

(D) ATTORNEY GENERAL'S SEMI-ANNUAL REPORT TO CONGRESS

Final Action on Audits with Questioned Costs for the Period October 1, 2002 to September 30, 2003			
	Number of Reports	Questioned Costs Classifications	Percent
Audit reports with management decisions on which final action had not been taken as of September 30, 2002		\$110,953,953	
Undocumented/Unapproved Costs		25,600,341	23.1%
Non-compliance with law by grant and contract recipients		50,619,351	45.6%
Supplanting	216	10,647,063	9.6%
Redeployment		9,870,821	8.9%
Non-compliance with law by DOJ components		898,018	0.8%
Unnecessary or unreasonable expenditures		70,658	0.1%
Other		13,247,701	11.9%
Audit reports on which management decisions were made during the period		\$ 36,256,130	
Undocumented/Unapproved Costs		5,991,773	16.5%
Non-compliance with law by grant and contract recipients		20,156,248	55.6%
Supplanting	69	761,658	2.1%
Redeployment		5,250,322	14.5%
Non-compliance with law by DOJ components		1,850,275	5.1%
Unnecessary or unreasonable expenditures		643	0.0%
Other		2,245,211	6.2%
Total audit reports pending final action during the period		\$147,210,083	
Undocumented/Unapproved Costs		31,592,114	21.5%
Non-compliance with law by grant and contract recipients		70,775,599	48.1%
Supplanting	285	11,408,721	7.7%
Redeployment		15,121,143	10.3%
Non-compliance with law by DOJ components		2,748,293	1.9%
Unnecessary or unreasonable expenditures		71,301	0.0%
Other		15,492,912	10.5%
Final Actions		\$ 31,877,296	
Collections/Recoveries		3,454,697	
Offsets & Property in Lieu of Cash		332,505	
Supporting documentation provided		7,850,459	
Brought into compliance	96	4,208,308	
Waived/Terminated		411,243	
Supplanting did not occur		1,485,526	
Questioned costs not sustained by DOJ management		14,134,558	
Audit reports needing final action as of September 30, 2003	189	\$115,332,787	

Final Action on Audits with Recommendations for Management Improvements for the Period October 1, 2002 to September 30, 2003		
	Number of Audit Reports	Number of Recommendations
Audit reports with management decisions on which final action had not been taken as of September 30, 2002	412	1,922
Audit reports on which management decisions were made during the period	217	869
Total audit reports pending final action during the period	629	2,791
Final Actions:		
Recommendations implemented	247	753
Recommendations that management concluded should not or could not be implemented or completed	25	47
Total number of actions taken	250 ¹	800
Audit reports needing final action as of September 30, 2003	379	1,991

¹This figure reflects the total number of audit reports for which final action was taken during the reporting period. The Department took multiple actions on several audit reports; thus, this total does not represent the sum of the two preceding figures.

**Status of Audits with Management Decisions Reporting
Recommendations to Put Funds to Better Use
for the Period October 1, 2002 to September 30, 2003**

	Number of Audit Reports	Dollar Value	
		FBU Values Reported by the OIG	Management Position on Potential Savings
Open Audit Reports:			
Audit reports from previous reporting period for which final action had not been taken as of September 30, 2002	73	\$49,670,309	\$8,181,267
Audit reports on which management decisions were made on the report and recommendations to put funds to better use during the reporting period	11	3,726,459	502,492
Audit reports on which management decisions were made during the reporting period but a decision is still pending on the recommendations to put funds to better use	2	2,120,220	-0-
Total Open Audit Reports	86	55,516,988	8,683,759
Closed Audit Reports:			
Audit reports on which final action was completed during the reporting period	14		2,634,622
Audit reports that management concluded should/could not be implemented or completed	18		-0-
Total Closed Audit Reports	30²		2,634,622
Audit reports for which final action had not been completed as of September 30, 2003	56		\$6,049,137

²Several audit reports had more than one recommendation to put funds to better use; therefore, this total does not represent the total of the two preceding figures in this column.

**MANAGEMENT DECISIONS ON AUDIT REPORTS
NOT IMPLEMENTED WITHIN ONE YEAR
as of September 30, 2003**

Report Number/ Date Issued	Report Title	Management Improvements		Status of Final Action
		Recommended	Implemented	
BOP				
02-03 12/28/01	Select Computer Security Controls of the Federal Bureau of Prisons' Network Computer System	8	6	The Bureau of Prisons (BOP) is implementing policies to address security vulnerabilities identified by the OIG.
02-30 08/01/02	The Federal Bureau of Prisons' Control Over Weapons and Laptop Computers	17	6	The BOP is implementing new and revised policies and procedures to strengthen its property management system and management controls over weapons and laptop computers.
CRM				
GR-40-01-003 03/14/01	Use of Equitable Sharing Revenues by the Virgin Islands Police Department	6	0	The Asset Forfeiture and Money Laundering Section is working with the grantee to address the noted deficiencies and cost exceptions.
02-05 01/25/02	The Federal Witness Security Program Criminal Division	3	0	The Criminal Division implementing new policies and procedures and upgrading its information system to provide for more accurate data on the performance of the Witness Security Program.
DEA				
92-14 08/14/92	Controlled Substances Act Registration Fees in the Drug Enforcement Administration	6	4	The Drug Enforcement Administration (DEA) is revising the final rule for the Diversion Fee Account to incorporate the methodology for adjusting the registration and registration fee levels and the annual review of registrant fees.
02-09 03/29/02	Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 - The Drug Enforcement Administration's El Paso Intelligence Center Information System (Unclassified Section)	17	15	The DEA is preparing additional documentation related to the El Paso Intelligence Center's contingency plan for submission to the OIG.
02-10 03/29/02	Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 - The Drug Enforcement Administration's Firebird System	13	1	During its FY 2003 testing, the OIG will verify the DEA's implementation of the required corrective actions. If the corrective actions have been properly implemented, the OIG will close the report.

**MANAGEMENT DECISIONS ON AUDIT REPORTS
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Report Number/ Date Issued	Report Title	Management Improvements		Status of Final Action
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02-28 08/01/02	The Drug Enforcement Administration's Control Over Weapons and Laptop Computers	22	19	The DEA is taking action to strengthen inventory controls over weapons and laptop computers.
02-40 09/26/02	Drug Enforcement Administration Annual Financial Statement Fiscal Year 2001	26	2	The DEA is implementing corrective actions to strengthen its financial reporting process, internal controls over information systems and controls related to the management of obligated funds.
EOUSA				
02-11 03/29/02	Independent Evaluation Pursuant to Government Information Security Reform Act Fiscal Year 2001 - The Executive Office for United States Attorneys Justice Consolidated Office Network II	10	7	To strengthen its information technology security program, the Executive Office for United States Attorneys (EOUSA) is implementing new procedures to enforce the Department's access control standards and to correct account lookout deficiencies. In addition, the EOUSA is implementing a centralized automated audit log review system.
FBI				
01-31 09/28/01	Review of the Federal Bureau of Investigation Headquarter's Information Systems Control Environment Fiscal Year 2000	29	13	The Federal Bureau of Investigation (FBI) is implementing corrective actions to address the weaknesses identified by the OIG.
02-27 08/01/02	The Federal Bureau of Investigation's Control Over Weapons and Laptop Computers	10	8	The FBI is instituting policies and procedures related to the acquisition, inventory, audit, turn-in, maintenance, decommission, sanitization and destruction of information technology resources.
02-37 09/25/02	Review of the Federal Bureau of Investigation Headquarters' Information Systems Control Environment Fiscal Year 2001	11	3	The FBI is taking corrective actions to rectify the deficiencies noted by the OIG.
FPI				
01-27 09/20/01	Federal Prison Industries, Inc. Annual Financial Statement Fiscal Year 2000	18	17	The OIG will close this audit report when annual financial statement audit testing verifies that the Federal Prison Industries, Inc. (FPI) has completed the necessary corrective actions.
02-34 09/16/02	Federal Prison Industries, Inc. Annual Financial Statement Fiscal Year 2001	31	14	The OIG will reevaluate the status of the open audit recommendations upon completion of the FY 2003 financial statement audit testing.

**MANAGEMENT DECISIONS ON AUDIT REPORTS
NOT IMPLEMENTED WITHIN ONE YEAR
as of September 30, 2003**

Report Number/ Date Issued	Report Title	Management Improvements		Status of Final Action
		Recommended	Implemented	
JMD				
01-01 11/06/00	Departmental Critical Infrastructure - Planning for the Protection of Computer Based Infrastructure	4	0	The Justice Management Division (JMD) is preparing documentation related to the Department's mission essential inventory and all related vulnerability assessments and remediation plans.
01-15 07/03/01	Office of Debt Collection Management's Implementation of the Collection Litigation Automated Support System	3	3	The JMD has completed corrective actions related to the audit recommendations; however, it has not completed final action for the cost exceptions.
02-12 03/29/02	Independent Evaluation Pursuant to Government Information Security Reform Act Fiscal Year 2001 - The Rockville and Dallas Data Centers	18	10	The JMD is implementing corrective actions to address issues pertaining to software change management, segregation of duties and password management.
02-21 06/10/02	Summary of the Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 - Classified Systems	7	0	The JMD is taking steps to reinforce information technology security management and oversight activities in the Department.
02-26 7/25/02	Offices, Boards and Divisions Annual Financial Statement Fiscal Year 2001	9	4	The OIG will assess the status of the remaining open audit recommendations upon completion of the FY 2003 financial statement audit.
02-31 08/01/02	The Department of Justice's Control Over Weapons and Laptop Computers	13	3	The JMD is establishing standard guidelines and procedures and stricter reporting requirements to strengthen accountability and control of the Department's weapons and laptop computers.
USMS				
94-07 11/26/93	United States Marshals Service's Responsibilities Under the Witness Security Program	28	26	The United States Marshals Service (USMS) is implementing a new computer system for the management of the Witness Security Program.
01-30 09/28/01	United States Marshals Service Annual Financial Statement Fiscal Year 2000	21	15	The USMS is addressing issues regarding entity-wide security program planning and management, access controls, application software development and change control, and service continuity.

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NOT IMPLEMENTED WITHIN ONE YEAR
as of September 30, 2003**

Report Number/ Date Issued	Report Title	Management Improvements		Status of Final Action
		Recommended	Implemented	
02-39 09/27/02	United States Marshals Service Annual Financial Statement Fiscal Year 2001	17	14	The OIG will reevaluate the status of the remaining open audit recommendations upon completion of the FY 2003 financial statement audit.
GR-80-97-008 04/18/97	United States Marshals Service Aircraft Maintenance Contract with Stambaugh's Air Service, Inc.	8	0	The USMS is working to recover overpayments made to Stambaugh's, Inc. for aircraft maintenance services.
VAR				
00-19 08/09/00	Offices, Boards and Divisions Annual Financial Statement Fiscal Year 1999	9	8	The OIG will close this audit report is subsequent financial statement audit testing verifies that corrective actions have been implemented.
01-07 02/28/01	U.S. Department of Justice Annual Financial Statement Fiscal Year 2000	7	5	The Department is modifying its financial management system to improve the accuracy and reliability of the data.
01-12 03/21/01	Federal Cost Recovery and Program Monitoring in the Equitable Sharing Program	3	2	The Department is conducting a comprehensive cost recovery study to assess the Equitable Sharing Program's costs and recovery practices.
01-26 09/17/01	The Combined DNA Index System	4	3	The FBI is implementing a plan for routine verifications of the integrity of DNA profiles uploaded to the National DNA index system.
02-06 02/26/02	U.S. Department of Justice Annual Financial Statement Fiscal Year 2001	5	4	The OIG will close this audit report when subsequent financial statement audit testing verifies that all corrective actions have been implemented.
GR-50-98-012 04/02/98	Use of Department of Justice Funds by the Calumet Park, Illinois Police Department	4	0	OJP, COPS and CRM are working with the grantee to develop a corrective action plan to address the audit recommendations and remedy the cost exceptions.
COPS				
Various	71 COPS Grantees	534	231	The Office of Community Oriented Policing Services (COPS) is working with the grantees to remedy the actual costs exceptions and compile the required documentation on redeployment, retention planning, and supplanting.

**MANAGEMENT DECISIONS ON AUDIT REPORTS
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as of September 30, 2003**

Report Number/ Date Issued	Report Title	Management Improvements		Status of Final Action
		Recommended	Implemented	
Various	57 Single Audit Act Reports	151	36	COPS and the Office of Justice Programs (OJP) are working with the grantees to address the audit recommendations and remedy the cost exceptions.
OJP				
02-25 07/22/02	Office of Justice Programs Annual Financial Statement Fiscal Year 2001	16	13	The OJP is strengthening the information systems access controls to protect its resources against unauthorized modification, loss and disclosure.
Various	11 Grant Audits	51	25	The OJP is working with the grantees to address deficiencies and cost exceptions reported by the OIG
Various	69 Single Audit Act Reports	200	61	The OJP is coordinating with the grantees to develop corrective action plans to remedy the noted weaknesses and cost exceptions.

MANAGEMENT DECISIONS ON AUDIT REPORTS WITH QUESTIONED COSTS NOT IMPLEMENTED WITHIN ONE YEAR AS OF SEPTEMBER 30, 2003									
Report Number	Title	Questioned Costs	BASIS FOR QUESTIONED COSTS						
			Unsupported	Noncompliance	Supplanting	Redeployment	Unnecessary	Other	
94-7	United States Marshals Service Responsibilities Under the Witness Security Program	\$610,815	\$ 610,815						
01-15	Office of Debt Collection Management's Implementation of the Collection Litigation Automated Support System	\$4,600,000						\$4,600,000	
01-26	The Combined DNA Index System	\$459,282		\$459,282					
GR-40-01-003	Use of Equitable Sharing Revenues by the Virgin Islands Police Department	\$137,822	\$137,822						
GR-50-98-012	Use of Department of Justice Funds by Calumet Park, Illinois Police Department	\$82,098	\$12,633	\$31,965					\$37,500
GR-80-97-008	United States Marshals Service Aircraft Maintenance Contract with Stambaugh's Air Service, Inc.	\$1,731,632							\$1,731,632
Various	69 COPS Grantees	\$40,246,798	\$8,632,514	\$13,824,283	\$10,514,038	\$7,205,919	\$70,044		
Various	40 OIP Grantees	\$29,018,658	\$8,333,051	\$20,613,792	\$18,977				\$52,838
Various	24 Single Audit Act Reports	\$3,415,136	\$571,928	\$2,842,365					\$843
	TOTAL	\$ 80,302,241	\$ 18,298,763	\$ 37,771,687	\$ 10,533,015	\$ 7,205,919	\$ 4,670,044	\$ 1,822,813	
	PERCENT OF TOTAL	100%	22.79%	47.04%	13.12%	8.97%	5.81%	2.27%	

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