



U.S. DEPARTMENT OF TRANSPORTATION  

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OFFICE OF INSPECTOR GENERAL

**Inspector General Review of the Federal  
Aviation Administration's Fiscal Year 2018  
Drug Control Funds and Performance  
Summary Reporting**

Report No. FI2019018

February 27, 2019



## Inspector General Review of the Federal Aviation Administration's Fiscal Year 2018 Drug Control Funds and Performance Summary Reporting

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*Required by the Office of National Drug Control Policy Circular, Accounting of Drug Control Funding and Performance Summary*

FI2019018 | February 27, 2019

### What We Looked At

Under the Office of National Drug Control Policy (ONDCP) Circular, Accounting of Drug Control Funding and Performance Summary (Circular), when drug-related obligations total less than \$50 million and a detailed accounting would be an unreasonable burden, agencies may submit alternative reports. For this reason, the Federal Aviation Administration (FAA) submitted alternative Drug Control Obligation Summary and the Performance Summary Reports. We reviewed the reports and related management assertions to determine the reliability of those assertions in compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. Specifically, we reviewed selected accounting internal controls to determine whether drug control funds were properly identified in the accounting system. In addition, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria.

### What We Found

FAA's Drug Control Obligation Summary report identified \$18,809,602 of obligations from two of FAA's drug control decision units. When we traced those obligations, we found no exceptions. The performance targets in FAA's Performance Summary report for fiscal year 2018 were to: initiate regulatory investigations on 95 percent of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement; ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding 1 percent positives for drugs and 0.5 percent positives for alcohol; and conduct 1,205 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met its performance targets.

FAA conducted the activities in its alternative reports in accordance with a past Circular, instead of the current May 8, 2018 version. We conducted our review using the current version, and did not identify any issues with FAA's accounting of drug control activities or compliance with ONDCP's current standards. Based on our review, we are not aware of any material modifications that should be made to FAA's FY2018 Drug Control Obligations Summary and Performance Summary reports in order for them to be in accordance with the Circular.



U.S. Department of  
Transportation

February 27, 2019

Director, Office of Policy, Research, and Budget  
Office of National Drug Control Policy  
750 17th St., N.W.  
Washington, DC 20503

Dear Director:

This report presents the results of our independent review of the Federal Aviation Administration's (FAA) fiscal year 2018 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). We received FAA's reports on December 20, 2018. The reports and our review are required by 21 U.S.C. §1704(d) and ONDCP's Circular entitled Accounting of Drug Control Funding and Performance Summary (Circular), dated May 8, 2018.

The Circular states that when drug-related obligations total less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit alternative reports. Because its drug-related obligations for fiscal year 2018 totaled less than \$50 million, FAA submitted alternative reports. We reviewed FAA's reports and related management assertions to determine the reliability of those assertions in compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. An attestation review is substantially more limited in scope than an examination, which would express an opinion on the accuracy of FAA's Drug Control Obligation Summary and Performance Summary reports. Because we conducted an attestation review, we do not express such an opinion.

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## Drug Control Obligations Summary

We performed review procedures on FAA's fiscal year 2018 Drug Control Obligation Summary (enclosure 1) according to the Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we tested selected accounting internal controls to ensure drug control funds were properly identified in the accounting system.

We reviewed \$18,809,602 of obligations from two of FAA's drug control decision units—Aviation Safety/Aerospace Medicine and Security and Hazardous Material

Safety—and traced those obligations to the Department of Transportation's accounting system. We found no exceptions.

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## Performance Reporting Summary and Assertions

FAA's performance targets for fiscal year 2018 were to: (1) initiate regulatory investigations on 95 percent of the airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement; (2) ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding 1 percent positives for drugs and 0.5 percent positives for alcohol; and (3) conduct 1,205 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met its performance targets.

We performed review procedures on FAA's fiscal year 2018 Performance Summary Report (enclosure 1) and management's assertions. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria. Specifically, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed.

Based on our review, we are not aware of any material modifications that should be made to FAA's fiscal year 2018 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with ONDCP's Circular.

If you have any questions about this report, please call me at (202) 366-1407, or George Banks, Program Director, at (202) 420-1116.

Sincerely,



Louis C. King  
Assistant Inspector General for Financial and  
Information Technology Audits

Enclosure

cc: The Secretary  
DOT Audit Liaison, M-1  
FAA Audit Liaison, AAE-100



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Assistant Administrator for Financial Services and  
Chief Financial Officer

800 Independence Ave. SW  
Washington, D.C. 20591

Dr. Terry Zobeck  
Associate Director for Research and Data Analysis  
Office of the National Drug Control Policy  
750 17<sup>th</sup> St., NW  
Washington, DC 20503

Dear Dr. Zobeck:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Federal Aviation Administration's (FAA) Fiscal Year 2018 Performance Summary Report is enclosed. FAA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

As specified by the Circular, the Agency selected two performance measures for Aviation Safety (AVS) for FY 2018 and one performance measure for Security and Hazardous Materials (ASH) for FY 2018 to assess its success in reducing the prevalence of drug and alcohol-impaired personnel who perform sensitive duties within the aviation industry and in initiating regulatory action against airmen involved in the sale or distribution of illegal drugs. These performance measures reflect a critical milestone in the goal to promote the safety and security of the National Air Space (NAS) and the flying public. These performance measures are:

1. Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge or a conviction or notification by law enforcement (ASH).
2. Ensure the aviation industry conducts random drug and alcohol testing of safety-sensitive employees with results not exceeding one percent (1%) positives for drugs and one-half percent (0.5%) positives for alcohol (AVS).
3. Conduct 1,205 FAA drug and alcohol inspections of the aviation industry to ensure compliance with 14 CFR part 120 and 40 CFR part 49 (AVS).

### **Assertions**

1. **Performance reporting system is appropriate and applied:** Performance information for the first measure relies on official Agency data residing in the Investigations Tracking System (ITS) and Enforcement Information System (EIS)<sup>1</sup>. Data resident in ITS/EIS includes: the date of the offense, when first known to FAA, start date of the action, source of the information, and final sanction.

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<sup>1</sup> ITS and EIS are FAA's system for tracking investigations and information about enforcement actions for statutory or regulatory violations.

For measures two and three, the information relies on surveys conducted by the Agency of all part 121 operators and all other employers with 50 or more safety-sensitive employees. The latter provide to FAA annual report of their testing results. The remaining employers with 49 or fewer safety-sensitive employees are randomly chosen to submit an annual report.

No performance measure was reported for the Air Traffic Organization because its work structure does not lend itself to the development and tracking of such metrics and is not cost-effective to the government to do so.

2. **Explanations for not meeting performance targets are reasonable:** Targets met.
3. **Methodology to establish performance targets is reasonable and applied:** Data collection for the first measure is based on official FAA databases. For the last two measures, the Department of Transportation (DOT) requires the Agency to determine these measures using the Drug and Alcohol Management Information System (DAMIS) reporting. Due to the reporting methodology, this sampling of DAMIS reporting is always one calendar year behind. Additional information can be found in the enclosed Summary Reports.
4. **Adequate performance measures exist for all significant drug control activities:** The measures used to describe the Agency's performance adequately reflect key steps toward the prevention and detection of drug related activities in the NAS. These measures provide a meaningful assessment of progress toward the development of safe and reliable airspace.

FAA's point of contact for this report is Peter Toman. He can be reached at (202) 267-5451, if further assistance is required.

Sincerely,

Allison Ritman,  
Acting Chief Financial Officer

Enclosures

**Obligations Summary**  
**DEPARTMENT OF TRANSPORTATION**  
**FEDERAL AVIATION ADMINISTRATION**  
(Dollars in Millions)

**RESOURCE SUMMARY**

	<b>FY 2018 Enacted</b>	<b>FY 2018 Actual</b>
<b>Drug Resources by Budget Decision Unit and Function:</b>		
<b>Decision Unit: Air Traffic Organization</b>		
Intelligence Interdiction	\$11.670	\$11.670
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
<b>Total, Air Traffic Organization</b>	<b>\$11.670</b>	<b>\$11.670</b>
<b>Decision Unit: Aviation Safety/Aerospace Medicine</b>		
Intelligence Interdiction	\$0.000	\$0.000
International	\$0.000	\$0.000
Investigations	\$0.820	\$0.820
Prevention	\$16.680	\$14.632
<i>Industry</i>	\$11.080	\$9.895
<i>Internal</i>	\$5.600	\$4.737
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
<b>Total, Aviation Safety/Aerospace Medicine</b>	<b>\$17.500</b>	<b>\$15.452</b>
<b>Decision Unit: Security and Hazardous Material Safety</b>		
Intelligence Interdiction	\$1.878	\$1.679
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$1.878	\$1.679
Treatment	\$0.000	\$0.000
<b>Total, Security and Hazardous Material Safety</b>	<b>\$3.756</b>	<b>\$3.357</b>
<b>Total Funding</b>	<b>\$32.926</b>	<b>\$30.480</b>
<b>Drug Resources Personnel Summary</b>		
Air Traffic Organization	59	59
Aviation Safety/Aerospace Medicine		
Investigations: Industry Drug Abatement	6	6
Prevention: Industry Drug Abatement	70	64
Prevention: Internal Substance Abuse Program	15	13
Security & Hazardous Materials	21	20
<b>Total FTEs (direct only)</b>	<b>171</b>	<b>162</b>

**Federal Aviation Administration  
Law Enforcement Assistance Program  
Performance Summary Report  
Fiscal Year 2018**

**(1) Performance Measure**

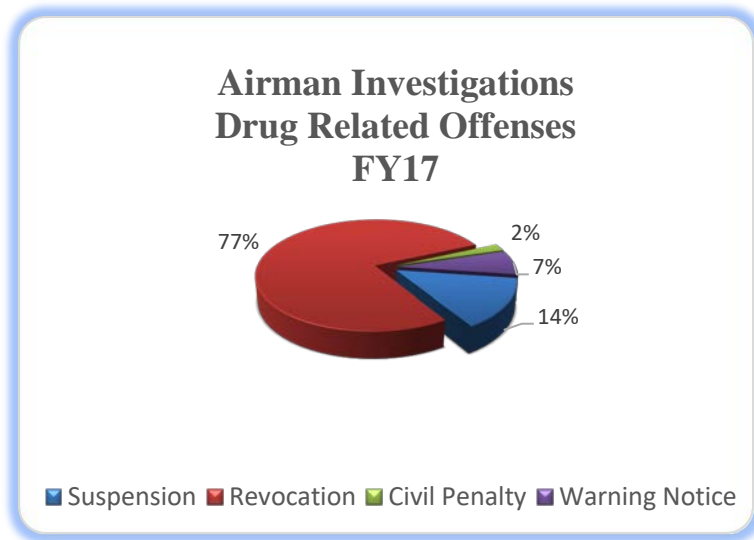
The Federal Aviation Administration's (FAA) Law Enforcement Assistance Program (LEAP) contributes to the National Drug Control Strategy by reducing access to the National Airspace System (NAS) by airmen known to the FAA to be involved in the sale or distribution of illegal drugs. The LEAP special agents provide extensive technical and administrative assistance, on a timely and continuous basis, to all Federal, State, local, tribal, territorial, and international law enforcement (LE) agencies engaged in drug interdiction efforts. These LEAP special agents have access to FAA data, not available to other agencies, that is critical to the development of investigations on airmen involved in illegal drug trafficking. The information FAA provides to LE assists them in the arrest and conviction of airmen and/or the seizure of aircraft.

By working jointly with LE, FAA learns of investigations and information that enables FAA to initiate regulatory enforcement investigations on airman/aircraft suspected of drug trafficking; in many cases, these investigations result in the revocation of airmen certificates, thus contributing to the safety and security of the national airspace system (NAS) and the flying public.

The FAA uses a single performance measure to assess the program. This performance measure reflects a critical milestone in the goal to promote the safety and security of the NAS and the flying public by restricting access to the NAS by airmen who have violated statutory and regulatory requirements for maintaining an airman certificate.

- **PERFORMANCE MEASURE:** Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement.

**(2) Prior Year (2017) Performance Target and Results**



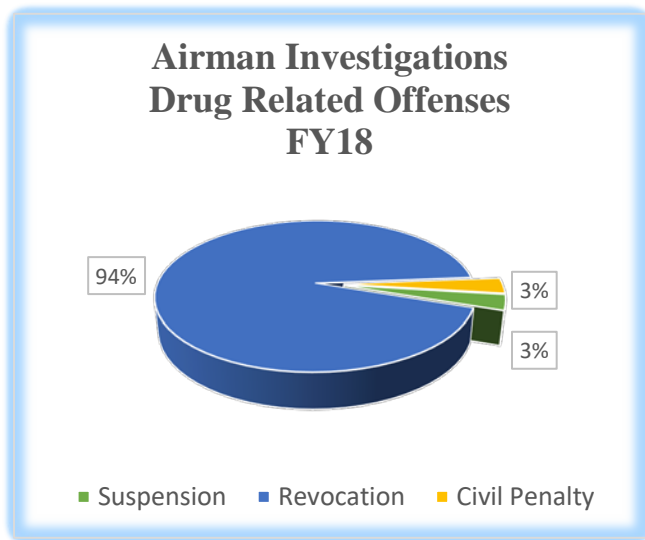
In FY17, FAA LEAP special agents initiated 46 investigations based on 46 notifications (100%) regarding airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement.<sup>1</sup> FAA later took regulatory actions against 56<sup>2</sup> of the airmen (100%) arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the left. Significant action (revocation/suspension/civil penalty) was taken 93% of the time (52 of 56 investigations).

<sup>1</sup> This number includes 15 investigations, not previously accounted for in FY17, which commenced in FY17, but for which investigation record numbers were assigned in FY18.

<sup>2</sup> This includes regulatory action that was finalized from prior year investigations.



**(3) Current Year (2018) Performance Target and Results**



In FY18, FAA LEAP special agents initiated 16 investigations based on 16 notifications (100%) regarding airmen involved in the use, sale, or distribution of illegal drugs, within 30 days of knowledge of a conviction or notification by law enforcement.<sup>3</sup> FAA later took regulatory actions against 31<sup>4</sup> of the airmen (100%) arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the left. Significant action (revocation/suspension/civil penalty) was taken 100% of the time (31 of 31 investigations).

**(4) Summary of 2017 and 2018 Results**

FY 2017 Target	FY 2017 Achieved	FY 2018 Target	FY 2018 Achieved
95%	100%	95%	100%

**(5) Quality of Performance Data**

Performance information for the measure relies on official agency data residing in the Investigations Tracking System (ITS) and Enforcement Information System (EIS).<sup>5</sup> Data resident in ITS/EIS includes: the date of the offense, when the FAA first became aware of the offense, the start date of the action, source of the information, and final sanction.

<sup>3</sup> This number includes 5 investigations, not previously accounted for in FY17, which commenced in FY18 but for which investigation record numbers were assigned in FY18.

<sup>4</sup> This includes regulatory action that was finalized from prior year investigations.

<sup>5</sup> ITS and EIS are FAA’s system for tracking investigations and information about enforcement actions for statutory or regulatory violations.

**Federal Aviation Administration  
Industry Drug and Alcohol Testing Program  
Performance Summary Report  
Fiscal Year 2018**

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**(1) Performance Measures**

The Federal Aviation Administration (FAA) contributes to the National Drug Control Strategy by reducing the prevalence of drug and alcohol-impaired personnel from performing safety-sensitive duties in the aviation industry.

The Department of Transportation (DOT) requires the Agency to determine these measures using the Drug and Alcohol Management Information System (DAMIS) reporting. Each year, the FAA conducts a survey of every aviation employer that employ 50 or more safety-sensitive employees, and a random selection of employers that employ 49 or fewer safety-sensitive employees. These employers are notified to report their data showing the number of drug and alcohol tests conducted, and the number of positive test results, along with other miscellaneous information. Due to the reporting methodology, this sampling of DAMIS reporting is always one calendar year behind. For example, employers were required to report all testing they accomplished for calendar year 2017 by March 15, 2018. In an effort to ensure the most accurate data, the DOT allowed for late submissions until October 1, 2018, at which time no more entries were allowed. The most current reported data available is for calendar year 2017.

**(2) Prior Years' Performance Targets and Results**

The prior year targets for 2012, 2013, 2014, 2015, and 2016 were fully achieved. Annual targets are determined by the DOT and require the positive test results for drugs to be less than 1.0% and the percentage of positive alcohol tests to be less than 0.5%.

The results for the prior years are as follows:

Calendar Year	Total Drug Tests Reported	Percentage of Random Positive Drug Tests	Total Alcohol Tests Reported	Percentage of Random Alcohol Violations
2012	181,804	0.456%	50,124	0.132%
2013	193,048	0.485%	52,662	0.091%
2014	197,450	0.534%	52,177	0.106%
2015	225,139	0.523%	57,968	0.083%
2016	234,690	0.610%	58,581	0.121%

### **(3) Current Performance Targets**

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2017. For this calendar year, the total drug tests reported were 240,254, resulting in 0.659% positive random drug tests. The total alcohol tests reported were 60,407, resulting in 0.108% random alcohol violations.

### **(4) Quality of Performance Data**

For calendar year 2017, the Drug Abatement Division required all employers to report their results for the year. As a result, the Division was able to clean up the database, and found that many companies were no longer in business (since the beginning of the reporting year, more have applied for new programs, leaving the Division with 6,828 regulated employers as of December 18, 2018.)

During our compliance inspections of covered employers, our inspectors verify the data submitted to DAMIS to ensure its integrity. In FY 2018, the Drug Abatement Division conducted 1,289 inspections.

The following chart indicates the number of employers that reported their data:

Calendar Year	Approximate Number of Total Regulated Employers	Number of Reporting Regulated Employers	Approximate Percentage of Reporting Employers Vs. Total Employers
2012	7,200	3,279	45%
2013	7,200	3,526	49%
2014	7,030	3,688	53%
2015	6,449	6,421	99.6%
2016	6,350	6,350	100%
2017	6,434	6,437	99.98%

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