



# **ANNUAL ACCOUNTING AND AUTHENTICATION OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2010**

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

Audit Report 11-15  
January 2011



# **ANNUAL ACCOUNTING AND AUTHENTICATION OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2010**

## **OFFICE OF THE INSPECTOR GENERAL COMMENTARY AND SUMMARY**

This report contains the attestation review reports of the U.S. Department of Justice's Drug Enforcement Administration, Federal Bureau of Prisons, National Drug Intelligence Center, Office of Justice Programs, and Organized Crime Drug Enforcement Task Forces Program's annual accounting and authentication of drug control funds and related performance for the fiscal year ended September 30, 2010. The Office of the Inspector General (OIG) performed the attestation reviews. The report and annual detailed accounting of funds expended by each drug control program agency is required by 21 U.S.C. §1704(d), as implemented by the Office of National Drug Control Policy's Circular, *Drug Control Accounting*, dated May 1, 2007.

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

This page left intentionally blank.

**ANNUAL ACCOUNTING AND AUTHENTICATION OF  
DRUG CONTROL FUNDS AND RELATED PERFORMANCE  
FISCAL YEAR 2010**

**TABLE OF CONTENTS**

	<u>PAGE</u>
OFFICE OF THE INSPECTOR GENERAL'S REPORTS, COMPONENT DETAILED ACCOUNTING SUBMISSIONS, AND COMPONENT PERFORMANCE SUMMARY REPORTS	
DRUG ENFORCEMENT ADMINISTRATION.....	1
FEDERAL BUREAU OF PRISONS.....	25
NATIONAL DRUG INTELLIGENCE CENTER.....	41
OFFICE OF JUSTICE PROGRAMS.....	59
ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES PROGRAM .....	79
APPENDIX	
OFFICE OF NATIONAL DRUG CONTROL POLICY CIRCULAR, <i>DRUG CONTROL ACCOUNTING</i> .....	99

This page left intentionally blank.

**DRUG ENFORCEMENT  
ADMINISTRATION**

This page left intentionally blank.





**Office of the Inspector General's Report on  
Annual Accounting and Authentication of  
Drug Control Funds and Related Performance**

Administrator  
Drug Enforcement Administration  
U.S. Department of Justice

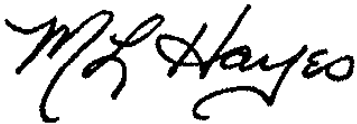
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the fiscal year ended September 30, 2010. The DEA's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the DEA prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of the DEA, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE  
Director, Financial Statement Audit Office  
Office of the Inspector General  
U.S. Department of Justice

January 18, 2011

**Drug Enforcement Administration  
Detailed Accounting Submission**

This page left intentionally blank.



**U. S. Department of Justice**  
**Drug Enforcement Administration**

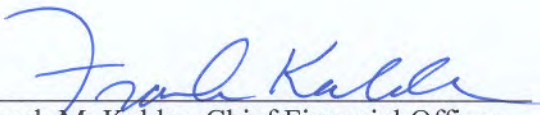
---

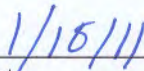
**U.S. Department of Justice**  
**Drug Enforcement Administration**  
**Detailed Accounting Submission**  
**Management's Assertion Statement**  
**For Fiscal Year Ended September 30, 2010**

On the basis of the Drug Enforcement Administration's (DEA) management control program, we assert that the DEA system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from the DEA's accounting system of record for these budget decision units.
2. The methodology used by the DEA to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including Office of National Drug Control Policy's (ONDCP) approval of reprogrammings and transfers in excess of \$1 million, affecting drug-related resources.
5. DEA did not have any ONDCP Fund Control Notices issued in FY 2010.

We have documented the methodology used by the DEA to identify and accumulate FY 2010 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007. The DEA drug control methodology has been consistently applied from the previous year.

  
Frank M. Kalder, Chief Financial Officer

  
Date

**U.S. Department of Justice**  
**Drug Enforcement Administration**  
**Detailed Accounting Submission**  
**Table of Drug Control Obligations**  
**For Fiscal Year Ended September 30, 2010**  
**(Dollars in Millions)**

	<b>FY 2010 Actual Obligations</b>
<b>Drug Obligations by Function:</b>	
Intelligence	\$ 199.771
International	492.002
Investigations	1,816.311
Prevention	1.599
State and Local Assistance	6.957
<b>Total Drug Obligations by Function</b>	<b>\$ 2,516.640</b>
 <b>Drug Obligations by Account/Decision Unit:</b>	
Diversion Control Fee Account	\$ 267.997
Construction	0.028
Salaries & Expenses	
Domestic Enforcement	1,732.369
International Enforcement	509.289
State and Local Assistance	6.957
<b>Total Drug Obligations by Decision Unit/Account:</b>	<b>\$ 2,516.640 *</b>
 High-Intensity Drug Trafficking Area (HIDTA) obligations	 \$16.034

\* Includes obligations of carryover unobligated balances

U.S. Department of Justice  
Drug Enforcement Administration  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2010

Disclosure 1: Drug Control Methodology

The mission of the Drug Enforcement Administration (DEA) is to enforce the controlled substances laws and regulations of the United States and to bring to the criminal and civil justice system of the United States or any other competent jurisdiction, those organizations, and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States; and to recommend and support non-enforcement programs aimed at reducing the availability of illicit controlled substances on the domestic and international markets. In carrying out its mission, the DEA is the lead agency responsible for the development of the overall Federal drug enforcement strategy, programs, planning, and evaluation. The DEA's primary responsibilities include:

- Investigation and preparation for prosecution of major violators of controlled substances laws operating at interstate and international levels;
- Management of a national drug intelligence system in cooperation with Federal, state, local, and foreign officials to collect, analyze, and disseminate strategic and operational drug intelligence information;
- Seizure and forfeiture of assets derived from, traceable to, or intended to be used for illicit drug trafficking;
- Enforcement of the provisions of the Controlled Substances Act and the Chemical Diversion and Trafficking Act (CDTA) as they pertain to the manufacture, distribution, and dispensing of legally produced controlled substances and chemicals;
- Coordination and cooperation with Federal, state and local law enforcement officials on mutual drug enforcement efforts and enhancement of such efforts through exploitation of potential interstate and international investigations beyond local or limited Federal jurisdictions and resources;
- Coordination and cooperation with other Federal, state, and local agencies, and with foreign governments, in programs designed to reduce the availability of illicit abuse-type drugs on the United States market through non-enforcement methods such as crop eradication, crop substitution, and training of foreign officials;
- Responsibility, under the policy guidance of the Secretary of State and U.S. Ambassadors, for all programs associated with drug law enforcement counterparts in foreign countries;
- Liaison with the United Nations, Interpol, and other organizations on matters relating to international drug control programs; and

- Supporting and augmenting U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes to foreign terrorist organizations, as well as the use of illicit drugs as barter for munitions to support terrorism.

The accompanying Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 and a September 3, 2008 updated memo showing function and decision unit. The table represents obligations incurred by the DEA for drug control purposes and reflects 100 percent of the DEA’s mission.

Since the DEA’s accounting system, Unified Financial Management System (UFMS), does not track obligation and expenditure data by ONDCP’s drug functions, the DEA uses Managerial Cost Accounting (MCA), a methodology approved by ONDCP to allocate obligations tracked in DEA’s appropriated account/decision units to ONDCP’s drug functions.

Data: All accounting data for the DEA are maintained in UFMS. UFMS tracks obligation and expenditure data by a variety of attributes, including fund type, allowance center, decision unit and object class. One hundred percent of the DEA’s efforts are related to drug enforcement.

Other Estimation Methods: None.

Financial Systems: UFMS is the information system the DEA uses to track obligations and expenditures. Obligations derived from this system can also be reconciled against enacted appropriations and carryover balances.

Managerial Cost Accounting: The DEA uses allocation percentages generated by MCA to allocate resources associated with the DEA’s three decision units to ONDCP’s drug functions. The MCA model using an activity-based costing methodology provides the full cost of the DEA’s mission outputs (performance costs). The table below shows the allocation percentages based on the DEA’s MCA data.

The DEA Account/Decision Unit	Allocation	ONDCP Function
Diversion Control Fee Account	95.9%	<b>Investigations</b>
	3.1%	<b>Intelligence</b>
	1.0%	<b>International</b>
Construction Account	100.0%	<b>Investigations</b>
<b>Salaries &amp; Expenses</b>		
Domestic Enforcement	90.0%	<b>Investigations</b>
	9.8%	<b>Intelligence</b>
	0.1%	<b>International</b>
	0.1%	<b>Prevention</b>
International Enforcement	95.9%	<b>International</b>
	4.1%	<b>Intelligence</b>
State and Local Assistance	100.00%	<b>State and Local Assistance</b>



The DEA's financial system began recording obligations in the appropriated three decision units and the Diversion Control Fee Account in FY 2008.

Decision Units: One hundred percent of the DEA's total obligations by decision unit were associated with drug enforcement. This total is reported and tracked in UFMS.

Full Time Equivalents (FTE): One hundred percent of the DEA FTEs are dedicated to drug enforcement efforts. The DEA's Direct FTE total for FY 2010, including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 8,378 through pay period 19, ending September 25, 2010.

Transfers and Reimbursements: High Intensity Drug Trafficking Area (HIDTA) transfers and reimbursable obligations are excluded from the DEA's Table of Drug Control Obligations since they are reported by other sources.

#### Disclosure 2: Methodology Modification of Drug Enforcement Accounting Method

The DEA's method for tracking drug enforcement resources has not been modified from the method approved in FY 2005. The DEA uses current MCA data to allocate FY 2010 obligations from three decision units to ONDCP's drug functions.

#### Disclosure 3: Material Weaknesses or Other Findings

No material weaknesses or significant deficiencies were noted in the FY 2010 DEA audit report on internal controls over financial reporting.

Management of the DEA is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the FMFIA. For FY 2010, DEA assessed its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control, as required by Section 2 of the FMFIA. Based on the results of this assessment, DEA can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and its compliance with applicable laws and regulations as of June 30, 2010, was operating effectively, except for one reportable condition – DEA's ability to obtain reliable estimates of drug availability in the United States. DEA also assessed whether its financial management systems conform to government-wide requirements. Based on the results of this assessment, DEA can provide reasonable assurance that there are no non-conformances that are required to be reported by Section 4 of the FMFIA.

Management of the DEA is also responsible for identifying, designing, operating, maintaining, and monitoring the existence of an appropriate system of internal control that enables DEA to report its financial information accurately to the Department of Justice and that meets the requirements of OMB Circular A-123, Appendix A. In accordance with OMB Circular A-123 Implementation Plan, the Department of Justice's Senior Assessment Team identified the business processes significant at the Departmental level and at the component level, which comprises a significant share of those processes. As required by the Department of Justice's FY 2010 Guidance for Implementation of OMB Circular A-123, DEA has documented the significant business processes and tested key

controls for those processes. The results of testing identified no material weaknesses in DEA's internal control over financial reporting as of June 30, 2010; however, the results identified three reportable conditions in the areas of procurement and sensitive payments. DEA is committed to complying with corrective action measures by training, monitoring, and tracking the related issues. The ultimate goal is the reduction of deficiencies identified.

#### Disclosure 4: Reprogramming and Transfers

There was no reprogramming in FY 2010.

However, the DEA had several transfers during FY 2010 (see the attached Table of FY 2010 Reprogramming and Transfers). The DEA had 14 transfers into its S&E account - one transfer from the Spectrum Relocation Fund, Executive Office of the President in the amount of \$40,976,000, five transfers from ONDCP's High Intensity Drug Trafficking Area (HIDTA) program totaling \$16,005,483, one transfer from Department of State (DOS) in the amount of \$8,500,000, one transfer from the Department of Justice (DOJ), Community Oriented Policing Services in the amount of \$10,000,000, and six internal transfers from expired FY 2005, FY 2006, FY 2007, FY 2008, and FY 2009 S&E funds to DEA's S&E No-Year fund totaling \$56,356,467. Also, the DEA had 5 transfers out of its S&E account - one transfer to the Department of Justice's Wire Management Office totaling \$2,620,120, two transfers to DOJ's Working Capital Fund totaling \$28,746, one transfer to DOS in the amount of \$33,000,000, and one return transfer to ONDCP in the amount of \$74,803.

Transfers under the Drug Resources by Function section in the Table of FY 2010 Reprogramming and Transfers are based on the same MCA allocation percentages as the Table of Drug Control Obligations.

#### Disclosure 5: Other Disclosures

The DEA did not have any ONDCP Fund Control Notices issued in FY 2010.

**U.S. Department of Justice  
Drug Enforcement Administration  
Detailed Accounting Submission  
Table of Reprogramming and Transfers  
For Fiscal Year Ended September 30, 2010  
(Dollars in Millions)**

<b>Drug Resources by Function:</b>	<b>Reprogramming</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Total</b>
Intelligence	\$ -	\$ 10.906	\$ (7.179)	\$ 3.727
International	-	8.224	(31.673)	(23.449)
Investigations	-	96.603	(53.176)	43.427
Prevention	-	0.099	(0.055)	0.044
State & Local Assistance	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 115.832</b>	<b>\$ (92.083)</b>	<b>\$ 23.749</b>

**Drug Resources by Account/Decision Unit:**

Diversion Control Fee Account	\$ -	\$ -	\$ -	\$ -
Construction	-	-	-	-
Salaries & Expenses				
Domestic Enforcement	-	107.332	(59.083)	48.249
International Enforcement	-	8.500	(33.000)	(24.500)
State & Local Assistance	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 115.832</b>	<b>\$ (92.083)</b>	<b>\$ 23.749</b>
HIDTA Transfers	<b>\$ -</b>	<b>\$ 16.005</b>	<b>\$ -</b>	<b>\$ 16.005</b>

This page left intentionally blank.

**Drug Enforcement Administration  
Performance Summary Report**

This page left intentionally blank.



**U. S. Department of Justice  
Drug Enforcement Administration**


---

**U.S. Department of Justice  
Drug Enforcement Administration  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of the Drug Enforcement Administration's (DEA) management control program, we assert that the DEA system of performance reporting provides reasonable assurance that:

1. The DEA's Priority Target Activity Resource Reporting System (PTARRS) was applied to generate accurate performance data.
2. Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.
3. The performance methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. The DEA has established acceptable performance measures for its Drug Control Decision Units, as agreed to by Office of National Drug Control Policy (ONDCP), for which a significant amount of obligations (\$1,000,000 or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

We have documented the methodology used by DEA for the associated National Drug Control Program activities for FY 2010 in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007. The DEA drug control methodology has been consistently applied from the previous year.

  
\_\_\_\_\_  
Frank M. Kalder, Chief Financial Officer

1/18/11  
\_\_\_\_\_  
Date

**U.S. Department of Justice  
Drug Enforcement Administration  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2010**

**I. PERFORMANCE INFORMATION**

*Performance Measures*

The Drug Enforcement Administration (DEA) is committed to bringing organizations involved in the growing, manufacturing, or distribution of controlled substances to the criminal and civil justice system of the U.S., or any other competent jurisdiction. To accomplish its mission, the DEA targets Priority Target Organizations (PTOs), which represent the major drug supply and money laundering organizations operating at the international, national, regional, and local levels that have a significant impact upon drug availability in the United States. Specifically, the DEA's PTO Program focuses on dismantling entire drug trafficking networks by targeting their leaders for arrest and prosecution, confiscating the profits that fund continuing drug operations, and eliminating international sources of supply. As entire drug trafficking networks from sources of supply to the distributors on the street are disrupted or dismantled, the availability of drugs within the United States will be reduced.

In its effort to target PTOs, the DEA is guided by key drug enforcement programs such as the Organized Crime Drug Enforcement Task Force (OCDETF) program. The DEA, through the OCDETF program, targeted the drug trafficking organizations on the DOJ's FY 2010 Consolidated Priority Organization Target (CPOT) list – the "Most Wanted" drug trafficking and money laundering organizations believed to be primarily responsible for the Nation's illicit drug supply. The disruption or dismantlement of CPOT-linked organizations is primarily accomplished through multi-agency and multi-regional investigations directed by the DEA and the Federal Bureau of Investigation. These investigations focus on the development of intelligence-driven efforts to identify and target drug trafficking organizations that play a significant role in the production, transportation, distribution, and financial support of large scale drug trafficking operations. The DEA's ultimate objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible.

Since the PTO Program is the DEA's flagship initiative for meeting its enforcement goals, the performance measures associated with this program are the most appropriate for assessing the DEA's National Drug Control Program activities. The performance measures selected include the number of active international and domestic priority targets linked to DOJ's Consolidated Priority Organization Targets (CPOTs) disrupted or dismantled and number of active international and domestic priority targets not linked to CPOT targets disrupted or dismantled. These are the same measures included in the National Drug Control Budget Summary. DEA's resources are presented in the Table of Drug Control Obligations in the international and domestic enforcement decision units. Reimbursable resources from the OCDETF program contributed to these performance measures, but are not responsible for specifically identifiable performance.



A measure corresponding to the DEA's state and local assistance decision unit was not included since most of the resources included in the DEA's state and local assistance decision unit are reimbursable resources and the performance associated with the reimbursed activities is more accurately presented by the reimbursing agencies. In addition, a measure corresponding to DEA's Diversion Control Program (DCP), which is fully funded by the Diversion Control Fee Account, was not included. The Appropriations Act of 1993 required that "[f]ees charged by the Drug Enforcement Administration under its diversion control program shall be set at a level that ensures the recovery of the full costs of operating the various aspects of that program."

### Data Validation and Verification

Priority Targets identified by the DEA's domestic field divisions and foreign country offices are tracked using the *Priority Target Activity Resource Reporting System* (PTARRS), an Oracle database used to track operational progress and the resources used in the related investigations (i.e., investigative work hours and direct case-related expenses). Through PTARRS, DEA assesses and links PTOs to drug trafficking networks, which address the entire continuum of the drug conspiracy. Once an investigation meets the criteria for a PTO, the investigation can be nominated as a PTO submission through PTARRS. PTARRS provides a means of electronically validating, verifying and approving PTOs through the chain of command, beginning with the case agent in the field and ending with the headquarters' Operations Division. The roles in the electronic approval chain are as follows:

#### *In the Field*

- Special Agent (SA) – The SA, Task Force Officer, or Diversion Investigator collects data on lead cases that will be proposed as PTOs. They can create, edit, update, and propose a PTO record.
- Group Supervisor (GS) – The GS/Country Attaché (CA) coordinates and plans the allocation of resources for a proposed PTO. The GS/CA can create, edit, update, propose, resubmit, and approve a PTO record.
- Assistant Special Agent in Charge (ASAC) – The ASAC/Assistant Regional Director (ARD) reviews the PTO proposed and approved by the GS/CA, ensuring that all the necessary information meets the criteria for a PTO. The ASAC/ARD can also edit, update, resubmit, or approve a proposed PTO.
- Special Agent in Charge (SAC) – The SAC/Regional Director (RD) reviews the proposed PTO from the ASAC/ARD and is the approving authority for the PTO. The SAC/RD can also edit, update, resubmit, or approve a proposed PTO.

#### *At Headquarters*

- Operations Division (OC) – The Section Chief of the Data and Operational Accountability Section (OMD), or his designee, is the PTO Program Manager, and is responsible for the review of all newly approved PTO submissions and their assignment to the applicable Office of Global Enforcement (OG) or Office of Financial Operations (FO) section. The PTO Program Manager may request that incomplete submissions be

returned to the field for correction and resubmission. OMD is also responsible for tracking and reporting information in the PTO Program through PTARRS; and is the main point-of-contact for the PTO program and PTARRS related questions.

- OMD will assign PTO's based on the nexus of the investigation to organizations located in specific geographic areas of the world, or to specific program areas. After assignment of a PTO, the appointed HQ section becomes the point-of-contact for that PTO and division/region personnel should advise appropriate HQ section personnel of all significant activities or requests for funding during the course of the investigation. The Staff Coordinator (SC) assigned to the PTO will initiate a validation process to include a review for completeness and confirmation of all related linkages (e.g., CPOTs.) In the unlikely event that the documentation submitted is insufficient to validate reported linkages the SC will coordinate with the submitting office to obtain the required information.
- All PTO cases that are reported as disrupted or dismantled must be validated by OMD or the Organized Crime Drug Enforcement Task Force – OCDETF Section (OMO). OMD will validate all non-OCDETF related PTO cases and OMO will validate all OCDETF related cases. These disruptions and dismantlements are reported to the Executive Office of OCDETF via memo by OMO.

#### *PTO Projection Methodology*

The DEA sets annual and long-term targets that are challenging, but realistic. In the first few years of the DEA's Priority Targeting Program, the DEA repeatedly exceeded its annual targets for PTO disruptions<sup>1</sup> and dismantlements<sup>2</sup>. In response, the DEA refined its projection methodology by using regression analysis to determine the relative weight of many independent variables and their ability to forecast the number of PTOs disrupted and dismantled. Specifically, regression allows DEA to incorporate, test and evaluate a number of independent variables, including but not limited to arrests, investigative work hours, drug seizures, PTOs opened, and asset seizures. While the elements of the regression have changed over time with the elimination of less correlated variables and the addition of new more highly correlated variables, the disparity between actual performance and established targets has markedly decreased. Specifically, DEA's overall FY 2010 actual PTO performance exceeded the established target by only .11%. This is a phenomenal result to date.

---

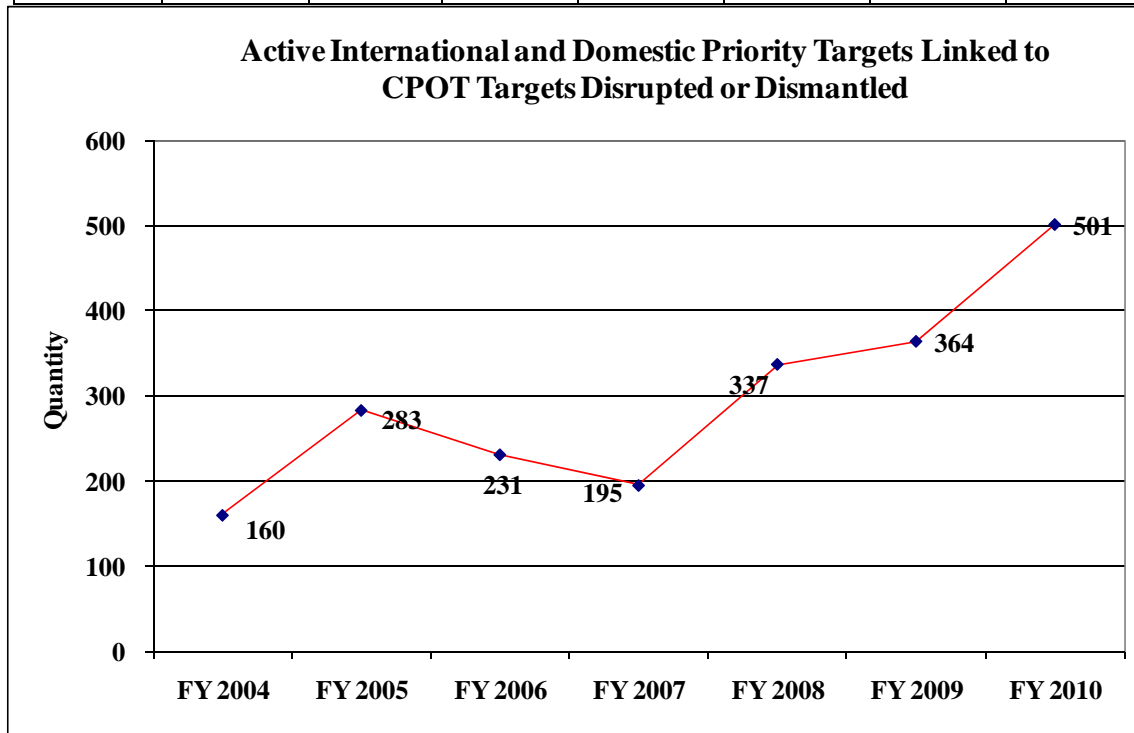
<sup>1</sup> A disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

<sup>2</sup> A dismantlement occurs when the organization's leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

Measure 1: Number of Active International and Domestic PTOs Linked to CPOT Targets Disrupted or Dismantled

**Table 1:** Measure 1

FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2010 Target	FY 2011 Target
160	283	231	195	337	364	501	385	430



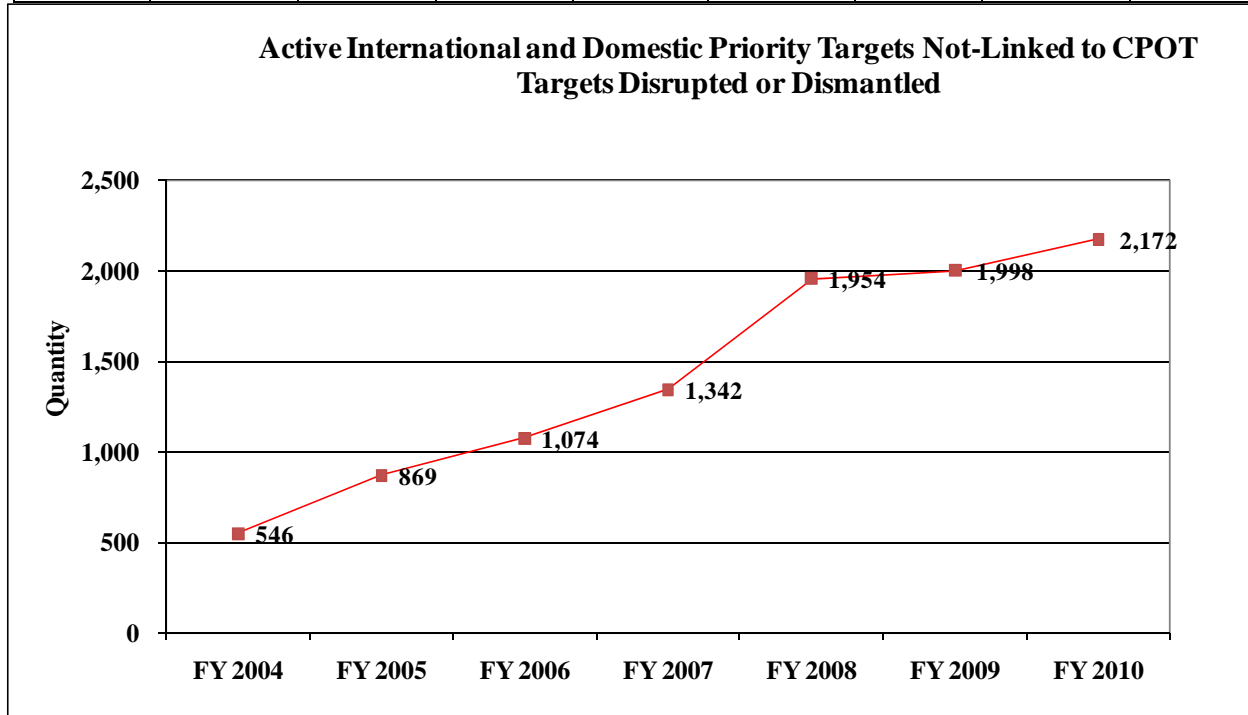
As of September 30, 2010, the DEA disrupted or dismantled 501 PTOs linked to CPOT targets, which is 30 percent above its FY 2010 target of 385. When compared with FY 2009 actual performance (364 CPOT linked PTOs disrupted or dismantled), DEA’s FY 2010 performance represents a 37.6 percent increase and further demonstrates DEA’s willingness to both set ambitious target and focus its limited resources towards achieving those goals.

Due to the implementation of enhanced internal and external (OCDETF) validation protocols, DEA mandated that its Special Agents intensify their efforts and investigate in a more collaborative manner with its financial and intelligence assets to work through the complexity of each PTO investigation to either establish and further document CPOT linkages or rule them out. The weighted distribution of the FY 2010 PTO disruptions or dismantlements (actual to target) in favor of CPOT linked PTOs bears this out. These performance results are a testament to those collaborative and better coordinated efforts by DEA leadership in the field and at Headquarters.

Measure 2: Number of Active International and Domestic PTOs Not Linked to CPOT Targets Disrupted or Dismantled

**Table 2:** Measure 2

FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2010 Target	FY 2011 Target
546	869	1,074	1,342	1,954	1,998	2,172	2,285	2,457



As of September 30, 2010, the DEA disrupted or dismantled 2,172 PTOs not linked to CPOT targets, which is 4.9 percent below its FY 2010 target of 2,285. When compared with FY 2009 actual performance (1,998 PTOs disrupted or dismantled), DEA’s FY 2010 performance represents an 8.7 percent increase. Moreover, a comparison of the FY 2009 actual performance and the FY 2010 target demonstrates DEA’s willingness to both set ambitious target and focus its limited resources toward achieving those goals. This is the first time that DEA has missed its target for the number of PTOs not linked to CPOT targets. However, this is not necessarily bad news because DEA’s primary goal is to identify and disrupt/dismantle the most insidious and dangerous trafficking organizations who pose the greatest threat to our national security and public health, also known as CPOT linked PTOs.

DEA anticipates meeting its FY 2011 targets due to the increased presence and availability of its Mobile Enforcement Teams (METs). DEA’s MET program assists State, local and tribal law enforcement by providing an immediate infusion of Special Agents and resources to penetrate and eliminate violent gangs and local drug trafficking organizations. DEA’s MET teams combat violent drug trafficking organizations in specific neighborhoods and restore safer environments

for the residents. The reconstituted MET program, which began in FY 2008, is expected to increase its contribution towards targeted efforts against PTOs not linked to CPOT. In FY 2008, FY 2009, and FY 2010, MET disrupted or dismantled 19, 29, and 33 PTOs not linked to CPOT respectively. At the end of third quarter, FY 2010, the number of METs increased from 14 to 16. The new METs were deployed in the New Orleans and Caribbean Field Divisions' areas of responsibility.

This page left intentionally blank.

**FEDERAL BUREAU OF PRISONS**

This page left intentionally blank.





**Office of the Inspector General's Report on  
Annual Accounting and Authentication of  
Drug Control Funds and Related Performance**

Director  
Federal Bureau of Prisons  
U.S. Department of Justice

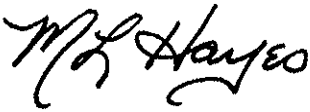
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Federal Bureau of Prisons (BOP) for the fiscal year ended September 30, 2010. The BOP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the BOP prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of BOP, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive style with a large, stylized initial "M".

Mark L. Hayes, CPA, CFE  
Director, Financial Statement Audit Office  
Office of the Inspector General  
U.S. Department of Justice

January 18, 2011

**Federal Bureau of Prisons  
Detailed Accounting Submission**

This page left intentionally blank.



**U.S. Department of Justice**

**Federal Bureau of Prisons**

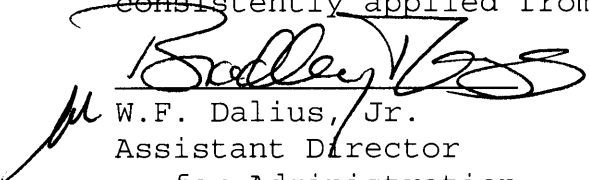
*Washington, DC 20534*

**U.S. Department of Justice  
Bureau of Prisons  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of the Bureau of Prisons (BOP) management control program, we assert that the BOP system of accounting, use of estimates, and system of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from the BOP's accounting system of record for these budget decision units.
2. The methodology used by the BOP to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during the fiscal year.
5. BOP did not have any Office of National Drug Control Policy (ONDCP) Fund Control Notices issued in FY 2010.

We have documented the methodology used by BOP to identify and accumulate FY 2010 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007. The BOP drug control methodology has been consistently applied from the previous year.

  
W.F. Dalius, Jr.  
Assistant Director  
for Administration

1/18/2011  
Date

U.S. Department of Justice  
Bureau of Prisons  
Detailed Accounting Submission  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2010  
(Dollars in millions)

FY 2010 Actual Obligations

Drug Obligations by Budget Decision Unit and Function:

Decision Unit: Inmate Care and Programs

Treatment	<u>\$87.931</u>
Total, Inmate Care and Programs	<u>\$87.931</u>
Total Obligations	<u>\$87.931</u>

U.S. Department of Justice  
Bureau of Prisons  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2010

Disclosure No 1. Drug Control Methodology

The mission of the Bureau of Prisons (BOP) is to protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, cost-efficient, and appropriately secure, and which provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens.

The BOP's drug resources are dedicated one hundred percent to the Drug Treatment Program. The Drug Treatment Program includes: Drug Program Screening and Assessment; Drug Abuse Education; Non-Residential Drug Abuse Treatment; Residential Drug Abuse Treatment; and Community Transitional Drug Abuse Treatment.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) circular, *Drug Control Accounting*, dated May 1, 2007. The table represents obligations incurred by the BOP for drug control purposes. The amounts are net of all reimbursable agreements. The BOP receives drug control funds solely for the purpose of drug treatment.

Data - All accounting information for the BOP is derived from the Department of Justice (DOJ) Financial Management Information System (FMIS). FY 2010 actual obligations for Drug Treatment Programs are reported as Drug Control Obligations since the entire focus is drug related.

Financial Systems - The FMIS is the DOJ financial system that provides BOP obligation data. Obligations in this system can also be reconciled with the enacted appropriation and carryover balances.

Disclosure No 2. Modifications to Drug Control Methodology

The overall methodology to calculate drug control obligations has not been changed from the prior year (FY 2009). Only direct obligations associated with Drug Treatment Programs in the Table of Drug Control Obligations are reported.

### Disclosure No 3. Material Weaknesses and Other Findings

There were no significant deficiencies or material weaknesses identified in the Independent Auditors' Report on Internal Control over Financial Reporting and no findings in the Independent Auditors' Report on Compliance and other Matters.

### Disclosure No 4. Reprogrammings or Transfers

There were no drug related reprogrammings or transfers during FY 2010.

### Disclosure No 5. Public Health Service (PHS) Funding

The BOP allocates funds to the PHS. The PHS provides a portion of the drug treatment for federal inmates. In FY 2010, \$693,000 was allocated from the BOP to PHS, and was designated and expended for current year obligations of PHS staff salaries, benefits, and applicable relocation expenses relating to six PHS FTEs related to drug treatment during FY 2010. Therefore, the allocated obligations were included in BOP's Table of Drug Control Obligations.

### Disclosure No 6. Other Disclosures

The BOP did not have any ONDCP Fund Control Notices issued in FY 2010.



**Federal Bureau of Prisons  
Performance Summary Report**

This page left intentionally blank.



**U.S. Department of Justice**

**Federal Bureau of Prisons**

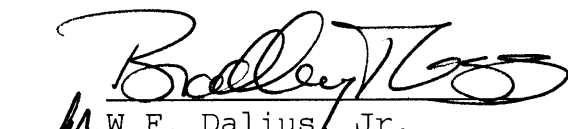
*Washington, DC 20534*

**U.S. Department of Justice  
Bureau of Prisons  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

With respect to the performance information presented in the following pages, we assert:

1. The SENTRY is Bureau of Prison's (BOP) online system to capture performance information. The SENTRY was utilized to gather performance information. The methodology described in the performance summary report was the actual methodology used to generate the performance information.
2. The FY 2010 performance target was achieved. Therefore, an assertion related to the reasonableness of explanations for not meeting performance targets is not applicable.
3. The methodology used by the BOP to establish performance targets is reasonable given past performance and available resources.
4. The BOP has established a performance measurement of monitoring the utilization of residential drug treatment program capacity as a performance indicator to measure effective usage of Drug Treatment Programs. This measure complies with the purpose of National Drug Control Program activity.

We have documented the methodology used by the BOP to identify and accumulate FY 2010 Performance data in the Performance Summary Report in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

  
W.F. Dalius, Jr.  
Assistant Director  
for Administration

1/18/2011  
Date

**U.S. Department of Justice  
Bureau of Prisons  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2010**

I. Performance Information

The Violent Crime Control and Law Enforcement Act (VCCLEA) of 1994 requires the BOP to provide residential substance abuse treatment for 100% of "eligible" inmates by the end of FY 1997 and each year thereafter (subject to the availability of appropriations). The BOP established a performance measurement tracking the capacity of the Residential Drug Abuse Program (RDAP) to the number of participants at the end of each fiscal year. The objective is to monitor the utilization of RDAP capacity. The BOP achieved a total capacity of 6,024 (capacity is based on number of treatment staff) that was available for the entire fiscal year and 6,238 actual participants (participants are actual inmates enrolled in the program at year end) thus exceeding the target level for FY 2010.

RDAP is offered at 59 BOP institutions and one contract facility. Inmates who participate in these residential programs are housed together in a treatment unit that is set apart from the general population. Treatment is provided for a minimum of 500 hours. Data on inmate capacity and participation is entered in the BOP on-line system (SENTRY). SENTRY and Key Indicator reports provide the counts of inmates participating in the RDAP and subject matter experts enter and analyze the data.

For FY 2011, the capacity of BOP's RDAP is projected to be 6,024 with total participants of 5,723. To ensure the reliability of the data, the capacity of the program and the utilization rate is monitored by subject matter experts at the end of each quarter using Key Indicator reports generated from SENTRY.

Measure:

Fiscal year-end Residential Drug Abuse Treatment Program Capacity and Enrollment:

Fiscal Year	Capacity	Participants*	Utilization
FY 2006 Actual	5,994	6,101	102%
FY 2007 Actual	6,066	5,892	97%
FY 2008 Actual	6,050	5,783	96%
FY 2009 Actual	6,050	5,815	96%
FY 2010 Target	6,482	6,158	95%
FY 2010 Actual	6,024	6,238	104%
FY 2011 Target	6,024	5,723	95%

\*Participants may exceed Capacity due to overcrowding and demand for the program.

This page left intentionally blank.

**NATIONAL DRUG  
INTELLIGENCE CENTER**

This page left intentionally blank.





**Office of the Inspector General's Report on  
Annual Accounting and Authentication of  
Drug Control Funds and Related Performance**

Director  
National Drug Intelligence Center  
U.S. Department of Justice

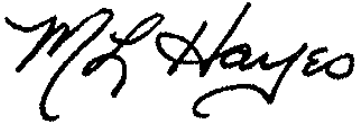
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's National Drug Intelligence Center (NDIC) for the fiscal year ended September 30, 2010. The NDIC's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the NDIC prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of the NDIC, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE  
Director, Financial Statement Audit Office  
Office of the Inspector General  
U.S. Department of Justice

January 18, 2011

**National Drug Intelligence Center  
Detailed Accounting Submission**

This page left intentionally blank.

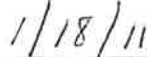
**U.S. Department of Justice  
National Drug Intelligence Center  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of the National Drug Intelligence Center (NDIC) management control program, we assert that the NDIC system of accounting, use of estimates, and system of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are NDIC's actual obligations from the Department of Justice's (DOJ) Financial Management Information System (FMIS) which is NDIC's accounting system of record for the budget decision unit.
2. The methodology used by the NDIC to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented is associated with obligations against a financial operating plan that did not require revision for reprogramming or transfers during the fiscal year.
5. NDIC did not have any Office of National Drug Control Policy (ONDCP) Fund Control Notices issued in FY 2010.

NDIC has documented the methodology used to identify and accumulate FY 2010 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

  
\_\_\_\_\_  
David J. Mrozowski  
Assistant Director, Intelligence Support Division

  
\_\_\_\_\_  
Date

**U.S. Department of Justice  
National Drug Intelligence Center  
Detailed Accounting Submission  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2010  
(Dollars in Millions)**

FY 2010 Actual Obligations and Expenditures

Drug Obligations by Budget Decision Unit (NDIC Salaries and Expenses) and Function (Intelligence):

Decision Unit: (NDIC Salaries and Expenses)

Intelligence	<u>\$43.635</u>
Total, NDIC Salaries and Expenses	<u>\$43.635</u>
Total Obligations by Decision Unit and Function:	<u>\$43.635</u>

**U.S. Department of Justice  
National Drug Intelligence Center  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2010**

**Disclosure No 1. Drug Control Methodology**

NDIC's mission is to provide domestic strategic drug-related intelligence support to the drug control, public health, law enforcement, and intelligence communities of the United States in order to reduce the adverse effects of drug trafficking, drug abuse, and other drug-related criminal activity.

NDIC's drug resources are dedicated to the Intelligence function. This includes strategic intelligence, document and media exploitation, external training and the Field Intelligence Officers.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) circular, *Drug Control Accounting*, dated May 1, 2007. The table represents obligations incurred by NDIC for drug control purposes. The amounts are net all reimbursable agreements. NDIC receives drug control funds solely for the purpose of Intelligence.

Data – All accounting information for the NDIC is derived from DOJ's FMIS. FY 2010 actual obligations for Intelligence function are reported as Drug Control Obligations since the entire focus is drug related.

Financial Systems – FMIS is DOJ's financial system that provides NDIC with obligation data. Obligations in this system can also be reconciled with the enacted appropriation.

**Disclosure No. 2 Modifications to Drug Control Methodology**

All NDIC's obligations are associated with the Intelligence function in the Table of Drug Control Obligations are reported. FY 2010 is NDIC's first year that NDIC is subject to reporting, thus there is no "prior" methodology.

**Disclosure No. 3 Material Weaknesses and Other Findings**

NDIC assessed its internal control over the effectiveness and efficiency of operations. Based on the results of this assessment, NDIC can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations operated effectively, and no reportable conditions or material weaknesses were found in the design or operation of the controls.

NDIC based this assertion on management's knowledge and experience gained from daily operation of NDIC programs and systems of accounting and administrative

controls, various performance reports, and the internal control review conducted during FY 2010 by the Justice Management Division Quality Control and Compliance Group (QCCG).

The results of testing did not identify any material weaknesses or reportable conditions in the NDIC internal control over financial reporting. QCCG identified isolated deficiencies in the following areas, none of which was significant enough to be considered a material weakness or reportable condition:

- Ensuring supervisors certify the accuracy of Time and Attendance Reports
- Ensuring the appropriateness of transit subsidy payments

NDIC personnel have reviewed the QCCG-identified deficiencies and taken appropriate corrective actions. Other than the deficiencies noted, the NDIC internal control was operating effectively, and the NDIC management is not aware of any material weaknesses or reportable conditions in the design or operation of the internal control over financial reporting in the business processes tested or in the processes for which the Department did not require testing.

#### Disclosure No. 4 Reprogramming or Transfers

NDIC did not have any reprogramming or transfer of drug related funding.

#### Disclosure No. 5 Other Disclosures

NDIC did not have any ONDCP Fund Control Notices in FY 2010.



**National Drug Intelligence Center  
Performance Summary Report**

This page left intentionally blank.

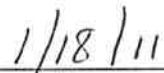
**U.S. Department of Justice.  
National Drug Intelligence Center  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

With respect to the performance information presented in the following pages, NDIC asserts:

1. DOJ's Justice Planning and Performance Reporting System is NDIC's online system to report performance information. The information inputted into the system is provided by NDIC's Intelligence Division which collects performance information relating to intelligence and document and media exploitation.
2. The FY 2010 performance target was achieved. Therefore, an assertion related to the reasonableness of explanations for not meeting performance targets is not applicable.
3. The methodology used by NDIC to establish performance targets is reasonable given past performance and available resources.
4. The NDIC has established performance measures monitoring the number of NDIC missions and the percentage of reports produced during the fiscal year. These measures comply with the purpose of the National Drug Control Program.

NDIC has documented the methodology used to identify and accumulate FY 2010 Performance data in the Performance Summary Report in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

  
\_\_\_\_\_  
David J. Mrozowski  
Assistant Director, Intelligence Support Division

  
\_\_\_\_\_  
Date

**U.S. Department of Justice  
National Drug Intelligence Center  
Performance Summary Report  
Related Performance Information  
For Fiscal Year Ended September 30, 2010**

*Data Validation and Verification*

*Strategic Intelligence*

NDIC's strategic intelligence workload measures capture progress in producing annual threat assessments for senior policy- and decision-makers. These assessments include the National Drug Threat Assessment—mandated by the National Drug Control Strategy (NDCS); regional drug threat assessments—produced at the request of the Organized Crime Drug Enforcement Task Force (OCDETF); and Drug Market Analyses—produced at the request of the Office of National Drug Control Policy (ONDCP). All of these assessments are published under stringent customer-established deadlines. To meet these deadlines, NDIC developed quarterly milestones for each report. The head of the NDIC Intelligence Division tracks the progress of meeting these deadlines through weekly meetings with branch managers.

NDIC's strategic intelligence performance measures were designed to ensure that 1) assessments increase policy- and decision-makers understanding or knowledge of drug and drug-related issues, and 2) NDIC does not duplicate the intelligence efforts of other agencies. NDIC tracks its progress in meeting the first measure through supervisory and analyst meetings/telephone conversations with primary customers, which occur regularly during the year. Branch managers report information gleaned from these interactions at the weekly Intelligence Division meetings discussed above. This process enables NDIC to quickly adjust intelligence efforts to ensure that primary customers' intelligence requirements are met and facilitates the Intelligence Division's ability to track its success in meeting this measure. Further, NDIC is developing an electronic customer survey to capture this information.

NDIC analysts, in collaboration with their supervisors, deconflict all proposed intelligence products to ensure NDIC is not duplicating other agencies' intelligence efforts. If the National Drug Control Strategy or another community-wide directive mandates NDIC to complete a project, this eliminates the need for further deconfliction efforts. If no formal directive exists, the analyst reviews the most current NDIC-published Counternarcotics Publications Quarterly—an annotated bibliography of counterdrug publications from various federal, state, and local agencies—to identify whether another agency has completed or is working on a similar project. The analyst also coordinates within the Intelligence Division and with NDIC's Office of Policy and Interagency Affairs (OPIA) to deconflict projects at both the executive and working levels through appropriate interagency and working group contacts and through NDIC liaison staff located throughout the counterdrug community. Further, NDIC's Collection Management Group performs a federal "holdings" and "data-call" search and talks to

their counterparts to deconflict projects. The analyst then confirms accomplishment of these deconfliction efforts on NDIC's Terms of Reference or (TOR) form, which is completed for each NDIC strategic intelligence project.

#### *Document and Media Exploitation (DOMEX)*

NDIC's DOMEX workload measures track progress in meeting the quarterly and annual goals for number of missions performed. NDIC maintains an Excel spreadsheet to capture this and additional information. Information collected includes requesting agency and location, date received, case name, case type (e.g. drug trafficking, money laundering, etc.), case coordination (e.g., OCDETF, Consolidated Priority Organization Target or CPOT, Regional Priority Organization Target, DEA Priority Target Organization investigations, Special Operations Division or SOD investigations, Grand Jury investigations, etc.), mission start and finish dates, lead personnel assigned, digital evidence laboratory support, and project numbers. The information is sortable by quarter, calendar year, and fiscal year.

NDIC DOMEX performance measures were designed to ensure that DOMEX efforts support the National Drug Control Strategy (NDCS) and that DOMEX support is satisfying customer needs. Chapter 5 of the 2010 NDCS contains an action item that calls for federal authorities to "maximize federal support for drug law enforcement task forces." As such, NDIC tracks the number of investigations it performs for drug law enforcement task forces by collecting this information from customer request letters. NDIC also tracks the scope of each investigation (i.e., whether the investigation is regional, national, or international in scope). NDIC personnel enter, store, and retrieve this data in the Excel database referenced above.

The NDIC DOMEX performance measure that tracks customer satisfaction data is collected in various ways. Upon mission completion, NDIC surveys each customer to inquire if the customer would request DOMEX support in the future and if the customer would refer NDIC DOMEX support to others. Responses are maintained within the Intelligence Operations Section and retrieved quarterly to complete the Quarterly Status Report. NDIC also conducts after action interviews with customers to acquire data regarding how the NDIC DOMEX advanced their investigations and prosecutions (e.g., assets/associates identified, evidence of criminal activity, guilty pleas, convictions, etc.) and stores this information in a spreadsheet. Finally, NDIC personnel monitor DOJ's Consolidated Asset Tracking System (CATS) to identify assets seized or forfeited in task force investigations supported by NDIC DOMEX.

#### *Workload and Performance Measure Projection Methodologies*

##### *Strategic Intelligence*

NDIC established aggressive, achievable workload measures for the production of its annual strategic intelligence assessments. These measures reflect milestones that must be attained by the end of each quarter to ensure customer deadlines are met so as not to risk delaying their planning and policy efforts. The methodology behind the milestones is the

5-step intelligence cycle NDIC follows. The steps are Direction, Collection, Evaluation, Analysis, and Dissemination. Similarly, NDIC established strategic intelligence performance measures that are aggressive but achievable. The methodology behind the 85% targets established for increasing primary customers' understanding of drug and drug-related issues and eliminating customers' need to produce similar reports is based on analysis of the difficulty in achieving these goals given the knowledge, experience, and function of NDIC's primary customer base.

### *DOMEX*

Workload and performance measures for NDIC's DOMEX program are challenging but realistic. The annual workload target for missions conducted is set at the maximum NDIC believes it can achieve based on analysis of the number of missions conducted in previous years and the number of employees available to perform DOMEX functions. The target established for the DOMEX performance measure reporting the number of missions conducted on behalf of OCDETF, SOD, or CPOT-associated drug investigations is based on analysis of previous years' support to these types of investigations and increasing NDIC's commitment to support such investigations. This target has increased from 55 in FY2009 to 66 in FY2010 to 75 in FY2011. The target established for the performance measure reporting the percentage of users that would request DOMEX support in the future and refer DOMEX support to others is based on customer satisfaction principles—those that are willing to request support again or refer the service to others are satisfied with the support they received. NDIC established aggressive targets of 85%, 87%, and 90% for FY2009, FY2010, and FY2011, respectively, as these percentages are at the high end of the scale and reflect continued improvement in overall customer satisfaction.

**National Drug Intelligence Center  
Performance Status Report  
FY 2006 - FY 2010**

**DOJ Strategic Goal/Objective:**  
**SG2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People**  
**2.4 Reduce the threat, trafficking, use, and related violence of illegal drugs.**

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2010
	Actual	Actual	Actual	Actual	Target	Actual
Percentage of reports produced during a stated quarter that increase primary customers understanding or knowledge of report subject	100%	100%	100%	100%	85%	100%
Percentage of reports produced during a stated quarter that eliminate primary customers need to produce a similar report	100%	100%	100%	100%	85%	100%
Number of DOMEX missions conducted on behalf of OCDEF, SOD, or CPOT-associated drug investigations	NA	49	48	55	66	66
Percentage of users that would request DOMEX support in the future and refer DOMEX to others	NA	NA	NA	95%	87%	98%

National Drug Intelligence Center Performance Status Report FY 2011 Targets		FY 2011 Target
Decision Unit: National Drug Intelligence Center		
Performance Report and Performance Plan Targets		
Performance Measure	Produce the National Drug Threat Assessment, High Intensity Drug Trafficking Areas (HIDTA) Drug Market Analyses and other strategic domestic drug intelligence reports, as requested by Office of National Drug Control Policy and others	30
Performance Measure	Expand NDIC's production of strategic intelligence products regarding the South west Border, gangs, and violence, and other emerging drug related issues, as well as produce nine Organized Crime Drug Enforcement Task Forces Regional Drug Threat Assessments	30
Performance Measure	Establish Document and Media Exploitation (DOMEX) satellite offices in support of various OCEETF Strike Forces to provide real-time support to law enforcement and intelligence community agencies by conducting document and media exploitation of materials associated with counterdrug investigations	75
Performance Measure	Identify the number of DOMEX missions that support DOJ's strategic goal objectives	100

*Note: In March 2009, NDIC reexamined its performance measures. This was done to comply with DOJ's Implementation Plan for Executive Order 13450: Improving Government Program Performance and Performance Measure Review. These new measures were submitted in FY 2009 as part of the FY 2011 budget request. NDIC will conduct another review of its workload and performance measures, data validation and verification efforts, and performance target projection methodologies and, as appropriate, implement changes to achieve improvement in each of these areas.*



**OFFICE OF JUSTICE PROGRAMS**

This page left intentionally blank.



---

**Office of the Inspector General's Report on  
Annual Accounting and Authentication of  
Drug Control Funds and Related Performance**

Assistant Attorney General  
Office of Justice Programs  
U.S. Department of Justice

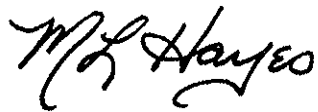
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Office of Justice Programs (OJP) for the fiscal year ended September 30, 2010. OJP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of OJP prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of OJP, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE  
Director, Financial Statement Audit Office  
Office of the Inspector General  
U.S. Department of Justice

January 18, 2011

**Office of Justice Programs  
Detailed Accounting Submission**

This page left intentionally blank.

**U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of the Office of Justice Programs (OJP) management control program, we assert that the OJP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are the actual obligations from OJP's accounting system of record for these budget decision units.
2. The methodology used by OJP to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year (FY) to properly reflect transfers which affected drug-related resources.
5. OJP did not have any Office of National Drug Control Policy (ONDCP) Fund Control Notices issued in FY 2010.

We have documented the methodology used by OJP to identify and accumulate FY 2010 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures, in accordance with the guidance of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. OJP's drug control methodology has been consistently applied from the previous year.



Ralph E. Martin, Associate Chief Financial Officer  
Office of the Chief Financial Officer  
Budget Formulation, Liaison, Planning and Performance Division  
OJP Official Responsible for Assertion

18 Jan 2011  
Date

**U.S. Department of Justice**  
**Office of Justice Programs**  
**Detailed Accounting Submission**  
**Table of Drug Control Obligations**  
**By Budget Decision Unit and Function**  
**For Fiscal Year Ended September 30, 2010**  
(Dollars in Millions)

	<b>FY 2010 Actual Obligations<sup>1/</sup></b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Regional Information Sharing System</b>	
State and Local Assistance	\$44.827
<b>Weed and Seed Program</b>	
State and Local Assistance	21.951
Prevention	<u>2.439</u>
Total Weed and Seed Program	24.390
<b>Enforcing Underage Drinking Laws</b>	
Prevention	25.334
<b>Drug Court Program</b>	
Treatment	46.442
<b>Residential Substance Abuse Treatment Program</b>	
Treatment	30.265
<b>Prescription Drug Monitoring Program</b>	
State and Local Assistance	7.046
<b>Southwest Border Prosecution Initiative</b>	
State and Local Assistance	38.038
<b>Northern Border Prosecution Initiative</b>	
State and Local Assistance	3.038
<b>Second Chance Act Program<sup>2/</sup></b>	
State and Local Assistance	<u>27.865</u>
<b>Total</b>	<b><u>\$247.245</u></b>
Methamphetamine Enforcement and Lab Cleanup <sup>3/</sup>	10.000

<sup>1/</sup> Program obligations reflect direct program obligations plus estimated indirect support management and administrative costs. Therefore, obligations reflected above may exceed the budget authority shown on the Reprogramming and Transfers Schedule.

<sup>2/</sup> Actual obligations reported for the Second Chance Act Program reflect only 30% of total obligations for this decision unit, as directed by the Office of Management and Budget and Office of National Drug Control Policy.

<sup>3/</sup> Funding for the Methamphetamine Enforcement and Lab Cleanup Program is transferred from the Office of Community Oriented Policing Services (COPS) to the Drug Enforcement Administration for program administration; therefore, obligations are not tracked by the Office of Justice Programs (OJP). FY 2010 total obligations for the program were reported to OJP by the COPS budget office. See Disclosure 1 for additional information.



**U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2010**

**Disclosure 1: Drug Control Methodology**

The mission of the Office of Justice Programs (OJP) is to provide federal leadership in developing the Nation's capacity to prevent and control crime, administer justice, and assist crime victims. As such, OJP's resources are primarily targeted to providing assistance to state, local, and tribal governments. In executing its mission, OJP dedicates a significant level of resources to drug-related program activities, which focus on breaking the cycle of drug abuse and crime including: drug testing and treatment, provision of graduated sanctions, drug prevention and education, and research and statistics.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 and ONDCP's memorandum, *Current Budget Issues*, dated September 3, 2008.

OJP's Office of the Chief Financial Officer, Budget Formulation, Liaison, Planning and Performance Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP's fiscal year (FY) 2010 Table of Drug Control Obligations includes total obligations associated with 10 budget decision units identified for the National Drug Control Budget. However, funds for nine of these decision units are directly appropriated to OJP. Funding for the Methamphetamine Enforcement and Lab Cleanup Program is appropriated to the Office of Community Oriented Policing Services (COPS), an office within the Department of Justice's (DOJ's) Offices, Boards and Divisions (OBDs), and transferred to the Drug Enforcement Administration (DEA) for administration. Because the obligations related to the COPS program are reported in the financial statements of the OBDs, they are not included in the FY 2010 actual obligations total on OJP's Table of Drug Control Obligations. Decision units include the following:

- Regional Information Sharing System
- Weed and Seed Program
- Enforcing Underage Drinking Laws
- Drug Court Program
- Residential Substance Abuse Treatment Program
- Prescription Drug Monitoring Program
- Southwest Border Prosecution Initiative
- Northern Border Prosecution Initiative
- Second Chance Act Program

- Drug Prevention Demonstration Program<sup>1</sup>
- Methamphetamine Enforcement and Lab Cleanup (COPS Program)

In determining the level of resources used in support of the nine budget decision units (excluding Drug Prevention Demonstration Program and Methamphetamine Enforcement and Lab Cleanup), OJP used the following methodology:

Drug Program Obligations by Decision Unit: Data on obligations, as of September 30, 2010, were gathered from OJP's Financial Management Information System 2 (FMIS2). The total obligations presented for OJP are net of funds obligated under the Crime Victims Fund and Public Safety Officers' Benefit Program.

Salaries and Expenses Data. Salaries and Expenses (S&E) obligations were gathered from OJP's FMIS2. The obligation amounts were allocated by applying the relative percentage of Full-Time Equivalent (FTE) assigned to nine drug-related decision units to total S&E obligations for OJP. There were no S&E obligations associated with the Drug Prevention Demonstration Program, as this program did not have any actual obligations; and the Methamphetamine Enforcement and Lab Cleanup, as this program is not administered by OJP.

Overall, OJP program activities support all four goals of the National Drug Control Strategy: (1) Substance Abuse Prevention, (2) Substance Abuse Treatment, (3) Domestic Law Enforcement; and (4) Interdiction and International Counterdrug Support. Functionally, OJP program activities fall under the following functions: prevention, state and local assistance, and treatment. To determine the function amount, OJP used an allocation method that was derived from an analysis of each program's mission and by surveying program officials. OJP then applied that allocation percentage to each program/decision unit line item. A deliberate effort was made to accurately account for program activities, which resulted in one program's (Weed and Seed) obligations falling under multiple functions. The Table of Drug Control Obligations shows FY 2010 obligations for nine programs, categorized by function and decision unit, which are reported by OJP. One program, the Drug Prevention Demonstration Program, did not have any actual obligations in FY 2010, and is therefore, not included in the Table of Drug Control Obligations.

For the Table of Drug Control Obligations, amounts were calculated as follows:

Function:	The appropriate drug-related percentage was applied to each program/decision unit line item and totaled by function.
-----------	--

---

<sup>1</sup>In FY 2010, while there were prior year unobligated balances, there were no actual obligations for the Drug Prevention Demonstration Program. As such, the Drug Prevention Demonstration Program is not listed on OJP's Table of Drug Control Obligations.

**Decision Unit:** In accordance with the ONDCP circulars, 100 percent of the actual obligations for eight of the nine budget decision units are included, with the exception of the Second Chance Act Program. Thirty percent of the actual obligations for the Second Chance Act Program are reflected for this decision unit.

**Full-Time Equivalent:** FTE data originates from the U.S. Department of Agriculture's National Finance Center, and is obtained by OJP through the DOJ, Justice Management Division Data Center. The same percentage that is applied to calculate FTE, was also applied to the S&E obligations.

### **Disclosure 2: Modifications to Drug Control Methodology**

As specified in the ONDCP Circular, *Budget Formulation*, dated May 1, 2007, in FY 2010, OJP is reporting 100 percent of the actual obligations related to nine of the 10 budget decision units included in the National Drug Control Budget, with the exception of the Second Chance Act. In April 2009, it was determined after discussions between ONDCP and the Office of Management and Budget (OMB) that some of the activities under the Second Chance Act Program were deemed drug-related in nature; therefore, beginning in FY 2009, OJP would report 30 percent of the obligations associated with this decision unit in the Table of Drug Control Obligations.

### **Disclosure 3: Material Weaknesses and Other Findings**

Neither OJP nor the financial statement auditors found material weaknesses, significant deficiencies, or matters of non-compliance for financial reporting in FY 2010.

### **Disclosure 4: Reprogrammings or Transfers**

In accordance with the ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007, see the attached Reprogrammings and Transfers Schedule. In FY 2010, OJP made \$1.2 million in reprogrammings, and \$9.9 million in drug-related transfers-in. The reprogramming amount reflects reallocations of funding from the decision units to the Salaries and Expenses account. The transfers-in amount reflects OJP FY 2010 recoveries associated with the reported decision units.

### **Disclosure 5: Other Disclosures**

- In FY 2010, OJP received no ONDCP Fund Control Notices.
- Of the total FY 2010 actual obligations amount, \$17.3 million are a result of carryover unobligated resources. See the attached Reprogrammings and Transfers Schedule.

U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Reprogrammings and Transfers Schedule  
For Fiscal Year Ended September 30, 2010  
(Dollars in Millions)

Table Line Item	Unobligated Balances	Enacted	Rescission	Reprogrammings <sup>1/</sup>	Transfers <sup>2/</sup>		Total Availability
	Forward	BA			In	Out	
<b>Drug Obligations by Function:</b>							
Regional Information Sharing System							
State and Local Assistance	0.115	45.000	0.000	(0.469)	0.000	0.000	44.646
Weed and Seed Program							
State and Local Assistance	0.815	18.000	(0.408)	(0.565)	1.393	0.000	19.235
Prevention	<u>0.091</u>	<u>2.000</u>	<u>(0.045)</u>	<u>(0.063)</u>	<u>0.155</u>	<u>0.000</u>	<u>2.138</u>
Total Weed and Seed Program	0.906	20.000	(0.453)	(0.628)	1.548	0.000	21.373
Enforcing Underage Drinking Laws							
Prevention	0.191	25.000	(0.940)	(0.260)	1.356	0.000	25.347
Drug Court Program							
Treatment	0.581	45.000	(0.959)	0.927	0.959	0.000	46.508
Residential Substance Abuse Treatment Program							
Treatment	0.114	30.000	(0.338)	(0.312)	0.338	0.000	29.802
Prescription Drug Monitoring Program							
State and Local Assistance	0.288	7.000	(0.274)	(0.073)	0.387	0.000	7.328
Southwest Border Prosecution Initiative							
State and Local Assistance	14.688	31.000	(8.011)	(0.673)	5.352	0.000	42.356
Northern Border Prosecution Initiative							
State and Local Assistance	0.205	3.000	0.000	(0.081)	0.000	0.000	3.124
Second Chance Act <sup>3/</sup>							
State and Local Assistance	0.195	30.000	0.000	0.325	0.000	0.000	30.519
Drug Prevention Demonstration Program <sup>4/</sup>							
Prevention	<u>0.027</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.027</u>
Total.....	17.310	236.000	(10.975)	(1.244)	9.940	0.000	251.030
Methamphetamine Enforcement and Lab Cleanup <sup>5/</sup>	—	10.000	—	—	—	—	10.000

<sup>1/</sup> Reprogrammings reflect transfer amounts to the Salaries and Expenses account.

<sup>2/</sup> Transfers In reflect FY 2010 recoveries.

<sup>3/</sup> Amounts reported for the Second Chance Act reflect only 30% of total Budget Authority for this decision unit, as directed by the Office of Management and Budget and Office of National Drug Control Policy.

<sup>4/</sup> The Drug Prevention Demonstration Program had \$27k in prior year unobligated balances, however, there were no obligation activities associated for this program in FY 2010.

<sup>5/</sup> Funding for the Methamphetamine Lab Cleanup Program is transferred from COPS to DEA for program administration, therefore, obligations are not tracked by OJP. FY 2010 total obligations for the program were reported to OJP by the COPS budget office.

**Office of Justice Programs  
Performance Summary Report**

This page left intentionally blank.

**U.S. Department of Justice  
Office of Justice Programs  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of the Office of Justice Programs' (OJP) management control program, we assert that OJP's system of performance measurement processes provide reasonable assurance that:

1. The following systems were used to accurately capture performance information reported in this document. The Grants Management System (GMS) is OJP's online system that captures performance information and was utilized for the purposes of this report. In addition to GMS, the Bureau of Justice Assistance utilizes the Performance Measurement Tool, an on-line data collection system, implemented in fiscal year 2009, to collect data for the Residential Substance Abuse Treatment Program; and the Community Capacity Development Office utilizes the Weed and Seed Data Center to collect Government Performance and Results Act Reports from its grantees.
2. Explanations for not meeting performance targets are reasonable.
3. The methodology to establish performance targets is reasonable given past performance and available resources.
4. OJP established acceptable performance measures for its Drug Control Decision Units, as agreed to by ONDCP, for which a significant amount of obligations were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

We have documented the methodology used by OJP to identify and accumulate fiscal year 2010 drug control performance data in compliance with the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.



Ralph Martin, Associate, Chief Financial Officer  
Budget Formulation, Liaison, Planning and Performance Division  
Office of the Chief Financial Officer  
OJP Official Responsible for Assertion

18 JAN 2011

Date

**U.S. Department of Justice  
Office of Justice Programs  
Performance Summary Report  
Related Performance Measures  
For Fiscal Year Ended September 30, 2010**

**I. PERFORMANCE INFORMATION**

The Office of Justice Programs (OJP), established by the Justice Assistance Act of 1984, supports collaboration of law enforcement at all levels in building and enhancing networks across the criminal justice system to function more effectively. Within OJP's overall program structure, specific resources dedicated to support the National Drug Control Strategy are found in the Residential Substance Abuse Treatment (RSAT) Program, and the Weed and Seed Program. Performance measures which support the National Drug Control Strategy are "Number of Participants in the RSAT Program," and "Number of homicides per site (average for sites reporting)," as agreed to by the Office of National Drug Control Policy.

**Decision Unit: RSAT Program**

Measure 1: Number of participants in the RSAT Program

**Table 1: Number of Participants in the RSAT Program**

CY 2006 Actual	CY 2007 Actual	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2011 Target
27,756	26,991	28,308	20,000	39,159	25,000	28,000

- (1) RSAT, administered by the Bureau of Justice Assistance (BJA) and created by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322), assists state and local governments in developing and implementing residential substance abuse treatment programs (individual and group treatment activities) in correctional and detention facilities. The RSAT Program must be provided in residential treatment facilities, set apart from the general correctional population, focused on the substance abuse problems of the inmate, and develop the inmate's cognitive, behavioral, social, vocational, and other skills to solve the substance abuse and related problems.

The RSAT Program formula grant funds may be used to implement four types of programs. For all programs, at least 10% of the total state allocation is made available to local correctional and detention facilities, provided such facilities exist, for either residential substance abuse treatment programs or jail-based substance abuse treatment programs as defined below.

The four types of programs are: 1) residential substance abuse treatment programs which provide individual and group treatment activities for offenders in residential facilities that are operated by state correctional agencies; 2) jail-based substance abuse programs which provide individual and group treatment activities for offenders in jails



and local correctional facilities; 3) post release treatment component which provides treatment following an individual's release from custody; and 4) an aftercare component which requires states to give preference to subgrant applicants who will provide aftercare services to program participants. Aftercare services must involve coordination between the correctional treatment program and other human service and rehabilitation programs, such as education and job training, parole supervision, halfway houses, self-help, and peer group programs that may aid in rehabilitation. The number of offenders who participate in the RSAT Program is a measure of the program's goal to help offenders become drug-free and learn the skills needed to sustain themselves upon return to the community.

- (2) 2010 data for this measure are collected on a calendar year (CY) basis and will be available in October 2011. Data are collected and reported for the RSAT Program according to the grantee's fiscal year, which is not the same year for all grantees (i.e., grantee could have a fiscal year end of June 30 or September 30); however, data reported do cover a single consecutive 12-month period.

In CY 2009, the target of 20,000 was exceeded by 19,159. There are many contributing factors that determine the number of people who participate in the RSAT Program including eligible offenders, available staff and treatment providers, security issues, and the state's ability to provide the required 25% matching funds.

- (3) The CY 2010 and CY 2011 targets are 25,000 and 28,000 participants, respectively, an increase over the previous target of 20,000 participants (in effect from CY 2007 through CY 2009), since the target was exceeded each year. Targets are based on previous year actual counts provided by grantees.
- (4) BJA implemented the Performance Measurement Tool (PMT) on January 1, 2009, to support grantees' ability to identify, collect, and report performance measurement data online for activities funded under their award. RSAT grantees are able to report data in PMT and create a report, which is uploaded to the Grants Management System (GMS).

Program managers obtain data from reports submitted by grantees, telephone contact, and on-site monitoring of grantee performance. Data are validated and verified through a review by program managers.

**Decision Unit: Weed and Seed Program**

Measure 2: Number of homicides per site (average for sites reporting)

**Table 2: Number of homicides per site (average for sites reporting)**

CY 2006 Actual	CY 2007 Actual	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2011 Target
3.3	3.5	3.5	3.7	3.9	3.7	3.7

- (1) The Weed and Seed Program, administered by the Community Capacity Development Office (CCDO), provides assistance to address violent crimes and gang-related activities in adversely-impacted neighborhoods. CCDO assists over 270 communities with coordination of law enforcement efforts, while developing their capacity to implement crime prevention programs such as safe havens, after-school enrichment activities, and substance use treatment options.

During CY 2009, 92% of the reporting Weed and Seed sites included anti-drug activities as a component of their weeding strategy<sup>1</sup>. Active participation in the Drug Education for Youth (DEFY) program, a major partnership between CCDO and the Department of the Navy, was reported by 35% of the Weed and Seed sites.

Although Weed and Seed sites may be affected by a range of criminal activities such as drugs and vandalism, the reduction of homicides as an indicator of violent crime is a major weeding objective. In its Crime Data Brief "Homicide Trends in the United States: 2000 Update," the Bureau of Justice Statistics reported that "Homicide is...considered by experts to be a fairly reliable barometer of violent crime. At a national level, no other crime is measured as accurately and precisely." The homicide statistics reported are annual totals for the preceding three calendar years for both the target area and the host jurisdiction. This allows trend comparisons for the sites alone and in relation to the surrounding jurisdictions.

- (2) "Number of homicides per site (average for sites reporting)" is derived from all sites that reported data in that year (e.g., all sites funded in 2009 would report data in 2009).

The target for CY 2009 was to reduce the average number of homicides per site to 3.7. In CY 2009, there was an average of 3.9 homicides per site. While this result missed the target, almost the entire difference can be attributed to a single site, which reported 45 homicides or almost 10 percent of the 459 homicides reported by 117 active Weed and Seed sites nationwide. Excluding this one site, the average number of homicides was 3.6, which is below the target.

---

<sup>1</sup> The Weed and Seed strategy involves a two-pronged approach: law enforcement agencies and prosecutors cooperate in "weeding out" violent criminals and drug abusers and public agencies and community-based private organizations collaborate to "seed" much-needed human services, including prevention, intervention, treatment, and neighborhood restoration programs. A community-oriented policing component bridges the weeding and seeding elements.

- (3) The Weed and Seed Program has set an annual goal that the average number of homicides not exceed 3.7 per site.
- (4) CCDO improved the automation of performance data collection and handling to better track how the program is performing. Starting in CY 2007, CCDO provided Government Performance and Results Act forms and instructions electronically to all Weed and Seed sites. As a result, in CY 2007, 66% of the GPRA forms were received through this submission method. CCDO then reassessed the process and made improvements to the form's layout and the submission process, resulting in an 88% electronic transmittal rate in CY 2008, and a 90% electronic transmittal rate in CY 2009. Further, the electronic forms' capability also improved data entry accuracy from the Weed and Seed sites.

This page left intentionally blank.

**ORGANIZED CRIME DRUG ENFORCEMENT  
TASK FORCES PROGRAM**

This page left intentionally blank.



**Office of the Inspector General's Report on  
Annual Accounting and Authentication of  
Drug Control Funds and Related Performance**

Director  
Executive Office for the Organized Crime  
Drug Enforcement Task Forces  
U.S. Department of Justice

We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Organized Crime Drug Enforcement Task Forces (OCDETF) Program for the fiscal year ended September 30, 2010. The OCDETF Program's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

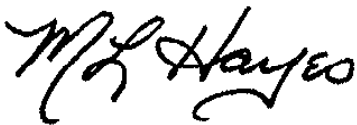
Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the OCDETF Program prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not

presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of the OCDETF Program, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE  
Director, Financial Statement Audit Office  
Office of the Inspector General  
U.S. Department of Justice

January 18, 2011



**Organized Crime Drug Enforcement  
Task Forces Program  
Detailed Accounting Submission**

This page left intentionally blank.



**U.S. Department of Justice**

*Executive Office for the Organized Crime Drug  
Enforcement Task Forces*

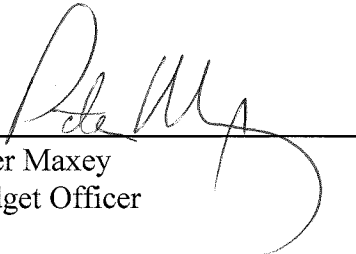
*Washington, DC 20530*

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDETF) Program  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of OCDETF's Management Control Program, we assert that the Organized Crime Drug Enforcement Task Forces (OCDETF) Program's system of accounting, use of estimates, and systems of internal controls provides reasonable assurance that:

1. Obligations reported by budget decision units are the actual obligations from the OCDETF Program's accounting system of record;
2. The methodology used by the OCDETF Program to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects;
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations;
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes including the Office of National Drug Control Policy's (ONDCP) approval of reprogramming and transfers in excess of \$1 million affecting drug-related resources; and
5. The OCDETF Program did not have any ONDCP Fund Control Notices issued in FY 2010.

We have documented the methodology used by OCDETF to identify and accumulate FY 2010 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular *Drug Control Accounting*, dated May 1, 2007. The OCDETF Program's drug control methodology has been consistently applied from the previous year.

  
Peter Maxey  
Budget Officer

January 18, 2011  
Date

**U.S. Department of Justice**  
**Organized Crime Drug Enforcement Task Forces (OCDETF) Program**  
**Detailed Accounting Submission**  
**Table of Drug Control Obligations**  
**For Fiscal Year Ended September 30, 2010**

**Actual 2010 Obligations**  
**Dollars in Millions**

**Decision Unit Crosswalk**

	<b>Appropriated Funds</b>	<b>OCDETF Executive Office</b>	<b>Subtotal</b>	<b>No-Year Reallowed Funds 2/</b>	<b>Total FY 2010 Actual Obligations</b>
<b>Drug Obligations by Decision Unit and Function</b>					
<b>Investigations:</b>					
Drug Enforcement Administration (DEA)	\$199 455	\$2 327	\$201 782	\$2 474	\$204 256
Federal Bureau of Investigation (FBI)	119 539	1 345	120 884	1 129	122 013
U S Marshals Service (USMS)	8 685	0 098	8 783	0 508	9 291
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	12 627	0 139	12 766	0 512	13 278
U S Immigration and Customs Enforcement (ICE)	0 000	0 000	0 000	0 044	0 044
Subtotal Investigations	<u>340 306</u>	<u>3 909</u>	<u>344 215</u>	<u>4 667</u>	<u>348 882</u>
<b>Drug Intelligence:</b>					
DEA <sup>1/</sup>	11 593 3/	0 050	11 643	0 000	11 643
FBI	20 993	0 236	21 229	0 000	21 229
OCDETF Fusion Center (OFC)	11 776	0 000	11 776	0 000	11 776
Subtotal Drug Intelligence	<u>44 362</u>	<u>0 286</u>	<u>44 648</u>	<u>0 000</u>	<u>44 648</u>
<b>TOTAL INVESTIGATIVE DECISION UNIT</b>	<b><u>384.668</u></b>	<b><u>4.195</u></b>	<b><u>388 863</u></b>	<b><u>4.667</u></b>	<b><u>393.530</u></b>
<b>Prosecutions:</b>					
U S Attorneys (USAs)	155 058	1 744	156 802	2 496	159 298
Criminal Division	3 157	0 036	3 193	0 000	3 193
<b>TOTAL PROSECUTORIAL DECISION UNIT</b>	<b><u>158.215</u></b>	<b><u>1.780</u></b>	<b><u>159 995</u></b>	<b><u>2.496</u></b>	<b><u>162.491</u></b>
<b>Administrative Support:</b>					
OCDETF Executive Office	5 975 4/	(5 975)	0 000	0 000	0 000
Totals	<u>\$548 858</u>	<u>\$0 000</u>	<u>\$548 858</u>	<u>\$7 163</u>	<u>\$556 021</u>
					<u>556 021</u>
				Recoveries	<u>0 103 5/</u>
Total Agency Obligations/Resources	<u>\$548 858</u>		<u>\$548 858</u>		<u>\$556 124</u>
Drug Percentage	100%		100%		100%

1/Includes four intelligence analysts from Financial Crimes Enforcement, Internal Revenue Service, Bureau of Alcohol, Tobacco, Firearms and Explosives, and the United States Marshals Service

2/Total obligated balance available includes reprogrammed/reallowances of carryover funds in the amount of \$7 163 million

3/Represents collections received from the Justice Management Division to compensate OCDETF for ancillary costs associated with the International Organized Crime (IOC 2)

4/Amount includes the National Drug Intelligence Center detail, totaling \$0 076 million

5/Represents prior year recoveries

No-Year (15X0323):	Amount	DEA	FBI	USMS	ATF	ICE	USA
Boston Strike Force	\$0 044	\$0 000	0 000	\$0 000	0 000	\$0 044	\$0 000
OCDETF Executive Office Financial Investigative Training	0 500	0 205	0 129	0 008	0 012	0 000	0 146
USAs Finacial Analyst	0 350	0 000	0 000	0 000	0 000	0 000	0 350
DEA Law Enforcement	0 022	0 022	0 000	0 000	0 000	0 000	0 000
EOUSA Litigation	2 000	0 000	0 000	0 000	0 000	0 000	2 000
DEA--TIII and Operation Deliverance	2 000	2 000	0 000	0 000	0 000	0 000	0 000
FBI Law Enforcement--Individual Case Support	1 000	0 000	1 000	0 000	0 000	0 000	0 000
USMS--Operation Deliverance/Other Needs	0 500	0 000	0 000	0 500	0 000	0 000	0 000
ATF--Operation Deliverance	0 500	0 000	0 000	0 000	0 500	0 000	0 000
DEA--Revolutionary Armed Forces of Colombia (FARC)	0 247	0 247	0 000	0 000	0 000	0 000	0 000
Total	<u>\$7 163</u>	<u>\$2 474</u>	<u>\$1 129</u>	<u>\$0 508</u>	<u>\$0 512</u>	<u>\$0 044</u>	<u>\$2 496</u>



## U.S. Department of Justice

*Executive Office for the Organized Crime Drug  
Enforcement Task Forces*

*Washington, DC 20530*

---

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces Program  
Detailed Accounting Submission  
Related Disclosures  
For Fiscal Year Ended September 30, 2010**

Disclosure No 1. - Drug Control Methodology

The Organized Crime Drug Enforcement Task Forces (OCDETF) Program is comprised of member agencies from three different Departments: the Department of Justice (DOJ), the Department of Treasury (Treasury), and the Department of Homeland Security (DHS). Beginning in FY 1998 and continuing through FY 2003, OCDETF member agencies were funded through separate appropriations. (Prior to the creation of DHS, which involved the transfer of the U.S. Coast Guard to DHS from the Department of Transportation, OCDETF was funded in DOJ, Treasury and Transportation appropriations.)

During FY 2004 and FY 2005, the DOJ's Interagency Crime and Drug Enforcement (ICDE) appropriation included funding to reimburse agencies in the DOJ, Treasury and DHS for their participation in the OCDETF Program. The availability of a consolidated budget has been critical to the OCDETF Program's ability both to ensure the proper and strategic use of OCDETF resources and to effectively monitor Program performance across all Departments and participating agencies. However, Congress repeatedly expressed concern with funding non-DOJ agencies via a DOJ appropriations account, and in FY 2005, Congress decreased base funding for non-DOJ program participants.

Recognizing that uncertainty surrounding funding levels for non-DOJ participants posed great difficulties for OCDETF in terms of program planning and administration, the Administration has not submitted a consolidated budget for the program since FY 2007. Instead, funding for the OCDETF Program's non-DOJ partners was requested through direct appropriations for Treasury and DHS. Currently, only DOJ OCDETF appropriated funding comes from the ICDE account.

The OCDETF Program is directly charged with carrying out the DOJ drug supply reduction strategy, and all of its activities are aimed at achieving a measurable reduction in the availability of drugs in this country. The disruption and dismantlement of drug trafficking networks operating regionally, nationally, and internationally is a critical component of the supply reduction effort. In particular, the OCDETF Program requires that in *each* OCDETF case investigators identify and target the financial infrastructure that permits the drug organization to operate.

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 and ONDCP's memorandum, *Current Budget Issues*, dated September 3, 2008. The Table represents obligations from the ICDE account incurred by OCDETF for drug control purposes. All amounts are net of reimbursable agreements.

Data - All accounting information for the OCDETF Program is derived from DOJ's Financial Management Information System 2+ (FMIS2). ICDE resources are reported as 100 percent drug-related because the entire focus of the OCDETF Program is drug control.

Financial Systems - FMIS2 is the financial system used to provide all ICDE obligation data. Obligations that are derived by this system reconcile with the enacted appropriations and carryover balances.

The OCDETF Program's Decision Units are divided according to the four major activities of the Task Force -- Investigations, Drug Intelligence, Prosecutions, and Administration Support -- and reflect the amount of reimbursable ICDE resources appropriated for each participating agency. With respect to the Table of Drug Control Obligations, the calculated amounts were derived from the FMIS2 system as follows:

- a. Investigations Function - This decision unit includes the reimbursable resources that support investigative activities of the following participating agencies: the Drug Enforcement Administration; Federal Bureau of Investigation; the Bureau of Alcohol, Tobacco, Firearms and Explosives; and the U.S. Marshals Service. The methodology applies 100 percent of the resources that support the OCDETF Program's investigative activities.
- b. Drug Intelligence Function - This decision unit includes the reimbursable resources that support intelligence activities of the following participating agencies: the Drug Enforcement Administration and the Federal Bureau of Investigation, including the operational costs associated with the OCDETF Fusion Center. The methodology applies 100 percent of the resources that support the OCDETF Program's intelligence activities.
- c. Prosecution Function - This decision unit includes the reimbursable prosecution resources for the following participating DOJ agencies: the U.S. Attorneys and the Criminal Division. The methodology applies the total of 100 percent of the OCDETF Program's Prosecution resources to the Prosecution Decision Unit.
- d. Administrative Support Function - This decision unit includes funding for the OCDETF Executive Office for program oversight and support activities, as well as reimbursable resources to provide financial investigative training for member agencies. The methodology applies 100 percent of the resources that support the OCDETF Program's administrative support activities.

#### Disclosure No 2. - Modifications to Drug Control Methodology

The overall methodology to calculate drug control obligations has not been modified in the Table of Drug Control Obligations. However, the Administration's request for the OCDETF Program reflects a restructuring that collapses the OCDETF Program's four areas - Investigations, Drug Intelligence, Prosecution, and Administrative Support- into two decision units- Investigations and Prosecutions. Under this methodology, the Administrative Support of the OCDETF Executive Office is pro rated among decision units based on the percentage of appropriated ICDE Program funding.

#### Disclosure No 3. - Material Weaknesses or Other Findings

The DOJ Offices, Boards and Divisions (OBDs) FY 2010 Independent Auditors' Report on Internal Control over Financial Reporting revealed no material weaknesses or significant deficiencies. In addition, the annual assurance statement required by the Federal Managers' Financial Integrity Act (FMFIA) concludes that the OBDs can provide reasonable assurance that its systems of management, accounting, and administrative controls, taken as a whole substantially comply with the FMFIA and with the component requirements of the Federal Financial Management Improvement Act.

#### Disclosure No 4. - Reprogrammings/Reallowances or Transfers

Total availability consists of enacted budget authority for FY 2010, plus unobligated balances and recoveries brought forward from prior years. The OCDETF Program's FY 2010 obligations include all re-allowed carryover funds and transfers. In FY 2010, the OCDETF Program re-allowed \$7,163,000 from its no-year account (15X0323) as follows: \$44,000 for the Boston Strike Force; \$500,000 for OCDETF Investigative Financial Training; \$350,000 for USA Financial Analysts; \$22,000 for DEA Law Enforcement; \$2,000,000 for the EOUSA law litigation costs; \$2,000,000 for DEA Title III and 'Operation Deliverance' costs; \$1,000,000 for FBI Individual case support; \$500,000 for the USMS 'Operation Deliverance' costs, as well as other needs; \$500,000 for ATF 'Operation Deliverance' costs; and \$247,000 for DEA costs associated with an ongoing FARC investigation. Finally, the OCDETF Program also transferred radio resources amounting to \$602,000 to the DOJ Wireless Law Enforcement Communications Account as required by P.L. 111-117. See the attached Reprogramming and Transfers Schedule.

#### Disclosure No 5. - Obligations From Carryover Funds

In FY 2010, \$8,846,000 in unobligated balances and prior year recoveries was brought forward from FY 2009 and available for new obligations. Of this amount, \$7,163,000, as reported under Disclosure No 4., was established as new obligations during FY 2010.

#### Disclosure No 6. - Other Disclosures

The OCDETF Program asserts that the information presented in the Table of Drug Control Obligations fairly presents the drug control obligations for the OCDETF Program. The OCDETF Program did not have any ONDCP Fund Control Notices in FY 2010.

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDEF) Program  
Detailed Accounting Submission  
Reprogrammings and Transfers  
For the Fiscal Year Ended September 30, 2010  
(Dollars in Millions)**

Line Item	Unobligated Balances and Recoveries	Enacted Budget Authority	Reprogramming Reallowances 1/	Offsetting Collections	Transfer 2/	Total Availability
<b>Drug Resources by Decision Unit and Function</b>						
<b>Investigations:</b>						
Drug Enforcement Administration (DEA)	\$0.000	\$202.440	\$2.474	\$0.000	(\$0.527)	\$204.387
Federal Bureau of Investigation (FBI)	0.000	120.885	1.129	0.000	0.000	122.014
U.S. Marshals Service (USMS)	0.000	8.783	0.508	0.000	0.000	9.291
Alcohol, Tobacco, Firearms and Explosives (ATF)	0.000	12.766	0.512	0.000	0.000	13.278
U.S. Immigration and Customs Enforcement (ICE)	0.000	0.000	0.044	0.000	0.000	0.044
Subtotal Investigations	0.000	344.874	4.667	0.000	(0.527)	349.014
<b>Drug Intelligence:</b>						
Drug Enforcement Administration (DEA)	0.000	11.643	0.000	0.599	(0.023)	12.219
Federal Bureau of Investigation (FBI)	0.000	21.281	0.000	0.000	(0.052)	21.229
OCDEF Fusion Center Support (OFC)	0.000	11.776	0.000	0.000	0.000	11.776
Subtotal Intelligence	0.000	44.700	0.000	0.599	(0.075)	45.224
<b>TOTAL INVESTIGATIONS DECISION UNIT</b>	<b>0.000</b>	<b>389.574</b>	<b>4.667</b>	<b>0.599</b>	<b>(0.602)</b>	<b>394.238</b>
<b>Prosecutions:</b>						
U.S. Attorneys (USAs)	0.000	156.802	2.496	0.000	0.000	159.298
Criminal Division (CRM)	0.000	3.193	0.000	0.000	0.000	3.193
<b>TOTAL PROSECUTIONS DECISION UNIT</b>	<b>0.000</b>	<b>159.995</b>	<b>2.496</b>	<b>0.000</b>	<b>0.000</b>	<b>162.491</b>
Total Distributed	0.000	549.569	7.163	0.599	(0.602)	556.729
Undistributed	8.846	0.000	(7.163)	0.000	0.000	1.683
Total Resources	<b>\$8.846</b>	<b>\$549.569</b>	<b>\$0.000</b>	<b>\$0.599</b>	<b>(\$0.602)</b>	<b>\$558.412</b>

<sup>1/</sup>Includes realigned carryover and prior year recovery funds as follows: No-year funding of \$7.163 M (\$0.044 M for the Boston Strike Force; \$0.500 M for OCDEF Investigative Financial Training; \$0.350 M for USA Financial Analyst; \$0.022 M for DEA Law Enforcement; \$2 M for the EOUSA law litigation costs; \$2 M for DEA Title III and 'Operation Deliverance' costs; \$1 M for FBI Individual case support; \$0.500 M for the USMS 'Operation Deliverance' costs, as well as other needs; \$0.500 M for ATF 'Operation Deliverance' costs; and \$0.247 M for DEA costs associated with an ongoing FARC investigation.

<sup>2/</sup>Represents radio resources transferred to the DOJ Wireless Law Enforcement Communications Account as required by the FY 2010 DOJ Appropriations Act (P.L. 111-117)



**Organized Crime Drug Enforcement  
Task Forces Program  
Performance Summary Report**

This page left intentionally blank.



**U.S. Department of Justice**

*Executive Office for the Organized Crime Drug  
Enforcement Task Forces*

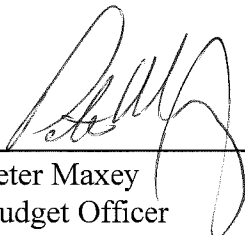
*Washington, DC 20530*

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDETF) Program  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2010**

On the basis of OCDETF's Management Control Program, we assert that the OCDETF Program's system of performance reporting provides reasonable assurance that:

1. The OCDETF Program has a system to capture performance information accurately and that system was properly applied to generate the performance data;
2. The FY 2010 performance target was achieved. Therefore, an assertion related to the reasonableness of the explanations for not meeting performance targets is not applicable;
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources; and
4. The OCDETF Program has established acceptable performance measures for its Drug Control Decision Units, as agreed to by the Office of National Drug Control Policy (ONDCP), for which a significant amount of obligations (\$1,000,000 or 50 percent of the OCDETF drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

We have documented the methodology used by the OCDETF Program to identify and accumulate FY 2010 Performance data in the Performance Summary Report in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

  
Peter Maxey  
Budget Officer

January 18, 2011

Date

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDETF) Program  
Performance Summary  
Related Performance Information  
For the Fiscal Year Ended September 30, 2010**

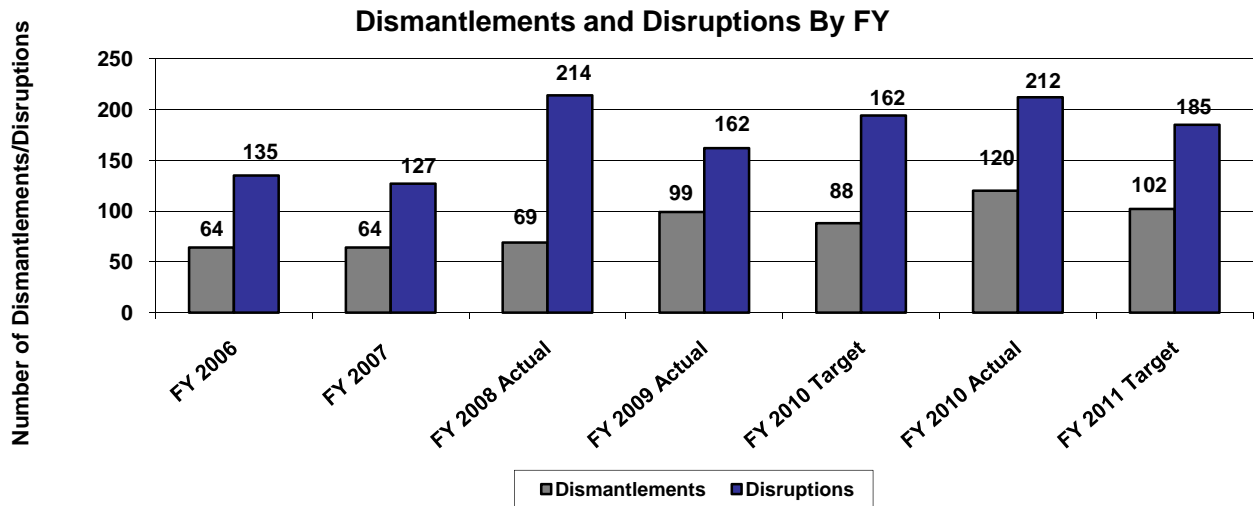
**Drug Control Decision Units: Investigations and Prosecutions**

The Office of National Drug Control Policy (ONDCP) agreed to the Organized Crime Drug Enforcement Task Forces (OCDETF) Program reporting only one measure for both of the OCDETF Decision Units (Investigations and Prosecutions) as the efforts of both are needed to achieve the results tracked by the measure. The disruption and dismantlement of a drug organization is a very complex operation that begins with investigative and intelligence activities by federal agents and culminates in federal prosecution of the parties involved.

**Measure: Consolidated Priority Organization Target (CPOT) -Linked Trafficking Organizations Disrupted and Dismantled**

**Table 1: Measure**

	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>	<b>FY 2010 Actual*</b>	<b>FY 2011 Target</b>
Dismantlements	64	64	69	99	88	120 <sup>*</sup>	104
Disruptions	135	127	214	162 <sup>**</sup>	194	212 <sup>†</sup>	185



<sup>\*\*</sup> FY 2009 Actual Disruptions and Dismantlement numbers adjusted to include an additional 2 Federal Bureau of Investigation (FBI) disruptions.

<sup>\*</sup> Breakdown by agency for OCDETF is: 120 Dismantled (111 Drug Enforcement Administration (DEA) and 11 FBI)

<sup>†</sup> Breakdown by agency for OCDETF is: 212 Disrupted (177 DEA and 39 FBI)

<sup>\*</sup> The overlap of DEA and FBI in six FY 2010 Dismantlements/Disruptions results in the reduction of two dismantlements and four disruptions from the total numbers.

The goal of the OCDETF Program is to identify, investigate, and prosecute the most significant drug trafficking and money laundering organizations and their related enterprises, and to disrupt and dismantle the operations of those organizations in order to reduce the illicit drug supply in the United States. By dismantling and disrupting trafficking organizations that are CPOT-linked, OCDETF is focusing enforcement efforts against organizations that include heads of narcotic and/or money laundering organizations, poly-drug traffickers, clandestine manufacturers and producers, and major drug transporters, all of whom are believed to be primarily responsible for the domestic illicit drug supply. Additionally, the financial investigations conducted by OCDETF are focused on eliminating the entire infrastructure of CPOT-linked organizations and permanently removing the profits enjoyed by these most significant drug traffickers. Reducing the nation's illicit drug supply and permanently destroying the infrastructure of significant drug trafficking organizations are critical pieces of the Attorney General's Drug Strategy as well as the National Drug Control Strategy. By reporting on the number of CPOT-linked organizations being disrupted or dismantled, OCDETF clearly indicates the number of significant drug organizations that have been impacted by law enforcement efforts.

The annual targets for the OCDETF Program's performance measures are determined by examining current year and prior year actuals. In addition, to the historical factors, resources (including funding and personal) are also taken into account when formulating a respective target.

OCDETF was able to dismantle 120 CPOT-linked organizations in FY 2010, exceeding its target. This is a 21 percent increase over the 99 that were dismantled in FY 2009, the highest number reported prior to FY 2010. OCDETF has disrupted 212 CPOT-linked organizations in FY 2010, exceeding its target for disruptions. This is 31% greater than the 162 reported at the end of FY 2009. The total of 332 CPOT-linked organizations that were either dismantled or disrupted during FY 2010 is over 17 percent higher than the 283 dismantled or disrupted in FY 2008, which was a record year. This achievement exceeded OCDETF's goal for disruptions and dismantlements.

During FY 2010, in addition to making important gains against CPOT-linked organizations, the Department of Justice (DOJ) continued to achieve significant successes against the CPOTs themselves. These results against CPOT targets have included the dismantlement of a dangerous Colombian drug kingpin who ruled a vast drug empire and moved millions of dollars worth of cocaine and heroin intended for the United States and Europe; and disruptions to leadership of the Sinaloa Cartel, Los Zetas, a significant global heroin drug trafficker in Afghanistan known to fund the terrorist activities of the Taliban; and a major Jamaican Narcotic trafficker. Law enforcement activity targeting these CPOTs involved complex and coordinated intelligence driven investigations, with the exceptional cooperation of U.S. law enforcement agencies and international governments.

The Department's FY 2010 successes dismantling or disrupting CPOT-linked drug trafficking organizations, as well as the significant enforcement actions against CPOTs themselves, have resulted in keeping multi-ton quantities of illegal drugs such as cocaine, heroin, marijuana and methamphetamine from ever entering the United States.

The CPOT List is updated semi-annually. Each OCDETF agency has an opportunity to nominate targets for addition to/deletion from the List. Nominations are considered by the CPOT Working Group (made up of mid-level managers from the participating agencies). Based upon the Working Group's recommendations, the OCDETF Operations Chiefs decide which organizations will be added to/deleted from the CPOT List.

Once a CPOT is added to the List, OCDETF investigations can be linked to that organization. The links are reviewed and confirmed by OCDETF field managers using the OCDETF Fusion Center, agency databases, and intelligence information. Field recommendations are reviewed by the OCDETF Executive Office. In instances where a link is not fully substantiated, the sponsoring agency is given the opportunity to follow-up. Ultimately, the OCDETF Executive Office "un-links" any investigation for which sufficient justification has not been provided. When evaluating disruptions/dismantlements of CPOT-linked organizations, OCDETF verifies reported information with the investigating agency's headquarters.

**APPENDIX**

This page left intentionally blank.



# ONDCP Circular: Drug Control Accounting

May 1, 2007

---

## TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

**SUBJECT:** Annual Accounting and Authentication of Drug Control Funds and Related Performance

1. **Purpose.** This circular provides the polices and procedures to be used by National Drug Control Program agencies in conducting a detailed accounting and authentication of all funds expended on National Drug Control Program activities and the performance measures, targets, and results associated with those activities.
2. **Rescission.** This circular rescinds and replaces the ONDCP Circular, *Annual Accounting of Drug Control Funds*, dated April 18, 2003.
3. **Authority.**
  - a. 21 U.S.C. § 1704(d) provides: “The Director [ONDCP] shall –
    - (A) require the National Drug Control Program agencies to submit to the Director not later than February 1 of each year a detailed accounting of all funds expended by the agencies for National Drug Control Program activities during the previous fiscal year, and require such accounting to be authenticated by the Inspector General of each agency prior to submission to the Director; and
    - (B) submit to Congress not later than April 1 of each year the information submitted to the Director under subparagraph (A).”
  - b. 21 U.S.C. § 1703(d)(7) authorizes the Director of National Drug Control Policy to “... monitor implementation of the National Drug Control Program, including – (A) conducting program and performance audits and evaluations; and (B) requesting assistance of the Inspector General of the relevant agency in such audits and evaluations ...”
4. **Definitions.** As used in this circular, key terms related to the National Drug Control Program and budget are defined in Section 4 of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007. These terms include: *National Drug Control Program*, *National Drug Control*

*Program agency, Bureau, Drug Methodology, Drug Control Functions, and Budget Decision Units.* Further, Reprogrammings and Fund Control Notices referenced in Section 6 of this circular are defined in Section 6 and Section 8 of the ONDCP Circular, *Budget Execution*, dated May 1, 2007.

5. **Coverage.** The provisions of this circular apply to all National Drug Control Program agencies.

6. **Detailed Accounting Submission.** The Chief Financial Officer (CFO) of each agency, or other accountable senior level senior executive, shall prepare a Detailed Accounting Submission to the Director, ONDCP. For agencies with no bureaus, this submission shall be a single report, as defined by this section. For agencies with bureaus, the Detailed Accounting Submission shall consist of reports, as defined by this section, from the agency's bureaus. The CFO of each bureau, or accountable senior level executive, shall prepare reports. Each report must include (a) a table highlighting prior year drug control obligations data, and (b) a narrative section making assertions regarding the prior year obligations data. Report elements are further detailed below:

a. **Table of Prior Year Drug Control Obligations** – For the most recently completed fiscal year, each report shall include a table of obligations of drug control budgetary resources appropriated and available during the year being reported.<sup>1</sup> Such table shall present obligations by Drug Control Function and Budget Decision Unit, as these categories are displayed for the agency or bureau in the *National Drug Control Strategy Budget Summary*. Further, this table shall be accompanied by the following disclosures:

(1) **Drug Methodology** – The drug methodology shall be specified in a separate exhibit. For obligations calculated pursuant to a drug methodology, this presentation shall include sufficient detail to explain fully the derivation of all obligations data presented in the table.

(a) **Obligations by Drug Control Function** – All bureaus employ a drug methodology to report obligations by Drug Control Function.

(b) **Obligations by Budget Decision Unit** – For certain multi-mission bureaus – Customs and Border Protection (CBP), Coast Guard, Immigration and Customs Enforcement (ICE), Indian Health Service (IHS), Bureau of Indian Affairs (BIA), and the Veterans Health Administration (VHA) – obligations reported by Budget Decision Unit shall be calculated pursuant to an approved drug methodology. For

---

<sup>1</sup>Consistent with reporting requirements of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007, resources received from the following accounts are excluded from obligation estimates: (1) ONDCP – High Intensity Drug Trafficking Areas (HIDTA) and (2) DOJ – Organized Crime Drug Enforcement Task Force Program. Obligations against these resources shall be excluded from the table required by this section but shall be reported on a consolidated basis by these bureaus. Generally, to prevent double-counting agencies should not report obligations against budget resources received as a reimbursement. An agency that is the source of the budget authority for such reimbursements shall be the reporting entity under this circular.

all other bureaus, drug control obligations reported by Budget Decision Unit shall represent 100 percent of the actual obligations of the bureau for those Budget Decision Units, as they are defined for the National Drug Control Budget. (See Attachment B of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007.)

- (2) **Methodology Modifications** – Consistent with ONDCP’s prior approval, if the drug methodology has been modified from the previous year, then the changes, their purpose, and the quantitative differences in the amount(s) reported using the new method versus the amount(s) that would have been reported under the old method shall be disclosed.<sup>2</sup>
  - (3) **Material Weaknesses or Other Findings** – Any material weakness or other findings by independent sources, or other known weaknesses, including those identified in the Agency’s Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations data, shall be highlighted. This may be accomplished by either providing a brief written summary, or by referencing and attaching relevant portions of existing assurance reports. For each material weakness or other finding, corrective actions currently underway or contemplated shall be identified.
  - (4) **Reprogrammings or Transfers** – All prior year reprogrammings or transfers that affected drug-related budgetary resources shall be identified; for each such reprogramming or transfer, the effect on drug-related obligations reported in the table required by this section also shall be identified.
  - (5) **Other Disclosures** – Agencies may make such other disclosures as they feel are necessary to clarify any issues regarding the data reported under this circular.
- b. **Assertions** – At a minimum, each report shall include a narrative section where the following assertions are made regarding the obligation data presented in the table required by Section 6a:
- (1) **Obligations by Budget Decision Unit** – With the exception of the multi-mission bureaus noted in Section 6a(1)(b), reports under this section shall include an assertion that obligations reported by budget decision unit are the actual obligations from the bureau’s accounting system of record for these Budget Decision Units.
  - (2) **Drug Methodology** – An assertion shall be made regarding the reasonableness and accuracy of the drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit for the CBP, Coast Guard, ICE, IHS, BIA, and VHA. The criteria associated with this assertion are as follows:

---

<sup>2</sup>For changes that did not receive prior approval, the agency or bureau shall submit such changes to ONDCP for approval under separate cover.

- (a) **Data** – If workload or other statistical information supports the drug methodology, then the source of these data and the current connection to drug control obligations should be well documented. If these data are periodically collected, then the data used in the drug methodology must be clearly identified and will be the most recently available.
  - (b) **Other Estimation Methods** – If professional judgment or other estimation methods are used as part of the drug methodology, then the association between these assumptions and the drug control obligations being estimated must be thoroughly explained and documented. These assumptions should be subjected to periodic review, in order to confirm their continued validity.
  - (c) **Financial Systems** – Financial systems supporting the drug methodology should yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
- (3) **Application of Drug Methodology** – Each report shall include an assertion that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6a. Calculations must be sufficiently well documented to independently reproduce these data. Calculations should also provide a means to ensure consistency of data between reporting years.
- (4) **Reprogrammings or Transfers** – Further, each report shall include an assertion that the data presented are associated with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP’s approval of reprogrammings or transfers affecting drug-related resources in excess of \$1 million.
- (5) **Fund Control Notices** – Each report shall also include an assertion that the data presented are associated with obligations against a financial plan that fully complied with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 8 of the ONDCP Circular, *Budget Execution*.

**7. Performance Summary Report.** The CFO, or other accountable senior level senior executive, of each agency for which a Detailed Accounting Submission is required, shall provide a Performance Summary Report to the Director of National Drug Control Policy. Each report must include performance-related information for National Drug Control Program activities, and the official is required to make certain assertions regarding that information. The required elements of the report are detailed below.

- a. Performance Reporting-** The agency’s Performance Summary Report must include each of the following components:

- (1) **Performance Measures** – The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: reflect the purpose of the program; contribute to the National Drug Control Strategy; and are used in the management of the program. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.
  - (2) **Prior Years Performance Targets and Results** – For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recent fiscal year with the projected (target) levels of performance established in the agency’s annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency’s plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.
  - (3) **Current Year Performance Targets** – Each report must specify the performance targets established for National Drug Control Program activities in the agency’s performance budget for the current fiscal year and describe the methodology used to establish those targets.
  - (4) **Quality of Performance Data** – The agency must state the procedures used to ensure the performance data described in this report are accurate, complete, and unbiased in presentation and substance.
- (b) **Assertions** – Each report shall include a letter in which an accountable agency official makes the following assertions are made regarding the information presented in Section 7a:
- (1) **Performance reporting system is appropriate and applied** – The agency has a system to capture performance information accurately and that system was properly applied to generate the performance data.
  - (2) **Explanations for not meeting performance targets are reasonable** – An assertion shall be made regarding the reasonableness of any explanation offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets.

- (3) **Methodology to establish performance targets is reasonable and applied** – An assertion that the methodology described above to establish performance targets for the current year is reasonable given past performance and available resources.
- (4) **Adequate performance measures exist for all significant drug control activities** - Each Report shall include an assertion that the agency has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports required by section 6a(1)(A) for which a significant amount of obligations (\$1,000,000 or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure must consider the intended purpose of the National Drug Control Program activity.

The criteria associated with these assertions are as follows:

- (a) **Data** – If workload, participant, or other quantitative information supports these assertions, the sources of these data should be well documented. If these data are periodically collected, the data used in the report must be clearly identified and will be the most recently available.
- (b) **Other Estimation Methods** – If professional judgment or other estimation methods are used to make these assertions, the objectivity and strength of these estimation methods must be thoroughly explained and documented. These estimation methods should be subjected to periodic review to confirm their continued validity.
- (c) **Reporting Systems** – Reporting systems supporting the assertions should be current, reliable, and an integral part of the agency’s budget and management processes.

**8. Inspector General Authentication.** Each report defined in Sections 6 and 7 shall be provided to the agency’s Inspector General (IG) for the purpose of expressing a conclusion about the reliability of each assertion made in the report. ONDCP anticipates that this engagement will be an attestation review, consistent with the *Statements for Standards of Attestation Engagements*, promulgated by the American Institute of Certified Public Accountants.

**9. Unreasonable Burden.** Unless a detailed report, as specified in Section 6, is specifically requested by ONDCP, an agency or bureau included in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may submit through its CFO, or its accountable senior level executive, an alternative report to ONDCP, consisting of only the table highlighted in Section 6a., omitting all other disclosures. Such a report will be accompanied by statements from the CFO, or accountable senior level executive, and the agency IG attesting that full compliance with this Circular would constitute an unreasonable reporting burden. In those instances, obligations reported under this section will be considered as constituting the statutorily required detailed accounting, unless ONDCP notifies the agency that greater detail is required.

**10. Point of Contact and Due Dates.** Each agency CFO, or accountable senior level executive, shall transmit a Detailed Accounting Submission, consisting of the report(s) defined in Sections 6 and 7, along with the IG's authentication(s) defined in Section 8, to the attention of the Associate Director for Performance and Budget, Office of National Drug Control Policy, Washington, DC 20503. Detailed Accounting Submissions, with the accompanying IG authentication(s), are due to ONDCP by February 1 of each year. Agency management must submit reports to their Office of Inspector General (OIG) in sufficient time to allow for review and IG authentication under Section 8 of this Circular. ONDCP recommends a 31 December due date for agencies to provide their respective OIG with the required reports and information.

John P. Walters  
Director