

UNITED STATES DEPARTMENT
OF
JUSTICE



**THE ATTORNEY GENERAL'S
SEMIANNUAL MANAGEMENT REPORT
TO CONGRESS**

October 1, 2016 – March 31, 2017

Background

In accordance with the Inspector General Act of 1978,¹ as amended, the Department of Justice (Department or DOJ) provides the following management report. The report describes the Department's actions during the semiannual period ended March 31, 2017, to address recommendations from the OIG provided in audit, inspection, and evaluation reports. The first section provides information on the status of final action for OIG reports with recommendations that funds be put to better use. The second section provides information on the status of final action for OIG reports with disallowed costs. The third and final section of the report, which addresses a reporting requirement for OIG audit reports only, provides the status of final action for reports open longer than one year for which management decisions have been made but final action has not been completed. During the semiannual reporting period, DOJ components implemented policy and management changes to close 285 recommendations that had been open longer than one year.

DOJ Management Report on Final Action

1. Status of Final Action for OIG Reports with Recommendations that Funds be Put to Better Use²

Status of Final Action on Funds to Better Use Recommendations (six-month period ended March 31, 2017)		
Category	FBU Recommendations	No. of OIG Reports
Value of FBU recommendations for which final action had not been completed by the beginning of the reporting period	\$538,851	2
Value of FBU recommendations agreed to by management in a final decision during the reporting period	\$321,824	
Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines)	\$860,675	
Value of FBU recommendations for which final action was completed during the reporting period (sum of next two lines)	\$788,400	
FBU recommendations completed	\$788,400	
FBU recommendations that management subsequently concluded should not or could not be implemented or completed	\$0	
Value of FBU recommendations for which final action had not been completed by the end of the reporting period	\$72,275	1

¹ 5 U.S.C. App.

² This section reflects the status of final action for OIG reports with recommendations that funds be put to better use (FBU) that management agreed to in a final decision, in accordance with the Inspector General Act, as amended. For purposes of this report, the term *FBU recommendation* means a recommendation by the OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation.

2. Status of Final Action for OIG Reports with Disallowed Costs³

Status of Final Action on Disallowed Costs (six-month period ended March 31, 2017)			
Category	Disallowed Costs	No. of OIG Reports	
Value of disallowed costs for which final action had not been completed by the beginning of the reporting period	\$9,357,588	24	
Value of disallowed costs included in the total above that management determined during the reporting period to be allowable costs based on the review of additional information	\$237,115		
Subtotal	\$9,120,473		
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$1,362,287		
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$10,482,760		
Value of disallowed costs for which final action was completed during the reporting period (sum of next three lines)	\$5,346,682		
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$1,666,894		
Disallowed costs referred to the U.S. Department of the Treasury for collection	\$0		
Disallowed costs written off by management	\$3,679,788		
Value of disallowed costs for which final action had not been completed by the end of the reporting period	\$5,136,078		16

³ This section reflects the status of final action for OIG reports with disallowed costs, in accordance with the Inspector General Act, as amended. For purposes of this report, the term *disallowed cost* means an incurred cost questioned by the OIG that DOJ management, in a final decision, agreed should not have been charged to the Government. The term *final decision* means management has evaluated the finding and recommendation and made a decision concerning its response, including actions concluded to be necessary or that no action is necessary. The OIG can question costs for various findings such as, at the time of audit, costs were not supported by adequate documentation. Historically, the Department has been able to provide adequate support for the majority of OIG questioned costs, resulting in the questioned costs being deemed allowable.

3. Status of Final Action for OIG Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed⁴

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
BOP – Bureau of Prisons					
10-44	Federal Bureau of Prisons' Furlough Program	09/01/2010	7	6	BOP has completed final action on 6 of the 7 recommendations. In addition, BOP has completed various actions related to the remaining recommendation involving the sharing and storing of documentation regarding furloughs. Completion of final action is dependent, in part, on BOP's conversion to electronic inmate files, which is scheduled to be completed in FY 2017.
16-17	Federal Bureau of Prisons' Armory Munitions and Equipment	03/30/2016	14	8	BOP has completed final action on 8 of the 14 recommendations. In addition, BOP has completed various actions related to the remaining recommendations involving armory inventory management. Completion of final action is dependent on incorporating revised procedures into policy. BOP plans to complete the policy updates in FY 2017.

⁴ This section reflects the status of final action for OIG audit reports open longer than one year for which management decisions have been made but final action has not been completed. For purposes of this report, the term *final action* means the completion of all actions that management concluded in its final decision are necessary with respect to the findings and recommendations in the audit report.

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
COPS - Office of Community Oriented Policing Services					
10-25	A Review of the Grantee Selection Process for the COPS Hiring Recovery Program	05/14/2010	7	6	COPS has completed final action on 6 of the 7 recommendations. In addition, COPS has completed various actions related to the remaining recommendation to provide OJP with access to additional COPS grants management data to facilitate the grants management functions OJP performs for COPS. COPS continues to work with OJP and OVW on an Enterprise Grants Management Data Collaboration Initiative that will allow all three grant-issuing components to access each other's grants data. Final action on the remaining recommendation is expected to be completed in FY 2017.
Various	3 Grant Audit Reports	Various	19	3	COPS continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$69,383.
CRM – Criminal Division					
GR-50-15-007	Charter Township of Plymouth Police Department's Equitable Sharing Program Activities, Plymouth Township, Michigan	09/30/2015	12	3	CRM has completed final action on 3 of the 12 recommendations. CRM continues to work with the Charter Township of Plymouth Police Department to remedy reported deficiencies and complete final action on disallowed costs valued at \$51,383. CRM plans for final action on the recommendations to be completed in FY 2017.

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
DEA – Drug Enforcement Agency					
16-08	Drug Enforcement Administration's Controls Over Seized and Collected Drugs	02/17/2016	9	5	DEA has completed final action on 5 of the 9 recommendations. In addition, DEA has completed various actions on the remaining recommendations related to documentation for drug seizures. DEA plans to complete final action on the remaining recommendations in FY 2018.
16-16	Drug Enforcement Administration's Aviation Operations with the Department of Defense in Afghanistan	03/29/2016	13	6	DEA has completed final action on 6 of the 13 recommendations. In addition, DEA has completed various actions on the remaining recommendations to remedy questioned costs and ensure deliverables under the Memorandum of Understanding with the Department of Defense are meeting desired objectives. DEA plans to complete final action on the remaining recommendations in FY 2018.
FBI – Federal Bureau of Investigation					
09-25	The Federal Bureau of Investigation's Management of Terrorist Watchlist Nominations	05/06/2009	16	15	FBI has completed final action on 15 of the 16 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving an evaluation of the overall watchlisting process. OIG suspended follow-up for the audit in December 2011 pending completion of its follow-on audit of FBI's management of terrorist watchlist nominations. OIG issued the follow-on audit report in March 2014 and, in April 2014, reopened follow-up for the 2009 audit. FBI plans to complete final action on the remaining recommendation in FY 2017.

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
14-16	Federal Bureau of Investigation's Management of Terrorist Watchlist Nominations	03/24/2014	12	11	FBI has completed final action on 11 of the 12 recommendations. In addition, FBI has completed various actions related to the remaining recommendation involving the watchlist. FBI plans to complete final action on the remaining recommendation in FY 2017.
NFPR ⁵	8 FISMA Audit Reports	Various	137	96	FBI has completed final action on 96 of the 137 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2017.
JMD – Justice Management Division					
13-40	Department of Justice's Implementation of and Compliance with Certain Classification Requirements	09/27/2013	14	12	JMD has completed final action on 12 of the 14 recommendations. In addition, JMD has completed various actions related to the remaining recommendations involving security classification guides and dissemination control markings. JMD plans to complete final action on the remaining recommendations in FY 2017.
14-32	Department of Justice's Oversight of Costs Incurred through the Fees and Expenses of Witness Appropriation	09/23/2014	12	1	JMD has completed final action on 1 of the 12 recommendations. In addition, JMD has completed various actions related to the remaining recommendations involving policies and procedures for costs incurred through the fees and expenses of witness appropriation. JMD plans to complete final action on the remaining recommendations in FY 2017.

⁵ Due to law enforcement sensitivity reasons, the OIG issues its Federal Information Security Management Act (FISMA) audit reports as Not For Public Release (NFPR).

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
NFPR	FISMA Audit Report	Various	4	3	JMD has completed final action on 3 of the 4 recommendations related to FISMA and plans to complete final action on the remaining recommendation in FY 2017.
NSD – National Security Division					
NFPR	2 FISMA Audit Reports	Various	8	5	NSD has completed final action on 5 of the 8 recommendations related to FISMA and plans to complete final action on the remaining recommendations in FY 2017.
OJP – Office of Justice Programs					
14-23	Office of Justice Programs Bureau of Justice Assistance John R. Justice Grant Program	05/19/2014	12	11	OJP has completed final action on 11 of the 12 recommendations. In addition, OJP has completed various actions related to the remaining recommendation involving repayments by grant beneficiaries who have exited the program. OJP completed final action during the reporting period on disallowed costs valued at \$20,503. OJP plans to complete final action on the remaining recommendation in FY 2017, including final action on the remaining disallowed costs valued at \$1,040,407.
15-21	Office of Justice Programs' Processing of Public Safety Officers' Benefit Programs Claims	05/19/2014	4	2	OJP has completed final action on 2 of the 4 recommendations. In addition, OJP has completed various actions related to the remaining recommendations involving the collection, management, and reporting of claims data. OJP plans to complete final action on the remaining recommendations in FY 2017.

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
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16-15	National Institute of Justice's Management and Oversight of DNA Backlog Reduction Grantees' Reporting and Use of Program Income	03/28/2016	4	1	OJP has completed final action on 1 of the 4 recommendations. In addition, OJP has completed various actions related to the remaining recommendations involving program income guidance, technical assessment tools, and training. OJP plans to complete final action on the remaining recommendations in FY 2017.
Various	27 Grant Audit Reports	Various	224	117	OJP completed final action during the reporting period on disallowed costs valued at \$105,014. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$2,486,979.
Various	45 Single Audit Act Reports	Various	167	75	OJP completed final action during the reporting period on disallowed costs valued at \$215,184. OJP continues to work with grantees to remedy reported deficiencies and questioned costs.
OVW - Office on Violence Against Women					
Various	19 Grant Audit Reports	Various	156	81	OVW continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$1,239,001 and funds to better use valued at \$72,275.
USMS - United States Marshals Service					
NFPR	FISMA Audit Report	06/25/2014	8	7	USMS has completed final action on 7 of the 8 recommendations related to FISMA and plans to complete final action on the remaining recommendation in FY 2017.

Status of Final Action for Audit Reports Open Longer than One Year for which Management Decisions Have Been Made but Final Action Has Not Been Completed (as of March 31, 2017)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
Audit Reports Encompassing More Than One DOJ Component					
14-33	Crime Victim Fund Disbursements to the Federal Bureau of Investigation and Executive Office for United States Attorneys	09/26/2014	10	8	The Department has completed final action on 8 of the 10 recommendations. In addition, the Department has completed various actions related to the remaining recommendations for developing uniform reporting standards for performance statistics and improving the effectiveness of internal control over Crime Victim Fund disbursements. The Department plans to complete final action on the remaining recommendations in FY 2017.
15-01	Department of Justice's Management of International Fugitive Removal Activities	11/12/2014	9	6	The Department has completed final action on 6 of the 9 recommendations. In addition, the Department has completed various actions related to the remaining recommendations for improving its management of international fugitive removal activities. The Department plans to complete final action on the remaining recommendations in FY 2017.
15-33	The Department of Justice's Use of Extended Temporary Duty Travel	09/28/2015	14	13	The Department has completed final action on 13 of the 14 recommendations. In addition, the Department has completed various actions related to the remaining recommendation involving corrections needed for travelers who did not receive W-2 forms for taxable travel reimbursements for calendar years 2012 through 2014. The Department plans to complete final action on the remaining recommendation in FY 2017.