying its caseload to extend more investigative coverage to other Department components.										

PERFORMANCE MEASURE TABLE (Goal 1)								
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews								
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.								
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.								
Performance Measure Report	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016		FY 2017	FY 2018
Workload	Actuals	Actuals	Actuals	Actuals	Target	Actuals	Target	Target
Number of Cases Opened per 1,000 DOJ employees:								
Fraud*	0.51	0.63	0.67	0.47	*	0.42	*	*
Bribery*	0.20	0.16	0.15	0.10	*	0.15	*	*
Rights Violations*	0.13	0.17	0.19	0.12	*	0.14	*	*
Sexual Crimes*	0.37	0.35	0.43	0.39	*	0.21	*	*
Official Misconduct*	1.28	1.48	1.34	1.19	*	1.17	*	*
Theft*	0.22	0.22	0.10	0.17	*	0.11	*	*
Investigations closed	361	366	402	357	310	312	310	310
Integrity Briefings and Presentations to DOJ employees and other stakeholders	134	85	91	82	80	83	80	80
DOJ employees and stakeholders attending Integrity Briefings	7,200	3,710	4,732	3,975	3,500	3,799	3,500	3,500
Intermediate Outcome								
Percentage of Investigations closed or referred for prosecution within 6 months**	71%	72%	71%	76%	75%	83%	N/A	N/A
Number of closed Investigations substantiated (QSR Measure)*	215	222	243	226	*	196	*	*
Arrests*	90	86	84	96		91	*	*
End Outcome								
Convictions*	94	63	88	73	*	88	*	*
Administrative Actions	192	266	219	225	*	251	*	*
Response to Customer Surveys:								
Report completed in a timely manner (%)	100%	100%	95%	90%	90%	98%	90%	90%
Issues were sufficiently addressed (%)	100%	99%	99%	90%	90%	98%	90%	90%
* Indicators for which the OIG only reports actuals.								

PERFORMANCE AND RESOURCES TABLE (Goal 2)											
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews											
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.											
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2016		FY 2016		FY 2017		Current Services Adjustment and FY 2018 Program Changes		FY 2018 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(Reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total.)		455	\$93,709			455	\$93,531	(4)	\$1,797	451	\$95,328
			[\$11,484]				[\$12,150]		\$550		[\$12,700]
Performance Measure											
Workload											
Audit and E&I assignments initiated			92		109		92				92
Percent of Audit CSITAO* resources devoted to security reviews of major Dept. information systems			80%		97%		80%				80%
Percent of internal DOJ audit assignments that assess component performance measures			18%		67%		18%				18%
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges			70%		86%		70%				70%
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas			80%		95%		85%				85%
Intermediate Outcome											
Audit and E&I assignments completed			87		98		87				87
*Computer Security & Information Technology Audit Office											

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
<u>WORKLOAD/RESOURCES</u>	Target		Actual		Projected		Changes		Requested (Total)	
	FY 2016		FY 2016		FY 2017		Current Services Adjustment and FY 2018 Program Changes		FY 2018 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	455	\$93,709			455	\$93,531	(4)	\$1,797	451	\$95,328
		[\$11,484]				[\$12,150]		\$550		[\$12,700]
Performance Measure										
Intermediate Outcome										
Percent of Audit resources devoted to reviews of grants and grant management *		35%		40%		35%				NA
Percent of Audit resources devoted to reviews of contracts and contract management		10%		14%		10%				10%
Components receiving information system audits		5		9		6				6
Percentage of products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I		92%		100%		92%				92%
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months**		35%		0%		35%				35%
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months***		35%		71%		106%				106%
Percent of grant, CODIS, equitable sharing, Intra Government Agreements, and other external audits to be completed in draft within 8 months		50%		50%		50%				50%
Percent of less complex internal DOJ audits to be provided to the IG as a working draft within 8 months		40%		100%		40%				40%
Percent of more complex internal DOJ audits to be provided to the IG as a working draft within 13 months		45%		73%		45%				45%
* Beginning in FY 2018 this measure will no longer be used										
**This measure will no longer be used. We will refine our measure beginning in FY 2019 on "more complex" reviews to reflect all review reports with a deadline of 12 months.										
***This measure will be refined in FY 2019 to reflect all reviews with a deadline of 12 months.										

PERFORMANCE AND RESOURCES TABLE (Goal 2) (continued)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.										
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.										
Data Definition, Validation, Verification, and Limitations										
A. Data Definition:										
"Assignment" covers all audits (including internals, CFO Act, and externals, but not Single Audits), evaluations, and inspections. "Assignments" may also include activities that do not result in a report or product (e.g., a memorandum to file rather than a report); or reviews initiated and then cancelled.										
B. Data Sources, Validation, Verification, and Limitations:										
Project Resolution and Tracking (PRT) system- PRT was implemented on April 18, 2011; this OIG system was designed to track audits, evaluations, and reviews from initiation to completion, including the status of recommendations. The system provides senior management with the data to respond to information requests and track and report on current status of work activities.										
C. FY 2016 Performance Report: N/A										

PERFORMANCE MEASURE TABLE (Goal 2)									
Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews									
DOJ Strategic Plan: Strategic Objective 2.6: Protect the federal fisc and defend the interests of the United States.									
OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.									
Performance Measure Report	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018		
Workload	Actuals	Actuals	Actuals	Actuals	Target	Actuals	Target	Target	
Audit and E&I assignments initiated	116	103	94	106	92	109	92	92	
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems	97%	75%	98%	88%	80%	97%	80%	80%	
Percent of internal DOJ audit assignments that assess component performance measures	42%	40%	47%	42%	18%	67%	18%	25%	
Percentage of E&I assignments opened and initiated during the fiscal year devoted to Top Management Challenges.	NA	NA	89%	80%	70%	86%	70%	70%	
Percent of direct resources devoted to audit products related to Top Management Challenges, and GAO and JMD-identified High-Risk Areas	93%	96%	96%	96%	80%	95%	85%	85%	
Intermediate Outcome									
Audit and E&I Assignments completed	109	117	104	109	87	98	87	87	
Percent of Audit resources devoted to reviews of grants and grant management*	42%	40%	54%	43%	35%	40%	35%	35%	
Percent of Audit resources devoted to reviews of contracts and contract management	NA	NA	NA	13%	10%	14%	10%	10%	
Components receiving information system audits	11	6	9	8	5	9	6	6	
Percentage of products issued to the Dept. containing significant findings or information for management decision-making by Audit and E&I	NA	NA	NA	100%	92%	100%	92%	92%	
Percent of less complex internal DOJ reviews to be provided to the IG as a working draft within an average of 8 months**	NA	NA	100%	100%	35%	0%	35%	35%	
Percent of more complex internal DOJ reviews to be provided to the IG as a working draft within an average of 11 months ***	NA	NA	NA	71%	35%	71%	35%	35%	
Percent of grant, CODIS, equitable sharing, Intra Government Agreements, and other external audits to be completed in draft within 8 months	NA	NA	NA	58%	50%	50%	50%	50%	
Percent of less complex internal DOJ audits to be provided to the IG as a working draft within 8 months	NA	NA	NA	40%	40%	100%	40%	40%	
Percent of more complex internal DOJ audits to be provided to the IG as a working draft within 13 months	NA	NA	NA	83%	45%	73%	45%	45%	
* Beginning in FY 2018 this measure will no longer be used.									
**This measure will no longer be used. We will refine our measure beginning in FY 2019 on "more complex" reviews to reflect all review reports with a deadline of 12 months.									
***This measure will be refined in FY 2019 to reflect all reviews with a deadline of 12 months.									

D. Performance, Resources, and Strategies

1. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Tables, the OIG helps the Department achieve its strategic goals and promotes efficiency, integrity, economy, and effectiveness through conduct of its audits, inspections, investigations, and reviews. For the Department's programs and activities to be effective, Department personnel, contractors, and grantees must conduct themselves in accordance with the highest standards of integrity, accountability, and efficiency. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities.

The OIG continues to review its performance measures and targets, especially in light of the changing nature of the cases it investigates and the Department programs it audits and reviews. Today's work is much more complex and expansive than it was only a few years ago. The number of documents to be reviewed, the number of people to interview, the amount of data to examine, and the analytical work involved in many OIG products are significantly greater than in prior years. The OIG ensures sufficient time and resources are devoted to produce high-quality, well-respected work.

2. Strategies to Accomplish Outcomes

The OIG will devote all resources necessary to investigate allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees, and will develop cases for criminal prosecution and civil and administrative action. The OIG will continue to use its audit, inspection, evaluation, and attorney resources to review Department programs or activities identified as high-priority areas in the Department's Strategic Plan, and focus its resources to review the Department's Top Management and Performance Challenges.

V. Program Increases by Item

The Office of the Inspector General has no program increases to submit in the FY 2018 Congressional Justification.

VI. Program Offsets by Item

The Office of the Inspector General has no program offsets to submit in the FY 2018 Congressional Justification

VII. APPENDIX

Statistical Highlights

April 1, 2016 – September 30, 2016

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

April 1, 2016 – September 30, 2016	
Allegations Received by the Investigations Division ¹	5,975
Investigations Opened	153
Investigations Closed	172
Arrests	44
Indictments/Information	36
Convictions/Pleas	45
Administrative Actions	146
Monetary Recoveries ²	\$921,608.49
Audit Reports Issued	30
Questioned Costs	\$5,379,976
Funds for Better Use	\$1,326,705
Recommendations for Management Improvements	170
Single Audit Act Reports Issued	38
Questioned Costs	\$560,230
Recommendations for Management Improvements	68
Other Audit Division Reports Issued	2



U.S. Department of Justice FY 2019 PERFORMANCE BUDGET

Office of the Inspector General

Congressional Justification



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I. Overview (Office of the Inspector General)

A. Introduction

In Fiscal Year (FY) 2019, the President's budget request for the Department of Justice (DOJ) Office of the Inspector General (OIG) totals \$95.866 million, 421 FTE, and 476 positions for the OIG (of which 132 are Agents and 33 are Attorneys) to investigate allegations of fraud, waste, abuse, and misconduct by DOJ employees, contractors, and grantees and to promote economy and efficiency in Department operations. This amount represents an increase of approximately \$932,000, which is approximately 1% above the FY 2018 annualized continuing resolution level after rescission and consists of technical and base adjustments, which include an Administrative Reduction of 15 FTEs and \$2.188 million, and a program increase of \$1.4 million and 6 FTEs for the whistleblower program. Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address:

<http://www.justice.gov/02organizations/bpp.htm>.

Inspector General's Comments:

The *Inspector General Act* (IG Act) requires me to submit a separate message to Congress when "the Inspector General concludes that the budget submitted by the President would substantially inhibit the Inspector General from performing the duties of the office." (Section 6(f)(3)(E)). The IG Act also requires me to inform Congress of the budget estimate we independently proposed. (Section 6(f)(3)(A)).

Consistent with these requirements, I have concluded that the President's FY 2019 budget request for the DOJ's Office of the Inspector General (OIG) of \$95.886 million—which would essentially keep the OIG's budget flat in FY 2018 and FY 2019 even as budgets for other Department law enforcement components such as the Federal Bureau of Investigation (FBI) are recommended for increases during that same period—would "significantly inhibit" our oversight work on behalf of the U.S. taxpayers. That is because keeping the OIG's budget essentially flat for the next 2 years will require the OIG to reduce our staffing levels by approximately 4%, or 25 FTE.

Pending before Congress is my FY 2018 budget request of \$97.380 million, which is \$1.797 million above our enacted FY 2017 level and would allow the OIG to simply maintain its current services into FY 2018. I am submitting to Congress these comments in connection with the FY 2019 budget process, and respectfully request that the OIG be funded at \$100.106 million in FY 2019. Funding at \$100.106 million represents a modest increase from our FY 2018 budget request of \$97.380 million, and will allow the OIG to maintain its current services into FY 2019, have budget parity with other DOJ law enforcement components, hire five additional lawyers and one non-lawyer to handle the substantial increase in FBI and other whistleblower retaliation matters that we are investigating, and permit us to sustain our efforts to curb waste, fraud, and abuse in DOJ programs.

The OIG promotes efficiency and effectiveness in DOJ programs and holds DOJ officials accountable for misconduct. Our work strengthens the public's confidence in the Department and its ability to ensure fair and impartial administration of the law. In FY 2017, the OIG recovered nearly \$28 million in funds as a result of our investigations, audits, and reviews, and issued 77 audit reports identifying an additional \$27 million in potential cost savings. In

addition, our Agents conducted investigations that led to the filing of approximately 100 indictments and informations, and over 200 administrative misconduct actions. Some of the significant completed and ongoing OIG work over the past year includes:

- A review of allegations regarding various actions by the Department and the FBI in advance of the 2016 Presidential elections;
- A report highlighting systemic problems in DOJ's handling of sexual misconduct and harassment complaints;
- An audit identifying weaknesses in *Foreign Agents Registration Act* (FARA) enforcement that has resulted in recent legislative reform efforts;
- Expanding our oversight of DOJ's \$21.4 billion portfolio of grants, cooperative agreements, and contracts to ensure that they are administered efficiently and effectively, and to identify and recover any wasted funds; and
- Protecting DOJ, FBI, and contractor employees from retaliation for whistleblowing, while leading the IG community's efforts to educate employees about their whistleblower rights and responsibilities.

We appreciate the support we have received both from the Department's leadership and Congress for this important oversight work. However, in order for the OIG to continue to promote more efficient and effective DOJ programs, and to continue to conduct effective oversight of the Department's largest components, the OIG must be adequately funded. In particular, it is critical that the OIG's budget at least maintain parity with the budgets of the DOJ components that we regularly oversee, most importantly the FBI, the DOJ's other law enforcement components, the Federal Bureau of Prisons (BOP), and the DOJ grant-making components. Regrettably, the President's FY 2019 budget request for the OIG does not meet this goal, particularly when considered in conjunction with the proposed cut to the OIG's budget in the President's FY 2018 budget (which we appealed to Congress last year).

For FY 2019, the President has requested a budget for the OIG of \$95.866 million, 421 FTE, and 476 positions. This budget amount is roughly comparable to our current FY 2017 enacted budget of \$95.583 million. We estimate that, in order to maintain our current FY 2017 staffing levels into FY 2019 based on our currently enacted FY 2017 appropriation level, the OIG would need to receive modest budget increases of \$1.797 million in FY 2018 and \$1.326 million in FY 2019, respectively. The OIG cannot maintain its current level of work without these current services increases to our budget because, as noted above, absent these increases the OIG would need to reduce its staffing by approximately 4%, or 25 FTE. In addition to this current services increase, the OIG is requesting a program increase in FY 2019—which the Department and the Office of Management and Budget (OMB) both support—of \$1.4 million to hire five additional attorneys and one non-lawyer to handle the substantial increase in FBI and other whistleblower retaliation investigations that the OIG has seen over the past few years.

The OIG cannot effectively oversee the Department's largest components if their budgets and staff grow disproportionately to ours. DOJ law enforcement components comprise approximately 80% of the Department's budget. Unlike most of these entities, about 98% of the OIG's budget is comprised of salaries (including benefit costs) plus fixed mandatory costs consisting of rent, telecommunications, and information technology infrastructure, including our nascent data analytics initiative. As a result, if we were to receive a flat budget for a 2-year period at the same time that our mandatory expenses were increasing, we would have no choice but to reduce our auditor, agent, investigator, and the support staffing levels. Doing so would

substantially and negatively impact our DOJ oversight by requiring us to cut OIG staff at the same time that the Department's law enforcement components were being proposed for budget levels that will allow them to maintain or increase their staffing levels.

Moreover, this necessary cut to our staff would harm our capacity to handle in a timely fashion the significantly increased number of whistleblower retaliation allegations that the OIG has received over the past several years. This substantial increase in the number of such whistleblower retaliation cases caused us to seek a program enhancement that would allow the OIG to add staff to effectively handle these important matters. While the President's FY 2019 budget supports a \$1.4 million program enhancement to handle these cases, it at the same time recommends an even larger budget rescission of \$2.188 million, thus not only making it impossible for the OIG to enhance our staffing in this critical area but requiring the OIG to reduce our overall staffing levels for the reasons described earlier. Accordingly, our efforts to protect FBI and Department contractor employees from retaliation will suffer, as will our ability to oversee the Department more generally.

Thank you for considering these comments and for your consistent and strong support for the important mission of the DOJ OIG. Investing in the OIG is perhaps the most effective way of curbing waste and promoting better and more efficient government. We therefore respectfully ask that Congress fund the OIG at a level of \$100.106 million in FY 2019.

B. Background

The OIG was statutorily established in the Department on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against DOJ employees, including the FBI; Drug Enforcement Administration (DEA); BOP; U.S. Marshals Service (USMS); Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); United States Attorneys' Offices (USAO); Office of Justice Programs (OJP); and other Offices, Boards and Divisions. The one exception is that allegations of misconduct by a Department attorney or law enforcement personnel that relate to the exercise of the Department attorneys' authority to investigate, litigate, or provide legal advice are the responsibility of the Department's Office of Professional Responsibility (OPR).

The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. The Appendix contains a table that provides statistics on the most recent semiannual reporting period. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department programs and operations.

C. OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial

Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Advanced Audit Techniques.

- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office and the Cyber Investigations Office are located in Washington, D.C. The Investigations Division has smaller area offices in Atlanta, Boston, Trenton, Detroit, El Paso, Houston, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Operations II, Investigative Support, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations, and manage the whistleblower program.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.
- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, ethics, and legal matters; and responds to *Freedom of Information Act* requests.

D. Notable Highlights, Reviews and Recent Accomplishments

1. Safeguarding National Security and Ensuring Privacy and Civil Liberties Protections

The Department's national security efforts continue to be a focus of the OIG's oversight work, which has consistently shown that the Department faces myriad challenges in its efforts to protect the nation from attack.

USA PATRIOT Act, Section 1001

Section 1001 of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (USA PATRIOT Act) directs the OIG to receive and review complaints of civil rights and civil liberty violations by DOJ employees, to publicize how people can contact the OIG to file a complaint, and to send a semiannual report to Congress discussing the OIG's implementation of these responsibilities.

In September 2017, the OIG issued its most recent report, which summarized the OIG's Section 1001 activities from January 1, 2017, to June 30, 2017. The report described the number of complaints the OIG received under this section, the status of investigations conducted by the OIG and DOJ components in response to those complaints, and an estimate of the OIG's expenses for conducting these activities.

During this period, the 622 complaints were processed. Of the 622 complaints, 572 were not within OIG's jurisdiction or not warranting further review, 50 complaints were within the OIG's jurisdiction warranting review, 48 were management issues referred to DOJ components for handling, and 2 possible Section 1001 complaints warranted investigations by DOJ components. The OIG referred two Section 1001 complaints to the BOP for further investigation, one of which remains pending.

Foreign Agents Registration Act (FARA)

In July 2017, the DOJ Inspector General testified before the U.S. Senate Committee on the Judiciary concerning, "Oversight of the Foreign Agents Registration Act and Attempts to Influence U.S. Elections: Lessons Learned from Current and Prior Administrations." During the hearing, the Inspector General discussed the September 2016 audit of the National Security Division's (NSD) enforcement of FARA. The OIG initiated this review in response to a requirement by the U.S. House of Representatives Committee on Appropriations that the OIG review DOJ's enforcement of FARA. The Inspector General discussed the progress made by NSD and the Department in addressing the audit recommendations, and the abilities of DOJ to enforce FARA as well as administer and monitor FARA registrations.

Overall, the OIG concluded that DOJ lacks a strategy for the enforcement of the FARA strategy, that it must be developed and integrated into the overall national security efforts. Specifically, the OIG found that the number of FARA registrations has declined in the last two decades, and prosecutions and other enforcement actions are rare. The OIG also believes NSD needs to improve its controls and oversight of FARA registrations, particularly its efforts to ensure the timely submission of required documents and its inspections of registered foreign agents. The OIG made 14 recommendations to help improve NSD's enforcement and administration of FARA. The final report can be found on the OIG website [here](#).

The Inspector General expressed to the Committee that the OIG will continue to monitor the efforts of the NSD to address the outstanding issue areas, and to conduct ongoing oversight to ensure that the Department fully implements all of the report recommendations. The written statement of the Inspector General at this hearing can be found on the OIG website [here](#).

Audit of the Department of Justice's Handling of Known or Suspected Terrorists admitted into the Federal Witness Security Program

The Federal Witness Security Program (WITSEC Program) was established to provide for the security, health and safety of government witnesses whose lives are at risk due to providing testimony. Since it began in 1971, over 8,700 witnesses, family members, and others have been admitted into the WITSEC Program. Within this group are known or suspected terrorists (KST) who have agreed to testify.

In May, 2013, the OIG issued an interim report on the Departments handling of KSTs that were admitted into the USMS WITSEC Program. The OIG made 16 recommendations to the Office of the Deputy Attorney General, improving information sharing among those agencies responsible for WITSEC.

In this latest report dated September 2017, the OIG followed up on the findings from the May 2013 report to determine if the risks identified were sufficiently corrected by the FBI, USMS, and the Office of Enforcement Operations (OEO). The objectives of the OIG Audit were to evaluate how the Department: (1) handled KSTs admitted into the WITSEC program; (2) practiced watchlisting and processing encounters with this WITSEC group; and (3) mitigated risk to the public through the management of the high-risk WITSEC participants.

The OIG identified some concerns regarding the administration of the WITSEC program. The system that USMS utilized is not sufficient to track the documents provided or collect from WITSEC participants. We made eight new recommendations to USMS, FBI, and OEO to further improve sharing information regarding KST WITSEC participants.

2. Enhancing Cybersecurity in an Era of Increasing Threats

The Department will be challenged to sustain a focused, well-coordinated cybersecurity approach for the foreseeable future. Cybersecurity is a high risk area across the federal government and the Department must continue to emphasize protection of its own data and computer systems, while marshalling the necessary resources to combat cybercrime and effectively engaging the private sector.

Digital Forensics and Cyber Crime Investigations

The Investigations Division's Cyber Investigations Office (INV/Cyber) continues to conduct computer forensic examinations and mobile device forensic examinations for over 200 pieces of digital evidence annually, which includes computers, hard drives, cell phones, and other electronic media. The INV/Cyber reviews numerous referrals from the Justice Security Operations Center (JSOC) regarding the leak or spillage of Personally Identifiable Information and other sensitive DOJ data and makes appropriate disposition in consultation with Investigations Division senior officials. During FY17, INV/Cyber Special Agents began conducting cyber-crime investigations, including attempted intrusions into the Department's network and spoofing of Department e-mail addresses to send child exploitation images to employees.

INV/Cyber will continue to build its expertise and work with the JSOC to identify potential cyber-crime cases deemed appropriate for investigation, such as unauthorized access, network intrusion, child exploitation, and other potential violations of 18 USC 1030.

Federal Information Security Modernization Act Audits

The *Federal Information Security Modernization Act* (FISMA) requires the OIG for each agency to perform an annual independent evaluation of the agency's information security programs and practices. The evaluation includes testing the effectiveness of information security policies, procedures, and practices of a representative subset of agency systems. OMB is responsible for the submission of the annual FISMA report to Congress. The Department of Homeland Security (DHS) prepares the FISMA metrics and provides reporting instructions to agency Chief Information Officers, Inspectors General, and Senior Agency Officials for Privacy. The FY 2017 FISMA results were submitted to the OMB by October 31, 2017.

During FY 2017, the OIG issued twelve separate reports for its reviews of the DOJ's various information security programs, including DEA's information security program and El Paso Intelligence Center Seizure System; the FBI's information security program, Risk Vision-Secret System, and an IC system; and the Justice Management Division's (JMD) information security program and JMD's Joint Biometric Data Exchange Hosting Environment. Within these components, the OIG selected for review the following three sensitive but unclassified systems:

(1) BOP's Electronic Medical Records System; (2) ENRD's Justice Consolidated Office Network; and (3) OJP's Bulletproof Vest Partnership Program System. The OIG plans to issue reports this FY evaluating each of these systems as well as reports on each component's information security program.

Insider Threat Prevention and Detection Program

The Insider Threat Prevention and Detection Program (ITPDP) is designed to deter, detect, and mitigate insider threats from DOJ employees and contractors who would use their authorized access to do harm to the security of the U.S., which can include damage through espionage, terrorism, unauthorized disclosure of information, or through the loss or degradation of departmental resources or capabilities. While the initial focus was DOJ classified information and networks, it has expanded to unclassified sensitive information.

There are two parts to OIG's role in the DOJ ITPDP. One is compliance with DOJ Order 0901 that requires OIG to work with the Department in its efforts to monitor user network activity relating to classified material and networks. The reporting, training, and coordination requirements in this first role are being implemented by Management & Planning Division's Office of Security Programs. The second part of the ITPDP involves the INV/Cyber, which has representatives who act as law enforcement liaisons to the ITPDP relating to Insider Threat referrals. During FY17, INV/Cyber Special Agents began conducting Insider Threat investigations, which involve sensitive and often times classified matters.

Cyber Victim Notification and Engagement

The OIG is conducting an audit of the FBI's cyber victim notification and engagement. The preliminary objective is to evaluate the FBI's processes and practices for notifying and engaging with victims of cyber intrusions.

3. Managing an Overcrowded Federal Prison System in an Era of Declining Resources

The Department continues to face challenges within the federal prison system. The Department projects that the costs of the federal prison system will continue to increase in the years ahead. Ultimately, this cost is consuming a large share of the Department's budget. Another challenge continues to be the significant overcrowding in the federal prisons, which potentially poses a number of important safety and security issues. The following are some examples of the OIG's oversight efforts in this critical challenge area.

Review of the Federal Bureau of Prisons' Use of Restrictive Housing for Inmates with Mental Illness

In July 2017 the OIG conducted a review to inspect the BOP's use of Restrictive Housing Units (RHU) for inmates with mental illness, including trends in the use of restrictive housing and the screening, treatment, and monitoring of inmates with mental illness who are housed in RHUs. We found significant issues with the adequacy of the BOP's policies and its implementation efforts in this critical area.

Results of the review showed that the current BOP policies do not adequately address the confinement of inmates with mental illness in RHUs, and the BOP does not effectively track or monitor mentally ill inmates. Additionally, the institutional staff fails to document mental disorders; thus, they cannot accurately determine the number of mentally ill inmates. The BOP has made changes that will help mitigate the mental health concerns for inmates in RHUs. These changes include averting inmates with serious mental illness from placement in traditional RHUs

into alternative programs such as secure residential mental health treatment programs. The OIG made 15 recommendations to the BOP to improve its screening, treatment, and monitoring of inmates with mental illness housed in RHUs.

Audit of the Federal Bureau of Prisons Residential Reentry Center Contract Awarded to Centre, Inc., Fargo, North Dakota

In June 2017, the OIG completed an audit of the BOP's contract awarded to Centre, Inc., (Centre) to operate and manage a Residential Reentry Center (RRC) located in Fargo, North Dakota (Fargo RRC). These centers assist inmates with providing structure, a supervised environment, and support in job placement, counseling, and other self-improvement services helping the inmates successfully reenter the community after their release.

The audit was conducted to assess BOP's administration of, and Centre's performance and compliance with the terms, conditions, laws, and regulations applicable to this contract. The OIG assessed BOP's ability to provide contract administration and oversight of the Fargo RRC operations and the contractor's performance in the following areas: (1) general RRC operating procedures, (2) programs and services, (3) resident accountability, (4) staffing, (5) billing accuracy, and (6) subsistence collection.

The audit determined that BOP did not effectively monitor Centre's compliance with the Statement of Work (SOW) for the Fargo RRC. The audit showed: (1) BOP's full monitoring procedures contained in its Community Corrections Manual (CCM) were sufficient to effectively assess the RRC's compliance with the SOW; (2) BOP's Residential Reentry Management (RRM) office did not utilize the procedures outlined in the CCM to monitor the Fargo RRC; (3) none of BOP's monitoring reports identified the deficiencies we found during our audit; (4) BOP did not consistently comply with the CCM requirements for granting subsistence reductions and waivers, resulting in unrecognized potential cost savings of \$26,114 over the first 15 months of the contract period; (5) BOP incurred interest penalties for late payments; (6) BOP's contract monitoring and management identified deficiencies with the quality of Centre's inmate programming and compliance with the SOW; and (7) Centre is required by the SOW to provide Transition Skills programming for inmates focusing on common issues inmates encounter during their transition back into the community. Fargo RRC's Transition Skills program did not comply with the SOW requirements to conduct the program in a group setting for 9 weeks. The BOP was in agreement with the OIG's 14 recommendations.

Review of the Department's Implementation of the Principles regarding Prosecution and Sentencing Reform under the Smart on Crime Initiative

In August 2013, the DOJ initiated the *Smart on Crime*, highlighting five principles to reform the federal criminal justice system. In a report from the OIG dated June 20, 2017, a review was conducted to evaluate the Department implementation of the first two principles of *Smart on Crime* and the impact of changes to federal charging policies and practices within the 94 USAO districts. We also assessed the implementation and impact of the policy that required prosecutors to consider certain factors before filing a recidivist enhancement that would increase the sentence of a drug defendant with a felony record pursuant to 21 U.S.C. § 851.

The Attorney General issued a new charging and sentencing policy on May 10, 2017, to all federal prosecutors rescinding the specific charging policies that are outlined in the *Smart on Crime* initiative.

The OIG found that while DOJ issued policy memoranda and guidance to reflect its *Smart on Crime* policies, the U.S. Attorneys' Manual (USAM), the federal prosecutor's primary guidance

document, was not revised until January 2017, more than 3 years after *Smart on Crime* was launched, even though Department officials established a deadline of the end of 2014 to do so.

4. Strengthening the Relationships between Law Enforcement and Local Communities and Promoting Public Trust

The Department must work through critical issues to determine how to best use its limited but substantial resources to help foster partnerships, support law enforcement efforts across the country, and ensure confidence in community-police relations. Effective policing at the state and local level contributes significantly to the success of law enforcement efforts at the federal level.

Audit of the Cook County State's Attorney's Office's Equitable Sharing Program Activities Chicago, Illinois

In August 2017, the OIG completed an audit on the use of DOJ equitable sharing revenues by the Cook County State's Attorney's Office (CCSAO) located in Chicago, Illinois. Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations. As of December 1, 2013, the CCSAO reported a beginning balance of \$2,106,313 in DOJ equitable sharing funds on hand. During the period of December 1, 2013, through November 30, 2016, the CCSAO received a total of \$880,199 in DOJ equitable sharing revenues to support law enforcement operations. During the same period, the CCSAO reported expenditures of \$1,162,018 in equitable sharing funds.

This audit was conducted to assess whether the CCSAO properly accounted for equitable sharing funds and used such revenues for allowable purposes as defined by the applicable regulations and guidelines. Our audit examined activities occurring between December 1, 2013, and November 30, 2016. The audit determined that the CCSAO did not fully comply with the DOJ guidelines we reviewed, including those for accounting for equitable sharing receipts and the allowable use of equitable sharing funds.

There were five things determined: (1) the CCSAO did not record equitable sharing funds within the official Cook County accounting system as required by program guidelines; (2) the CCSAO had an outdated internal equitable sharing policy that lacked guidance for basic procedures and was not distributed to appropriate staff; (3) the CCSAO's DOJ equitable sharing funds were not included in the Cook County Single Audit Reports for FY 2014 and FY 2015; (4) the CCSAO used DOJ equitable sharing funds to pay for the salary and fringe benefit costs of an officer, which is a violation of equitable sharing guidelines. As a result, we questioned \$97,997 in personnel costs; and (5) the CCSAO spent equitable sharing funds on state seizure-related legal notice publications and these are costs for which the Illinois State Police later provides reimbursement. Because reimbursed funds have not been returned to the CCSAO's DOJ equitable sharing fund, we questioned the \$29,083.

The OIG report identified a total of \$127,080 in dollar-related findings and contains seven recommendations addressing the weaknesses that were identified. The CCSAO's office agrees with the OIG's recommendations.

Audit of the Office on Violence Against Women and the Office of Justice Programs Awards to the Seneca-Cayuga Nation, Grove, Oklahoma

The OIG completed an audit in August 2017, pertaining to four grants awarded by the Office on Violence Against Women (OVW) and the Office of Justice Programs (OJP) to the Seneca-Cayuga Nation (SCN) (formerly known as the Seneca-Cayuga Tribe of Oklahoma) headquartered in Grove, Oklahoma. The SCN was awarded \$1.9M and as of January 25, 2017, the SCN had drawn down \$1.7M.

The goals of the audit were to determine: (1) whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and (2) to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives. We assessed their performance in the following areas of grant management: (1) program performance, (2) financial management, (3) expenditures, (4) budget management and control, (5) drawdowns, and (6) federal financial reports.

After assessing the policies and procedures, accounting records, and financial and progress reports the conclusion was SCN's management of federal awards needed improvement. The areas we reviewed were found to be non-compliant with deficiencies in: indirect costs, budget management, compliance with special conditions, and direct cost expenditures. Due to these deficiencies, it was determined there was a total of \$178,395 in questioned costs. The Seneca-Cayuga Nation was in agreement with the OIG's recommendations.

Investigative Summary Findings of Misconduct by an FBI Senior Executive

The OIG completed their investigation in February 2017 of an FBI senior executive based on information it received that, among other things, the executive had not properly recused herself from matters involving a contract company that employed her husband.

The OIG investigation found that the executive failed to disqualify herself from participating in matters involving the FBI contractor that employed her husband, and that she created the appearance of a conflict of interest by failing to obtain a waiver allowing such participation. The OIG also found that the executive directed subordinate employees to draft official records stating that she was recused from matters involving the contractor, when in fact she took no official action to do so, or to obtain the required waiver. Prosecution was declined.

In the course of its investigation, the OIG also found that the executive failed to report the source of her husband's earned income on annual federal ethics filings, as required by federal ethics regulations and FBI policy, over the period from 2010 through 2014. The OIG has completed its investigation and provided its report to the FBI for appropriate action.

ATF Confidential Informants

The OIG completed an audit report in March 2017 of the ATF's management and oversight of its confidential informants (CI). While ATF's CI policies were generally aligned with the Attorney General's Guidelines Regarding the Use of Confidential Informants (AG Guidelines), the audit concluded that ATF was not able to administer its CI Program in a manner reflective of the importance of the program, or its risks. Specifically, the audit found that ATF's maintenance of its CI Program information was heavily dependent on hard-copy files and an unsophisticated automated system, which impeded ATF's ability to manage and oversee its CI Program as a whole. Notably, ATF could not efficiently identify and track total payments made to individual CIs.

While the OIG did not examine whether ATF provided incorrect CI payment information during any criminal proceedings, it concluded that ATF's information environment lacked sufficient safeguards to ensure that complete and accurate information was consistently available to prosecutors for use during criminal proceedings. Further, ATF Headquarters officials did not have an adequate method to verify that certain CIs, such as long-term CIs who have been used for more than 6 consecutive years and CIs who hold a high-level position in a criminal enterprise, received enhanced oversight. ATF also lacked reliable information on the total number of foreign national CIs, which prohibited ATF Headquarters from properly managing the

CIs, and from ensuring appropriate coordination with DHS. Similarly, ATF also lacked accurate information related to higher-risk CIs, such as CIs who are also Federal Firearms Licensees and CIs who were used by international ATF offices.

While ATF has begun implementing a new automated system, the system is still in its infancy and several enhancements are necessary to address the OIG's relevant findings. The OIG made five recommendations to ATF to improve the policies and management of its Confidential Informant Program. ATF agreed with all of them.

Administration of the September 11th Victim Compensation Fund

In September 2017, the OIG issued an audit report examining DOJ's administration of the *James Zadroga 9/11 Health and Compensation Act of 2010* Compensation Fund, which was re-authorized by the Congress to accept claims through December 2020. Congress provided an additional \$4.6 billion bringing the overall total to \$7.375 billion. As part of this audit, the OIG reviewed how the Civil Division and the Special Master manage the fund, as well as how JMD supports the Victim Compensation Fund (VCF) operations through legal and administrative contracts.

The OIG determined that the VCF failed to consistently maintain in its Claims Management System support of some eligibility and compensation decisions. Certain claims failed to show proof of presence at any of the September 11th attack sites, or of a physical condition brought on by being exposed to September 11th attack sites. Other claim files included the status of ongoing claimant litigation, which the Zadroga Act required to be resolved before a claimant could receive an award. Some claims failed to show eligibility or compensation approval of the Special Master. We concluded that the VCF was operating with an increased risk of errors causing erroneous award decisions or ability to substantiate such decisions in later appeals or reviews.

During the period covered by the audit, we believe the VCF made some changes that would affect the VCF decision-making process. Throughout the audit VCF brought to our attention that all claims are evaluated individually, yet we identified systemic flaws affecting their process. We also discovered that employees of VCF were transmitting documents containing personally identifiable information (PII) to private e-mails from DOJ servers. During the audit we did not identify any flaws with how the contracts totaling nearly \$60 million were awarded and monitored by JMD. We also found that the Civil Division issued three independent non-competitive neutral service contracts. The Civil Division told the OIG that they relied on the Special Master to justify awarding the contracts.

Our report makes three recommendations to the VCF regarding its claims management process and four recommendations to the Civil Division regarding its administration of future VCF contracts.

U.S. Penitentiary Lieutenant Arraigned on Excessive Force and Obstruction of Justice Charges

A senior correctional officer with the U.S. Penitentiary in Atlanta, Georgia, was arraigned October 24, 2017, charged with assaulting an inmate, writing false statements and lying to investigators. The indictment also accuses the Lieutenant of intentionally impeding and obstructing the investigation of the incident with the false statements.

The case is being investigated by the DOJ OIG and the FBI.

Former BOP Employee in Texas Sentenced for Engaging in Sexual Acts with an Inmate

On November 5, 2017, a BOP Case Manager was sentenced to 12 months in federal prison after pleading guilty to sexual abuse of a ward in November 2016. At the time of the incidents the inmate was being supervised by the case manager.

The Case Manager was ordered to surrender to BOP on December 19, 2017.

Inmate Sentenced to Twenty Years' Imprisonment in Connection with Racketeering Offenses Committed from Miami Federal Prison

On November 14, 2017, an inmate was sentenced to 20 years and incarcerated at the Federal Detention Center in Miami, Florida, charged with organizing and leading a prison-based criminal enterprise that engaged in mail fraud, wire fraud, interstate transportation of stolen property and the sale of stolen goods.

The inmate pled guilty to avoid the Racketeering Influenced and Corrupt Organizations (RICO) Act. The inmate recruited multiple co-conspirators operating at his discretion in South Florida, Georgia and New York. Victim companies were directed to ship retail items and jewelry to these co-conspirators. The fraudulently obtained goods were valued at more than \$10 million, approximately \$2.5 was recovered at the time of sentencing. The inmate was ordered to pay over \$10 million in restitution.

5. Coordinating within the Department and Across Government to Fulfill the Department's Mission to Combat Crime

Joint Review on Domestic Sharing of Counterterrorism Information

In response to a Congressional request, the Inspectors General of the Intelligence Community, DOJ, and DHS initiated a coordinated, joint review focusing on domestic sharing of counterterrorism information. The objectives of this review were to: (1) identify and examine the federally supported field-based intelligence entities engaged in a counterterrorism information-sharing to determine their overall missions, specific functions, capabilities, funding, and personnel and facility costs, (2) determine whether counterterrorism information is being adequately and appropriately shared with all participating agencies, and (3) identify any gaps and/or duplication of effort among the entities.

In March 2017, the OIG's found that federal, state, and local entities are committed to sharing counterterrorism information by undertaking programs and initiatives that have improved information sharing. However, several areas were identified in which improvements could enhance the sharing of counterterrorism information: (1) federal, state, and local entities actively involved in counterterrorism efforts must understand each other's roles, responsibilities, and contributions, especially when multiple agencies are involved in complex investigations; (2) the DHS Intelligence Enterprise—the integrated function of DHS intelligence components and programs—is not as effective and valuable to the IC as it could be; (3) DOJ can improve its counterterrorism information sharing efforts by implementing a consolidated internal DOJ strategy and evaluating the continued need and most effective utilization for the USAOs Anti-Terrorism Advisory Council meetings; (4) the Office of the Director of National Intelligence's (ODNI) Domestic DNI Representative Program is hindered by large geographic regions, as well as the lack of a clear strategic vision and guidance; and (5) at the state and local level, fusion centers are focused on sustaining operations rather than enhancing capabilities due to unpredictable federal support.

The report makes 23 recommendations to the components of ODNI, DHS, and DOJ to help improve the sharing of counterterrorism information and ultimately, enhance the government's ability to prevent terrorist attacks. The components agreed with all 23 recommendations.

6. Administering and Overseeing Contracts and Grants

The OIG's recent oversight work assists the Department in its efforts to ensure that taxpayer funds are protected from fraud, mismanagement, and misuse. It is essential that the Department continue to manage its resources wisely and maximize the effectiveness of its programs regardless of the Department's budget environment.

DOJ OIG Audit of Crime Victims Fund Grant to the California Governor's Office of Emergency Services Results in Repayment Totaling \$452,464

On November 7, 2017, as a result of a DOJ OIG grant audit, the California Governor's Office of Emergency Services (Cal OES) has returned \$452,464 to the DOJ. In February 2017, the OIG's audit report evaluated four sub-grants from Cal OES to the Indian Child Welfare Consortium (ICWC) in Temecula, California, designated to facilitate the provision of therapeutic clinical services or culturally centered services to Native American child abuse victims. The \$553,386 in funding originated from the Crime Victims Fund (CVF), which serves as a major funding source for victim services across the country.

The OIG audit found that the accounting records the ICWC were maintaining were un-auditable, containing significant deficiencies; contractor billings with excessive billing; and ICWC expenses that lacked supporting documentation. In addition, a conflict of interest was found between ICWC's Executive Director and a contractor, who were married;

Due to these findings and others, the OIG questioned the entire grant that Cal OES disbursed to ICWC. According to DOJ, the funds that Cal OES repaid were deposited back into the CVF in FY 2017.

Audit of the Office on Violence Against Women Grants Awarded to the North Carolina Coalition against Domestic Violence, Durham, North Carolina

The OIG released a report in July 2017, pertaining to three grants awarded to the North Carolina Coalition Against Domestic Violence (Coalition) in Durham, North Carolina, by the OVW. As of February 14, 2017, the Coalition had drawn down \$983,434 of a combined \$1.3M for three grant awards.

This audit was conducted to: (1) determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and (2) to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives. To complete this audit, performance in the following areas of grant management were assessed: (1) program performance, (2) financial management, (3) expenditures, (4) budget management and control, (5) drawdowns, and (6) Federal Financial Reports.

We concluded that the Coalition generally complied with essential grant requirements and conditions. However, they could not provide adequate documentation to support all the program accomplishments. We also found instances where the Coalition did not follow their own financial policies and procedures requiring the review of reconciled credit card report forms. The Coalition was in agreement with the two recommendations from the OIG.

Audit of the Federal Bureau of Investigation's Aircraft Lease Contract Awarded to Midwest Jet Center, LL, DBA Reynolds Jet Management

In June 2017, the OIG completed an audit of aircraft lease contract between the FBI and Reynolds Jet Management (RJM). RJM is an aircraft management and jet charter company from whom the FBI leased a Gulfstream G-V (G5) jet. For the period of January 31, 2016, to July 30, 2016, the FBI spent \$2.4 million for the lease of the G5 aircraft. Previously, the FBI leased this aircraft under a different contract from RJM from October 2010 through January 30, 2016.

This audit was conducted to: (1) establish whether the FBI followed federal regulations during the contract award and administration processes, (2) evaluate the competence of the FBI's contract oversight, and (3) conclude whether RJM properly invoiced the government and fulfilled the terms and conditions of the contract award.

The audit determined there were deficiencies with the award and oversight of the FBI's lease of the G5 aircraft to include non-compliance with the Federal Acquisition Regulation (FAR). The OIG determined that: (1) the deficiencies indicate inadequacies in the FBI's contract administration practices; (2) the contract action by the FBI was not awarded in accordance with the FAR requiring the proper contracting personnel to approve a sole source justification prior to awarding the contract. The sole source justification documents were dated June 2016—nearly 5 months into the 6-month lease; (3) the contract was not formally awarded by the FBI until approximately 1 month after the period of performance began; (4) the FBI did not include specific performance metrics in the contract; (5) FBI missions were negatively impacted by the downtime for unscheduled maintenance of the G5 aircraft during the period of performance. The FBI's aircraft log reflected that the G5 aircraft leased from RJM was not available to the FBI for 44 days in the period of performance, equating to approximately \$580,000 of the value of the contract. The FBI did not have specific performance metrics in the contract so they had no recourse for the considerable downtime of the G5 aircraft leased from RJM. It was determined that the stated terms and conditions of the contract were complied with by RJM.

Additionally, it was determined that: (1) the FBI's execution of its contract administration responsibilities were weak; (2) the FBI did not complete a comprehensive bilaterally agreed-upon pre-inspection of the G5 aircraft. At the conclusion of the lease, needed repairs to the aircraft were identified that RJM, claiming they were in excess of normal wear and tear, and submitted requests to the FBI for \$2.4 million. The accuracy of RJM's request of exceeding normal wear and tear was not provable without documentation showing a pre-inspection of the aircraft by both parties. The FBI maintains these requests are excessive and include items that should be considered normal wear and tear. As of January 2017, the FBI and RJM had not reached an agreement regarding the request. We also determined that the FBI did not: (1) adequately review invoices, (2) pay invoices in a timely manner, (3) maintain sufficient documentation in the contract file to show a complete history of the contract action, or (4) enter accurate information into the Federal Procurement Data System—all of which are in non-compliance with the FAR.

DOJ OIG Releases Report on the Risks Associated with the Office of Justice Programs' Management of the Crime Victims Fund Grant Programs

The CVF was created by the *Victims of Crime Act of 1984* (VOCA) as a separate account funded entirely from federal criminal fees, forfeited bail bonds, penalties, gifts, donations, and special assessments collected by USAOs, federal courts, and BOP. The CVF receives no tax dollars and is used to support crime victims through DOJ programs and state and local victim services.

In FY 2015, Congress increased the amount of CVF funds available for obligation to more than \$2.36 billion, thereby tripling the prior year's funding. The funding increase brought on an entirely new challenge for the Office for Victims of Crime (OVC), to manage a considerably larger grant funding, and to monitor grant recipient and sub recipient performance. The OIG accepted this audit to accomplish three things: (1) evaluate the control processes in place for the solicitation, peer review, and award of CVF-funded grants; (2) evaluate the oversight and monitoring of the crime victim grant funds and grantees; and (3) assess the risk among grant recipients of CVF-funded grants.

We found OVC to have sufficient internal control processes, that CVF made progress in meeting new Congressional requirement for CVF grant recipients, and that OVC required grant recipients to establish plans for monitoring sub recipients, providing data on their performance. Additionally, we found areas that needed improvement regarding frequency and adequacy of OVC monitoring efforts.

The OIG made 11 recommendations to address the risk areas in the OJP management of the CVF fund.

BOP Audit on Contract with Spectrum Services Group, Inc., for Dental Services at the Federal Correctional Complex, Victorville, California

On March 2017, the OIG issued a report on the BOP's contract with Spectrum Services Group, Inc., (SSGi) which provided four dental assistants at the Federal Correctional Complex in Victorville, California (FCC Victorville).

The audit found that one of the four Dental Assistant positions specified in the contract was vacant for 25 of the 46 months from August 2012 through May 2016, or about 54 percent of the time. Despite these vacancies, contracting personnel consistently rated SSGi "Very Good" during its annual evaluation, and the evaluations included no mention of the vacancies. The audit found SSGi and the BOP attributed the Dental Assistant vacancies due to the stringent BOP vetting process, the remote location of FCC Victorville, and the fact that the position was located within a federal prison. Additionally, the report questioned whether BOP adequately assessed its Dental Officer and Dental Assistant needs at FCC Victorville prior to contract solicitation and award.

The audit concluded that these staffing shortages had measurable consequences at the institution, including one out of every four inmates (or nearly 1,000 inmates) being placed on a national wait list for routine dental care as of May 2016. Some inmates have been on this wait list since 2008. Other findings included (1) numerous discrepancies and inaccuracies between the sign-in log books for contractors and the Dental Assistants' timesheets, (2) SSGi did not comply with provisions of the Service Contract Labor Standards, and (3) BOP's non-compliance with FAR, including of the FAR's requirements for retaining information submitted by the contractor during the award process.

The report made nine recommendations to the BOP that address the deficiencies identified. The BOP agreed with all nine recommendations.

Audit of the National Institute of Justice's Grant Management

The OIG is auditing the National Institute of Justice's (NIJ) grant management. The preliminary objectives are to determine whether NIJ: (1) used fair and open processes to award competitive grants; (2) properly justified its decisions when awarding non-competitive grants; and (3) managed grant activities in compliance with legal, regulatory, and ethical requirements.

7. Using Performance-Based Management to Improve Department Programs

Performance-based management has been a long-standing challenge not only for the Department but across the entire federal government. OMB Circular No. A-11 and the *Government Performance and Results Modernization Act* (GPRA Modernization Act) place a heightened emphasis on priority-setting, cross-organizational collaboration to achieve shared goals, and the use and analysis of goals and measurements to improve outcomes. A significant management challenge for the Department is ensuring, through performance-based management, that its programs are achieving their intended purposes. The OIG will ensure that the Department is effectively implementing performance-based management and taking actions to meet the requirements of the GPRA Modernization Act.

Reviews of the Annual Accounting of Drug Control Funds and Related Performance Fiscal Year 2016

OIG report dated January 2017, contains the confirmation of DOJ's Assets Forfeiture Fund, Criminal Division, DEA, BOP, OJP, Offices of the United States Attorneys, Organized Crime Drug Enforcement Task Forces Program, and USMS's annual accounting of drug control funds and related performance for the fiscal year ended September 30, 2016. The OIG performed the attestation reviews. The report and annual detailed accounting of funds obligated by each drug control program agency are required by 21 U.S.C. §1704(d), as implemented by the Office of National Drug Control Policy Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. DOJ components reviewed, reported approximately \$7.8 billion of drug control obligations and 23 related performance measures for FY 2016.

The OIG prepared the confirmation review reports in accordance with confirmation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A confirmation review is substantially less in scope than an examination and, therefore, does not result in the expression of an opinion. We reported that nothing came to our attention that caused us to believe the submissions were not presented, in all material respects, in accordance with the requirements of the Office of National Drug Control Policy Circular, and as otherwise agreed to with the Office of National Drug Control Policy.

DOJ OIG Releases Report on DOJ's Compliance with the Digital Accountability and Transparency Act of 2014

On November 8, 2017, the OIG released a report examining DOJ's compliance with *Federal Funding Accountability and Transparency Act of 2006*, as amended by the *Digital Accountability and Transparency Act of 2014* (DATA ACT). The new act added new requirements for government-wide spending data standards, and mandated full publication of all spending data, with the intent in providing Americans with transparency as to how the federal government spends taxpayer dollars.

After reviewing a valid sample of spending data, it was determined that DOJ did submit complete and timely data to the Department of the Treasury's DATA Act broker as required by the DATA Act. DOJ also successfully implemented and used the government-wide financial data standards, but a material weakness was identified in internal controls that contributed to DOJ being materially noncompliant with standards for quality and accuracy of the data submitted.

The OIG made seven recommendations to DOJ to enhance its internal controls and improve the quality and accuracy of the data it submits to the DATA Act broker system. DOJ agreed with all of the recommendations.

8. Filling Mission Critical Positions Despite Competition for Highly-Skilled Professionals and Delays in the Onboarding Process

Findings of Misconduct by a Bureau of Prisons Physician for Providing Medication to a Bureau of Prisons Nurse for Unauthorized Purposes

In June 2017, the OIG completed an investigation based on allegations from the BOP that a physician with the United States Penitentiary (USP) provided medication to a USP nurse intended for inmates.

During the investigation the USP physician acknowledged providing a USP nurse with an injection of medication intended for BOP inmates. The OIG concluded that federal regulations prohibiting use of government property for unauthorized purposes, and BOP policy prohibiting dispensing medication to employees except in emergencies were violated by the USP physician.

Findings of Misconduct by a Chief Deputy U.S. Marshal for Having an Inappropriate Relationship With a Subordinate, Making False Statements to a Supervisor, and Submitting Misleading Statistics

In August 2017, the OIG completed an investigation based on information it received of a Chief Deputy U.S. Marshal (CDUSM) that the CDUSM engaged in misconduct by engaging in personal relationship with a subordinate, and then in order to secure additional funding for the fugitive task force that the CDUSM oversaw, personnel were directed to submit false statistics to the High Intensity Drug Trafficking Area (HIDTA) program.

The OIG was able to substantiate the allegation that the CDUSM engaged in an inappropriate relationship with a subordinate when the CDUSM admitted to the OIG to having engaged in the relationship. During the investigation, it was determined by the OIG that the CDUSM when directly asked by the CDUSM's supervisor about the intimate personal relationship false statements were provided. Also substantiated was the allegation that the CDUSM instructed personnel to submit false or misleading arrest statistics to HIDTA to secure increased funding. The OIG found that USMS policies were violated by the conduct of the CDUSM.

Findings Concerning Improper Hiring Practices, Inappropriate Interactions with Subordinates and a Contractor, and False Statements by a Senior Executive with the Executive Office for Immigration Review

In June 2016, the OIG completed their investigation of an Executive Office for Immigration Review (EOIR) senior executive, based on information it received from DOJ that the senior executive had engaged in: (1) inappropriate hiring practices, (2) used non-public information to benefit friends, (3) solicited and accepted gifts from subordinates, (4) maintained inappropriate relationships with subordinates, and (5) participated in an inappropriate quid pro quo scheme with a contract company.

The OIG concluded that on seven occasions the executive engaged in improper hiring practices when the merit system principles were disregarded by ignoring applicants with superior qualifications to hire close friends and associates as DOJ employees or DOJ contract personnel for the positions. It was also determined that a promotion was initiated by the executive for a friend and then promoted before they were eligible for promotion. Additionally the executive without adequate justification nominated a friend for a monetary award, and promoted a friend

who lacked qualifications for the position. The OIG further found that non-public information about job opportunities on a pending DOJ contract were disclosed to friends of the executive, the executive also advocated for increasing contractor salaries in support of friends. The OIG found that federal statutes, federal regulations, and DOJ policy were violated by the conduct of the executive. Prosecution of the executive was declined.

9. Whistleblower Ombudsperson

The OIG's Whistleblower program continues to be an important source of information regarding waste, fraud, and abuse within the Department, and to perform an important service by allowing Department employees to come forward with such information. As publicity about retaliation against whistleblowers from across the federal government continues to receive widespread attention, it is particularly important that the Department act affirmatively to ensure that whistleblowers feel protected and, indeed, encouraged to come forward.

The OIG plays a pivotal and particularly labor-intensive role in fielding and investigating, under the FBI Whistleblower Statute (5 U.S. C § 2303) and the FBI Whistleblower Regulations (28 C.F.R. Part 27), allegations of whistleblower retaliation against FBI employees. If a retaliation complaint states a cognizable claim, the OIG investigates the allegations "to the extent necessary to determine whether there are reasonable grounds to believe that a reprisal has been or will be taken" for a protected disclosure. 28 C.F.R. § 27.3(d). The OIG has 240 days to make this determination unless granted an extension by the complainant. *Id.* § 27.3(f).

The OIG is partnering with the FBI in the development of specialized training that will highlight the particular requirements applicable to FBI employees. Aggressive OIG efforts to enhance FBI employees' awareness of their rights will likely increase the number of whistleblower retaliation complaints this office receives each year. Protecting whistleblower rights has been one of the Inspector General's highest priorities since he took office. Unfortunately, with limited resources and staffing we have had to go beyond deadlines and obtain extensions from whistleblowers, further delaying the investigation and ultimate resolution of these cases. To strengthen the DOJ whistleblower program, we are requesting a program increase. Please refer to Section VI for more information.

The OIG also continues to utilize the tracking system developed through the OIG Ombudsperson Program to ensure that it is handling these important matters in a timely manner. The OIG continuously enhances the content on its public website, oig.justice.gov. The table below, pulled from our *Semiannual Report to Congress, April 1, 2017 thru September 30, 2017*, presents important information.

Whistleblower Program

April 1, 2017 – September 30, 2017

Employee complaints received ¹	278
Complainants asserting to be whistleblowers ²	18
Employee complaints opened for investigation by the OIG	91
Employee complaints that were referred by the OIG to the components for investigation	109
Employee complaint cases closed by the OIG ³	91

The OIG continues to refine its internal mechanisms to ensure that the OIG is promptly reviewing whistleblower submissions and communicating with those who come forward with information in a timely fashion.

10. Congressional Testimony

The Inspector General and Deputy Inspector General testified before Congress on the following occasions:



- “Oversight of the Bureau of Prisons and Inmate Reentry” before the U.S. House of Representatives Committee on Oversight and Government Reform on December 13, 2017;

¹ Employee complaint is defined as an allegation received from whistleblowers, defined broadly as complaints received from employees and applicants with DOJ, or its contractors, subcontractors, or grantees, either received directly from the complainant by the OIG Hotline, the field offices, or others in the OIG, or from a DOJ component if the complaint otherwise qualifies and is opened as an investigation.

² These complainants may or may not qualify as whistleblowers under relevant laws.

³ This number reflects cases closed during the reporting period regardless of when they were opened.

- “Recommendations and Reforms from the Inspectors General” before the U.S. House of Representatives Committee on Oversight and Government Reform on November 15, 2017;
- “Oversight of the Foreign Agents Registration Act and Attempts to Influence U.S. Elections: Lessons Learned from Current and Prior Administrations” before the U.S. Senate Committee on the Judiciary on July 26, 2017;
- “Use of Confidential Informants at ATF and DEA” before the U.S. House of Representatives Committee on Oversight and Government Reform on April 4, 2017;
- “Examining Systemic Management and Fiscal Challenges within the Department of Justice” before the U.S. House of Representatives Committee on the Judiciary on March 21, 2017;
- “A Review of Investigations of the Osorio and Barba Firearms Trafficking Rings” before the U.S. House of Representatives Committee on Oversight and Government Reform on March 9, 2017;
- “Five Years Later: A Review of the Whistleblower Protection Enhancement Act” before the U.S. House of Representatives Committee on Oversight and Government Reform, Subcommittee on Government Operations on February 1, 2017; and
- “Empowering the Inspectors General” Oversight and Government Reform on February 1, 2017.

11. Support for the Department’s Savings and Efficiencies Initiatives

In support of DOJ’s SAVE initiatives, the OIG contributed to the Department’s cost-saving efforts in FY 2017, including:

- *Increasing the use of self-service online booking for official travel.* The OIG’s online booking rate at the end of FY 2017 official travel was 93%, for estimated savings of \$27 thousand over agent-assisted ticketing costs.
- *Using non-refundable airfares rather than contract airfares or non-contract refundable fares (under appropriate circumstances).* In FY 2017, the OIG realized cost savings of more than \$13 thousand by using non-refundable tickets.
- *Increased use of video conferencing.* The OIG saved training and travel dollars, as well as productive staff time while in travel status, by utilizing increased video teleconferencing for all applicable OIG-wide training.

Getting the most from taxpayer dollars requires ongoing attention and effort. The OIG continues to look for ways to use its precious resources wisely and to examine how it does business to further improve efficiencies and reduce costs.

E. Challenges

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affect the number of allegations the OIG receives, and financial support from the OMB and Congress.

The limitation on the OIG's jurisdiction has also been an ongoing impediment to strong and effective independent oversight over agency operations. While the OIG has jurisdiction to review alleged misconduct by non-lawyers in the Department, it does not have jurisdiction over alleged misconduct committed by Department attorneys when they act in their capacity as lawyers—namely, when they are litigating, investigating, or providing legal advice. In those instances, the IG Act grants exclusive investigative authority to the Department's OPR office. As a result, these types of misconduct allegations against Department lawyers, including any that may be made against the most senior Department lawyers (including those in Departmental leadership positions), are handled differently than those made against agents or other Department employees. The OIG has long questioned this distinction between the treatment of misconduct by attorneys acting in their legal capacity and misconduct by others. This disciplinary system cannot help but have a detrimental effect on the public's confidence in the Department's ability to review misconduct by its own attorneys.

The OIG's greatest asset is its highly dedicated personnel, so strategic management of human capital is paramount to achieving organizational performance goals. In the prior fiscal years, the OIG was very successful in recruiting and hiring high quality talent to fulfill its staffing complement. In this competitive job market, the OIG must make every effort to maintain and retain its talented workforce. The OIG's focus on ensuring that its employees have the appropriate training and analytical and technological skills for the OIG's mission will continue to bolster its reputation as a premier federal workplace, and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly impacted by the number of experienced personnel the OIG can devote to these critical oversight activities.

II. Summary of Program Changes

Item Name	Description	Pos.	FTE	Dollars (\$000)	Page
Whistleblower	To enhance its whistleblower protection program by increasing staffing within the Oversight and Review (O&R) Division (6 positions will be 5 Attorneys and 1 Paralegal)	6		\$1,400	34
Total		6	0	\$1,400	

III. Appropriations Language and Analysis of Appropriations Language

The appropriation language states the following for the Office of the Inspector General:

For necessary expenses of the Office of Inspector General, \$95,866,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

A. Analysis of Appropriations Language

No substantive changes

IV. Program Activity Justification

A. Audits, Inspections, Investigations and Reviews

OIG	Direct Pos.	Direct FTE	Amount
2017 Enacted	470	430	\$95,583,000
2018 Annualized CR Level	470	430	\$94,934,000
Adjustment to base and Technical Adjustments	0	-15	(\$468,000)
2019 Current Services	470	415	\$94,466,000
2019 Program Increase	6	6	\$1,400,000
2019 Request	476	421	\$95,866,000
Total Change 2018-2019	6	6	\$932,000

<i>OIG Information Technology Breakout</i>	Direct Pos.	Direct FTE	Amount
2017 Enacted	12	12	\$9,611,009
2018 Annualized CR Level	18	18	\$10,297,610
Adjustments to Base and Technical Adjustments	0	0	\$963,591
2019 Current Services	23	23	\$11,261,201
2019 Request	18	18	\$11,261,201
Total Change 2018-2019	0	0	\$963,591

B. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

C. Performance and Resource Tables

Performance materials will be provided at a later date.

D. Performance, Resources, and Strategies

Performance materials will be provided at a later date.

V. Program Increases by Item

Item Name: Whistleblower Protection

Strategic Goal(s) & Objective(s): Performance materials will be provided at a later date.

Organizational Program: OIG

Program Increase: Positions 6 Agt/Atty/Other 0/5/1 FTE 6 Dollars \$1,400,000

1. Description of Item

As part of the OIG's ongoing efforts to safeguard FBI and other DOJ whistleblowers from reprisal and to enhance training and outreach regarding such efforts, the OIG is requesting a Program Increase of \$1,400,000. Specifically, the OIG intends to enhance its whistleblower protection program by increasing staffing within the Oversight and Review (O&R) Division. The O&R Division currently has primary responsibility for handling whistleblower cases and also investigates other highly sensitive matters. The additional funding will enable the OIG to hire one supervisor, the equivalent of four full time investigative counsels, and one full-time analyst or paralegal specialist. The resources will enable the OIG to have a full-time supervisor for whistleblower matters, including the investigation of reprisal claims, the drafting of reports of investigation, and the maintenance of training and outreach programs. Most important, the additional resources will enhance the OIG's ability to keep pace with the increasing number of whistleblower reprisal claims—the direct result of better training, outreach, and the recent enactment of the *FBI Whistleblower Protection Enhancement Act of 2016*.

2. Justification

Whistleblowers provide an important public service to our nation by improving government efficiency, transparency, and accountability. These virtues not only save taxpayer dollars, but also more closely align the reality of federal executive agency operations with our nation's ideals, chief among them integrity and freedom from fear. The OIG has been at the forefront in recognizing the importance of whistleblowers and in its commitment to taking prompt action to pursue any allegations of reprisal against them.

Federal law generally prohibits retaliation against federal government employees or applicants for employment for reporting wrongdoing, or whistleblowing. 5 U.S.C. § 2302. Under this provision, most federal employees pursue whistleblower retaliation complaints with the Office of Special Counsel and the Merit Systems Protection Board. However, the FBI was excluded from this process; instead, the Attorney General was required, pursuant to 5 U.S.C. § 2303(b), to establish separate regulations to ensure that FBI employees are protected against retaliation for reporting wrongdoing. Under these regulations, codified at 28 C.F.R. Part 27, the OIG plays a pivotal and particularly labor-intensive role in fielding and investigating allegations of whistleblower retaliation against FBI employees. If a retaliation complaint states a cognizable claim, the OIG investigates the allegations “to the extent necessary to determine whether there are reasonable grounds to believe that a reprisal has been or will be taken” for a protected disclosure. 28 C.F.R. § 27.3(d). The OIG has 240 days to make this determination unless granted an extension by the complainant. *Id.* at § 27.3(f).

As part of its investigation, the OIG obtains relevant documents from the FBI and from any other relevant source, including the complainant. These documents may include, for example, e-mails and personnel files. The OIG interviews witnesses with relevant knowledge, typically including the complainant, the person(s) who allegedly retaliated against the complainant, and others (often other FBI employees working in the same field office) in a position to have knowledge of the relevant facts and circumstances.

If the OIG finds that there are no reasonable grounds to believe that a reprisal has been or will be taken, it provides a report to the complainant with factual and legal findings and conclusions justifying the termination of the investigation. If the OIG determines that there are reasonable grounds to believe that there has been or will be a reprisal for a protected disclosure, it sends a final report of its conclusions, along with any findings and recommendations for corrective action, to the Department's Office of Attorney Recruitment and Management. *Id.* at § 27.4(a).

The number of FBI whistleblower retaliation complaints has sky-rocketed in recent years. For example, the number of such complaints received by the OIG has risen from 5 in FY 2007 to 37 during the period from April 1, 2016 through March 31, 2017. Similarly, after accepting for investigation an average of two complaints per year between FYs 2007 and 2013, the OIG increased its acceptance of cases for investigation to nine complaints in FY 2014. Seven additional complaints were accepted for investigation in FY 2015, and nine more were added in FY 2016. As a result, O&R is currently investigating 13 separate whistleblower retaliation claims—a docket occupying approximately half of O&R's non-supervisory investigative staff (attorneys, agents, and analysts).

The OIG has many priorities competing for its limited time and staff resources. The O&R Division also investigates highly sensitive allegations involving DOJ employees, often at the request of the Attorney General, senior Department managers, or Congress, and regularly conducts systemic reviews of national security programs and other similarly complex and consequential matters. For example, the O&R Division is currently conducting a review of allegations regarding violations of DOJ or FBI policies and procedures in advance of the 2016 presidential election, including allegations regarding then-Director Comey's public announcements on July 5, 2016, and October 28, 2016, regarding the status of an investigation involving one of the presidential candidates. In recent years the O&R Division has been responsible for numerous national security reviews, including multiple reviews of the FBI's use of Section 215 authority under the *Foreign Intelligence Surveillance Act* (FISA), National Security Letters, and Section 702; the Department's use of material witness warrants in terrorism investigations; and the sharing of information among government agencies prior to the Boston Marathon bombing. Other major reviews undertaken by the O&R Division include the investigations of ATF's Operation Fast and Furious, DEA's responses to three deadly force incidents in Honduras, and improper hiring practices in various Department components. The O&R Division's ability to investigate and produce reports on such complex and consequential matters in a timely manner has been adversely impacted by the growing time commitment required to conduct FBI whistleblower retaliation investigations with existing staff resources.

The complexity of FBI whistleblower retaliation cases and the time required to investigate them varies from case to case but all of them require a substantial investment in time. Even the complaints that ultimately are not accepted for investigation because of a failure to meet the elements required under the DOJ regulations receive careful analysis by management in the O&R Division as well as the OIG Front Office, including the Inspector General, before a

declination decision is made. Where a complaint meets the requirements of the regulations and is accepted for investigation, it typically requires the attention of one attorney on at least a half-time basis (as well as additional part-time support from an agent, program analyst, and/or paralegal) for at least the 240-day investigation period provided under the regulations. Many cases require the full-time attention of an attorney for the entire investigative period. In short, whistleblower retaliation cases previously represented a small fraction of O&R's workload but now compose approximately half of the O&R docket in terms of attorney hours. The rapid expansion of this category of investigation is having an inevitable and growing impact on the ability of O&R to conduct investigations of other matters of great importance to the OIG and the Department.

This rapid increase in the FBI whistleblower caseload has complicated efforts to comply with the relevant regulatory timelines. As noted above, the regulations provide for the OIG to complete its investigation within 240 days unless the complainant consents to an extension. At current staffing levels, we are frequently required to request such extensions. The time required by the DOJ to complete FBI whistleblower retaliation cases was the subject of a recent critical Government Accountability Office (GAO) report, *Whistleblower Protection—Additional Actions Needed to Improve DOJ's Handling of FBI Retaliation Complaints*, GAO-15-112. While the OIG is only responsible for the intake and investigation phases of these cases and the time taken by the OIG to complete its role in this process was not the largest part of the problem cited by GAO, we are committed to improving the timeliness of OIG investigations.

The OIG requires additional resources to manage the growing whistleblower case load thoroughly, fairly, and expeditiously—a financial need made more urgent by three recent developments, each of which will likely further increase the number of FBI whistleblower cases the OIG receives: (1) amplified OIG outreach, training, and education efforts; (2) additional procedures to ensure whistleblowers have enhanced opportunities to seek a full OIG investigation; and (3) the recent enactment of the *FBI Whistleblower Protection Enhancement Act of 2016*, which increased dramatically the number of offices and officials to whom disclosures may be made in order to be deemed “protected” under the law. The OIG believes that these three factors, discussed in detail below, will accelerate the already sharp increase in the number of whistleblower retaliation complaints this office receives each year.

First, concerted OIG efforts to work with the FBI to enhance FBI employees' awareness of their rights will likely increase the number of whistleblower retaliation complaints this office receives each year. Protecting whistleblower rights has been one of the Inspector General's highest priorities since he took office. He established a Whistleblower Ombudsperson Program shortly after becoming Inspector General in 2012 and has been significantly ramping up training and awareness programs as well as the OIG's ability to thoroughly and efficiently respond to complaints of illegal retaliation against FBI whistleblowers. The Inspector General designated his Deputy to lead this aggressive program, and the OIG developed a video, entitled “Reporting Wrongdoing: Whistleblowers and their Rights,” which discusses whistleblower rights and protections applicable to all DOJ employees, and specifically points out where the rules for FBI employees differ from those applicable to others. The OIG assisted the FBI in creating a specialized training program that recently became required viewing for all FBI employees. This interactive program highlights the specific requirements and procedures for FBI whistleblowers, and gives them guidance as to how to make protected disclosures, recognize reprisal for having done so, and pursue corrective action with the appropriate office. The OIG also has worked with the FBI and other Department components to develop particularized training on whistleblower

rights and protections. The OIG has a dedicated ["Whistleblower Protection" page](#) on its website, available to FBI employees and others, with a section on FBI whistleblowers that we have enhanced to include additional links to the applicable law and regulations and other information specific to FBI employees. The OIG has also reached out to the whistleblower community, so that we can hear from them first-hand about issues and challenges that concern them. It is likely that these substantial and ongoing efforts to educate FBI and other DOJ employees regarding their rights and protections will generate further increases in the number of cognizable retaliation complaints received by the OIG, and increase the need for greater OIG staffing to address them.

Second, the OIG has instituted new procedures governing how we provide notification to complainants regarding a decision that investigation into a whistleblower reprisal complaint is not warranted—procedures that have increased and will no doubt continue to increase the number of whistleblower retaliation complaints this office investigates each year. A substantial proportion of the retaliation complaints submitted to the OIG do not require or call for the opening of an investigation because the facts alleged in the complaint, even if accepted as true, would not be sufficient to satisfy an essential element of a retaliation claim under the law. In the past, the OIG has closed such non-cognizable complaints by means of brief declination letters. In the interest of enhancing the transparency of our review process and giving whistleblowers the fullest possible opportunity to provide additional information that may be relevant to our determinations, the OIG is now providing whistleblowers more detailed information in our declination letters: identifying the deficiencies in complaints, including identifying the specific element(s) of a claim of reprisal under the regulations that are absent and informing the employee filing the complaint that we are providing them with an opportunity to submit any additional relevant information or comment on the OIG's initial determination prior to the OIG's declination of the complaint becoming final. These changes in practice go beyond the regulatory requirements, and will help the OIG ensure that all complainants have an opportunity to provide additional information or written comments before OIG closes their complaints consistent with our desire to provide the maximum possible support for whistleblowers from the FBI and throughout the DOJ. The GAO found that “if implemented effectively, these planned actions will help OIG ensure that all complainants have an opportunity to provide additional information or written comments before OIG closes their complaints and those complainants will receive the information they need to make decisions about their complaints.” This additional procedure increases the time needed for the initial review of all complaints and has already begun – by assisting complainants in converting facially non-cognizable claims into cognizable ones – to increase the number of cases the OIG accepts for full investigation.

A third factor referenced above that is likely to accelerate the already steep increase in the number of whistleblower retaliation complaints the OIG investigates each year is the recent enactment of the *FBI Whistleblower Protection Enhancement Act of 2016*, which increased the number of offices and officials to whom disclosures may be made in order to be deemed “protected” (Designated Recipients) to include, among many others potential recipients, any supervisor in the employee’s direct chain of command, up to and including the FBI Director and the Attorney General. Prior to the enactment of the *FBI Whistleblower Protection Enhancement Act of 2016*, the governing law severely restricted who qualified as a Designated Recipient, thereby significantly increasing the likelihood that a whistleblower claim would be rejected as non-cognizable during the initial OIG review and that an otherwise meritorious disclosure would receive no protection under the law. For example, a recent report by the GAO stated:

DOJ terminated at least 17 whistleblower complaints in recent years in part because a disclosure was made to someone in the employee's chain of command or management, such as a supervisor, who was not one of the nine high-level FBI or DOJ entities designated under the [FBI Whistleblower Regulations] to receive such disclosures. [D]ismissing retaliation complaints made to an employee's supervisor or someone in that person's chain of command leaves some FBI whistleblowers—such as the 17 complainants we identified—without protection from retaliation. By dismissing potentially legitimate complaints in this way, DOJ could deny some whistleblowers access to recourse, permit retaliatory activity to go uninvestigated, and create a chilling effect for future whistleblowers.

Notably, under the new law's expansive definition of "Designated Recipient," the disclosures at issue in the 17 whistleblower complaints described in the excerpt above—found wanting because made to someone in the complainant's chain of command—would, were they filed with the OIG today, likely be considered "protected" and result in full-blown whistleblower reprisal investigations.

Lastly, other federal mandates have expanded the OIG's responsibilities to include new categories of whistleblower retaliation cases. Section 828 of the *National Defense Authorization Act of 2013*, codified at 41 U.S.C. § 4712, and as amended by S. 795, requires the OIG to investigate certain whistleblower retaliation claims filed by an employee of a contractor, subcontractor, grantee, or sub grantee or personal services contractor with respect to any component of the Department. Given the already significant pressure on the O&R Division's docket of the FBI whistleblower reprisal cases, the OIG investigations currently are being handled by the OIG's Investigations Division, where they are similarly growing in number and taking an increasing amount of investigator time. And pursuant to Presidential Policy Directive/PPD-19, the OIG now has jurisdiction to investigate allegations that actions affecting access to classified information throughout the Department were taken in reprisal for protected whistleblowing, and the DOJ OIG is one of the designated offices to serve on PPD-19 external review boards from other agencies. O&R has already taken a leading role in completing two PPD-19 reviews and we believe that this number is likely to increase, perhaps significantly, involving cases both within and outside the Department as additional training and education is made available to make employees aware of this protection.

3. Impact on Performance

At current staffing levels, the rapid increase and expected further increase in FBI whistleblower cases—which OIG is required to investigate by regulation—inevitably reduces the other kinds of critical investigations that the O&R Division can undertake in a timely fashion. Without the requested increase, the OIG will not be able to expand our whistleblower oversight without adversely impacting our other responsibilities.

Funding
(Dollars in Thousands)

Base Funding

FY 2017 Enacted				FY 2018 President's Budget				FY 2019 Current Services			
Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty	FTE	\$0	Pos	Agt/Atty/Other	FTE	\$0
0	0/0	0	\$0	0	0/0	0	\$0	0	0/0/0	0	\$0

Personnel Increase Cost Summary

Type of Position	Modular cost per Position (\$000)	1 st Year Annualization	Number of FTE's Requested	FY 2019 Requested (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Attorney (905)	\$224	\$224	5	\$1,120	\$25	\$0
Paralegals/Other Law (900-998)	\$172	\$172	1	\$172	\$3	\$0
Total Personnel			6	\$1,292	\$28	\$0

Total Request for this Item

	P O S	Agt/Atty/Other	F T E	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2020 Net Annualization (Change from 2019) (\$000)	FY 2021 Net Annualization (Change from 2020) (\$000)
Current Services	0	0/0/0	0	\$0	\$0	\$0	\$0	\$0
Increases	6	0/5/1	6	\$1,292	\$108	\$1,400	\$28	\$0
Grand Total	6	0/5/1	6	\$1,292	\$108	\$1,400	\$28	\$0

VI. Program Offsets by Item

The Office of the Inspector General has no program offsets to submit in the FY 2019 budget request.

VII. APPENDIX

Statistical Highlights April 1, 2017 – September 30, 2017

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

April 1, 2017 – September 30, 2017	
Allegations Received by the Investigations Division ¹	5,918
Investigations Opened	166
Investigations Closed	166
Arrests	59
Indictments/Information	51
Convictions/Pleas	49
Administrative Actions	114
Monetary Recoveries	\$24,878,924.31
Audit Reports Issued	42
Questioned Costs	\$5,173,558
Funds for Better Use	\$1,504,312
Recommendations for Management Improvements	260
Single Audit Act Reports Issued	30
Questioned Costs	\$418,662
Recommendations for Management Improvements	55
Other Audit Division Reports Issued	1