

**Review of U.S. Immigration  
and Customs Enforcement's  
Fiscal Year 2021 Detailed  
Accounting Report for  
Drug Control Funds**





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

January 25, 2022

MEMORANDUM FOR: Tae Johnson  
Acting Director  
U.S. Immigration and Customs Enforcement

FROM: Joseph V. Cuffari, Ph.D.  
Inspector General

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's  
Fiscal Year 2021 Detailed Accounting Report for Drug  
Control Funds*

JOSEPH V  
CUFFARI

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CUFFARI  
Date: 2022.01.24 20:29:34  
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Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2021 Detailed Accounting Report for Drug Control Funds*. U.S. Immigration and Customs Enforcement (ICE) management prepared the Table of FY 2021 Drug Control Obligations and related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company – DC, LLP (Williams Adley) to review ICE's Detailed Accounting Report. Williams Adley is responsible for the attached Independent Accountant's Report, dated January 19, 2022, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act of 1978, as amended*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions or your staff may contact Bruce Miller, Deputy Inspector General for Audits, or Maureen Duddy, Assistant Inspector General for Audits, at (202) 981-6000.

cc: Chief Financial Officer and Senior Component Accountable Official, ICE

Attachment



# **DHS OIG HIGHLIGHTS**

## ***Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2021 Detailed Accounting Report for Drug Control Funds***

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**January 25, 2022**

### **Why We Did This Review**

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the agency's submission and provide a conclusion about the reliability of each assertion in the report.

#### **For Further Information:**

Contact our Office of Public Affairs at (202) 981-6000, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)

### **What We Found**

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant's Report on the U.S. Immigration and Customs Enforcement (ICE) Detailed Accounting Report. ICE management prepared the Table of FY 2021 Drug Control Obligations and related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley's attention that caused it to believe that ICE's FY 2021 Detailed Accounting Report and related assertions are not presented in conformity with criteria in the Circular. Williams Adley did not make any recommendations as a result of its review.



## Independent Accountant's Report

Inspector General  
United States Department of Homeland Security

We have reviewed the accompanying Detailed Accounting Report (DAR) of the U.S. Department of Homeland Security's (DHS) U.S. Immigration and Customs Enforcement (ICE) for the year ended September 30, 2021. ICE management is responsible for the preparation of the DAR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about management's assertions based on our review.

Our review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAR or related assertions in order for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether ICE's 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. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the DAR or related assertions for the year ended September 30, 2021, in order for them to be in conformity with the requirements set forth in the Circular.

This report is intended solely for the information and use of DHS Office of Inspector General, ICE, and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

*Williams, Adley & Company-DC, LLP*

Washington, D.C.  
January 19, 2022

**WILLIAMS, ADLEY & COMPANY-DC, LLP**

*Certified Public Accountants/ Management Consultants*

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**U.S. Immigration  
and Customs  
Enforcement**

January 19, 2022

Regina M. LaBelle  
Acting Director for the Office of Performance and Budget  
Office of National Drug Control Policy

Dear Regina M. LaBelle,

In accordance with the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Review*, dated September 2, 2021, enclosed is Immigration and Customs Enforcement (ICE) Fiscal Year (FY) 2021 Detailed Accounting Report (DAR). The last time the Department of Homeland Security (DHS) Office of Inspector General (OIG) performed such an audit was for the *FY 2018 Compliance Review*.

The following assertions have been addressed regarding the FY2021 DAR:

- ☐ Obligations by Budget Decision Unit
- ☐ Drug Methodology:
  - ☐ Data
  - ☐ Financial Systems
- ☐ Application of Drug Methodology
- ☐ Material Weaknesses or Other Findings
- ☐ Methodology Modifications
- ☐ Reprogrammings or Transfers
- ☐ Fund Control Notices

If you require further assistance on this information, please contact Jackie Shaw ([Jackie.Shaw@ice.dhs.gov](mailto:Jackie.Shaw@ice.dhs.gov)) or Kimberly Fleming ([Kimberly.Fleming@ice.dhs.gov](mailto:Kimberly.Fleming@ice.dhs.gov)).

Sincerely,

**KRISTI L CRUMP**

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CRUMP  
Date: 2022.01.20 10:04:44 -05'00'

Kristi Crump, Deputy Budget Director  
Office of Budget and Program Performance (OBPP)  
U.S. Immigration and Customs Enforcement

**U.S. Department of Homeland Security  
U.S. Immigration and Customs Enforcement  
Detailed Accounting Reporting of Drug Control Funding during Fiscal Year 2021**

**A. Table of FY 2021 Drug Control Obligations**

Drug Resources by Budget Decision Unit and Function:

	FY 2021 Final (In Millions)
<b>Drug Resource by Drug Control Function</b>	
Domestic Investigations	\$587.141
International Operations	11.898
Intelligence: Domestic	\$27.547
Intelligence: International	\$ .608
<b>Total</b>	<b>\$627.194</b>
<b>Drug Resources by Budget Decision Unit</b>	
Salaries and Expenses – Immigration Enforcement	
<b>Total</b>	<b>\$627.194</b>
High Intensity Drug Trafficking Area (HIDTA) Transfer	\$3.693

HIDTA Funds represent total authorized and available during FY2021 (multi-year funds: FY20/21 and FY21/22)

**1: Drug Methodology**

U.S. Immigration and Customs Enforcement (ICE) is a multi-mission bureau, and obligations are reported pursuant to an approved drug methodology. ICE's Homeland Security Investigations (HSI) Domestic Investigations, International Operations (IO) and Office of Intelligence uphold U.S. drug control policy delegated amid the Office of National Drug Control Policy (ONDCP) initiatives, by fully supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. Therefore, separate calculations are formulated to determine obligation data for the three ICE HSI sanctioned programs that undertake counter-narcotic investigative activity, presented in the table above. Thereafter, the following three (3) sections cover each program in detail.

**Domestic Investigations**

The methodology for HSI Domestic Investigations is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of investigative work they perform in this system in the form of case hours. These case hours can then be aggregated to show overall level

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of effort.

Following the close of the fiscal year, ICE uses Investigative Case Management (ICM) reports to identify and report the total investigative case hours coded as general narcotics cases or money-laundering narcotics cases. A second ICM report shows the total Domestic investigative case hours logged. The percentage of Domestic investigative case hours logged is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of Domestic investigative case hours. This percentage may fluctuate from year to year. For FY 2021, the actual percentage for Domestic Investigations was 31.67 percent. To calculate a dollar amount of obligation, the percentage is applied to the FY 2021 enacted Domestic Investigations budget; excluding reimbursable authority. ICE uses the Federal Financial Management System (FFMS), ICE's general ledger system, to identify the obligations incurred.

#### International Operations (IO)

The methodology for IO is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of work and related case hours they perform in this system, which interfaces with ICM. Following the close of the fiscal year, an ICM report is run to capture investigative case hours coded as general narcotics cases or money-laundering narcotics cases. A second report is run to capture all investigative case hours logged for international law enforcement operations. The international investigative case hours logged percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of International investigative case hours. For FY 2021, the actual percentage of hours that were general narcotics related was 9.54 percent. To calculate the dollar amount of obligations for the IO drug control function, the percentage is applied to the FY 2021 enacted IO budget, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

#### Office of Intelligence

ICE Criminal Analysts provide intelligence services for Domestic Investigations and IO to support criminal investigations aimed at disrupting and dismantling criminal organizations involved in transnational drug trade and associated money-laundering crimes. The methodology for the Office of Intelligence is based on intelligence case hours recorded in ICE's automated Case Management System. ICE Criminal Analysts record the type of work and related case hours they perform in this system, which interfaces with ICM. Following the close of the fiscal year, a report in ICM is run to capture investigative case hours coded as general-narcotics cases or money-laundering narcotics cases. A second report is generated capturing all investigative case hours logged. The intelligence investigative case hours percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of Intelligence investigative case hours logged for the Office of Intelligence. For FY 2021, 28.68 percent of the total case hours for the Office of Intelligence were in support of drug-control activities. To calculate the dollar amount of obligations for the Office of Intelligence drug control function, the percentage is applied to the FY 2021 enacted Intelligence budget, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

The Office of Intelligence case hours recorded in ICM captures both domestic and international drug-related activity. The Office of Intelligence calculates the total percentage of case hours that support Domestic and International drug enforcement activity by adding the end of the year total number of Intelligence Domestic and Intelligence Office of International Operations drug-controlled investigative hours in ICM and dividing these totals by the total number of Domestic drug-controlled investigative hours and IO drug-controlled investigative hours. The resulting percentage is used to determine the amount that Intelligence does for international activities (2.16 percent) and domestic activities (97.84 percent) in FY 2021. The respective percentages are applied to the total Office of Intelligence drug-related obligations as determined above to identify the relative international and domestic obligations expended by the Office of Intelligence for drug-control activities.

## 2: Methodology Modifications

There were no modifications to the drug methodology from the previous year to report.

## 3: Material Weaknesses or Other Findings

In the Fiscal Year 2021 Department of Homeland Security (DHS or the Department) Consolidated Financial Statement Audit, ICE contributed to material weaknesses for Information Technology (IT) Controls and System Functionality and Financial Reporting. ICE continues to focus heavily on controls for all financial related systems, such as the systems used for financial management, invoice management, real property, time & attendance and procurement. ICE has completed a full assessment of IT general controls for all CFO designated systems, continues to execute corrective actions for existing weaknesses, is remediating new weaknesses identified, and conducting routine verification and validation to ensure improvements are being sustained.

ICE recognizes weaknesses and will work to improve financial reporting related to accounts payable accrual, validation and verification of undelivered orders, and recording of seized or forfeited property. Last Fiscal Year, ICE made significant improvement in the monitoring and recording of obligations and downgraded its Budgetary Resources Management (BRM) Significant Deficiency to a Control Deficiency. Additionally, ICE will continue to improve on entity level controls over IT system Plan of Action and Milestones (POAM). While there were some Notices of Findings and Recommendations (NFR) related to the financial processes and systems, ICE continues to improve on financial reporting control deficiencies. The contributions to material weaknesses identified above, or the NFRs received for financial reporting, did not impair ICE's ability to report complete and accurate obligation data in the Table of Prior Year FY 2021 Drug Control Obligations.

## 4: Reprogrammings or Transfers

During FY 2021, ICE had no reprogrammings or transfers. As a component of DHS, ICE submits all reprogramming and transfer requests through the Department for approval, and the impact of these changes is assessed by the Department. In FY 2021, the Department determined there were no



reprogrammings or transfers that materially impacted ICE's drug-related obligations reported in the Table of FY 2021 Drug Control Obligations.

#### 5: Other Disclosures

There are no other disclosures necessary to clarify any issues regarding the data reported.

#### **B. Assertions**

##### 1: Obligations by Budget Decision Unit

The Obligations reported are consistent with the application of the approved methodology, as required by ONDCP Circular: Budget Formulation, Section 7, for calculating drug control funding against the bureau's accounting system of record for these Budget Decision Units.

##### 2: Drug Methodology

The methodology used to calculate obligations of budgetary resources by budget decision unit and function is reasonable and accurate in regard to the workload data employed and the estimation methods used. The workload data derived from ICM, discussed in the methodology section above, is based on work performed between October 1, 2020 and September 30, 2021. There are no other estimation methods used. The financial system used to calculate the drug-related budget obligations is the FFMS, which is reliable and capable of yielding data that fairly presents, in all material respects, aggregate obligations.

##### 3: Application of Drug Methodology

The methodology disclosed in Section A, Disclosure No. 1 was the actual methodology used to generate the Table of FY 2021 Drug Control Obligations.

##### 4: Material Weaknesses or Other Findings

All material weaknesses or other findings by independent sources, or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations as required by Section 7.a.(4) have been disclosed.

##### 5: Methodology Modifications

No modifications were made to the methodology for reporting drug control resources for the previous year to report.

##### 6: Reprogrammings or Transfers

The data presented are associated with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP's approval of all reprogrammings or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A) in FY 2021.

#### 7: Fund Control Notices

No Fund Control Notice was issued, as defined by the ONDCP Director under 21 U.S.C. Section 1703(f) and Section 9 of the ONDCP Circular: *Budget Execution*, to ICE in FY 2021.



## **OFFICE OF INSPECTOR GENERAL**

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## **Appendix A**

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