

UNITED STATES DEPARTMENT
OF
JUSTICE



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

October 1, 2017 – March 31, 2018

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, 2018, 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 250 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, 2018)		
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	\$72,275	1
Value of FBU recommendations agreed to by management in a final decision during the reporting period	\$10,528,725	
Value of FBU recommendations pending final action during the reporting period (sum of preceding two lines)	\$10,601,000	
Value of FBU recommendations for which final action was completed during the reporting period (sum of next two lines)	\$10,601,000	
FBU recommendations completed	\$10,601,000	
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	\$0	

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, 2018)		
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	\$3,253,335	15
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	\$0	
Subtotal	\$3,253,335	
Value of disallowed costs agreed to by management in a final decision during the reporting period	\$2,802,326	
Value of disallowed costs pending final action during the reporting period (sum of preceding two lines)	\$6,055,661	
Value of disallowed costs for which final action was completed during the reporting period (sum of next three lines)	\$4,751,343	
Disallowed costs recovered by management through collection, offset, property in lieu of cash, or other means	\$2,263,957	
Disallowed costs referred to the U.S. Department of the Treasury for collection	\$1,269,600	
Disallowed costs written off by management	\$1,217,786	
Value of disallowed costs for which final action had not been completed by the end of the reporting period	\$1,304,318	13

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, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
ATF – Bureau of Alcohol, Tobacco, Firearms and Explosives					
17-17	Bureau of Alcohol, Tobacco, Firearms and Explosives' Management and Oversight of Confidential Informants	03/27/2017	5	0	ATF has completed various actions on all 5 recommendations and is awaiting OIG concurrence that final action has been completed.
BOP – Bureau of Prisons					
10-44	Federal Bureau of Prisons' Furlough Program	09/01/2010	7	6	The OIG has closed 6 of the 7 recommendations based on BOP completing final action. 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 implementation of the Furlough/Release Application, which is scheduled to be completed in FY 2018.
16-17	Federal Bureau of Prisons' Armory Munitions and Equipment	03/30/2016	14	10	The OIG has closed 10 of the 14 recommendations based on BOP completing final action. 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 and implementing a computer program to enhance inventory management. BOP plans to complete final action on the remaining recommendations in FY 2018.

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, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
17-08	Federal Bureau of Prisons' Contract with CoreCivic, Inc., Natchez, Mississippi	12/19/2016	9	1	The OIG has closed 1 of the 9 recommendations based on BOP completing final action. In addition, BOP has completed various actions related to contract management and is awaiting OIG concurrence that final action has been completed on the remaining recommendations.
COPS - Office of Community Oriented Policing Services					
Various	3 Grant Audit Reports	Various	19	3	COPS completed final action during the reporting period on disallowed costs valued at \$69,383. COPS continues to work with grantees to remedy reported deficiencies and questioned costs.
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	10	The OIG has closed 10 of the 12 recommendations based on CRM completing final action, including final action during the reporting period on disallowed costs valued at \$27,374. CRM continues to work with the Charter Township of Plymouth Police Department to remedy the reported deficiencies and questioned costs. CRM plans for final action on the recommendations to be completed in FY 2018.
GR-50-17-001	Henry County Sheriff's Office's Equitable Sharing Program Activities, New Castle, Indiana	02/21/17	12	3	The OIG has closed 3 of the 12 recommendations based on CRM completing final action, including final action during the reporting period on disallowed costs valued at \$40,875. CRM continues to work with the Henry County Sheriff's Office to remedy the reported deficiencies and questioned costs. CRM plans for final action on the recommendations to be completed in FY 2018.

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, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
GR-70-17-003	Franklin County District Attorney's Office's Equitable Sharing Program Activities, Franklin County, New York	03/08/17	15	0	CRM has completed various actions on the recommendations and continues to work with the Franklin County District Attorney's Office to remedy the reported deficiencies and questioned costs. CRM plans for final action on the recommendations to be completed in FY 2018.
DEA – Drug Enforcement Agency					
16-08	Drug Enforcement Administration's Controls Over Seized and Collected Drugs	02/17/2016	9	6	The OIG has closed 6 of the 9 recommendations based on DEA completing final action. 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	7	The OIG has closed 7 of the 13 recommendations based on DEA completing final action. 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.
16-33	Drug Enforcement Administration's Management and Oversight of its Confidential Source Program	09/28/2016	7	1	The OIG has closed 1 of the 7 recommendations based on DEA completing final action. In addition, DEA has completed various actions on the remaining recommendations related to management and oversight of its Confidential Source Program. DEA plans to complete final action on the remaining recommendations in FY 2018.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
NFPR ⁵	FISMA Audit Report	02/08/2017	6	5	The OIG has closed 5 of the 6 recommendations based on DEA completing final action. DEA plans to complete final action on the remaining recommendation related to FISMA in FY 2018.
EOUSA – Executive Office for United States Attorneys					
NFPR	FISMA Audit Report	09/21/2016	6	5	The OIG has closed 5 of the 6 recommendations based on EOUSA completing final action. EOUSA plans to complete final action on the remaining recommendation related to FISMA in FY 2018.
FBI – Federal Bureau of Investigation					
16-20	Federal Bureau of Investigation's Cyber Threat Prioritization	07/20/2016	2	0	FBI has completed various actions on the recommendations, which related to the use of an algorithmic, data-driven tool to prioritize cyber threats and implementation of a record keeping system that tracks agent time utilization by threat set. FBI plans to complete final action on the recommendations in FY 2018.
NFPR	7 FISMA Audit Reports	Various	134	102	The OIG has closed 102 of the 134 recommendations based on FBI completing final action. FBI plans to complete final action on the remaining recommendations related to FISMA in FY 2018.

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).

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
JMD – Justice Management Division					
13-40	Department of Justice's Implementation of and Compliance with Certain Classification Requirements	09/27/2013	14	12	The OIG has closed 12 of the 14 recommendations based on JMD completing final action. In addition, JMD completed various actions during the reporting period on the recommendation involving dissemination control markings and is awaiting OIG concurrence that JMD has completed final action on the recommendation. JMD plans to complete final action on the remaining recommendation involving security classification guides in FY 2018.
14-32	Department of Justice's Oversight of Costs Incurred through the Fees and Expenses of Witness Appropriation	09/23/2014	12	1	The OIG has closed 1 of the 12 recommendations based on JMD completing final action. 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 2018.

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, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
16-26	Follow-Up of the Department of Justice's Implementation of and Compliance with Certain Classification Requirements	09/12/2016	3	0	JMD completed various actions during the reporting period on the recommendations related to ensuring classification practices do not result in over or under classification, and ensuring DOJ components include classification management elements in the performance plans and evaluations for personnel whose duties significantly involve the creation or handling of classified information or who regularly apply derivative classification markings. JMD is awaiting OIG concurrence that JMD has completed final action on these recommendations. JMD plans to complete final action on the remaining recommendation to publish an updated DOJ Mandatory Declassification Review Instruction in the Federal Register in FY 2018.
17-06	Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statements FY 2016	12/08/2016	5	4	The OIG has closed 4 of the 5 recommendations based on JMD completing final action. In addition, JMD has completed various actions related to the remaining recommendation related to the review of the Annual Financial Statements. JMD plans to complete final action on the remaining recommendation in FY 2018.
NFPR	FISMA Audit Report	03/27/2017	7	4	The OIG has closed 4 of the 7 recommendations based on JMD completing final action. JMD plans to complete final action on the remaining recommendations related to FISMA in FY 2018.

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, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
NSD – National Security Division					
16-24	National Security Division's Enforcement and Administration of the Foreign Agents Registration Act	09/06/2016	14	13	The OIG has closed 13 of the 14 recommendations based on NSD completing final action. In addition, NSD is in the process of completing the document that would close the remaining recommendation to develop a comprehensive strategy for the enforcement and administration of the Foreign Agents Registration Act. NSD plans to complete final action on the remaining recommendation in FY 2018.
OJP – Office of Justice Programs					
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	The OIG has closed 1 of the 4 recommendations based on OJP completing final action. 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 2018.
17-10	Audit of the Office of Justice Programs' Tribal Justice Systems Infrastructure Program	01/18/2017	12	7	The OIG has closed 7 of the 12 recommendations based on OJP completing final action. OJP continues to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$842,880. OJP plans to complete final action on the remaining recommendations in FY 2019.

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, 2018)					
Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
Various	23 Grant Audit Reports	Various	205	108	The OIG has closed 108 of the 205 recommendations based on OJP completing final action, including final action during the reporting period on disallowed costs valued at \$1,817,127 and funds to better use valued at \$199,585. OJP continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$331,151.
Various	33 Single Audit Act Reports	Various	115	53	The OIG has closed 53 of the 115 recommendations based on OJP completing final action, including final action during the reporting period on disallowed costs valued at \$1,035,032. OJP continues to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$38,900.
OVW - Office on Violence Against Women					
Various	25 Grant Audit Reports	Various	212	99	The OIG has closed 99 of the 212 recommendations based on OVW completing final action, including final action during the reporting period on disallowed costs valued at \$12,509 and funds to better use valued at \$72,275. OVW continues to work with grantees to remedy reported deficiencies and questioned costs and complete final action on disallowed costs valued at \$61,261.
USMS - United States Marshals Service					
NFPR	FISMA Audit Report	08/01/2016	2	1	The OIG has closed 1 of the 2 recommendations based on USMS completing final action. USMS plans to complete final action on the remaining recommendation related to FISMA in FY 2018.

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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	9	The OIG has closed 9 of the 10 recommendations based on components completing final action. In addition, Department components have completed various actions related to the remaining recommendation for developing uniform reporting standards for performance statistics. The Department plans to complete final action on the remaining recommendation in FY 2018.
16-19	Department's Use of Pretrial Diversion and Diversion-Based Court Programs as Alternatives to Incarceration	07/13/2016	5	3	The OIG has closed 3 of the 5 recommendations based on components completing final action. In addition, Department components have completed various actions related to the remaining recommendations to conduct an assessment of the impact of the USAOs' use of pretrial diversion and participation in diversion-based court programs in reducing prosecution and incarceration costs and recidivism. The Department plans to complete final action on the remaining recommendations in FY 2018.

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Report Number	Audit Report Title	Report Date	Management Improvements		Status of Final Action
			Recommended	Final Action Completed	
16-32	Handling of Firearms Purchase Denials Through the National Instant Criminal Background Check System	09/27/2016	6	3	The OIG has closed 3 of the 6 recommendations based on components completing final action. In addition, Department components have completed various actions related to the remaining recommendations which involve ensuring Department components use consistent definitions for categories of persons that form the basis for referrals, identifying additional database resources that could assist NICS staff in making firearm background transaction decisions, and ensuring timely updates to NICS records. The Department plans to complete final action on the remaining recommendations in FY 2018.