

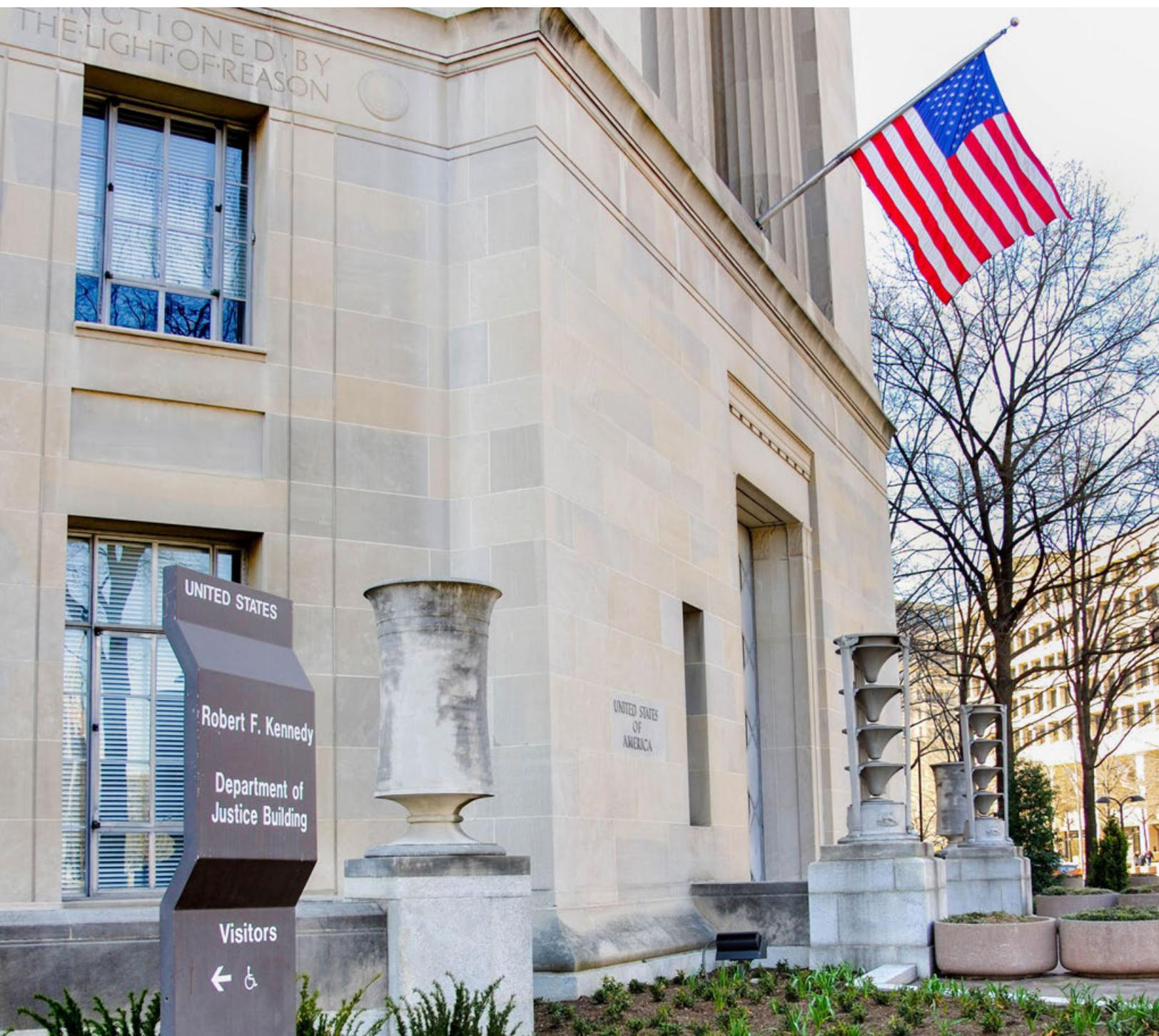


U.S. Department of Justice  
Office of the Inspector General

# SEMIANNUAL REPORT TO CONGRESS

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OCTOBER 1, 2018 – MARCH 31, 2019



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## Message from the Inspector General

It is my pleasure to submit this Semiannual Report on the operations of the Office of the Inspector General (OIG), which covers the period from October 1, 2018, to March 31, 2019.

The Semiannual Report details the OIG's work over the past 6 months. During this time, we completed several reports pertaining to the Department's components, such as reviews of the Drug Enforcement Administration's Use of Administrative Subpoenas to Collect or Exploit Bulk Data; the Federal Bureau of Investigation's Management of Maritime Terrorism Threats; and Efforts to Safeguard Minors in Department of Justice Youth-Centered Programs.

In our ongoing commitment to identify whether federal funds are being used by the Department effectively and efficiently, we conducted dozens of audits and reviews to fulfill this mission, and we recommended improvements to the Department's programs. In particular, we issued 38 audits over the past 6 months, including 6 audits of OJP Crime Victims Fund programs.

Additionally, we reviewed a contract awarded by the Federal Bureau of Prisons to upgrade perimeter security at a U.S. Penitentiary. Over the past 6 months, the OIG also conducted a Review of the Department's Implementation of the *Death in Custody Reporting Act of 2013*.

Further, the OIG's Investigations Division closed 118 criminal or administrative misconduct cases, and its work resulted in 24 convictions or pleas and 92 terminations, administrative disciplinary actions, and resignations. The quality of the investigations described in this report demonstrates the importance of effective, fair, and objective investigative oversight conducted by our Office.

As always, the OIG remains committed to its mission to detect and deter waste, fraud, abuse, and misconduct related to DOJ programs, and to promote economy and efficiency in those programs—as is exemplified in our work over the past 6 months. As usual, the Semiannual Report reflects the exceptional work of OIG personnel and their dedication to the OIG's important mission.

A handwritten signature in blue ink, reading "Michael E. Horowitz".

Michael E. Horowitz  
Inspector General  
April 30, 2019



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# Highlights of OIG Activities



The following summaries highlight some of the OIG's audits, evaluations, inspections,

special reviews, and investigations, which are discussed further in this report. As the highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (DOJ or Department) programs and operations.

## Statistical Highlights

October 1, 2018 – March 31, 2019	
Allegations Received by the Investigations Division <sup>1</sup>	5,885
Investigations Opened	161
Investigations Closed	118
Arrests	32
Indictments/Informations	29
Convictions/Pleas	24
Administrative Actions	92
Monetary Recoveries <sup>2</sup>	\$67,931,678.02
Audit Reports Issued	38
Questioned Costs	\$7,054,115
Funds for Better Use	\$2,341,825
Recommendations for Management Improvements	267
Single Audit Act Reports Issued	14
Questioned Costs	\$836
Recommendations for Management Improvements	36
Other Audit Division Reports Issued	1

<sup>1</sup> These figures represent allegations entered into the OIG's complaint tracking system. They do not include the approximate 41,000 additional Hotline, email, and phone contacts that were processed and deemed non-jurisdictional and outside the purview of the federal government.

<sup>2</sup> Includes civil, criminal and non-judicial fines, restitutions, recoveries, assessments, penalties, and forfeitures.

## Audits, Evaluations, Inspections, and Special Reviews Highlights

Examples of OIG audits, evaluations, inspections, and special reviews completed during this semiannual reporting period are:

- Management of Maritime Terrorism Threats.** This audit found that the Federal Bureau of Investigation (FBI) views the maritime terrorism threat as low, but has not conducted its own formal assessment or considered all relevant information and may have made recommendations to the Transportation Security Administration (TSA) regarding Transportation Worker Identification Credential (TWIC) credentialing decisions without an adequate understanding of the TWIC program. Additionally, the FBI can improve its maritime intelligence collection efforts and increase its awareness of the potential security weakness related to unauthorized access by obtaining a thorough understanding of the security features and methods used at ports.
- Efforts to Safeguard Minors in Department of Justice Youth-Centered Programs.** This audit found DOJ lacked consistent requirements to screen staff and volunteers supporting DOJ grant projects who come into direct contact with at-risk youth participants. Further, granting components within DOJ generally did not conduct formal monitoring of grantee background screening procedures.
- FBI's Cyber Victim Notification Process.** This audit found that the FBI's database for cyber intrusions was incomplete and unreliable; as a result, the FBI was unable to determine if some victims of cyber crime were notified of intrusions, while other victims were notified too long

# Highlights of OIG Activities

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after the attack to effectively mitigate the threat to IT systems. The audit also identified problems with how the FBI conducted cyber victim notifications, both internally and in coordination with other government agencies.

- [Review of the Department of Justice's Implementation of the Death in Custody Reporting Act of 2013](#). The *Death in Custody Reporting Act of 2013* (DCRA) requires state and federal law enforcement agencies to report to the Attorney General on the death of any person in the custody of state or federal law enforcement or correctional agencies. The OIG review found that the Department is unable to determine whether all agencies required to submit DCRA reports are doing so, that the Department has not yet implemented a program to collect death in custody data from states, and that the current plan for collecting state data will not use all available tools to ensure the accuracy of the data and will be duplicative of two other Department data collection efforts.
- [A Review of the Drug Enforcement Administration's Use of Administrative Subpoenas to Collect or Exploit Bulk Data](#). The OIG examined the Drug Enforcement Administration's (DEA) use of its administrative subpoena authority under 21 U.S.C. § 876(a) to collect or exploit "bulk collections" of data. The report examines three programs in which the DEA used its administrative subpoena authority to collect or exploit bulk collections of data. Two of the programs involved the collection or exploitation of non-content bulk telephone records. The third program involved the collection of bulk purchase transaction data for a particular good or service. DOJ Inspector General Michael E. Horowitz recused himself from this review because he occupied senior management positions within the Criminal Division

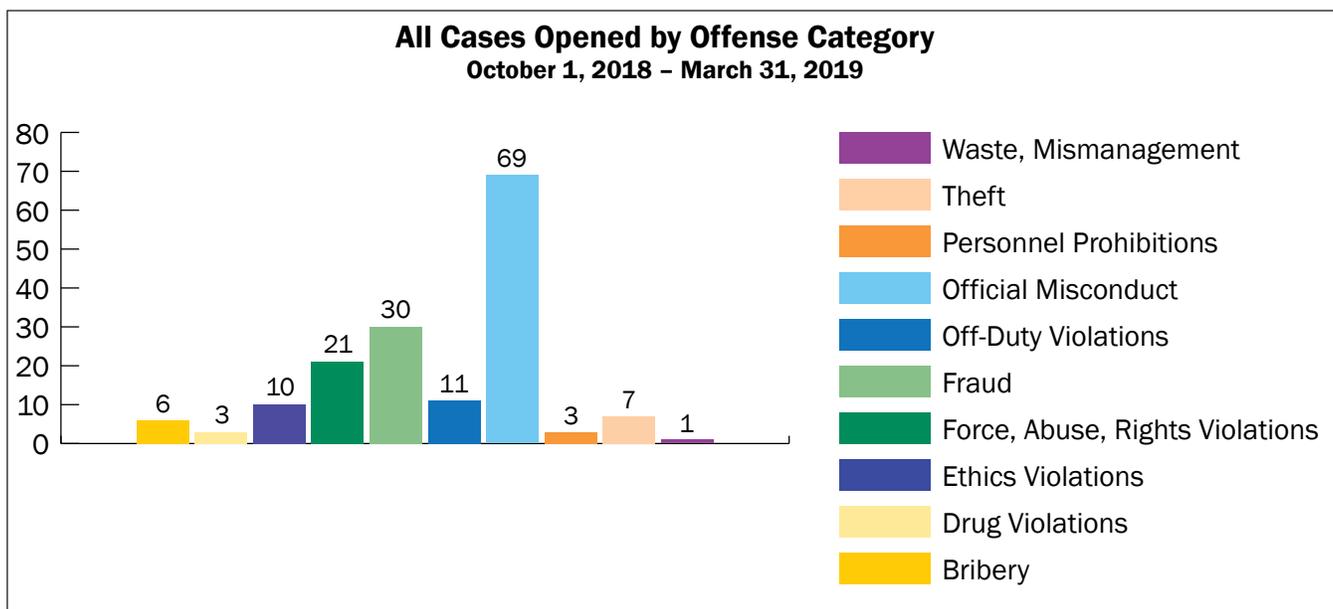
from 1999 through 2002, a time period during which the DEA operated, with Criminal Division involvement, one of the programs examined.

## Investigative Highlights

As shown in the statistics at the beginning of this section and in the chart on the following page, the OIG investigates many allegations of misconduct involving DOJ employees or contractors and grantees who receive DOJ funds. Examples of such investigations are:

- **Former BOP Correctional Officer Sentenced for a Bribery Scheme, Narcotics Distribution Conspiracy, and Sexual Abuse of Inmates.** On October 24, 2018, a former Federal Bureau of Prisons (BOP) Correctional Officer assigned to the Metropolitan Detention Center (MDC) in Brooklyn, New York, was sentenced to a term of 120 months of incarceration and a term of 48 months of incarceration, to run concurrently, as well as ordered to forfeit \$15,000, for charges related to bribery, narcotics distribution conspiracy, and sexual abuse of inmates. The Correctional Officer, who resigned his position after being indicted in two separate Indictments, was sentenced in the Eastern District of New York (EDNY). According to the factual basis for the first guilty plea, between March and December 2016, the Correctional Officer solicited bribes and conspired to distribute narcotics at the MDC. According to the factual basis for the second guilty plea, between May and June 2016, the Correctional Officer engaged in criminal sexual acts with three female inmates in his custody while assigned to guard their unit. The investigation was conducted by the OIG's New York Field Office and the FBI's New York Field Office.

# Highlights of OIG Activities



Source: Investigations Data Management System

- Former BOP Unit Secretary Sentenced for Conspiracy to Commit Wire Fraud.** In the *Semiannual Report to Congress April 1, 2017 – September 30, 2017*, the OIG reported on an investigation that resulted in the sentencing of two non-DOJ individuals for conspiracy to commit wire and mail fraud of a DOJ program. On October 12, 2018, a former BOP Unit Secretary assigned to the Federal Correctional Complex in Beaumont, Texas, was sentenced to 2 years of incarceration and ordered to pay \$166,250 for her role in the conspiracy. The Unit Secretary, who resigned her position with the BOP, was indicted in the Eastern District of Texas. According to the factual basis for the guilty plea, between January 2011 and September 2017, the Unit Secretary and co-conspirators defrauded and deceived persons whose relatives were federal inmates by promising early release from their prison sentences by means of false and fraudulent pretenses. She drafted false cooperation agreements that appeared to be from federal prosecutors and U.S. Attorneys and obtained confidential information from federal court presentence reports

of inmates. The Unit Secretary and co-conspirators enriched themselves by obtaining approximately \$4.6 million from relatives of federal inmates incarcerated in federal correctional institutions nationwide. The investigation was conducted by the Houston Area Office.

- Findings of Misconduct by Three FBI Employees and One FBI Task Force Officer for Violating DOJ and FBI Computer Rules of Behavior and FBI Policy.** On October 24, 2018, the OIG closed its [investigation](#) that was initiated upon the receipt of information from the FBI that an article published in The New York Times (the NYT) on May 24, 2017, contained unclassified information that was sensitive, non-public, and derived from a United Kingdom (UK) intelligence report (UK Intelligence Report) regarding the Manchester Arena bombing on May 22, 2017. The FBI referral, and the UK Intelligence Report itself, indicated that a UK government agency had disseminated the report by email to numerous other U.S. federal agencies, as well as to many foreign law enforcement agencies. The

# Highlights of OIG Activities

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OIG determined that the FBI initially further disseminated the UK Intelligence Report to over 1,000 unique recipients, including to offices at FBI Headquarters, Joint Terrorism Task Force members, and other federal agency partners. This further dissemination included caveats about the sensitivity of the report and the need to limit further dissemination. The OIG found that some of those recipients appropriately disseminated the report further to other FBI employees and to FBI law enforcement partners. Under these circumstances, the OIG's ability to identify who may have leaked the information in the report was severely limited.

- **Findings of Misconduct by a U.S. Marshal and Chief Deputy U.S. Marshal for Harassing and Making Retaliatory Statements About a Supervisory Deputy U.S. Marshal, Retaliating Against Another Deputy U.S. Marshal for Filing a Grievance, and Lack of Candor.** On December 10, 2018, the OIG completed its report of investigation for an investigation initiated upon receipt of information from a Supervisory Deputy U.S. Marshal (SDUSM) alleging that a U.S. Marshal and Chief Deputy discriminated against, harassed, and retaliated against the SDUSM due to the ethnicity of the SDUSM. The investigation found that the U.S. Marshal and the Chief Deputy violated U.S. Marshals Service (USMS) policy when they harassed the SDUSM by forcing the SDUSM to travel excessively, lacked candor with the OIG during interviews, and when they retaliated against another Deputy U.S. Marshal for filing a grievance. The investigation also found that the U.S. Marshal engaged in a prohibited personnel practice by making retaliatory statements about the SDUSM for filing a grievance. The investigation did not substantiate the allegation of racial discrimination. Both the U.S. Marshal and the Chief Deputy left the employment

of the USMS prior to the completion of the OIG investigation. The investigation was not presented for prosecution. The OIG has completed its investigation and provided its report to the USMS and the Office of Special Counsel.

- **Procedural Reform Recommendation for the USMS Concerning the Imposition of Prompt and Effective Discipline for Employee Misconduct.** As a result of related investigations, the OIG developed concerns that the USMS does not have effective policies, procedures, and internal controls to ensure that OIG reports of investigation finding serious misconduct by USMS employees are promptly referred for disciplinary action, that disciplinary action is taken in a timely manner, and that the USMS is sufficiently committed to employee accountability for misconduct. On [February 13, 2019](#), the OIG issued a Procedural Reform Recommendation to the USMS. The OIG recommended that the USMS implement policies, procedures, and internal controls to address deficiencies in its processing of adverse personnel actions that were exposed in the USMS response to these investigations, and to ensure prompt and effective imposition of appropriate discipline in cases of substantiated employee misconduct.
- **Procedural Reform Recommendation for the FBI Concerning the Collection and Retention of Text Messages Sent To or From FBI-Issued Mobile Devices.** As the result of related investigations, the OIG developed concerns about the FBI's processes for collecting text messages from FBI-issued mobile devices. The FBI's Enterprise Security Operations Center (ESOC) uses a commercial, off-the-shelf, automated application to wirelessly collect messages sent to or from FBI-issued mobile devices. The application

# Highlights of OIG Activities

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is supposed to collect the messages and store them so they are retained by ESOC, allowing ESOC to produce text messages during the discovery process of criminal and civil matters, as well as for internal investigations. During the course of related investigations, the OIG found issues with the reliability of the collection application, and furthermore discovered that, unknown to the FBI, text messages were saved to a database on the devices, some of which were not captured by the collection application. The OIG identified this, and other concerns, as security vulnerabilities. On [February 12, 2019](#), the OIG issued a Procedural Reform Recommendation to the FBI. The OIG recommended that the FBI amend its existing Policy Directive to formally designate an entity to be responsible for text message collection and retention. The OIG further recommended additional research and testing of the current collection tool application, with the goal of improving reliability of collection and preservation of text messages sent to and from FBI-issued devices. The FBI should also coordinate with the collection tool vendor, as well as any future collection tool vendors, to ensure that data collected is saved to a secure or encrypted location. Current and future mobile devices and data collection and preservation tools should be tested for security vulnerabilities in order to ensure the security of the devices and the safekeeping of the sensitive data therein.

statement to a bank. The investigation is being conducted by the OIG's Cyber Investigations Office and the FBI.

- **Former DOJ Senior Congressional Affairs Specialist Arrested and Pleaded Guilty to Conspiracy to Commit Bank Fraud; \$73.9 Million Civil Forfeiture Action Filed.** On November 30, 2018, a former DOJ Senior Congressional Affairs Specialist and licensed Attorney from the Office of Justice Programs (OJP) was arrested and pleaded guilty to one count of conspiracy to make a false

# OIG Profile



The OIG is a statutorily created, independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct involving DOJ programs and personnel and promote economy and efficiency

in DOJ operations. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of DOJ employees in their numerous and diverse activities. The OIG also audits and inspects DOJ programs and assists management in promoting integrity, economy, efficiency, and effectiveness. The OIG has jurisdiction to review the programs and personnel of the FBI, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), BOP, DEA, U.S. Attorneys' Offices (USAO), USMS, and all other organizations within DOJ, as well as DOJ's contractors and grant recipients.

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

- **Audit Division** is responsible for independent audits of DOJ programs, computer systems, and financial statements. The Audit Division has regional offices in the Atlanta, Chicago, Denver, Philadelphia, San Francisco, and

Washington, D.C., areas. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C., along with Audit Headquarters. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, and Office of Data Analytics.

- **Investigations Division** is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing DOJ employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Investigations Division has smaller, area offices in Atlanta, Boston, Detroit, El Paso, Houston, New Jersey, San Francisco, and Tucson. The Fraud Detection Office and the Cyber Investigations Office are co-located with the Washington Field Office. The Cyber Investigations Office also includes personnel in the Dallas and Los Angeles Field Offices. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and



Source: OIG

# OIG Profile

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the following branches: Operations I, Operations II, Investigative Support, and Administrative Support.

- **Evaluation and Inspections Division** conducts program and management reviews that involve on-site inspection, statistical analysis, interviews, and other techniques to review DOJ programs and activities and makes recommendations for improvement.
- **Oversight and Review Division** blends the skills of Attorneys, Investigators, Program Analysts, and Paralegals to conduct special reviews and investigations of sensitive allegations involving DOJ employees and operations.
- **Management and Planning Division** provides the Inspector General with advice on administrative and fiscal policy and assists OIG components by providing services in the areas of planning, budget, finance, quality assurance, personnel, communications, procurement, facilities, telecommunications, security, and general support.
- **Information Technology Division** executes the OIG's IT strategic vision and goals by directing technology and business process integration, network administration, implementation of computer hardware and software, cybersecurity, applications development, programming services, policy formulation, and other mission-support activities.
- **Office of 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, and legal matters; and responds to *Freedom of Information Act* requests.

The OIG has a nationwide workforce of close to 500 Special Agents, Auditors, Inspectors, Attorneys, and support staff. For Fiscal Year (FY) 2019, the OIG direct appropriation is \$101 million, and the OIG anticipates earning an additional \$16 million in reimbursements.

As required by Section 5 of the *Inspector General Act of 1978* (IG Act), as amended, this Semiannual Report to Congress is reviewing the accomplishments of the OIG for the 6-month period of October 1, 2018, through March 31, 2019.

Additional information about the OIG and full-text versions of many of its reports are available at [oig.justice.gov](http://oig.justice.gov).

# Multicomponent

While many of the OIG's activities are specific to a particular component of DOJ, other work covers more than one component and, in some instances, extends to DOJ contractors and grant recipients. The following describes OIG audits, evaluations, inspections, special reviews, and investigations that involve more than one DOJ component.



## Reports Issued

### [Efforts to Safeguard Minors in Department of Justice Youth-Centered Programs](#)

The OIG issued an audit report examining DOJ's efforts to safeguard minors participating in its youth-centered grant programs during FY 2017. Certain projects funded by OJP, Office on Violence Against Women (OVW), and Office of Community Oriented Policing Services (COPS) involve or serve at-risk youth participants who come into direct contact with staff and volunteers supporting the projects.

The OIG identified a number of significant issues pertaining to DOJ's lack of consistent policies and procedures to mitigate the risk of harm to minors participating in these programs. Specifically, DOJ has not established policies and procedures specifically related to safeguarding minors across all DOJ grant programs involving youth, although some guidelines do exist for certain specific programs or awards. For the majority of DOJ youth-centered grant programs, DOJ does not provide any special requirements or specific guidance to grantees related to background checks.

Multiple tools and strategies exist to assess an individual's suitability to interact with minors, and DOJ officials and available guidance stated that the most effective background checks involve a layered approach that utilizes multiple

sources of information. However, the OIG found that DOJ does not uniformly provide guidance to grantees regarding sources of background check information, best practices for screening employees and volunteers, and additional methods to identify and mitigate the risk of child abuse.

The OIG found that DOJ grant-making components generally do not conduct formal monitoring of grantee background screening procedures for individuals in direct contact with minors. Without such monitoring, DOJ cannot ensure that grantees conduct an adequate level of due diligence with respect to individuals in contact with minors.

The OIG made six recommendations to DOJ to ensure that its grantees have adequate controls in place to safeguard minors participating in DOJ-funded programs, and to ensure appropriate monitoring by DOJ to mitigate the risk of victimization of minors in its programs. DOJ agreed with the recommendations.

The OIG released a [video message](#) to accompany this report.

### [Review of the Department of Justice's Implementation of the Death in Custody Reporting Act of 2013](#)

DCRA requires state and federal law enforcement agencies to report to the Attorney

# Multicomponent

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General on the death of any person in the custody of state or federal law enforcement or correctional agencies. The OIG review found that the Department has established a program to collect data from federal law enforcement agencies and that most federal law enforcement agencies have submitted DCRA reports. However, the Department does not have a full accounting of all federal agencies that have law enforcement authority and is therefore unable to determine whether all agencies required to submit DCRA reports are doing so. Additionally, the OIG found that the Department has not yet implemented a program to collect death in custody data from states. DCRA required data collection to begin in FY 2016, but the Department does not expect to begin data collection until FY 2020. The OIG also found that the current plan for collecting state data will not use all available tools to ensure the accuracy of the data and will be duplicative of two other Department data collection efforts. The OIG made four recommendations to improve the Department's implementation of DCRA. The components concurred with all of the recommendations.

The OIG released a [video message](#) to accompany this report.

## **Audits of DOJ and Select Components' Annual Financial Statements Fiscal Year 2018**

The OIG issued audit reports of the Department's annual financial statements for FY 2018. Under the direction of the OIG, KPMG LLP performed the Department's consolidated financial statements audit, and the OIG performed the audit of the Department's closing package financial statements. Both audits resulted in an unmodified opinion. No material weaknesses in internal control over financial reporting or instances of noncompliance or other matters were identified in the closing package financial statement audit and the auditors' tests disclosed no instances in which the Department's financial management systems

did not substantially comply with the *Federal Financial Management Improvement Act of 1996*. The auditors reported one significant deficiency in the consolidated financial statement audit related to inadequate financial statement preparation and review controls. The OIG made five recommendations to the Department to improve its monitoring activities of financial statement preparation and review controls. The Department agreed with the recommendations.

The OIG also issued separate audit reports on the annual financial statements for FY 2018 for the Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF), BOP, FBI, and Federal Prison Industries, Inc. (FPI). For the BOP, FBI, and Federal Prison Industries, Inc., no material weaknesses in internal control over financial reporting or instances of noncompliance or other matters were identified by the independent auditors. The auditors identified one material weakness in AFF/SADF's internal controls related to improvements needed in controls over reporting budget related information in financial statements and the processes related to revenue cut-off and recognition. The OIG made two recommendations to the Asset Forfeiture Management Staff to enhance internal control over financial reporting. The Asset Forfeiture Management Staff agreed with the recommendations. No instances of non-compliance or other matters were identified by KPMG LLP in any of the audits.

## **DOJ's Annual Accounting of Drug Control Funds and Related Performance for FY 2018**

The OIG issued reviews of DOJ's annual detailed accounting of funds obligated by each drug control program and related performance summary. The report contains the results of the eight attestation reviews conducted by the OIG of the reported \$8.2 billion of drug control obligations and 24 related performance measures for FY 2018. The reviews are required by 21 U.S.C. § 1704(d), as implemented by the

# Multicomponent

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Office of National Drug Control Policy Circular, Accounting of Drug Control Funding and Performance Summary, dated May 8, 2018. An attestation review is less in scope than an examination and, therefore, does not result in the expression of an opinion. The OIG reported that it is not aware of any material modifications that should be made to the submissions in order for them to be in accordance with the Office of National Drug Control Policy Circular, and as otherwise agreed to with the Office of National Drug Control Policy.

## **Federal Information Security Modernization Act Audits**

The *Federal Information Security Modernization 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 Office of Management and Budget (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 2018 FISMA results were submitted to OMB by October 31, 2018. In addition, FISMA requires an annual evaluation of the information security programs and practices of Intelligence Community agencies. As required, the OIG submitted the FISMA metrics report for the National Security Systems within the FBI to the Intelligence Community Inspector General, which in turn forwarded the National Security Systems metrics to OMB by October 31, 2018.

For FY 2018, the OIG issued separate public summaries and non-public reports for its reviews of DEA's information security program and Aviation Division Office Internet System; FBI's information security program, Operational Technology Division Administration Support

Information System, and Child Exploitation Tracking System; and the Justice Management Division's (JMD) information security program and Justice Security Tracking and Adjudication Record System. The OIG is finalizing its FY 2018 review of the individual information security programs of three other DOJ components: the Criminal Division, Executive Office for Immigration Review (EOIR), and Executive Office for U.S. Attorneys (EOUSA). Within these components, the OIG selected for review the following three sensitive but unclassified systems: the Criminal Division's Entellitrak System; EOIR's eWorld System; and EOUSA's Victim Notification 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.

## **Single Audit Act Reports**

The *Single Audit Act of 1984*, as amended, promotes sound financial management of federal financial assistance provided to state, local, and tribal governments, colleges, universities, and nonprofit organizations. Under 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, such entities that expend \$750,000 or more in federal funds in 1 year must have a "single audit" performed annually covering all federal funds expended that year. Single audits are conducted by state and local government auditors, as well as independent public accounting firms. The OIG reviews these audit reports when they pertain to DOJ funds in order to determine whether the single audit reports meet federal requirements and generally accepted government auditing standards. In addition, the OIG reviews single audit reports to determine whether they contain audit findings related to DOJ funds. As a result of the OIG's review of the single audits during this semiannual period, the OIG issued to OJP 14 single audit reports encompassing approximately 28 grants, and other agreements totaling nearly \$11 million. The OIG also monitors these audits through the resolution and closure process.

# Multicomponent

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The single audits disclosed that costs charged to DOJ grants were not always related to the grant programs or properly allocated. In addition, some required financial and program reports were inaccurate or not filed in a timely manner, if at all. The state and local government auditors and independent public accounting firms who conducted the single audits also found examples of incomplete or missing records, inadequate segregation of duties, failure to conduct physical inventories of assets purchased with federal funds, failure to submit timely single audit reporting packages to the Federal Audit Clearinghouse (an office operating on behalf of OMB that facilitates federal oversight of entities expending federal money), and failure to adequately monitor their grant sub-recipients to ensure that the sub-grantees were properly accounting for the grant funds and ensuring compliance with the terms and conditions of the grant. To address these deficiencies, the auditors recommended 36 management improvements.

## **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 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 2019, the OIG issued its most recent report, which summarized the OIG's Section 1001-related activities from July 1, 2018, through December 31, 2018. 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 liberty issues, but not required by Section 1001.

## **Reports with Outstanding Unimplemented Recommendations**

Every 6 months, the OIG publishes a list of recommendations from the OIG's audits, evaluations, and reviews that the OIG had not closed as of the end of the semiannual reporting period, because it had not determined that DOJ had fully implemented them. The information omits recommendations that DOJ determined to be classified or sensitive, and therefore unsuitable for public release. This list includes the titles of reports with recommendations not closed and the status and descriptions of the not closed recommendations. Hyperlinks to each report are also included in this list.

The most recent report of recommendations not closed by the OIG as of March 31, 2019, is available on the OIG's website [here](#). The recommendations in this report are associated with over \$153,880,206 in questioned costs and \$29,224,658 in funds that the OIG recommends could be used more efficiently if repurposed by the agency.

## **Investigations**

The following information about OIG investigations of allegations against senior governmental employees in several components in which the OIG determined the allegations were unsubstantiated is provided pursuant to the IG Act, Section 5, Paragraph (22)(B). The OIG closed these investigations without public disclosure during the reporting period:

- The OIG initiated nine investigations of alleged misconduct by senior government employees that were ultimately unsubstantiated. Five investigations involved allegations of misuse of position and three investigations involved allegations of inappropriate relationships. Other investigations included allegations of contract fraud, conflict of interest, time and attendance fraud, misuse of a government vehicle, job performance

# Multicomponent

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failure, prohibited personnel actions, off duty misconduct, release of information, and obstruction.

## Ongoing Work

The OIG's ongoing work is available [here](#).

DOJ's Use of Immigration Sponsorship Programs
DOJ's Compliance under the <i>Improper Payments and Elimination Recovery Act of 2010</i> for FY 2018
DOJ's Compliance with the <i>Federal Funding Accountability and Transparency Act of 2006</i> , as amended by the DATA Act of 2014
Audits of DOJ and Select Components' Annual Financial Statements Fiscal Year 2019
Fiscal Year 2018 – Annual Information Technology Security Evaluation Pursuant to the <i>Federal Information Security Management Act of 2014</i>
Fiscal Year 2019 Risk Assessment of DOJ Charge Card Programs
DOJ's Preparedness to Respond to Critical Incidents Under Emergency Support Function 13
Review of the Department's Planning and Implementation of Its Zero Tolerance Policy and Its Coordination with the Departments of Homeland Security and Health and Human Services
Cooperation between the Departments of Justice and Homeland Security in Southwest Border Criminal Investigations
Review of the Institutional Hearing and Removal Program
Review of the Department's Violent Crime Initiatives

# Federal Bureau of Investigation

The FBI seeks to protect the United States against terrorist and foreign intelligence threats; enforces the criminal laws of the United States; and provides criminal justice services to federal, state, municipal, and international agencies and partners. FBI Headquarters in Washington, D.C., coordinates activities of more than 35,000 employees in 56 field offices located in major cities throughout the United States and Puerto Rico; 380 resident agencies in cities and towns across the nation; and 63 legal attaché offices in other countries.



## Reports Issued

### Cyber Victim Notification Process

The OIG issued an audit report examining the FBI's process for notifying and engaging with victims of cyber intrusions (cyber victims). The OIG found issues with the completeness and quality of the data stored in the FBI's Cyber Guardian system—which tracks the production, dissemination, and disposition of cyber victim notifications—and identified problems with how the FBI conducted cyber victim notifications, both internally and in coordination with other government agencies.

Specifically, the OIG found that the data in Cyber Guardian was unreliable due to typographical errors, a lack of controls that would prevent input errors, and the exclusion of many cyber victim notifications from especially sensitive investigations.

Further, the FBI was not informing all cyber victims of their rights under the Attorney General Guidelines for Victim and Witness Assistance (AG Guidelines). This occurred because: (1) the AG Guidelines do not appropriately address the specific needs of cybercrime victims; (2) there is no widely accepted definition of what constitutes a victim of cybercrime; and (3) there is currently no process for getting cybercrime victims'

information from national security cases into the FBI's unclassified Victim Notification System—the system used to inform crime victims of their rights.

The OIG contacted 14 cyber victims to discuss their interaction with the FBI and found that the majority thought highly of FBI personnel and their interactions with them. However, some cyber victims complained about the timeliness of the notifications and whether the information provided by the FBI was adequate to remediate the threat to the victims' systems.

The OIG also found several issues in instances where the FBI coordinates cyber victim notifications with other government agencies. Interagency conference calls for coordinating initial contact with victims were not conducted for all cyber incidents that required coordination by policy. Also, DHS did not enter the cyber victim notifications that it conducted into Cyber Guardian, contributing to the incompleteness of data. Finally, some notifications were delayed because of the need to protect the identities of cyber victims identified by another government agency.

In 2019, the FBI plans to replace Cyber Guardian with a new system called CyNERGY, which was still under development at the time of the audit.

# Federal Bureau of Investigation

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If the new system performs as intended, some of the issues found in Cyber Guardian should be addressed, but other issues will likely remain without additional fixes.

The OIG made 13 recommendations to assist the FBI and the Department in improving the efficiency and effectiveness of the cyber victim notification process. The FBI and Department agreed with the recommendations.

The OIG released a [video message](#) to accompany this report.

## **Management of Maritime Terrorism Threats**

The OIG issued an audit report examining the FBI's management of maritime terrorism threats. The FBI, as the lead agency for investigating terrorist activities, is responsible for investigating terrorism and related criminal threats and activity in the Maritime domain, as well as gathering and sharing intelligence with other key stakeholders, such as the U.S. Coast Guard and the TSA.

The OIG identified significant deficiencies relating to the FBI's efforts to help ensure the security of our nation's ports, specifically its efforts to assess the terrorism threat and vulnerabilities to the maritime domain and its coordination with other maritime security stakeholders.

Specifically, the OIG found that the FBI does not conduct its own formal maritime threat assessment. The FBI defers to the U.S. Coast Guard for maritime threat assessment information, and FBI officials told the OIG that they view the threat of terrorism in the maritime domain to be low. However, the OIG found that these officials' views may not be informed by all relevant information available to the FBI, such as certain maritime-related incidents with a potential nexus to terrorism, because this information was not categorized as "maritime" in FBI databases.

Further, the OIG identified deficiencies in the FBI's process for providing information to TSA in support of the TSA's TWIC program. A TWIC provides credential-holders unescorted access to secure *Maritime Transportation Security Act*-regulated port facilities and vessels. The FBI provides information to the TSA for consideration in making TWIC program decisions. However, we believe FBI personnel may have made recommendations to the TSA regarding TWIC credentialing decisions without an adequate understanding of the TWIC program, the level of access a TWIC provides to restricted port facilities and vessels, and the potential risks posed by such individuals possessing a TWIC.

The OIG also found that the FBI can improve its maritime intelligence collection efforts. Obtaining a thorough understanding of the security features and methods used to secure each port could increase the FBI's awareness of the potential security weaknesses related to unauthorized access.

The OIG made nine recommendations to the FBI to strengthen its maritime counterterrorism activities. The FBI agreed with all nine recommendations.

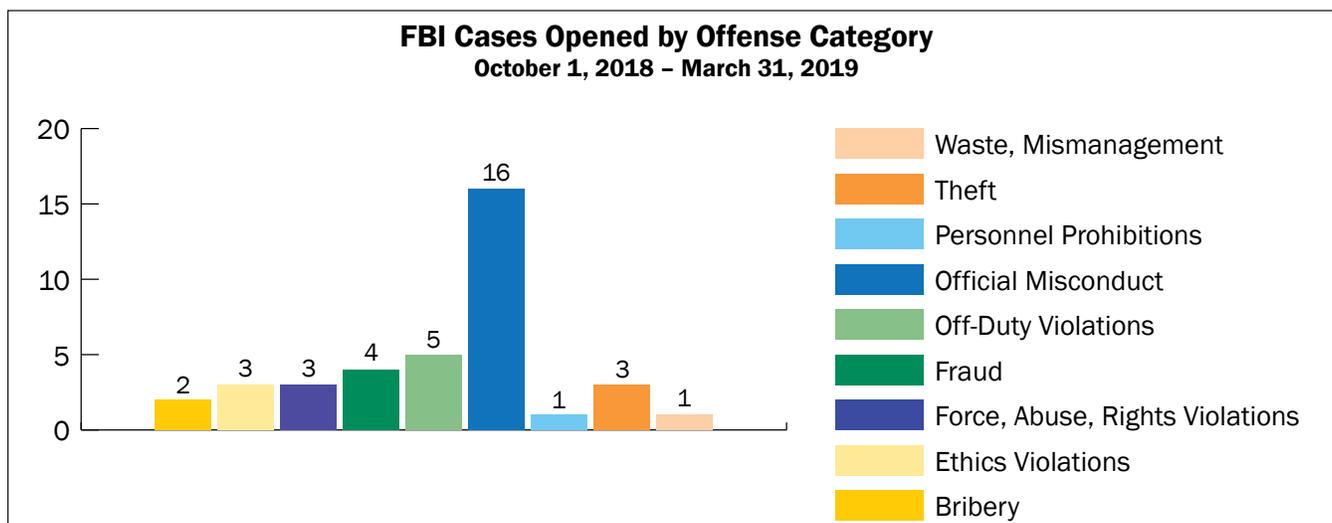
The OIG released a [video message](#) to accompany this report.

## **Contract Awarded to EAN Holdings, LLC**

The OIG issued an audit report examining the FBI's oversight and administration of the National Vehicle Lease Program (NVLP) and the FBI's \$108 million contract with EAN Holdings, LLC (EAN – also known as Enterprise Rent-a-Car) to provide leased and rented vehicles to 2,800 task force officers (TFO) around the country. The FBI's contract with EAN ended in February 2019.

The OIG found deficiencies with the FBI's administration, oversight, and monitoring of the NVLP and its EAN contract. The OIG also

# Federal Bureau of Investigation



Source: Investigations Data Management System

identified operational concerns associated with the FBI's decision to transition from EAN vehicles to exclusively General Services Administration leased vehicles. The FBI cited cost savings as the sole basis for the shift to General Services Administration-leased vehicles, however, it did not adequately consider the operational and safety impact of this transition, including limits on TFOs' ability to swap out vehicles that have been compromised during the course of an operation.

The audit found the FBI's review of invoices and its control over fleet cards inadequate, resulting in approximately \$540,000 in payments that may not be allowed under the contract and an additional \$1 million in fuel purchases that do not appear to be permitted under NVLP guidelines.

The FBI paid all traffic and parking citations incurred by TFOs without performing a required review to determine if the citations were incurred in the normal course of duty. The OIG found 153 TFOs received at least 5 violations, including 6 TFOs who received 20 citations or more. The FBI also did not adequately review EAN-billed damages and did not require adequate documentation for vehicle damages.

The OIG made 21 recommendations to assist the FBI in improving its implementation of the NVLP and its contract administration, oversight, and monitoring. The FBI agreed with the recommendations.

## Investigations

During this reporting period, the OIG received 812 complaints involving the FBI. The most common allegations made against FBI employees were Official Misconduct; and Off-Duty Violations. Most of the complaints received during this period were considered management issues and were provided to FBI management for its review and appropriate action.

During this reporting period, the OIG opened 38 investigations and referred 130 allegations to the FBI's Inspection Division for action or investigation with a requirement that the Inspection Division report the results of its action or investigation to the OIG. At the close of the reporting period, the OIG had 112 open criminal or administrative investigations of alleged misconduct related to FBI employees. The criminal investigations involved serious allegations of Official Misconduct; and Off-Duty Violations.

# Federal Bureau of Investigation

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The following are examples of cases involving the FBI that the OIG investigated during this reporting period:

- **Former FBI Supervisory Intelligence Analyst Sentenced for Possession of A Firearm by an Unlawful Drug User.** On October 12, 2018, a former FBI Supervisory Intelligence Analyst was sentenced to 12 months of incarceration for possession of a firearm by an unlawful drug user. The Intelligence Analyst, who was terminated from his position during the investigation, was sentenced in the Western District of New York. According to the factual statement in support of his guilty plea, between November 2015 and January 2016, the Intelligence Analyst knowingly used narcotics while in possession of a firearm. The investigation was conducted by the OIG's New York Field Office.
- **Findings of Misconduct by Three FBI Employees and One FBI Task Force Officer for Violating DOJ and FBI Computer Rules of Behavior and FBI Policy.** On October 24, 2018, the OIG closed its [investigation](#) that was initiated upon the receipt of information from the FBI that an article published in the NYT on May 24, 2017, contained unclassified information that was sensitive, non-public, and derived from a UK Intelligence Report regarding the Manchester Arena bombing on May 22, 2017. The FBI referral, and the UK Intelligence Report itself, indicated that a UK government agency had disseminated the report by email to numerous other U.S. federal agencies, as well as to many foreign law enforcement agencies. The OIG determined that the FBI initially further disseminated the UK Intelligence Report to over 1,000 unique recipients, including to offices at FBI Headquarters, Joint Terrorism Task Force members, and other federal agency partners. This further dissemination included caveats about the sensitivity of

the report and the need to limit further dissemination. The OIG found that some of those recipients appropriately disseminated the report further to other FBI employees and to FBI law enforcement partners. Under these circumstances, the OIG's ability to identify who may have leaked the information in the report was severely limited.

The OIG sought to identify whether FBI records reflected (a) contact by FBI personnel with the author of the NYT article on or around May 24, 2017, or (b) that an FBI recipient had forwarded the UK Intelligence Report to a non-government email account, as a practical means of identifying those who posed an enhanced risk of having forwarded the report for an inappropriate purpose. Upon referring the matter to the OIG, the FBI informed the OIG that it had analyzed FBI email records, internal text messages, and FBI telephone logs, but found no contacts with the telephone numbers or email addresses known to be associated with the attributed author of the NYT article. The OIG investigation found that some FBI personnel forwarded the UK Intelligence Report to non-government email accounts, but did not identify evidence that any of these individuals provided the report to the NYT. However, the OIG did substantiate violations of DOJ and FBI computer rules of behavior and FBI policy by four individuals in connection with their handling of the UK Intelligence Report. All four individuals denied providing the UK Intelligence Report, or information contained in it, to the NYT. The OIG provided its report to the FBI for appropriate action.

- **Findings of Misconduct by an FBI Official for Accepting Gifts from Members of the Media and for Lack of Candor.** On October 9, 2018, the OIG completed its report of [investigation](#) for

# Federal Bureau of Investigation

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an investigation initiated upon the receipt of certain text messages from the FBI during the course of the *OIG's Review of Allegations Regarding Various Actions by the Department and the Federal Bureau of Investigation (FBI) in Advance of the 2016 Election*. The text messages indicated that a senior FBI official accepted two tickets to a professional sports game as a gift from a television news correspondent who regularly covered the FBI and DOJ, in violation of federal regulations. The investigation substantiated, and the senior FBI official acknowledged, that the official accepted two tickets to a professional sports event from the TV correspondent without paying the correspondent for the tickets. The senior FBI official initially maintained to the OIG in an interview under oath that the official had paid for the tickets, but 5 days later admitted to the OIG that the official did not. The OIG found that the senior FBI official lacked candor with the OIG in several respects about the tickets. In addition, the investigation found that the senior FBI official had previously accepted one ticket from the same correspondent to another professional sports event, and one ticket from a different news reporter to another sports event. Although the senior FBI official stated that the official had paid the correspondent and reporter for these tickets, the OIG found no evidence in the senior FBI official's communications with the correspondent or the reporter using FBI devices or systems to confirm that the official paid for the tickets, and the senior FBI official provided the OIG with no evidence to show that the official had paid for the tickets. The senior FBI official's conduct violated federal regulations prohibiting federal employees from accepting gifts from prohibited sources, such as members of the media, where, for example, the source seeks official action by the employee's agency; the source does business or seeks to do

business with the employee's agency; and the source has interests that may be substantially affected by the performance or nonperformance of the employee's official duties. Criminal prosecution was declined on March 28, 2017. The senior FBI official retired from the FBI during the OIG's investigation.

- **Findings of Misconduct by an FBI Supervisory Special Agent for Making False Representations, Working for an FBI Contractor, Accepting Gifts from an FBI Applicant, Assisting the FBI Applicant in the Employment Selection Process, and Misusing a Government Vehicle and Cell Phone.** On January 15, 2019, the OIG completed its report of [investigation](#) for an investigation initiated upon the receipt of information alleging that a FBI Supervisory Special Agent (SSA), engaged in outside employment with an FBI contractor without FBI approval; falsely represented material facts on mortgage loan documents; and misused the SSA's government vehicle. The investigation found indications that the SSA accepted gifts from an applicant for FBI employment, a prohibited source; used FBI resources to vet clients for the contractor with whom the SSA was employed; made false statements on annual financial disclosure forms; and misused the SSA's government cell phone. The SSA resigned during the course of the investigation after the OIG sought to interview the SSA. The investigation substantiated that the SSA violated federal law or regulation in making false representations related to two mortgage loans and filing false annual financial disclosure forms by not reporting income received from the contractor. The investigation also substantiated that the SSA violated federal law or regulations, and FBI ethics policies, by working for a contractor that was currently under

# Federal Bureau of Investigation

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contract with the FBI, accepting gifts from an applicant for FBI employment and assisting the applicant in the selection process, misusing the SSA's government vehicle by allowing family members to ride in the vehicle, and exchanging sexually explicit text messages on the SSA's government cell phone. The case was presented for prosecution on May 15, 2014, and declined on January 24, 2018. The OIG has completed its investigation and provided its report to the FBI for appropriate action.

- **Findings of Misconduct by Two Current Senior FBI Officials and One Retired FBI Official While Providing Oversight on an FBI Contract.** On December 7, 2018, the OIG completed its report of [investigation](#) for an investigation initiated upon the receipt of information from the FBI concerning multiple allegations involving an FBI contractor and three FBI officials. The investigation found that as a result of conduct by two current senior FBI officials, and one retired FBI official, the FBI contractor engaged in certain inherent governmental activities in contravention of Federal Acquisition Regulations. Additionally, the investigation found that these three FBI officials did not adhere to Office of Management and Budget policy while managing the contractor. Further, the investigation found that the FBI contractor failed to adhere to personal conflict of interest rules under Federal Acquisition Regulations. The case was not presented for prosecution. The OIG has completed its investigation and provided its report to the FBI for appropriate action.

## Procedural Reform Recommendation

- **Procedural Reform Recommendation for the FBI Concerning the Collection and Retention of Text Messages Sent To or From FBI-Issued Mobile Devices.** As the result of related investigations, the OIG developed concerns about the FBI's processes for collecting text messages from FBI-issued mobile devices. The FBI's ESOC uses a commercial, off-the-shelf, automated application to wirelessly collect messages sent to or from FBI-issued mobile devices. The application is supposed to collect the messages and store them so they are retained by ESOC, allowing ESOC to produce text messages during the discovery process of criminal and civil matters, as well as for internal investigations. During the course of related investigations, the OIG found issues with the reliability of the collection application, and furthermore discovered that, unknown to the FBI, text messages were saved to a database on the devices, some of which were not captured by the collection application. The OIG identified this, and other concerns, as security vulnerabilities. On [February 12, 2019](#), the OIG issued a Procedural Reform Recommendation to the FBI. The OIG recommended that the FBI amend its existing Policy Directive to formally designate an entity to be responsible for text message collection and retention. The OIG further recommended additional research and testing of the current collection tool application, with the goal of improving reliability of collection and preservation of text messages sent to and from FBI-issued devices. The FBI should also coordinate with the collection tool vendor, as well as any future collection tool vendors, to ensure that data collected is saved to a secure or encrypted location. Current and future mobile devices

# Federal Bureau of Investigation

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and data collection and preservation tools should be tested for security vulnerabilities in order to ensure the security of the devices and the safekeeping of the sensitive data therein.

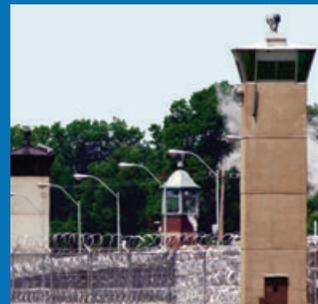
## Ongoing Work

The OIG's ongoing work is available [here](#).

Confidential Human Source Program
Contract Awarded to Tuva, LLC
Covert Contract Procurement Process
Efforts to Address Homegrown Violent Extremists
FBI's National Security Undercover Operations
Strategy and Efforts to Disrupt Illegal Dark Web Activities
FBI's Regional Computer Forensic Laboratory – Western New York
FBI's Adjudication of Misconduct Investigations
Examination of the Department's and the FBI's Compliance with Legal Requirements and Policies in Applications Filed with the U.S. Foreign Intelligence Surveillance Court Relating to a certain U.S. Person

# Federal Bureau of Prisons

The BOP operates a nationwide system of prisons and detention facilities to incarcerate individuals imprisoned for federal crimes and detain those awaiting trial or sentencing in federal court. The BOP has more than 70,000 employees and operates 122 institutions, 6 regional offices, 2 staff training centers, a central office (Headquarters), and 22 Residential Reentry Management field offices. The BOP is responsible for the custody and care of approximately 180,000 federal offenders. Approximately, 150,000 of these inmates are confined in BOP-operated facilities, while the remainder is confined in privately managed or community-based facilities and local jails.



## Reports Issued

### [Perimeter Security Upgrade Contract for AUSP Thomson Awarded to DeTekion Security Systems, Inc.](#)

The OIG issued an audit report examining a \$2.4 million BOP contract with DeTekion Security Systems, Inc. (DeTekion), to upgrade perimeter security by constructing an electronic taut wire fence detection system at Administrative U.S. Penitentiary Thomson in Thomson, Illinois.

The OIG found that the BOP did not comply with the Federal Acquisition Regulation and that, as a result, the BOP might not have obtained the most cost advantageous price for the fence detection system.

Specifically, the OIG found that the BOP limited competition by awarding a sole source contract when BOP officials acknowledge other companies exist that may have been able to install the same type of fence. Further, the BOP paid \$56,018 in commission to DeTekion for finding and overseeing the work of a related party subcontractor. The BOP contracting officer stated she was unaware of the related party and that had she known she would have at least questioned the inclusion of these costs if not disallowed them.

Notwithstanding the issues identified with the awarding and administration of the contract,

the OIG determined that the BOP performed adequate contract oversight, and that DeTekion complied with the terms and conditions of the contract while properly billing the BOP for the services rendered.

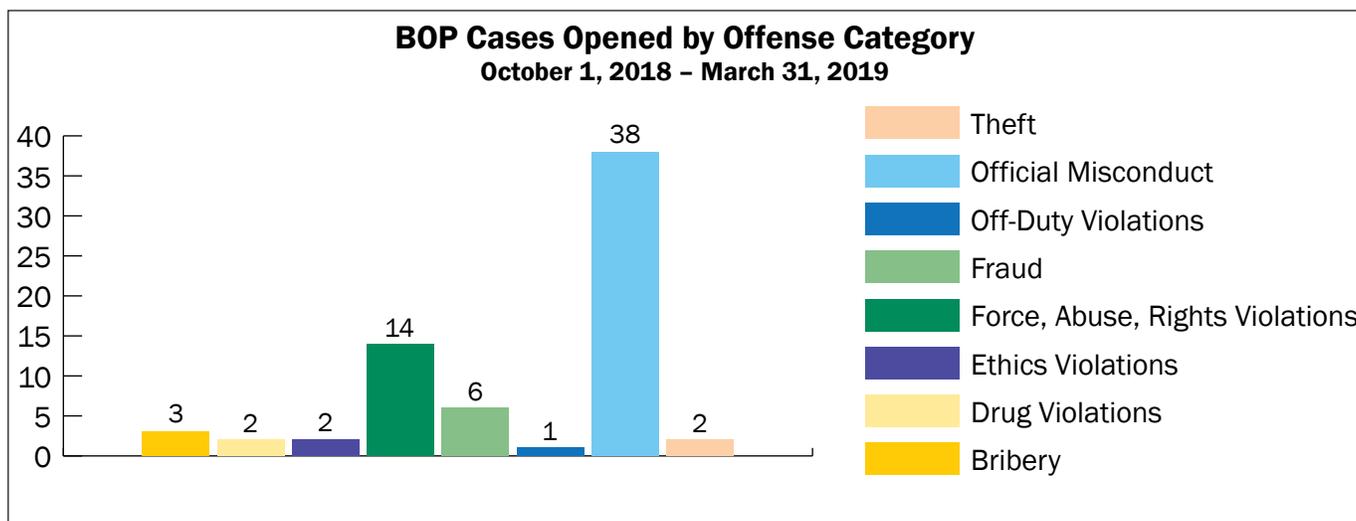
The OIG made nine recommendations to the BOP to improve its contract award, administration, and oversight. The BOP agreed with all nine recommendations. Although all nine recommendations were directed to the BOP, DeTekion expressed disagreement with one of the recommendations.

## Investigations

During this reporting period, the OIG received 3,327 complaints involving the BOP. The most common allegations made against BOP employees included Official Misconduct; and Force, Abuse, Rights Violations. The majority of complaints dealt with non-criminal issues that the OIG referred to the BOP's Office of Internal Affairs (OIA) for its review.

During this reporting period, the OIG opened 68 investigations and referred 7 allegations to the BOP's OIA for action or investigation with a requirement that BOP OIA report the results of its action or investigation to the OIG. At the close of the reporting period, the OIG had 268 open cases of alleged misconduct against BOP employees. The criminal investigations covered

# Federal Bureau of Prisons



Source: Investigations Data Management System

a wide range of allegations, including Official Misconduct; Force, Abuse, Rights Violations; and Fraud.

The following are examples of cases involving the BOP that the OIG investigated during this reporting period:

- Former BOP Correctional Officer Sentenced for a Bribery Scheme, Narcotics Distribution Conspiracy, and Sexual Abuse of Inmates.** On October 24, 2018, a former BOP Correctional Officer assigned to the MDC in Brooklyn, New York, was sentenced to a term of 120 months of incarceration and a term of 48 months of incarceration, to run concurrently, as well as ordered to forfeit \$15,000, for charges related to bribery, narcotics distribution conspiracy, and sexual abuse of inmates. The Correctional Officer, who resigned his position after being indicted in two separate Indictments, was sentenced in the EDNY. According to the factual basis for the first guilty plea, between March and December 2016, the Correctional Officer solicited bribes and conspired to distribute narcotics at the MDC. According to the factual basis for the second guilty plea, between May and June 2016, the

Correctional Officer engaged in criminal sexual acts with three female inmates in his custody while assigned to guard their unit. The investigation was conducted by the OIG's New York Field Office and the FBI's New York Field Office.

- Former BOP Correctional Officer Sentenced for Conspiracy to Commit Bribery and Providing Contraband in Prison.** On January 11, 2019, a former BOP Correctional Officer assigned to the Metropolitan Correctional Center in New York, New York, was sentenced to a term of 36 months of incarceration and 3 years of supervised release, as well as ordered to forfeit \$26,500, for charges related to conspiracy to commit offenses related to bribery and introduction of contraband in a prison. The Correctional Officer, who resigned his position from the BOP, was sentenced in the Southern District of New York. According to the factual basis for the guilty plea, from late 2016 through early 2017, the Correctional Officer accepted engaged in a conspiracy to solicit and accept bribes in return for smuggling contraband into the Metropolitan Correctional Center. The investigation was conducted by the OIG's New Jersey Area Office and the FBI.

# Federal Bureau of Prisons

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- **Former BOP Unit Secretary Sentenced for Conspiracy to Commit Wire Fraud.** In the *Semiannual Report to Congress April 1, 2017 – September 30, 2017*, the OIG reported on an investigation that resulted in the sentencing of two non-DOJ individuals for conspiracy to commit wire and mail fraud of a DOJ program. On October 12, 2018, a former BOP Unit Secretary assigned to the Federal Correctional Complex in Beaumont, Texas, was sentenced to 2 years of incarceration and ordered to pay \$166,250 for her role in the conspiracy. The Unit Secretary, who resigned her position with the BOP, was indicted in the Eastern District of Texas. According to the factual basis for the guilty plea, between January 2011 and September 2017, the Unit Secretary and co-conspirators defrauded and deceived persons whose relatives were federal inmates by promising early release from their prison sentences by means of false and fraudulent pretenses. She drafted false cooperation agreements that appeared to be from federal prosecutors and U.S. Attorneys and obtained confidential information from federal court presentence reports of inmates. The Unit Secretary and co-conspirators enriched themselves by obtaining approximately \$4.6 million from relatives of federal inmates incarcerated in federal correctional institutions nationwide. The investigation was conducted by the Houston Area Office.
- **Former BOP Correctional Officer Sentenced For Sexually Abusing Female Inmates.** On January 28, 2019, a former BOP Correctional Officer assigned to the Federal Correctional Complex Victorville (FCC Victorville) in California, was sentenced to 24 months of incarceration for two counts of sexual abuse of an inmate and one count of attempted sexual abuse of an inmate. The Correctional Officer, who resigned from his position with the BOP, was sentenced in the

Central District of California. According to the factual statement in support of his guilty plea, in September or October 2016, the Correctional Officer knowingly engaged in a sexual act with one female inmate under his disciplinary authority. In May 2017, the Correctional Officer knowingly caused a second female inmate under his disciplinary authority to engage in a sexual act by placing the inmate in fear. In June or July 2017, the Correctional Officer knowingly attempted to engage in a sexual act with a third female inmate under his disciplinary authority and willfully and lewdly exposed himself in a public place within FCC Victorville. The investigation was conducted by the OIG's Los Angeles Field Office and the FBI Riverside Resident Agency.

- **Findings of Misconduct by a BOP Warden for Directing a Prison Renovation Project Without Acquiring Required Approvals or Involving Proper Personnel.** On March 4, 2019, the OIG completed its report of [investigation](#) for an investigation initiated upon receipt of information from the U.S. Office of Special Counsel alleging that unidentified employees at the BOP undertook a renovation project at a BOP facility without acquiring the required BOP approvals, and without involving the Facility Manager and Environmental Safety Compliance Administrator (ESCA), in violation of BOP policy. During the course of its investigation, the OIG learned that the Warden of the facility was responsible for initiating the renovation project. The investigation concluded that the Warden of the facility directed the renovation project without first acquiring the necessary BOP approvals and without involving the Facility Manager or the ESCA in the project, all in violation of BOP policy. The OIG has completed its investigation and has provided its report to the BOP and to the U.S. Office of Special Counsel for appropriate action.

# Federal Bureau of Prisons

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## Ongoing Work

The OIG's ongoing work is available [here](#).

BOP's Counterterrorism Monitoring of Communications
BOP's Counterterrorism Monitoring for Religious Services
Contract Awarded to Correct Care Solutions, LLC
Non-Lethal/Lethal System Updates and Improvements Contract Awarded to DeTekion Security Systems, Inc.
Inspection and Review of MDC Brooklyn Facilities Issues and Related Impacts on Prisoners
DOJ's Efforts to Protect BOP Facilities Against Threats Posed by Unmanned Aircraft Systems
Review of the BOP's Pharmaceutical Drug Costs

# U.S. Marshals Service

The USMS is responsible for ensuring the safe and secure conduct of judicial proceedings, protecting approximately 2,200 federal judges and about 26,000 federal prosecutors, federal public defenders, and other court officials at approximately 711 court facilities; arresting federal, state, and local fugitives; protecting federal witnesses; transporting federal prisoners; managing assets seized from criminal enterprises; and responding to major national events, terrorism, and significant high-threat trials. The USMS Director and Deputy Director work with 94 U.S. Marshals to direct more than 5,000 employees at 218 sub-offices and 4 foreign field offices.



## Investigations

During this reporting period, the OIG received 230 complaints involving the USMS. The most common allegations made against USMS employees were Official Misconduct; and Force, Abuse, Rights Violations. The majority of the complaints were considered management issues and were provided to the USMS's OIA for its review and appropriate action.

During this reporting period, the OIG opened eight investigations and referred eight allegations to the USMS's OIA for its review with a requirement that OIA report the results of its action or investigation to the OIG. At the close of the reporting period, the OIG had 47 open cases of alleged misconduct against USMS employees. The most common allegations were Fraud; and Official Misconduct.

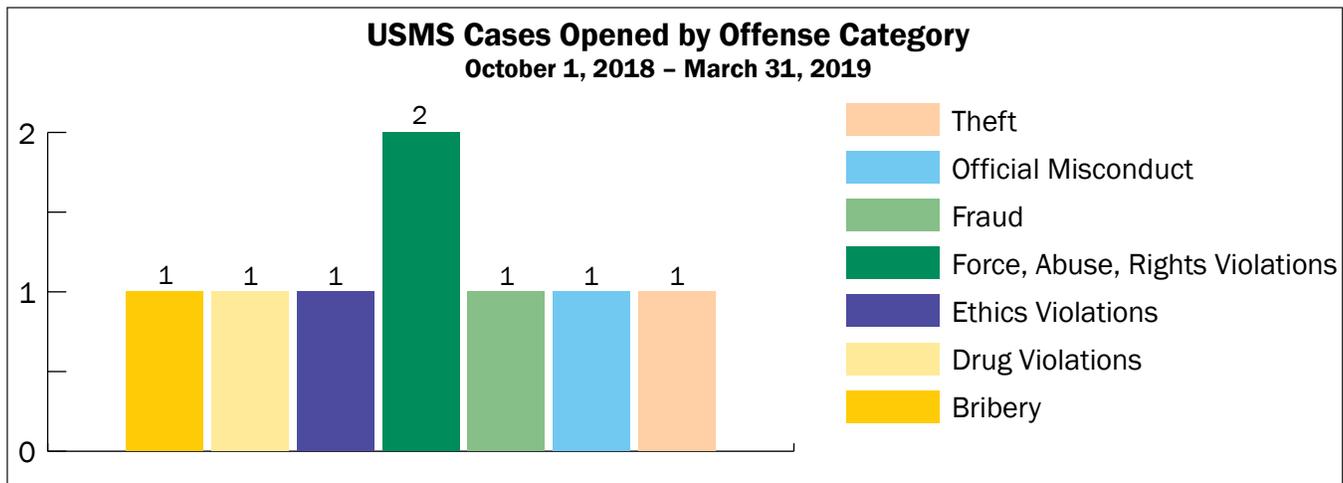
The following are examples of cases involving the USMS that the OIG investigated during this reporting period:

- **Findings of Misconduct by a U.S. Marshal and Chief Deputy U.S. Marshal for Harassing and Making Retaliatory Statements About a Supervisory Deputy U.S. Marshal, Retaliating Against Another Deputy U.S. Marshal for Filing a Grievance, and Lack of Candor.** On December 10, 2018, the OIG completed its report of investigation for an investigation

initiated upon receipt of information from an SDUSM alleging that a U.S. Marshal and Chief Deputy discriminated against, harassed, and retaliated against the SDUSM due to the ethnicity of the SDUSM. The investigation found that the U.S. Marshal and the Chief Deputy violated USMS policy when they harassed the SDUSM by forcing the SDUSM to travel excessively, lacked candor with the OIG during interviews, and when they retaliated against another Deputy U.S. Marshal for filing a grievance. The investigation also found that the U.S. Marshal engaged in a prohibited personnel practice by making retaliatory statements about the SDUSM for filing a grievance. The investigation did not substantiate the allegation of racial discrimination. Both the U.S. Marshal and the Chief Deputy left the employment of the USMS prior to the completion of the OIG investigation. The investigation was not presented for prosecution. The OIG has completed its investigation and provided its report to the USMS and the Office of Special Counsel.

- **Deputy U.S. Marshal Indicted and Arrested for False Statements and Computer Fraud.** On February 6, 2019, a Deputy U.S. Marshal was indicted on one count of false statements and two counts

# U.S. Marshals Service



Source: Investigations Data Management System

of computer fraud, and was arrested on February 8, 2019. The investigation is being conducted by the OIG's Dallas Field Office.

and effective imposition of appropriate discipline in cases of substantiated employee misconduct.

## Procedural Reform Recommendation

- Procedural Reform Recommendation for the USMS Concerning the Imposition of Prompt and Effective Discipline for Employee Misconduct.** As a result of related investigations, the OIG developed concerns that the USMS does not have effective policies, procedures, and internal controls to ensure that OIG reports of investigation finding serious misconduct by USMS employees are promptly referred for disciplinary action, that disciplinary action is taken in a timely manner, and that the USMS is sufficiently committed to employee accountability for misconduct. On [February 13, 2019](#), the OIG issued a Procedural Reform Recommendation to the USMS. The OIG recommended that the USMS implement policies, procedures, and internal controls to address deficiencies in its processing of adverse personnel actions that were exposed in the USMS response to these investigations, and to ensure prompt

## Ongoing Work

The OIG's ongoing work is available [here](#).

Management of the Justice Prisoner and Alien Transportation System
Administration of Joint Law Enforcement Operations Funds
Review of the USMS's Tactical Training Officer Program
Review of the USMS's Pharmaceutical Drug Costs

# Drug Enforcement Administration

The DEA enforces federal laws and regulations related to the growth, production, or distribution of controlled substances. In addition, the DEA seeks to reduce the supply of and demand for illicit drugs, both domestically and internationally. The DEA has more than 10,000 employees staffing its 222 domestic offices and 90 foreign offices in 69 countries.



## Report Issued

### [A Review of the Drug Enforcement Administration's Use of Administrative Subpoenas to Collect or Exploit Bulk Data](#)

The OIG examined the DEA's use of its administrative subpoena authority under 21 U.S.C. § 876(a) to collect or exploit "bulk collections" of data. Section 876(a) authorizes the DEA to issue administrative subpoenas, without court or other approval outside the agency, requiring the production of records that are "relevant or material" to certain drug investigations. A "bulk collection" of data is a collection of a significant amount of data that is unrelated to an individual, group, or entity that is the target of an investigation.

The report examined three programs in which the DEA used its administrative subpoena authority to collect or exploit bulk collections of data. Two of the programs involved the collection or exploitation of non-content bulk telephone records. The third program involved the collection of bulk purchase transaction data for a particular good or service.

The OIG found that the DEA (and DOJ with respect to one program) failed to conduct a comprehensive legal analysis of the use of the DEA's administrative subpoena authority to collect or exploit bulk data. The OIG also found that the procedural safeguards and audits for two of the programs were not sufficiently robust to ensure compliance with the requirements under Section 876(a) that the information being demanded by subpoena is relevant or material

to an investigation and that the particular investigation is, in fact, a drug investigation. With respect to the third program, the DEA collected the bulk data without first developing a plan for the disposition or retention of the data, creating a risk that purchaser information unconnected to illicit activity will be retained in government electronic systems for a long duration.

DOJ Inspector General Michael E. Horowitz recused himself from this review because he occupied senior management positions within the Criminal Division from 1999 through 2002, a time period during which the DEA operated, with Criminal Division involvement, one of the programs examined.

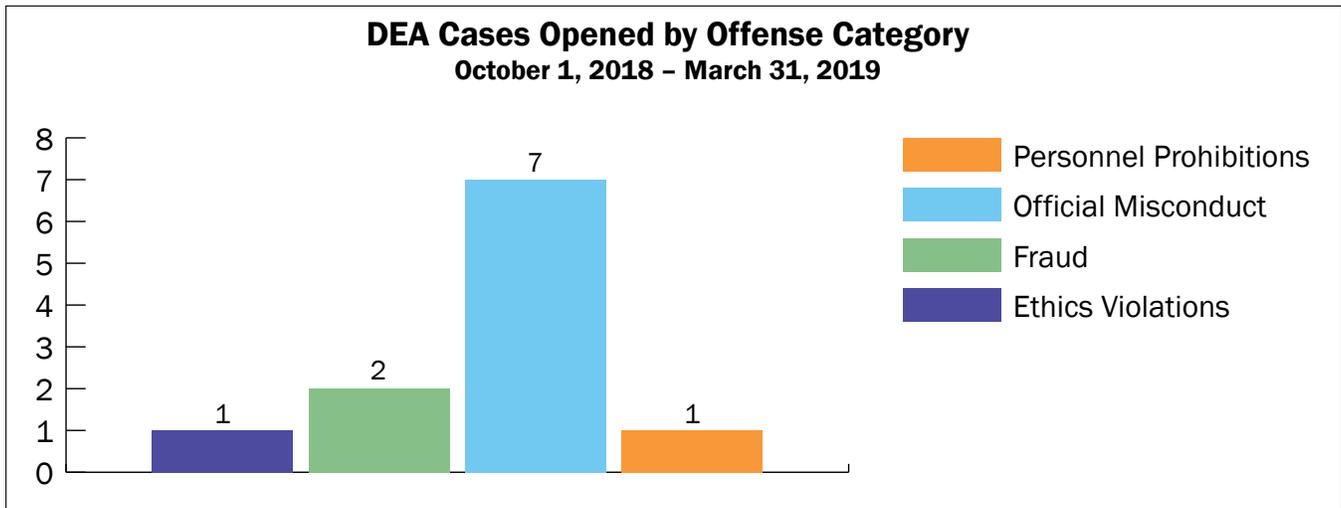
The report made 16 recommendations to the DEA and DOJ to address the issues and concerns the OIG identified in this review. The Department and the DEA agreed with all of the recommendations.

The OIG released a [video message](#) to accompany this report.

## Investigations

During this reporting period, the OIG received 251 complaints involving the DEA. The most common allegations made against DEA employees was Official Misconduct. The majority of the complaints were considered management issues and were provided to the DEA for its review and appropriate action.

# Drug Enforcement Administration



Source: Investigations Data Management System

During this reporting period, the OIG opened 11 cases and referred 25 allegations to the DEA's Office of Professional Responsibility (OPR) for action or investigation with a requirement that OPR report the results of its action or investigation to the OIG. At the close of the reporting period, the OIG had 51 open cases of alleged misconduct against DEA employees. The most common allegations were Official Misconduct; and Fraud.

The following are examples of cases involving the DEA that the OIG investigated during this reporting period:

- **Former DEA Supervisory Special Agent Sentenced for Illegally Selling Weapons Without a Federal Firearms License.** On January 7, 2019, a former DEA SSA was sentenced to 60 months of probation, with the first 6 months served as home detention, a \$15,000 fine, and 500 hours of community service for illegally selling weapons without a Federal Firearms License (FFL). The SSA, who resigned his position from the DEA, was sentenced in the District of Arizona. According to the factual statement in support of his guilty plea, in June 2016, the SSA purchased three Colt .223/5.56 caliber rifles from an online FFL located in Kentucky. The rifles were shipped to a FFL in Arizona, where they were picked up by the SSA. In July 2016, the SSA sold two of the rifles to two different individuals who he had reason to believe intended to use or dispose of the firearms unlawfully. As part of his plea agreement, the SSA agreed to relinquish firearms seized by the OIG and ATF during a search warrant of the SSA's residence. The investigation was conducted by the OIG's Denver Field Office and the ATF's Phoenix Field Division; forensic assistance was provided by the OIG's Cyber Investigations Office.
- **DEA Special Agent Arrested and Indicted for Conspiracy to Possess with Intent to Distribute Controlled Substances and Weapons Trafficking.** On December 10, 2018, a DEA Special Agent was indicted and subsequently arrested on December 11, 2018, for conspiracy to possess with intent to distribute controlled substances and weapons trafficking. The investigation is being conducted jointly by the OIG's Miami Field Office and the United States Postal Inspection Service.

# Drug Enforcement Administration

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- **DEA Group Supervisor Arrested and Charged for Bribery and Conspiracy to Possess with Intent to Distribute Controlled Substances.**  
On December 3, 2018, a DEA Group Supervisor was arrested and subsequently charged in a criminal Complaint on December 4, 2018, for bribery and conspiracy to possess with intent to distribute controlled substances. The investigation is being conducted by the OIG's Dallas Field Office and the FBI's Little Rock Field Office.

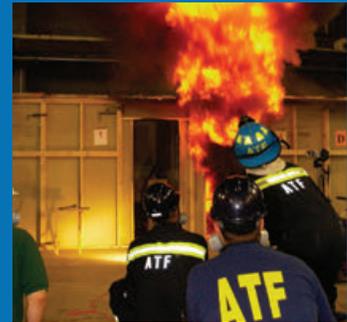
## Ongoing Work

The OIG's ongoing work is available [here](#).

Controls over Weapons, Munitions, and Explosives
DEA's Income-Generating Undercover Operations
DEA's Prescription Drug Take Back Activities
DEA's Community-Based Efforts to Combat the Opioid Crisis
DEA's Opioid Enforcement Efforts

# Bureau of Alcohol, Tobacco, Firearms and Explosives

ATF's approximately more than 5,000 employees enforce federal criminal laws and regulate the firearms and explosives industries. ATF investigates violent crimes involving firearms and explosives, acts of arson, and illegal trafficking of alcohol and tobacco products. ATF also provides training and support to its federal, state, local, and international law enforcement partners and works in 25 field divisions with representation throughout the United States. Foreign offices are located in Mexico, Canada, Europe, and El Salvador.



## Reports Issued

### ATF's Implementation of the Frontline Initiative

The OIG examined ATF's implementation of its Frontline Initiative, a business model implemented in 2013. The OIG concluded that ATF's implementation of Frontline has resulted in positive steps toward standardizing best practices across field divisions; focusing resources on DOJ's law enforcement priorities; and addressing systemic weaknesses, including the need for consistent oversight of field operations. The OIG also found that ATF can further improve Frontline by updating relevant intelligence policies and guidance; by enhancing partner engagement and effective use of ATF's investigative technologies, such as eTrace and the National Integrated Ballistic Information Network; by developing specific performance metrics and enhancing data collection in order to assess Frontline's effectiveness; by effectively communicating the reasons for the new business model, as well as ATF's expectations of its staff in implementing Frontline; by providing training for field division supervisors on the development of Frontline's Domain Assessments; and by developing headquarters-level processes to evaluate compliance with Frontline, improve the field divisions' execution of the Domain Assessment process, and allow headquarters leadership to better identify trends.

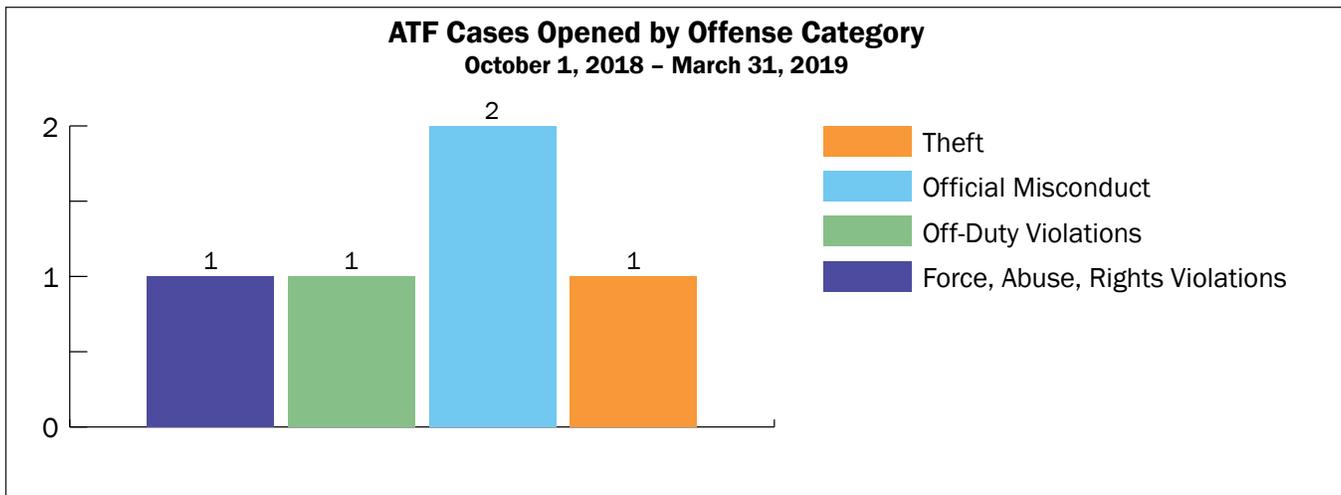
### Small Business Sole-Source Contracting

The OIG issued an audit report examining ATF's process for awarding small business contracts non-competitively. The OIG evaluated ATF's use of sole-source procedures to award 16 contract actions totaling \$56 million dollars. The OIG found that ATF needs to improve its administration and oversight over sole-source small business contracts.

In most cases, the government awards contracts through fair and open competition. However, to promote small business contracting opportunities with the government, under Small Business Administration (SBA) guidelines, ATF and other federal agencies are permitted to use certain sole-source authorities to award some contracts to small businesses without competition.

The OIG found that ATF awarded nearly half of its sole-source small business contract dollars to Alaska Native Corporations (ANCs), which are a subset of small businesses eligible for noncompetitive awards established by law and under SBA guidelines. By making awards to ANCs, ATF was able to leverage this program's unique authorities, which permitted it to award sole-source contracts to ANCs, up to a certain amount, without justifications or approvals that would be required for other contractors.

# Bureau of Alcohol, Tobacco, Firearms and Explosives



Source: Investigations Data Management System

Further, ATF utilized exemptions to SBA rules that restrict “follow on” awards to the same ANC. Follow-on awards are subsequent awards issued to the same small business contractor without changes to the contract requirements. The SBA generally prohibits follow-on awards to ANCs because they can stifle competition and limit the participation of other non-ANC small businesses. The OIG found that ATF utilized an exemption to this rule to issue five follow-on awards, and that one of these awards did not meet requirements for this exception and was improper.

Also, ATF did not consistently document the required market research prior to awarding a sole-source contract. ATF contract files contained little or no evidence of market research, which is required to document that a small business is qualified and capable of satisfying the needs of the agency.

The OIG made 11 recommendations to improve how ATF competes, administers, and oversees contract awards to small businesses. ATF agreed with the recommendations.

## Investigations

During this reporting period, the OIG received 194 complaints involving ATF personnel. The most common allegations made against ATF employees were Official Misconduct; and Waste, Mismanagement. The majority of the complaints were considered management issues and were provided to ATF for its review and appropriate action.

During this reporting period, the OIG opened 5 cases and referred 19 allegations to OPR for action or investigation with a requirement that OPR report the results of its action or investigation to the OIG. At the close of the reporting period, the OIG had 25 open criminal or administrative investigations of alleged misconduct related to ATF employees. The investigations included Official Misconduct; and Off-Duty Violations.

## Ongoing Work

The OIG’s ongoing work is available [here](#).

Controls over Agent Cashier Funds

Small Business Contracts Awarded to Shearwater Systems, LLC

# Office of Justice Programs

OJP manages the majority of DOJ's grant programs and is responsible for developing initiatives to address crime at the state and local levels. OJP has six bureaus and program offices—Bureau of Justice Assistance, Bureau of Justice Statistics; National Institute of Justice; Office of Juvenile Justice and Delinquency Prevention; Office for Victims of Crime; and the Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking. In this section, the report discusses OJP's oversight of grant funds and OIG reviews of grant recipients.



## Reports Issued

### National Institute of Justice's Grants Management

The OIG issued an audit report examining the National Institute of Justice's (NIJ) management of its grants program. Between FYs 2013 and 2016, the NIJ awarded 180 grants totaling \$910.6 million. The OIG found that, since its reorganization in 2015, while the NIJ has made progress in improving its grant management, further improvements are needed.

When issuing competitive and non-competitive grants, the NIJ generally used a fair and open process; however, the NIJ did not consistently document justifications for awarding competitive grants. Proper documents of the justification for awards is important to maintain consistency and transparency, particularly in cases when the ultimate grant recipient received a lower pre-award peer review score than other applicants, as the OIG identified in 42 applications in its sample.

The OIG also found instances of improper pre-award assistance to grant applicants prior to the FY 2016 solicitation cycle. The NIJ developed new policies to address this concern, and the OIG found no instances of improper pre-award assistance to grant applicants throughout the FY 2016 solicitation cycle and thereafter. The OIG found 11 instances of post-grant violations between 2010 and 2017, the majority of which involved NIJ social science analysts improperly

performing duties assigned to grant managers, which increased the risk of inconsistent controls over grants.

Since 2013, the NIJ's scores on the Federal Employee Viewpoint Survey have consistently been lower than the scores for DOJ, OJP, and the government-wide average in the categories of Employee Engagement and Leaders Lead. These low scores may indicate concern among the NIJ staff with their leaders' motivation, communication, and integrity. NIJ leaders only began developing and implementing an action plan to address these concerns in 2017.

The OIG made seven recommendations to assist OJP to improve the NIJ's grants management and administration. OJP agreed with six recommendations and neither agreed nor disagreed with one recommendation, and has taken steps to resolve and/or close all of the recommendations.

### **Audits of Grants to State and Local Entities**

During this reporting period, the OIG audited 10 external OJP grant recipients, including multi-component and Crime Victims Fund (CVF) grant recipients, as described by the examples below.

- The OIG issued an audit report on a \$4,971,284 grant to the [Cincinnati City School District](#) (CCSD). The NIJ awarded

# Office of Justice Programs

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in 2014 for the purpose of implementing and studying the effects of a Walking School Bus program, in which children living in areas without school bus access would be walked to and from school by adults from their communities. OJP subsequently froze grant funds to CCSD because of safety concerns, as well as program implementation and research delays. The NIJ also referred the grant to the OIG for review. In September 2018, OJP de obligated \$3,612,422 from this award, which accounted for grant funds not expended by CCSD. The OIG found that CCSD improperly assigned all program management responsibility to a contractor. Throughout the grant, the Program Manager performed various duties without CCSD awareness and authorization, which led to severe deficiencies related to compliance and performance. These deficiencies unnecessarily compromised the safety of the elementary-aged schoolchildren who participated in the grant-funded program, and resulted in CCSD not achieving adequate progress towards the grant's goals and objectives. As a result, the OIG questioned \$760,199, which is the entire amount of grant funds that CCSD had drawn down as of April 2016. The report also identified \$598,663 in funds to be put to better use. The OIG made five recommendations to OJP. OJP agreed with all of the recommendations. CCSD agreed to update its grant management policies, but disagreed with the other four recommendations.

- The OIG issued an audit report on a grant to [Amara Legal Center, Inc.](#) (Amara), totaling \$599,439 for the Specialized Services for Victims of Human Trafficking Grant Program. OJP awarded the grant in 2016 to provide legal and social services to human trafficking victims in the Washington, D.C., metropolitan area. As of December 11, 2018, Amara had

drawn down a cumulative amount of \$367,019 in grant funds. The OIG found that Amara demonstrated adequate progress towards meeting four grant goals related to providing services to victims of sex trafficking, but did not have adequate support for progress in meeting the other two grant goals relating to street outreach and training for first responders. The OIG found that Amara reported performance metrics that were unsupported or otherwise fell outside the scope of the award; charged \$64,074 in unallowable or unsupported expenditures to the grant for personnel and subrecipient payroll and rent; and submitted Federal Financial Reports that were not supported by accounting records. The audit also identified deficiencies in the grantee's tracking of matching costs and methods to draw down expenses. The OIG made 12 recommendations to OJP to assist Amara in improving its grant management and to remedy the \$64,074 in questioned costs. OJP agreed with all of the recommendations. Amara agreed with all but one of the recommendations.

- The OIG issued an audit report on a \$2 million grant to the [AARP Foundation](#) in Washington, D.C. OJP awarded the grant in 2015 to enhance mentoring activities to reduce juvenile delinquency, drug abuse, truancy, and other high-risk behaviors. As of February 2018, the AARP Foundation had drawn down \$1,592,480. The OIG found that while the AARP Foundation has a youth mentoring program in place and is taking appropriate measures to ensure the program is established in several locations across the United States, it has only partially completed the goal of improving school attendance and reducing students' disruptive behavior. The OIG also questioned \$48,007 in grant expenses relating to indirect costs and rent payments, and concluded that the AARP

# Office of Justice Programs

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Foundation needs to improve certain policies, procedures, and internal controls. The OIG made six recommendations to OJP to improve its grant management and administration, and to address questioned costs. In response, OJP agreed with all six recommendations, and the AARP Foundation described actions it has taken or intends to take to address the recommendations.

- The OIG issued an audit report on two grants totaling \$2,999,571 to [Nueva Esperanza, Inc.](#) (Esperanza), in Philadelphia, Pennsylvania. OJP awarded these grants in 2013 and 2015 to help established mentoring programs, expand services to underserved at-risk youth, and enhance program services by implementing additional research and evidence based mentoring practices. As of July 2017, Esperanza drew down a cumulative amount of \$2,581,856 for the two grants reviewed. The OIG concluded that a majority of the costs claimed by Esperanza were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. Additionally, Esperanza demonstrated adequate progress in meeting program goals and objectives. The audit did not identify reportable deficiencies regarding Esperanza's compliance with requirements governing personnel, fringe, and indirect expenditures, or its budget management and federal financial reporting. The OIG identified deficiencies with Esperanza's grant financial management documentation in the administration of consultants and subrecipients and identified \$42,315 in questioned costs regarding the support of consulting expenditures. The OIG made five recommendations to OJP, and OJP agreed with all of the recommendations. Esperanza concurred with one recommendation, did not

concur with three recommendations, and did not state whether it concurred with one recommendation.

## Investigations

During this reporting period, the OIG received 31 complaints involving OJP. The most common allegation made against OJP employees, contractors, or grantees was fraud.

During this reporting period, the OIG opened 13 fraud cases. At the close of the reporting period, the OIG had 25 open criminal or administrative investigations of alleged misconduct related to OJP employees, contractors, or grantees. The most common allegation was grantee fraud.

The following are examples of cases involving OJP that the OIG's Investigations Division investigated during this reporting period:

- **Former DOJ Senior Congressional Affairs Specialist Arrested and Pleaded Guilty to Conspiracy to Commit Bank Fraud; \$73.9 Million Civil Forfeiture Action Filed.** On November 30, 2018, a former DOJ Senior Congressional Affairs Specialist and licensed Attorney from OJP was arrested and pleaded guilty to one count of conspiracy to make a false statement to a bank. The investigation is being conducted by the OIG's Cyber Investigations Office and the FBI.
- **Findings of Misconduct by a Senior DOJ Official for Ethical Misconduct, Sexual Harassment, Sexual Assault, and Lack of Candor to the OIG.** On October 25, 2018, the OIG completed its report of [investigation](#) for an investigation initiated upon receipt of information alleging that a senior DOJ OJP official sexually harassed and retaliated against female subordinates, and abused his authority by coercing female employees in his chain of command to have sex

# Office of Justice Programs

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with him. In addition, during the course of the investigation, the OIG obtained information that the senior DOJ official had engaged in a long term sexual relationship with a subordinate. The senior DOJ official allegedly supervised the subordinate and approved her performance evaluations and promotions during the period of time they were in a relationship. The investigation substantiated that the senior DOJ official (1) sexually harassed one subordinate when he pressured her into a sexual relationship with him in exchange for a promotion; (2) sexually harassed another subordinate when he made repeated verbal sexual advances to her and ultimately sexually assaulted her; and (3) sexually harassed two other subordinates by engaging in sexually inappropriate conduct toward them. The OIG concluded that the senior DOJ official's actions constituted ethical misconduct, sexual harassment, and sexual assault, all in violation of law, federal regulations, and DOJ policy. The OIG further found that the senior DOJ official's conduct constituted sexual harassment of the subordinate with whom he engaged in a long term sexual relationship. The senior DOJ official's and the subordinate's respective professional positions undermined the consensual nature of their personal relationship. Any such unacknowledged relationship potentially violates the federal regulations that require supervisors to maintain impartiality in personnel matters involving their subordinates and to take appropriate steps, such as recusal from all matters involving the subordinates, to avoid an appearance of loss of impartiality in the performance of their duties, to ensure that the subordinate does not perceive the personal relationship explicitly or implicitly as a term or condition of her employment, and to ensure that the subordinate's response

to the supervisor's overtures would not be used as the basis for employment decisions affecting her. The OIG found that the senior DOJ official took no such action. The OIG further found that the senior DOJ official lacked candor in his statements to the OIG. The investigation was presented for criminal prosecution on September 25, 2017, and was declined. The senior DOJ official retired from his position. The OIG has completed its investigation and provided its report to the OJP for appropriate action.

## Ongoing Work

The OIG's ongoing work is available [here](#).

Corrective Actions to Resolve and Close Audit Reports during FYs 2015 through 2017

# Crime Victims Fund

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The CVF was established by the *Victims of Crime Act of 1984* (VOCA) and serves as a major funding source for victim services throughout the country. Each year, millions of dollars are deposited into the CVF from criminal fines, forfeited bail bonds, penalty fees, and special assessments collected by USAOs, U.S. Courts, and the BOP. These dollars come from offenders convicted of federal crimes, not from taxpayers. OJP's OVC administers the CVF. States receive the majority of CVF funds directly from OVC through the VOCA victim assistance and compensation formula grants. The OVC also awards discretionary grants to state and local governments, individuals, educational institutions, and private nonprofit organizations to support national-scope demonstration projects and training and technical assistance that enhance the professional expertise of victim service providers. Other CVF-funded program areas include USAO victim-witness coordinators who assist victims of federal crimes, and FBI victim specialists who help keep victims of federal crimes informed of case developments and appropriate resources. In FY 2018, OVC also announced new grants specifically designated for tribal victim services.

Since FY 2015, Congress substantially increased the amount of funding available from the CVF for these Department programs. Specifically, Congress more than tripled, from \$750 million to nearly \$2.4 billion, the annual amount of CVF funds available for distribution to support crime victims in FY 2015. From FY 2016 through 2018, DOJ has provided more than \$10 billion in funding for CVF programs. The increases in available CVF funding have translated into commensurate increases in grants to states that manage and subaward the majority of the funds to public and nonprofit organizations that provide various victim services, such as counseling centers, domestic violence shelters, and rape crisis centers.

The OIG is committed to robust oversight of the Department's administration of the CVF and of the victim services the Department supports.

Our audits of victims of crime programs have resulted in more than 100 recommendations to improve recipients' administration of CVF-funded grants, enhance the performance of its programs, improve monitoring of thousands of subrecipients, and help ensure accountability for billions of CVF dollars. During this semiannual reporting period, the Audit Division issued 6 audits and, at the end of the period, had 18 ongoing reviews of OJP programs and grants that received CVF funds. Examples of the audits issued this period are described below.

## Reports Issued

### Audits of CVF Grants to State and Local Entities

During this reporting period, the OIG audited six CVF-funded grant recipients, as described below.

- The OIG issued an audit report on 12 grants to [Wiconi Wawokiya, Inc.](#) (Wiconi), totaling \$6,234,000. The grants were awarded between 2012 and 2016 to serve victims of domestic violence and sexual assault on the Crow Creek and Lower Brule Sioux Tribes near Fort Thompson, South Dakota. As of September 2018, Wiconi drew down a cumulative amount of \$3,146,755. The OIG concluded that Wiconi did not successfully administer the grant funds, and identified numerous instances of waste and abuse by Wiconi officials, resulting in excessive and unreasonable spending of DOJ grant funds. The report identified \$2,887,594 in net questioned costs, and \$1,743,162 in funds to be put to better use. The OIG found that Wiconi received funding in excess of what is necessary to accomplish award goals and objectives; Wiconi did not comply with applicable regulations and award conditions to ensure that the costs incurred were reasonable, allowable, and properly allocated; and there are systemic deficiencies in Wiconi's capability to

# Crime Victims Fund

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demonstrate adequate progress toward achieving award goals and objectives. In December 2017, the OIG formally advised OJP and OVW of preliminary yet significant concerns identified during the early stages of the audit. In response, OJP and OVW immediately placed the funding to Wiconi on hold, which suspended Wiconi's capability of drawing down funds from the awards under review. The OIG made 53 recommendations to OJP and 46 recommendations to OVW to assist Wiconi in improving its award management and to remedy the questioned costs. OJP and OVW agreed with all of the recommendations. Wiconi did not address each recommendation specifically, but instead disagreed and agreed with various audit findings identified throughout the report.

- The OIG issued an audit report on three grants totaling \$600,000 subawarded by the Nevada Department of Health and Human Services (NDHHS) to the [Washoe Legal Services](#) (Washoe) in Reno, Nevada. The NDHHS subawarded these grants between 2015 and 2017 from OJP victim assistance grants. The purpose of the grants was to increase safety and stability through legal services for victims of crime and domestic violence and to advocate for children in abuse and neglect proceedings. As of October 2018, Washoe had drawn down the entire amount of the grants reviewed. The OIG concluded that Washoe assisted victims of crime and was making adequate progress towards its program goals. However, the OIG identified some inaccuracies in its reported performance data. The OIG found that Washoe over-reported to the NDHHS the number of new individuals to whom it provided assistance; relied on a manual process to calculate its victim assistance expenses, which resulted in several errors and miscalculations totaling \$8,449; and did not record its required match

contributions in its accounting system. Moreover, Washoe could not illustrate that it used \$128,988 in match contributions and \$4,890 in program income to further its victim assistance related activities. As a result, the OIG identified a total of \$142,327 in dollar-related findings. The OIG made seven recommendations to the NDHHS and OJP to improve the administration of Washoe's grant program and remedy the \$142,327 in dollar-related findings. OJP and NDHHS agreed with the recommendations. Washoe agreed with six recommendations and did not state whether it agreed or disagreed with one recommendation.

- The OIG issued an audit report on five victim assistance grants totaling over \$32.21 million made to the [State of Hawaii Department of the Attorney General](#) (HDAG) in Honolulu, Hawaii. OJP awarded these grants between 2013 and 2017 for the purpose of enhancing crime victim services throughout Hawaii. As of February 4, 2019, the HDAG had drawn down over \$15.8 million for all of the grants reviewed. The OIG concluded the HDAG used its grant funds to enhance crime victim services in Hawaii, and it took appropriate steps to announce and distribute its funding to subrecipients. However, given its current pace of program implementation, the HDAG will need additional guidance to appropriately and responsibly plan to spend or return significant amounts of remaining funds for victim services within the allowable grant periods. The OIG also found that HDAG did not track its distribution of funding by priority areas; filed inaccurate performance and financial reports; did not maintain adequate support for subrecipient expenditures; overdrew grant funds on occasion; and did not properly monitor subrecipients. The OIG identified \$114,689 in inadequately supported and unsupported costs, most

# Crime Victims Fund

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- of which were subrecipient expenditures. The OIG also identified an indication that the HDAG supplanted state funds with federal grant dollars. The OIG made nine recommendations to OJP to assist the HDAG in improving its grant management and administration and to remedy the \$114,689 in questioned costs. OJP agreed with all of the recommendations. The HDAG agreed with four, partially agreed with three, did not agree with one, and stated that it did not have sufficient information to agree or not agree with one of the recommendations.
- The OIG issued an audit report on three victim compensation grants totaling over \$11.86 million made to the [New Jersey Department of Law and Public Safety](#) (DLPS) in Trenton, New Jersey. The grants were awarded between 2014 and 2016 to provide compensation benefits to crime victims throughout New Jersey. As of June 2018, DLPS drew down a cumulative amount of \$9,318,420 for all of the grants reviewed. The OIG concluded that DLPS used and managed its victim compensation grant awards to enhance its crime victim compensation program. The OIG did not identify significant concerns regarding DLPS's state certification form, use of the administrative funding, performance reporting, or the accuracy of its federal financial reports. However, the audit determined that DLPS did not implement adequate controls within its case management system to adequately secure confidential victim information. The OIG also questioned \$109,030 in rental security deposits that were not appropriately tracked or recovered. The OIG made three recommendations to OJP to improve the administration of DLPS's crime victim compensation program. OJP agreed with all of the recommendations. DLPS agreed with two and disagreed with one of the recommendations.
  - The OIG issued an audit report on four victim compensation grants totaling over \$12.66 million made to the [Washington Department of Labor and Industries](#) (WADLI) in Olympia, Washington. OJP awarded these grants between 2014 and 2017 to provide financial support to crime victims throughout the state of Washington. As of June 2018, WADLI had drawn down the entire amount of the grants reviewed. The OIG found that WADLI used and managed its victim compensation grant awards to enhance its crime victim compensation program. However, the OIG found that WADLI did not accurately complete its Crime Victim Compensation State Certification Forms, resulting in incorrect award amounts between FYs 2014 and 2018. The audit also found that WADLI could not support the program performance metrics it reported and lacked formal, written policies and procedures for the administration of the grant funds. The OIG identified \$4,534 in unsupported and unallowable expenditures to the grant. The OIG made 10 recommendations to OJP to improve the administration of WADLI's crime victim compensation program and remedy the \$4,534 in questioned costs. OJP and WADLI agreed with all of the recommendations.
  - The OIG issued an audit report on six grants totaling over \$1.59 million to the [Georgia Legal Services Program](#) (GLS) in Atlanta, Georgia. Two grants were from OVW and were awarded directly to GLS to increase the availability of legal services to victims of crime; enhance the safety of rural victims of sexual assault, domestic violence, dating violence, and stalking; and support crime prevention projects. The other four grants were from OJP, which the State of Georgia Criminal Justice Coordinating Council (CJCC) subawarded to GLS to offer legal assistance, advocacy, outreach, and community education to

# Crime Victims Fund

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Georgia crime victims. As of November 2018, GLS had been reimbursed \$522,631 by CJCC for the subgrants, and as of January 2019, GLS drew down \$964,253 from the OVW awards. The OIG concluded that GLS generally complied with subgrant and grant program requirements. However, GLS could not support all of the grant achievements it reported for one of the two OVW grant programs. Additionally, the OIG found that GLS did not adequately track project expenditures to properly identify the funding source to ensure that DOJ grants were charged only project-related costs. GLS also inaccurately reported earning program income on its quarterly Federal Financial reports for the OVW awards. The OIG made three recommendations to assist GLS in improving its award management and administration. OJP, OVW, and CJCC agreed with the recommendations. GLS partially agreed with the recommendations.

financial certifications correctly. The amounts reported by a grantee on the annual financial certification lead directly to the amount OJP awards it in future years. Thus, an inaccurate report can cause the grantee to receive excess or too little subsequent funding. Since the audit, the MDHHS has repaid the federal government \$259,414 in excess grant funds awarded by OJP due to the inaccurate reporting. In addition, OJP worked with the MDHHS to correct the amounts reported on its FY 2016 Crime Victim Compensation State Certification Form. These corrections prevented the MDHHS from receiving \$315,205 more than it should have in its FY 2018 Victim Compensation Formula Grant. The auditee has taken all corrective action on the recommended management improvements and questioned costs, resulting in the closure of the report. The OIG's January 2018 report is available on the OIG's website [here](#).

## Ongoing Work

The OIG's ongoing work is available [here](#).

Efforts to Address Challenges in Administering CVF Programs

## Update to Previously Issued Report

An audit of the Michigan Department of Health and Human Services (MDHHS) of Lansing, Michigan, has resulted in repayments of \$259,414 and a total cost savings of \$574,619. In January 2018, the OIG issued an audit report assessing an OJP grant to provide financial support to crime victims throughout Michigan, under OJP's Victim Compensation Formula Grant Program. During the audit, the OIG found that although the MDHHS used its grant funds to enhance its victim compensation program, the MDHHS did not complete its annual

# Other Department Components

## Criminal Division

### Reports Issued

#### Equitable Sharing Audit

During this reporting period, the OIG audited equitable sharing revenues received by the following three police departments.

- The OIG issued an audit report on the equitable sharing program activities of the [Alexandria Police Department](#) (Alexandria PD) in Alexandria, Virginia. During the audit period of July 1, 2015, through June 30, 2018, the Alexandria PD began with a balance of \$1,523,151, received an additional \$953,722, and spent \$1,384,780 in equitable sharing funds. The OIG found that Alexandria PD generally accounted for DOJ equitable sharing funds properly. However, the OIG identified \$1,033,558 in questioned costs for the purchase of a mobile command center and an armored personnel carrier. Although Alexandria PD stated that its former leadership did receive verbal approval, it was unable to provide evidence that it obtained the authorization necessary from the DOJ Criminal Division prior to the purchases. The OIG also found that the Alexandria PD did not have written procedures to guide some of its DOJ equitable sharing activities, which the OIG believes contributed to late Equitable Sharing Agreement and Certification reports and internal control weaknesses. The OIG made four recommendations to the Criminal Division, to assist in its oversight and management of the equitable sharing program. The Criminal Division agreed with the recommendations. The Alexandria PD agreed with three recommendations and disagreed with one recommendation.
- The OIG issued an audit report on the use of DOJ equitable sharing revenue by the [Houston Police Department](#) (Houston PD),



Houston, Texas. During the audit period from July 2015 through June 2017, the Houston PD had a balance of \$3,785,423, received \$4,489,273, and spent \$ 6,071,085 in equitable sharing funds. The OIG found that the Houston PD did not fully comply with the requirements of the DOJ Equitable Sharing Program. Specifically, the OIG determined that the Houston PD needs to ensure that its staff is aware of, and makes certain improvements to, its policies and procedures in order to best ensure that the Houston PD properly accounts for and manages its use of DOJ equitable sharing funds. The OIG also identified unallowable and unsupported personnel expenditures that resulted in \$2,488 in questioned costs. The OIG made four recommendations to assist the Criminal Division in ensuring that the Houston PD sufficiently accounts for equitable sharing expenditures and resources. The Criminal Division agreed with all of the recommendations. The Houston PD agreed with one, disagreed with one, and agreed in part with two of the recommendations.

- The OIG issued an audit report on the equitable sharing activities of the [Bloomington Police Department](#) (Bloomington PD) in Bloomington, Minnesota. During the audit period of

## Other Department Components

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January 2016, through December 2017, the Bloomington PD received \$174,892 and spent \$97,004 in equitable sharing funds. The OIG found that the Bloomington PD commingled DOJ equitable sharing funds with other equitable sharing resources and did not separately account for all expenditures paid for with DOJ equitable sharing funds, as required. Additionally, the Bloomington PD invested DOJ equitable sharing funds into financial instruments that bore market risk; did not submit accurate annual reports to DOJ; spent equitable sharing funds without required authorization from the Chief of Police; and lacked formalized, written procedures for managing DOJ equitable sharing funds. After the OIG informed the Bloomington PD of these issues, the Bloomington PD adequately addressed several areas of non-compliance, including opening a separate FDIC-insured, interest-bearing bank account solely for DOJ equitable sharing funds, and enhancing policies and procedures for governing its DOJ equitable sharing activities; yet areas remain where enhancements are still needed. The OIG made two recommendations to the Criminal Division to assist with its oversight of the Bloomington PD's Equitable Sharing Program. The Criminal Division and Bloomington PD agreed with the recommendations.

### Environment and Resources Division

#### Ongoing Work

The OIG's ongoing work is available [here](#).

Audit of FYs 2017 and 2018 Superfund Activities

### Executive Office for Immigration Review

#### Ongoing Work

The OIG's ongoing work is available [here](#).

EOIR's Recognition and Accreditation Program

### Justice Management Division

#### Report Issued

##### Task Orders Awarded to CACI, Inc. – Commercial

The OIG issued an audit report examining JMD's administration of task orders awarded to CACI, Inc. – Commercial (CACI) under the MEGA 4 contract. The contract provides litigation support services to EOUSA, with the audit focusing on task orders for USAOs in the District of New Jersey, Southern District of New York (SDNY), and EDNY.

Although the OIG found that JMD and the USAOs were satisfied with the quality of services provided by CACI, the OIG concluded that DOJ staff responsible for administering the task orders did not always exercise effective controls. As a result, DOJ staff failed to prevent and detect CACI's noncompliance with requirements in the areas of project management, billing, employee qualifications, and subcontractor oversight. The OIG found that while CACI provided an onsite Project Manager at SDNY, that individual did not fulfill position requirements to supervise and manage the workload of the CACI legal support staff. Rather, CACI staff received workload assignments directly from government employees. This created the appearance of the MEGA 4 contract being a personal services contract, even though there is a regulatory

## Other Department Components

prohibition against obtaining personal services by contract. Ambiguous guidance from government officials may have contributed to this issue.

The OIG also found inconsistent and improper administration practices resulted in CACI billing for labor worked by an unqualified paralegal employee, and for a subcontractor that was not approved by the contracting officer. The OIG found that CACI billed costs to the task orders that were inaccurate and unallowable and identified billing errors associated with travel costs, inaccurate billing rates, and billing for more positions than authorized; all of which were paid prior to being identified, due to inefficient and inconsistent DOJ procedures.

The OIG made 18 recommendations to JMD to address the deficiencies identified and improve oversight of CACI. JMD agreed with nine of these recommendations, with one of the recommendations now closed, and disagreed with nine of the recommendations.

## Office on Violence Against Women

### Reports Issued

#### Technical Assistance Program

The OIG issued an audit report examining OVW's Training and Technical Assistance Program (TA Initiative). The TA Initiative provides direct training and technical assistance to existing OVW award recipients, potential recipients, and the public in order to improve overall responses to violence against women. Since 2010, OVW has invested over \$300 million in the TA Initiative.

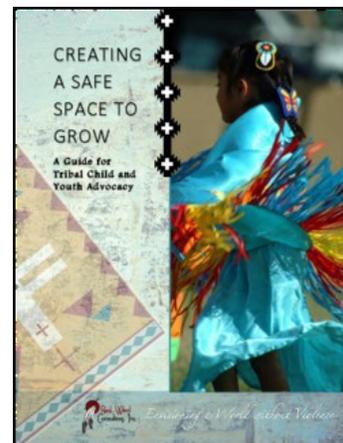
The OIG found that OVW generally conducted thorough and detailed reviews of award budgets within the scope of this audit; the majority of TA Initiative recipients in the review were successful in completing the goals and

objectives of their awards; and OVW has, or is in the process of, taking steps intended to improve its TA Initiative. However, the OIG found that OVW does not have a process in place to conduct a comprehensive assessment of the effectiveness or value of all resources produced under the TA Initiative.

Currently, OVW does not measure the effectiveness or value of many in-person trainings, does not uniformly collect and aggregate user feedback on TA products, and does not have processes in place to measure improvements or progress in the other OVW

programs the TA Initiative is expected to enhance.

In addition, while OVW funded the creation, and currently funds the maintenance, of a website intended to function as the primary distribution point for TA resources,



Source: OVW

the website is not effectively promoted by OVW. Additionally, many resources were not posted to the website as required by the terms and conditions of the award, limiting their availability and value to recipients of OVW awards.

The OIG found that awards and supplemental awards were made far in advance of the recipient's ability to commence work. In FYs 2015 and 2016, the OIG identified over \$7.2 million in funding (approximately 10 percent of the total amount audited) that OVW awarded to a recipient but kept "frozen" in the recipient's account for over 1 year, as the recipient completed work on a prior OVW award. The OIG also identified deficiencies in OVW's provision of final financial clearances, the peer review process, staff training, approval

## Other Department Components

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of TA Initiative products, and the use of the DOJ consultant rate.

The OIG made 13 recommendations to OVW to address the deficiencies identified and improve oversight of the TA Initiative. The OVW agreed with, or proposed actions to remedy, all of the recommendations. Four of the recommendations have been closed.

### Audits of OVW Grants

The OVW administers financial and technical assistance to communities across the country for the development of programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The OVW recipients include state and local governments, universities, non-profit agencies, and for-profit agencies. During this reporting period, the OIG conducted five audits of OVW grant recipients, as described by the examples below.

- The OIG issued an audit report on six grants totaling \$4,465,600 to the [Southwest Center for Law and Policy](#) (SWCLAP) in Tucson, Arizona. The OVW awarded the grants between 2011 and 2017 for the purpose of strengthening effective responses to violence against American Indian and Alaska Native women. As of April 26, 2018, SWCLAP drew down a cumulative amount of \$2,854,300 from all of the grants reviewed. The OIG concluded that there is no indication that SWCLAP achieved the stated goals and objectives of the three closed grants, or is on track to accomplish the goals and objectives of the three grants that are still open. The OIG also found that SWCLAP charged unallowable and unsupported payroll, contractor and consultant, and other direct costs totaling \$428,309 to the grants. Additionally, the OIG determined that SWCLAP paid consultants with no agreements in place detailing the work to be performed, and without invoices

or with invoices that did not contain sufficient detail. The OIG also found that SWCLAP did not comply with essential award conditions related to progress reports, was not compliant with award special conditions and the allowed use of award funds, and submitted inaccurate Federal Financial Reports. Lastly, the OIG noted SWCLAP award drawdowns were excessive or from the incorrect award. The OIG made nine recommendations to the OVW to assist SWCLAP in improving its grant management, and remedy \$383,498 in net questioned costs. The OVW agreed with all nine recommendations. SWCLAP agreed with seven recommendations, and partially agreed with two.

- The OIG issued an audit report on six grants to the [South Dakota Network Against Family Violence and Sexual Assault](#) (SD Network) totaling \$3 million. The OVW awarded these grants in 2013 and 2016 to support and provide aid to victims of sexual assault, domestic violence, dating violence, and stalking. As of June 2018, the SD Network had drawn down \$1.6 million of the total grant funds awarded. The OIG found that the SD Network generally used grant funds appropriately, and demonstrated adequate progress towards achieving the awards' stated goals and objectives. However, the OIG identified \$3,361 in office insurance expenditures that were not included in the approved budget. The audit also identified instances in which progress reports were inaccurate, and funds were drawn down when special conditions on the grant funds restricted the SD Network from doing so. The OIG made four recommendations to the OVW to assist the SD Network with its grant management. The OVW agreed with the recommendations. The SD Network agreed with three recommendations and disagreed with one recommendation.

## Other Department Components

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- The OIG issued an audit report on a grant to [Erie County, New York](#) (Erie) totaling \$900,000. The grant was awarded in 2015 to support the development of multidisciplinary High-Risk Teams focused on providing services to victims of domestic violence, meeting regularly to examine the needs of the community, and identifying possible gaps in the system. As of June 2018, Erie had drawn down \$698,421 in grant funds. The OIG found that Erie generally managed the grant funds appropriately and accomplished adequate progress towards the goals and objectives of the grant. However, the audit identified a lack of written policies and procedures in the area of subrecipient monitoring. The OIG made one recommendation to the OVW to assist Erie in improving its grant management. The OVW and Erie agreed with the recommendation.

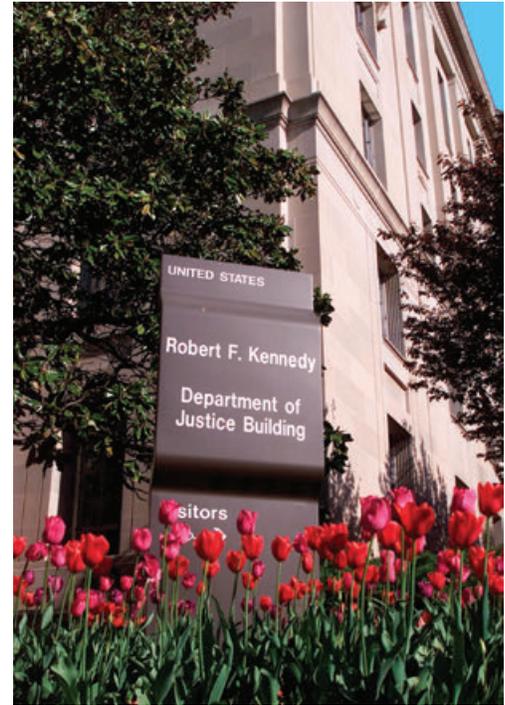
# Top Management and Performance Challenges

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The OIG has published a list of top management and performance challenges facing DOJ annually since 1998. The list is based on the OIG's oversight work, research, and judgment. By statute, the list is required to be included in DOJ's annual Agency Financial Report.

This year's list identifies nine challenges that the OIG believes represent the most pressing concerns for DOJ. Eight of the nine challenges are issues the OIG identified in last year's report. A persistent theme throughout the challenges we identified is the threats caused by emerging technologies—from the development and distribution of synthetic opioids, to increasingly sophisticated cyber-attacks, to drone technologies that threaten the physical security of federal prisons. For each emerging technology, the Department must have a workforce capable of responding to the threat, and the ability to recruit and retain professionals in each of these fields creates its own challenge for the Department.

The new challenge identified in this year's memorandum is an ongoing concern, but one that was highlighted persistently in the OIG's work this year. This is the need for all Department employees to adhere to established policies and procedures. As noted in recent OIG reviews, the actions of a few, especially individuals in leadership positions, can undermine the Department's reputation for professionalism, impartiality, and fairness when policies and procedures are not consistently followed.



## Top Management and Performance Challenges for the Department of Justice – 2018

- *Advancing National Security, Protecting Sensitive Information, and Safeguarding and Civil Liberties*
- *Enhancing Cybersecurity with Emerging Technology and Collaboration*
- *Managing an Overcrowded Federal Prison System in an Era of Declining Resources*
- *Building Productive Relationships and Trust Between Law Enforcement and Communities*
- *Coordinating within the Department and Across Government to Fulfill the Department's Mission to Combat Crime*
- *Administering and Overseeing Contracts and Grants*
- *Effectively Applying Performance-Based Management to Inform Decision Making and Improve Outcomes*
- *Filling Mission Critical Positions Despite Department Challenges and Delays in the Onboarding Process*
- *Ensuring Adherence to Established Department Policies and Procedures*

Detailed information about DOJ's management and performance challenges is available online [here](#).

# Congressional Testimony/Legislation and Regulations

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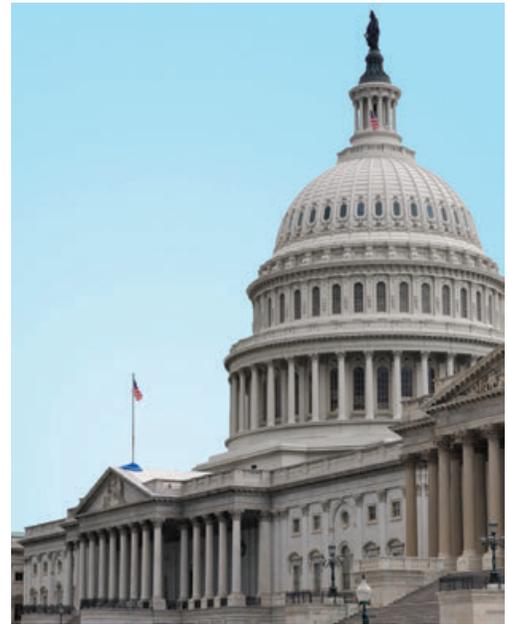
## Congressional Testimony

During this reporting period, the Inspector General testified on one occasion:

- “The Federal Bureau of Prisons’ Management of Its Female Inmates” before the U.S. House of Representatives Committee on Oversight and Government Reform on [November 28, 2018](#).

## Legislation and Regulations

The IG Act directs the OIG to review proposed legislation and regulations relating to the programs and operations of DOJ. Although DOJ’s Office of Legislative Affairs reviews all proposed or enacted legislation that could affect DOJ’s activities, the OIG independently reviews proposed legislation that could affect its operations and legislation that relate to waste, fraud, or abuse in DOJ’s programs and operations. For example, during this period, the OIG reviewed legislation, including the *Federal Employee Antidiscrimination Act of 2019*, *Restoring the Public Trust Act*, *Congressional Accountability Act of 1995 Reform Act*, and *Good Accounting Obligation in Government Act*. Additionally, the OIG reviewed OMB’s Publication of Congressional Mandates Proposed for Modification.



# Whistleblower Ombudsperson Program

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Whistleblowers perform a critical role when they bring forward evidence of wrongdoing and they should never suffer reprisal for doing so. The OIG Whistleblower Coordinator Program (the Whistleblower Program) works to ensure that whistleblowers are fully informed of their rights and protections from reprisal. Toward that end, during the reporting period, the OIG updated its public website with new and/or updated information for whistleblowers. The updated web page features a three-part training video series, with segments on how to make a protected disclosure, how to report retaliation or reprisal for blowing the whistle, and what to expect after you have filed a retaliation complaint. The videos also include a message from Deputy Attorney General Rod Rosenstein. The videos are available to all DOJ employees and the public [here](#).

Education is a critical component in preventing retaliation. However, even as the Whistleblower Program expands its efforts to remind employees of their rights and responsibilities under the whistleblower law, the OIG will continue to investigate allegations of improper conduct and reprisal. During the reporting period, the OIG substantiated two whistleblower reprisal cases, one involving a USMS employee and the other involving a DOJ subgrantee.

October 1, 2018 – March 31, 2019	
Employee complaints received <sup>1</sup>	289
Employee complaints opened for investigation by the OIG	81
Employee complaints that were referred by the OIG to the components for investigation	142
Employee complaint cases closed by the OIG <sup>2</sup>	98

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<sup>1</sup> Employee complaint is defined as an allegation of wrongdoing or misconduct received from whistleblowers, defined broadly as complaints received from employees and applicants with the Department, 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 Department component if the complaint otherwise qualifies and is opened as an investigation.

<sup>2</sup> This number reflects cases closed during the reporting period regardless of when they were opened.

# Statistical Information

## Audit Overview

During this reporting period, the OIG's Audit Division issued 38 internal, contract, and external audit reports, which contained more than \$7 million in questioned costs, reported over \$2.3 million in funds to better use, and made 267 recommendations for management improvement.<sup>1</sup> Specifically, the Audit Division issued 19 internal audit reports of DOJ programs; 3 audits of contracts funded at more than \$120 million; and 16 external audit reports of grants and other agreements funded at over \$94.2 million. The Audit Division also issued 14 Single Audit Act audits of programs funded at more than \$10.9 million and 1 other report.<sup>2</sup>

Questioned Costs <sup>3</sup>			
Reports	Number of Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs <sup>4</sup>
<b>Audits</b>			
No management decision made by beginning of period <sup>5</sup>	0	\$0	\$0
Issued during period	16 <sup>6</sup>	\$7,054,951	\$3,924,275
Needing management decision during period	16	\$7,054,951	\$3,924,275
Management decisions made during period:			
–Amount of disallowed costs <sup>7</sup>	16 <sup>8</sup>	\$6,156,014	\$3,924,275
–Amount of costs not disallowed	1	\$898,937	\$0
No management decision at end of period	0	\$0	\$0
<b>Evaluations</b>			
Nothing to report from the Evaluation and Inspections Division.			
<b>Special Reviews</b>			
Nothing to report from the Oversight and Review Division.			

<sup>1</sup> See glossary for definition of "Questioned Costs" and "Funds Recommended to Be Put to Better Use."

<sup>2</sup> "Other Reports" are identified in Appendix 3.

<sup>3</sup> See glossary for definition of "Questioned Costs."

<sup>4</sup> See glossary for definition of "Unsupported Costs."

<sup>5</sup> Includes reports previously issued for which no management decision has been made. See glossary for definition of "Management Decision."

<sup>6</sup> Of the audit reports issued during this period with questioned costs, one was a *Single Audit Act* report.

<sup>7</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken. See glossary for definition of "Disallowed Costs."

<sup>8</sup> Includes one instance where management agreed with all but one of the audit's recommendations.

# Statistical Information

<b>Funds Recommended to Be Put to Better Use<sup>1</sup></b>		
<b>Reports</b>	<b>Number of Reports</b>	<b>Funds Recommended to Be Put to Better Use</b>
<b>Audits</b>		
No management decision made by beginning of period <sup>2</sup>	0	\$0
Issued during period	2	\$2,341,825
Needing management decision during period	2	\$2,341,825
Management decisions made during period:		
–Amounts management agreed to put to better use <sup>3</sup>	2	\$2,341,825
–Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	0	\$0
<b>Evaluations</b>		
Nothing to report from the Evaluation and Inspections Division.		
<b>Special Reviews</b>		
Nothing to report from the Oversight and Review Division.		

<sup>1</sup> See glossary for definition of “Funds Recommended to Be Put to Better Use.”

<sup>2</sup> Reports previously issued for which no management decision has been made.

<sup>3</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.

# Statistical Information

Significant Recommendations for Which Corrective Actions Have Not Been Completed			
Report Number and Date	Report Title	Rec. No.	Recommendation
<b>Audits</b>			
19-14 (March 2019)	Audit of Efforts to Safeguard Minors in Department of Justice Youth-Centered Programs	6	The OIG recommended that DOJ implement policies and procedures to enhance its monitoring of grantee background screening processes for all DOJ awards that may involve direct contact with minors in order to ensure that grantees and subgrantees conduct a minimum level of due diligence for individuals in direct contact with minors under funded programs.
17-35 (September 2017)	Audit of the Federal Bureau of Investigation's Insider Threat Program	4	The OIG recommended that the FBI conduct a comprehensive inventory of classified networks, systems, applications, and other information technology assets and identify a component responsible for maintaining the inventory.
16-33 (September 2016)	Audit of the Drug Enforcement Administration's Management and Oversight of its Confidential Source Program	1	The OIG recommended that the DEA examine the practices employed related to Limited Use confidential sources for interdiction operations as described in our report and, in coordination with the Department, perform an assessment of the risks, benefits, and legality of the practices.
GR-60-15-015 (September 2015)	Audit of the Office of Justice Programs Correctional Systems and Correctional Alternatives on Tribal Lands Program Grants Awarded to the Navajo Division of Public Safety, Window Rock, Arizona	9	The OIG recommended that OJP remedy \$32,034,623 in unallowable expenditures associated with excessive building sizes for Grant Numbers 2009-ST-B9-0089 and 2009-ST-B9-0100.
<b>Evaluations</b>			
17-05 (July 2017)	Review of the Federal Bureau of Prisons' Use of Restrictive Housing for Inmates with Mental Illness	1	The OIG recommends that the BOP establish in policy the circumstances that warrant the placement of inmates in single-cell confinement while maintaining institutional and inmate safety and security and ensuring appropriate, meaningful human contact and out-of-cell opportunities to mitigate mental health concerns.
17-02 (March 2017)	Review of the Department's Oversight of Cash Seizure and Forfeiture Activities	1	The OIG recommends that the Money Laundering and Asset Recovery Section work with the ATF, the DEA, the FBI, the Asset Forfeiture Management Section, and the USAOs to develop ways to collect relevant data related to seizure and forfeiture activities sufficient to identify and evaluate whether seizures advance or are related to federal investigations.
16-05 (June 2016)	Review of the BOP's Contraband Interdiction Efforts	3	The OIG recommends that the BOP develop uniform guidelines and criteria for conducting random staff pat searches across all institutions that require a minimum frequency and duration for search events to ensure that appropriate numbers of staff on each shift are searched with appropriate frequency.
15-05 (May 2015)	Review of the Impact of an Aging Inmate Population on the Federal Bureau of Prisons	8	The OIG recommends that the BOP consider revising its compassionate release policy to facilitate the release of appropriate aging inmates, including by lowering the age requirement and eliminating the minimum 10 years served requirement.
15-3 (January 2015)	Review of the DEA's Use of Cold Consent Encounters at Mass Transportation Facilities	1	The OIG recommends that the DEA consider how to determine if cold consent encounters are being conducted in an impartial manner, including reinstating the collection of racial and other demographic data and how it could be used to make that assessment.
<b>Special Reviews</b>			
OR-19-01	A Review of the Drug Enforcement Administration's Use of Administrative Subpoenas to Collect or Exploit Bulk Data	13	The Department should undertake a comprehensive review of "parallel construction" policies and practices with respect to Program A and Program C investigative products to ensure that these policies and practices do not conflict with the government's discovery and disclosure obligations in criminal cases, or Department policy on this subject, and that the Department's and DEA's guidance and training materials on this subject be clarified as warranted.

# Statistical Information

Reports Without Management Decisions for More than 6 Months		
Report Number and Date	Report Title	Report Summary
<b>Audits</b>		
Nothing to report from the Audit Division.		
<b>Evaluations</b>		
Nothing to report from the Evaluation and Inspections Division.		
<b>Special Reviews</b>		
Nothing to report from the Oversight and Review Division.		

Description and Explanation of the Reasons for Any Significant Revised Management Decision Made During the Reporting Period			
Report Number and Date	Report Title	Rec. No.	Recommendation
<b>Audits</b>			
Nothing to report from the Audit Division.			
<b>Evaluations</b>			
Nothing to report from the Evaluation and Inspections Division.			
<b>Special Reviews</b>			
Nothing to report from the Oversight and Review Division.			

Significant Recommendations in Disagreement for More than 6 Months			
Report Number and Date	Report Title	Rec. No.	Recommendation
<b>Audits</b>			
Nothing to report from the Audit Division.			
<b>Evaluations</b>			
Nothing to report from the Evaluation and Inspections Division.			
<b>Special Reviews</b>			
Nothing to report from the Oversight and Review Division.			

# Statistical Information

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## Audit Follow-up

### OMB Circular A-50

OMB Circular A-50, *Audit Follow-up*, requires audit reports to be resolved within 6 months of the audit report issuance date. The Audit Division monitors the status of open audit reports to track the audit resolution and closure process. As of March 31, 2019, the Audit Division was monitoring the resolution process of 184 open reports and closed 59 reports this reporting period.

## Evaluation and Inspections Workload and Accomplishments

The following chart summarizes the workload and accomplishments of the Evaluation and Inspections Division during the 6-month reporting period ending March 31, 2019.

Workload and Accomplishments	Number of Reviews
Reviews active at beginning of period	8
Reviews cancelled	0
Reviews initiated	3
Final reports issued	2
Reviews active at end of reporting period	9

# Statistical Information

## Investigations Statistics

The following chart summarizes the workload and accomplishments of the Investigations Division during the 6-month period ending March 31, 2019.

<b>Source of Allegations<sup>1</sup></b>	
Hotline (telephone, mail and email)	2,918
Other sources	2,967
Total allegations received	5,885
<b>Investigative Caseload</b>	
Investigations opened this period	161
Investigations closed and reports of investigation issued this period <sup>2</sup>	118
Investigations in progress as of 3/31/19	598
<b>Prosecutive Actions</b>	
Criminal Indictments/Informations <sup>3</sup>	29
Arrests	32
Convictions/Pleas	24
Prosecutions referred to the Department of Justice <sup>4</sup>	112
Prosecutions referred to State and local <sup>5</sup>	11
<b>Administrative Actions</b>	
Terminations	27
Resignations	46
Disciplinary action	19
<b>Monetary Results</b>	
Fines/Restitutions/Recoveries/Assessments/Forfeitures	\$67,931,678.02
Civil Fines/Restitutions/Recoveries/Penalties/Damages/Forfeitures	\$0

<sup>1</sup> These figures represent allegations entered into the OIG's complaint tracking system. They do not include the approximate 41,000 additional Hotline, email and phone contacts that were processed and deemed non-jurisdictional and outside the purview of the federal government.

<sup>2</sup> At the conclusion of an investigation, one or more type of report is prepared. The prepared report may be an abbreviated report of investigation or a full report of investigation. In addition, an investigative summary for public posting on the OIG public website may be prepared for investigations involving senior government employees. The number of reports issued represents one report for each investigation.

<sup>3</sup> The number of indictments reported include both sealed and not sealed.

<sup>4</sup> This number includes all criminal and civil referrals to DOJ for a prosecutorial decision whether they were ultimately accepted or declined with the caveat that if an investigation was referred to more than one DOJ office for a prosecutorial decision, the referral to DOJ was only counted once. The number reported as referred represents referrals for both individuals and or other legal entities.

<sup>5</sup> The number reported as referred represents referrals for both individuals and or other legal entities.

# Statistical Information

## Investigations Division Briefing Programs

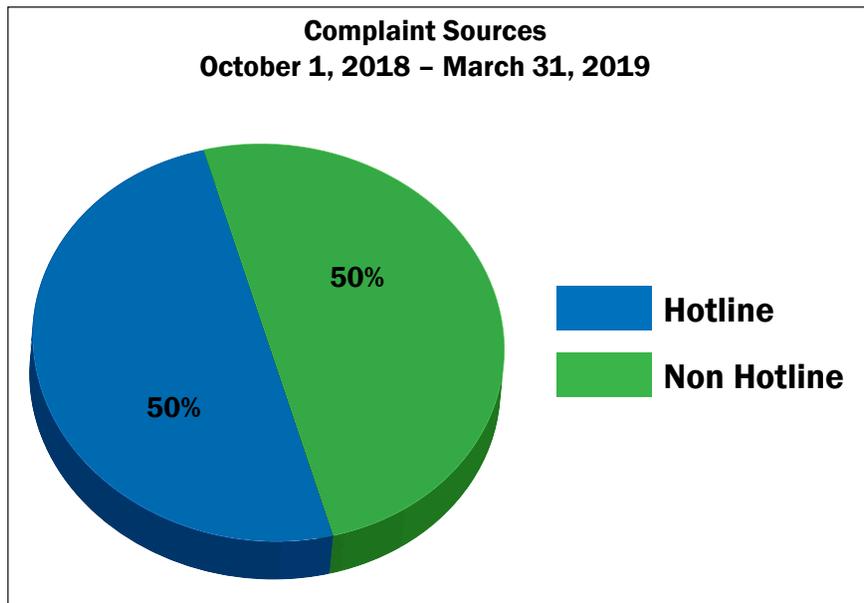
OIG investigators conducted 64 Integrity Awareness Briefings for DOJ employees and other stakeholders throughout the country. These briefings are designed to educate employees and other stakeholders about the misuse of a public official's position for personal gain and to deter employees and other stakeholders from committing such offenses. The briefings reached 3,048 employees.

## OIG Hotline

During FY 2019, the OIG received the majority of its Hotline complaints through its electronic complaint form located [here](#).

In addition, DOJ employees and citizens are able to file complaints by telephone, fax, email, and postal mail. The online access, email, fax, and postal mail all provide the ability to file a complaint in writing to the OIG.

From all Hotline sources during the first half of FY 2019, 2,918 new complaints related to DOJ operations or other federal agencies were entered into the OIG's complaint tracking system. Of the new complaints, 1,652 were forwarded to various DOJ components for their review and appropriate action; 257 were filed for information; 802 were forwarded to other federal agencies; and 19 were opened by the OIG for investigation.



Source: Investigations Data Management System

Approximately, 41,000 additional Hotline email and phone contacts were processed and deemed non-jurisdictional and outside the purview of the federal government and therefore were not entered into the OIG's complaint tracking system.

# Appendices

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## Appendix 1

### Acronyms and Abbreviations

ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
BOP	Federal Bureau of Prisons
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COPS	Office of Community Oriented Policing Services
CVF	Crime Victims Fund
DCRA	<i>Death in Custody Reporting Act of 2013</i>
DEA	Drug Enforcement Administration
DHS	U.S. Department of Homeland Security
DOJ or Department	U.S. Department of Justice
ESOC	Enterprise Security Operations Center
FBI	Federal Bureau of Investigation
FISA	<i>Foreign Intelligence Surveillance Act of 1978</i>
FISMA	<i>Federal Information Security Management Act</i>
FY	Fiscal Year
IG Act	<i>Inspector General Act of 1978</i>
JMD	Justice Management Division
MDC	Metropolitan Detention Center
NIJ	National Institute of Justice
NVLP	National Vehicle Lease Program
NYT	The New York Times
OIA	Office of Internal Affairs
OIG	Office of the Inspector General
OJP	Office of Justice Programs
OMB	Office of Management and Budget
OPR	Office of Professional Responsibility
OVC	Office for Victims of Crime
OVW	Office on Violence Against Women
Patriot Act	<i>Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act</i>
SDUSM	Supervisory Deputy U.S. Marshal
SSA	Supervisory Special Agent
TA Initiative	Training and Technical Assistance Program
TFO	Task Force Officer
TSA	Transportation Security Administration
TWIC	Transportation Worker Identification Credential
UK	United Kingdom
USAO	U.S. Attorney's Office
USMS	U.S. Marshals Service
VOCA	<i>Victims of Crime Act of 1984</i>

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## Appendix 2

### Glossary of Terms

The following are definitions of specific terms as they are used in this report.

**Cooperative Agreement:** Term used to describe when the awarding agency expects to be substantially involved with the award's activities; often used interchangeably with "grant."

**Disallowed Cost:** The IG Act defines "disallowed cost" as a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the government.

**Drawdown:** The process by which a grantee requests and receives federal funds.

**eTrace:** An Internet-based firearms tracing and analysis module that assists law enforcement agencies throughout the United States and 45 foreign countries in their efforts to combat firearms trafficking.

**Emergency Support Function 13:** DOJ is designated responsibility for federal public safety and security assistance to local, state, tribal, territorial, and other governmental organizations overwhelmed by the results of an actual or anticipated natural or manmade disaster. In October 2008, DOJ assigned ATF as the lead coordinating agency for ESF-13.

**External Audit Report:** The results of audits and related reviews of expenditures made under DOJ contracts, grants, and other agreements. External audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

**Funds Recommended to Be Put to Better Use:** Recommendation by the OIG that funds could be used more efficiently if management of an entity took actions to start and complete the recommendation, including: (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the entity, a contractor, or grantee; (5) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (6) any other savings that specifically are identified.

**Internal Audit Report:** The results of audits and related reviews of DOJ organizations, programs, functions, computer security and information technology, and financial statements. Internal audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

**Management Decision:** The IG Act defines "management decision" as the evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

**National Integrated Ballistic Information Network:** An automated ballistic imaging network that allows local, state, and federal law enforcement partner agencies to capture and compare ballistic evidence to aid in solving and preventing violent crimes involving firearms.

**Questioned Cost:** A cost that is questioned by the OIG because of: (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not

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supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

**Single Audit Act Audits:** *Single Audit Act* audits are performed by public accountants or a federal, state or local government audit organization in accordance with generally accepted government auditing standards. They are intended to determine whether the financial statements and schedule of expenditures of federal awards are presented fairly, to test internal controls over major programs, to determine whether the grant recipient is in compliance with requirements that may have a direct and material effect on each of its major programs, and to follow up on prior audit findings. These audits are required to be performed for organizations that expend \$750,000 or more in federal awards in accordance with the *Single Audit Act of 1984*, as amended, and OMB Circular A-133.

**Supervised Release:** Court-monitored supervision upon release from incarceration.

**Unsupported Cost:** A cost that is questioned by the OIG because the OIG found that, at the time of the audit, the cost was not supported by adequate documentation.

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## Appendix 3

### Audit Division Reports

#### Internal Audit Reports

##### *Multicomponent*

Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2018

Audit of the U.S. Department of Justice Annual Closing Package Financial Statements Fiscal Year 2018

Audit of Efforts to Safeguard Minors in Department of Justice Youth-Centered Programs

##### *Alcohol, Tobacco, Firearms and Explosives*

Audit of the Bureau of Alcohol, Tobacco, Firearms and Explosives Sole-Source Small Business Contracting

##### *Drug Enforcement Administration*

Audit of the Drug Enforcement Administration's Aviation Division Office Internet System Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

Audit of the Drug Enforcement Administration's Information Security Program Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

##### *Federal Bureau of Investigation*

Audit of the Federal Bureau of Investigation Annual Financial Statements Fiscal Year 2018

Audit of the Federal Bureau of Investigation's Child Exploitation Tracking System Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

Audit of the Federal Bureau of Investigation's Cyber Victim Notification Process

Audit of the Federal Bureau of Investigation's Information Security Program Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

Audit of the Federal Bureau of Investigation's Management of Maritime Terrorism Threats

Audit of the Federal Bureau of Investigation's Operational Technology Division Administration Support Information System Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

##### *Federal Bureau of Prisons*

Audit of the Federal Bureau of Prisons Annual Financial Statements Fiscal Year 2018

##### *Office of Justice Programs*

Audit of the National Institute of Justice's Grants Management

##### *Other Department Components*

Audit of the Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statements Fiscal Year 2018

Audit of the Federal Prison Industries, Inc. Annual Financial Statements Fiscal Year 2018

Audit of the Justice Management Division's Information Security Program Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

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Audit of the Justice Management Division's Justice Security Tracking and Adjudication Record System Pursuant to the *Federal Information Security Modernization Act of 2014* Fiscal Year 2018

Audit of the Office on Violence Against Women Training and Technical Assistance Program

## **Contract Audit Reports**

### *Federal Bureau of Investigation*

Audit of the Federal Bureau of Investigation's Oversight and Administration of the National Vehicle Lease Program and Its Contract with EAN Holdings, LLC

### *Federal Bureau of Prisons*

Audit of the Federal Bureau of Prisons' Perimeter Security Upgrade Contract for Administrative U.S. Penitentiary Thomson Awarded to DeTekion Security Systems, Incorporated

### *Justice Management Division*

Audit of the Justice Management Division Task Orders Awarded to CACI, Inc.—Commercial

## **External Audit Reports**

### *Arizona*

Audit of the Office on Violence Against Women Cooperative Agreements Awarded to the Southwest Center for Law and Policy, Tucson, Arizona

### *District of Columbia*

Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grant Awarded to the AARP Foundation, Washington, D.C.

Audit of the Office of Justice Programs Specialized Services for Victims of Human Trafficking Award to Amara Legal Center, Inc., Washington, D.C.

### *Georgia*

Audit of the Office of Justice Programs Victim Assistance Subgrants and the Office on Violence Against Women Grants Awarded to the Georgia Legal Services Program, Atlanta, Georgia

### *Hawaii*

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the State of Hawaii Department of the Attorney General, Honolulu, Hawaii

### *Minnesota*

Audit of the Bloomington Police Department's Equitable Sharing Program Activities, Bloomington, Minnesota

### *Nevada*

Audit of the Office of Justice Programs' Victim Assistance Grants Subgranted by the Nevada Department of Health and Human Services to Washoe Legal Services, Reno, Nevada

### *New Jersey*

Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the New Jersey Department of Law and Public Safety Trenton, New Jersey

### *New York*

Audit of the Office on Violence Against Women Grants to Encourage Arrest Policies and Enforcement of Protection Orders Awarded to Erie County, Buffalo, New York

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## *Ohio*

Audit of the Office of Justice Programs Research Grant Awarded to the Cincinnati City School District for a Walking School Bus, Cincinnati, Ohio

## *Pennsylvania*

Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grants Awarded to Nueva Esperanza, Inc., Philadelphia, Pennsylvania

## *South Dakota*

Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota

Audit of the Office on Violence Against Women Grants Awarded to the South Dakota Network Against Family Violence and Sexual Assault, Sioux Falls, South Dakota

## *Texas*

Audit of the Houston Police Department's Equitable Sharing Program Activities, Houston, Texas

## *Virginia*

Audit of the Alexandria Police Department's Equitable Sharing Program Activities, Alexandria, Virginia

## *Washington*

Audit of the Office of Justice Programs Victim Compensation Formula Grants Awarded to the Washington Department of Labor and Industries, Olympia, Washington

## **Single Audit Act Reports of DOJ Activities**

Abused Adult Resource Center, Bismarck, North Dakota FY 2017

City of Arvin, California FY 2017

City of Brooklyn Park, Minnesota FY 2017

City of Farmington Hills, Michigan FY 2018

City of Hillsboro, Oregon FY 2018

City of Sparks, Nevada FY 2018

County of Camden, Missouri FY 2017

Girls Incorporated, New York, New York FY 2018

Menominee County, Wisconsin FY 2017

Oglala Sioux Tribe Department of Public Safety, Pine Ridge, South Dakota FY 2017

Pauma Band of Luiseno Mission Indians, Pauma Valley, California FY 2017

SHGM Limited, LLC, Burlington, Vermont FY 2017

Western States Information Network, Inc., Sacramento, California FY 2017

White Buffalo Calf Woman Society, Inc., Mission, South Dakota FY 2013

## **Other Reports**

Reviews of the Annual Accounting of Drug Control Funds and Related Performance Fiscal Year 2018

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## Appendix 4

### Quantifiable Potential Monetary Benefits

Audit Report	Questioned Costs (including unsupported costs)	Unsupported Costs	Funds Put to Better Use
<b>Audits Performed by the DOJ OIG</b>			
Audit of the Federal Bureau of Investigation's Oversight and Administration of the National Vehicle Lease Program and Its Contract with EAN Holdings, LLC	\$538,791	\$214,437	\$0
Audit of the Justice Management Division Task Orders Awarded to CACI, Inc.—Commercial	\$924,540	\$458	\$0
Audit of the Office on Violence Against Women Cooperative Agreements Awarded to the Southwest Center for Law and Policy, Tucson, Arizona	\$383,498	\$296,379	\$0
Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grant Awarded to the AARP Foundation, Washington, D.C.	\$48,007	\$0	\$0
Audit of the Office of Justice Programs Specialized Services for Victims of Human Trafficking Award to Amara Legal Center, Inc., Washington, D.C.	\$64,074	\$56,970	\$0
Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the State of Hawaii Department of the Attorney General, Honolulu, Hawaii	\$114,689	\$114,689	\$0
Audit of the Office of Justice Programs' Victim Assistance Grants Subgranted by the Nevada Department of Health and Human Services to Washoe Legal Services, Reno, Nevada	\$137,437	\$137,437	\$0
Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the New Jersey Department of Law and Public Safety Trenton, New Jersey	\$109,030	\$0	\$0
Audit of the Office of Justice Programs Research Grant Awarded to the Cincinnati City School District for a Walking School Bus, Cincinnati, Ohio	\$760,199	\$168,679	\$598,663
Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grants Awarded to Nueva Esperanza, Inc., Philadelphia, Pennsylvania	\$42,315	\$42,315	\$0
Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota	\$2,887,594	\$2,887,594	\$1,743,162
Audit of the Office on Violence Against Women Grants Awarded to the South Dakota Network Against Family Violence and Sexual Assault, Sioux Falls, South Dakota	\$3,361	\$0	\$0
Audit of the Houston Police Department's Equitable Sharing Program Activities, Houston, Texas	\$2,488	\$2,231	\$0
Audit of the Alexandria Police Department's Equitable Sharing Program Activities, Alexandria, Virginia	\$1,033,558	\$0	\$0

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Audit of the Office of Justice Programs Victim Compensation Formula Grants Awarded to the Washington Department of Labor and Industries, Olympia, Washington	\$4,534	\$2,250	\$0
<b>Subtotal (Audits Performed by the DOJ OIG)</b>	<b>\$7,054,115</b>	<b>\$3,923,439</b>	<b>\$2,341,825</b>
<b>Audit Report</b>	<b>Questioned Costs (including unsupported costs)</b>	<b>Unsupported Costs</b>	<b>Funds Put to Better Use</b>
<b>Audits Performed by State/Local Auditors and Independent Public Accounting Firms Under the Single Audit Act<sup>1</sup></b>			
City of Brooklyn Park, Minnesota FY 2017	\$836	\$836	\$0
<b>Subtotal (Audits Performed by State/Local Auditors and Independent Public Accounting Firms Under the Single Audit Act)</b>	<b>\$836</b>	<b>\$836</b>	<b>\$0</b>
<b>Total</b>	<b>\$7,054,951</b>	<b>\$3,924,275</b>	<b>\$2,341,825</b>

<sup>1</sup> These audits are reviewed by the OIG to assess the quality and the adequacy of the entity's management of federal funds. The OIG issues these audits to the responsible component and performs follow-up on the audit reports' findings and recommendations.

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## Appendix 5

### Evaluation and Inspections Division Reports

Review of the Department of Justice's Implementation of the *Death in Custody Reporting Act of 2013*

Review of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Implementation of the Frontline Initiative

### Oversight and Review Division Reports

A Review of the Drug Enforcement Administration's Use of Administrative Subpoenas to Collect or Exploit Bulk Data

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## Appendix 6

### Peer Reviews

#### Peer Reviews Conducted by Another OIG

##### *Audit Division*

The most recent peer review of the Audit Division was performed by the Department of Labor OIG. In its report issued March 27, 2019, the DOJ OIG received a peer review rating of pass for its system of quality control in effect for the year ended September 30, 2018. The Department of Labor OIG did not make any recommendations.

##### *Evaluation and Inspections Division*

The Evaluation and Inspections Division did not undergo a peer review this reporting period. The most recent peer review was performed by a team of staff from the Treasury Inspector General for Tax Administration, the Federal Deposit Insurance Corporation OIG, and the Board of Governors of the Federal Reserve System and Bureau of Consumer Financial Protection Bureau OIG. In the report issued on August 8, 2018, the team determined that the Evaluation and Inspections Division generally met seven of the CIGIE's Quality Standards for Inspection and Evaluation (Blue Book standards) and generally complied with its own internal policies and procedures. There are no outstanding recommendations.

##### *Investigations Division*

The Investigations Division did not undergo a peer review this reporting period. The most recent peer review was performed by the Department of Defense (DOD) OIG in February 2017. The DOD OIG found that the DOJ OIG is in compliance with the quality standards established by the CIGIE and the Attorney General Guidelines for Inspectors General with Statutory Law Enforcement Authority. In an accompanying letter of observation, the DOD OIG suggested: 1) that the DOJ OIG monitor field office implementation of policy issued during the review requiring placement of FBI case notification letters in the official case files and 2) that DOJ OIG develop a standard method for recording when management case reviews have been performed. The DOJ OIG agreed with these suggestions and implemented corrective action. There are no outstanding recommendations.

#### Peer Reviews Conducted by the OIG

The DOJ OIG did not conduct any peer reviews this reporting period and has no outstanding recommendations from peer reviews previously conducted by the DOJ OIG.

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## Appendix 7

### Reporting Requirements

The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages.

IG Act References	Reporting Requirements	Page
Section 4(a)(2)	Review of Legislation and Regulations	45
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	8-43
Section 5(a)(2)	Significant Recommendations for Corrective Actions	8-43
Section 5(a)(3)	Significant Recommendations for Which Corrective Actions Have Not Been Completed	49
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	15-18, 20-22, 24-25, 26-28, 30, 33-34
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	57-59
Section 5(a)(7)	Summary of Significant Reports	8-43
Section 5(a)(8)	Questioned Costs	47
Section 5(a)(9)	Funds Recommended to Be Put to Better Use	48
Section 5(a)(10)	Prior OIG Reports Unresolved, Uncommented Upon, or Recommendations Not Yet Implemented	11
Section 5(a)(11)	Description and Explanation of the Reasons for Any Significant Revised Management Decision Made During the Reporting Period	50
Section 5(a)(12)	Significant Management Decisions with Which the Inspector General Disagreed	None
Section 5(a)(14)	Peer Reviews Conducted by Another OIG	63
Section 5(a)(15)	Outstanding Recommendations from Peer Reviews of the OIG	63
Section 5(a)(16)	Outstanding Recommendations from Peer Reviews Conducted by the OIG	63
Section 5(a)(17)	Statistical Table Pertaining to OIG Investigations	52
Section 5(a)(18)	Description of Metrics for OIG Investigative Table	52
Section 5(a)(19)	Reports Involving Senior Government Employees Meeting Certain Criteria	11-12, 16-18, 22, 24, 33-34
Section 5(a)(20)	Instance of Whistleblower Retaliation	None
Section 5(a)(21)	Attempts to Interfere with OIG Independence	None
Section 5(a)(22)	Inspections, Evaluations, Audits, and Investigations of Senior Government Employees Undisclosed to the Public	None

# Report Waste, Fraud, Abuse, or Misconduct

To report allegations of waste, fraud, abuse, or misconduct regarding DOJ programs, employees, contractors, or grants, please go to the OIG website at [oig.justice.gov](http://oig.justice.gov) or call the OIG's Hotline at (800) 869-4499.

The OIG website has complaint forms that allow you to report the following to the OIG:

- General allegations of fraud, waste, and abuse in DOJ programs or by DOJ employees;
- Contract fraud, including mandatory disclosures required by contractors when they have credible evidence of violations of the civil *False Claims Act* or certain violations of criminal law;
- Grant fraud, including fraud, waste, or abuse related to DOJ's award of Recovery Act funds; and
- Violations of civil rights or civil liberties by DOJ employees.

To give information by mail or facsimile, please send to:

Office of the Inspector General  
U.S. Department of Justice  
950 Pennsylvania Avenue, N.W.  
Room 4706  
Washington, D.C., 20530  
Fax: (202) 616-9881

For further information on how to report a complaint to the OIG, please call (800) 869-4499.

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