



Review of the Bureau of Alcohol, Tobacco,  
Firearms and Explosives' Accounting of  
Drug Control Funding  
Fiscal Year 2024



AUDIT DIVISION

25-027

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**FEBRUARY 2025**

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REDACTED FOR PUBLIC RELEASE

*Redactions were made to the full version of this report because it contained information that the Department identified as pre-decisional budget information.*



# EXECUTIVE SUMMARY

## Review of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Accounting of Drug Control Funding Fiscal Year 2024

### Objective

Pursuant to 21 U.S.C. § 1704(d), as implemented by the Office of National Drug Control Policy (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021 (the Circular), the U.S. Department of Justice Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is required to submit to the Director of ONDCP a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year. Additionally, at least every 3 years, the Office of the Inspector General (OIG) is required by the Circular to authenticate and express a conclusion about the reliability of the detailed accounting of funds prior to ATF management's submission to the ONDCP.

### Results in Brief

The OIG concluded that it is not aware of any material modifications that should be made to the detailed accounting of drug control funding for the year ended September 30, 2024, in order for it to be in accordance with the Circular.

### Recommendations

No recommendations were provided in this report.

### Audit Results

The OIG performed an attestation review of the ATF's detailed accounting of all funds expended for National Drug Control Program activities during the year ended September 30, 2024. The detailed accounting includes the Budget Formulation Compliance Report (BFCR), Detailed Accounting Report (DAR), and related assertions by ATF management. The ATF reported approximately \$46 million of drug control obligations for fiscal year 2024.

The purpose of the review was to express a conclusion about whether we are aware of any material modifications that should be made to the BFCR, DAR, or related assertions in order for them to be in accordance with the requirements set forth in the Circular. We concluded that we are not aware of any such material modifications. For fiscal year 2023, the OIG also concluded that no material modifications were needed to ATF's submission to the ONDCP (OIG Audit Division Report Number 24-028).

The review was performed in accordance with the attestation standards contained in Government Auditing Standards. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance of the subject matter in order to express an opinion. Accordingly, we do not express such an opinion.

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## OFFICE OF THE INSPECTOR GENERAL'S INDEPENDENT REVIEW REPORT

Acting Director  
Bureau of Alcohol, Tobacco, Firearms and Explosives

We have reviewed the accompanying Budget Formulation Compliance Report (BFCR) and Detailed Accounting Report (DAR) of the U.S. Department of Justice (DOJ) Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) for the fiscal year ended September 30, 2024. ATF management is responsible for the preparation of the BFCR and DAR in accordance with the Office of National Drug Control Policy (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion on management's assertions based on our review.

Our review was conducted in accordance with standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to the BFCR, DAR, or related assertions in order for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the BFCR, DAR, and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Based on our review, we are not aware of any material modifications that should be made to the BFCR, DAR, or related assertions for the year ended September 30, 2024, in order for them to be in accordance with the requirements set forth in the Circular.

The purpose of this report is to authenticate the BFCR and DAR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of the DOJ, ATF, and the ONDCP, and is not intended to be, and should not be, used by anyone other than the specified parties.

Kelly A. McFadden, CPA  
Director, Financial Statement Audit Office  
U.S. Department of Justice Office of the Inspector General  
Washington, D.C.  
January 17, 2025



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Assistant Director*

*Washington, DC*

**Budget Formulation Compliance Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2024**

On the basis of the Bureau of Alcohol, Tobacco, Firearms and Explosive's (ATF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the ATF's system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The summer drug budget submitted to ONDCP in response to ONDCP Circular, Budget Formulation, Section 9.a.(1) was submitted to ONDCP at the same time as that budget request was submitted to the Department of Justice management in accordance with 21 U.S.C § 1703(c)(1)(A).
2. The funding requests submitted to ONDCP in the Summer Drug Budget Resource Summary Table represents the funding levels in the budget submission made by the ATF to the Department without alteration or adjustment by any official at the Department.

FRANCIS FRANDE

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Francis H. Frandé  
Chief Financial Officer

January 17, 2025

Date

**Department of Justice - Bureau of Alcohol, Tobacco, Firearms, and Explosives**

**Dollars in Millions - Total Drug Resources**

	FY 2024 Enacted	FY 2025 President's Budget	FY 2026 Spring Call
<b>Resource Summary</b>			
<b>Drug Resources by Decision Unit and Function:</b>			
<b>Decision Unit: Law Enforcement Operations</b>			
<i>Investigations</i>	\$42.581	\$42.581	
<i>Harm Reduction</i>	0.100	0.10	
<b>Total, Decision Unit: Law Enforcement Operations</b>	<b>\$42.681</b>	<b>\$42.681</b>	
<b>Total Drug Funding</b>	<b>\$42.681</b>	<b>\$42.681</b>	
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	170	170	
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget (in billions)	\$1.6	\$2.0	
Drug Resources Percentage	2.6%	2.2%	



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Assistant Director*

*Washington, DC*

**Detailed Accounting Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2024**

On the basis of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the ATF's system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the ATF's accounting system of record for this Budget Decision Unit.
2. The drug methodology used by the ATF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in the Detailed Accounting Report was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision during FY 2024 for reprogrammings or transfers affecting drug-related resources that individually or in aggregate exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget.
7. ATF did not have any ONDCP Fund Control Notices issued in FY 2024.

FRANCIS  
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Francis H. Frandé  
Chief Financial Officer

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January 17, 2025

Date

**U.S. Department of Justice**  
**Bureau of Alcohol, Tobacco, Firearms and Explosives**  
**Detailed Accounting Report**  
**Table of Drug Control Obligations**  
**For Fiscal Year Ended September 30, 2024**  
**(Dollars in Millions)**

	<b>FY 2024 Obligations</b>
<b>Drug Resources by Budget Decision Unit and Function:</b>	
<b>Decision Unit #1: Law Enforcement Operations</b>	
Investigations	\$ 46.24
<b>Total Law Enforcement Operations</b>	<b>\$ 46.24</b>
<b>Total Obligations</b>	<b>\$ 46.24</b>
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 0.59
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ 13.00



**U.S. Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
Detailed Accounting Report  
Related Disclosures  
For Fiscal Year Ended September 30, 2024**

Disclosure 1: Drug Methodology

The Bureau of Alcohol, Tobacco, Firearms and Explosive (ATF) does not receive a specific appropriation for drug-related work relative to the National Drug Control Strategy (Strategy). However, the ATF does contribute to the Strategy through its mission to address violent firearms crime by drug offenders in American communities.

To quantify how the ATF supports the Strategy, the total number of cases involving a drug or narcotics charge identified in the ATF's case management system are divided by the total number of actual cases to arrive at a ratio of criminal investigations with a drug or narcotics nexus. Cases with drug attributes include charges filed under 18 USC 922(g)(3); 18 USC 924(c); 18 USC 922(d)(3); narcotics violations (Federal/State); 21 USC 844(a); 21 USC 846 and several other provisions related to narcotics crimes to derive the drug nexus ratio. Further, the ATF factors in drug charges as a percentage of all charges in drug-related cases. Since many cases involve criminal possession and use of firearms, illegal firearms trafficking, and gang-related violent crime, many offenders and gang members arrested are often in possession of illegal drugs or narcotics. While not the ATF's primary mission, the seizure of these drugs/narcotics and the filing of criminal charges under the drug statutes do support the Strategy.

Disclosure 2: Methodology Modifications

There have been no changes in the ATF's Drug Methodology.

Disclosure 3: Material Weaknesses or Other Findings

ATF was included in the Department of Justice (DOJ) consolidated audit and did not receive a separate financial statements audit. As of November 4, 2024, the DOJ's consolidated FY 2024 *Independent Auditor's Report* has not revealed any material weaknesses or significant deficiencies directed to ATF. Additionally, the Department's assessment of risk and internal control in FY 2024 conducted in accordance with OMB Circular A-123 has not identified any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings or transfers related to drug-related budgetary resources.

Disclosure 5: Other Disclosures

The ATF has no other disclosures related to drug-related obligations, data or methodology.