

FY 2007
Performance Summary Report

Office of National Drug Control Policy
July 2008



FY 2007 Performance Summary Report

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Fiscal Year 2007 Performance Summary Report

Executive Summary

Background

This document presents the FY 2007 performance summary reports for each drug control agency. The Office of National Drug Control Policy's (ONDCP) Reauthorization Act of 2006 (Public Law 109-469) included a provision (21 U.S.C. § 1703(d)(7)) authorizing 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 ..."

ONDCP updated its Circular, *Annual Accounting of Drug Control Funds* (Tab J), to all National Drug Control Program agencies adding a new section that required agencies to submit annual performance summary reports. These reports constitute a key component of ONDCP's performance system which also includes annual assessments of agency Performance Budget Summer submissions, Fall Performance Budgets, and submissions associated with the development of the annual National Drug Control Strategy Budget Summary. The agency performance summary reports provide an independent assessment of agency accountability systems for both the Administration and Congress.

Each report was to include performance-related information for National Drug Control Program activities – specifically on the performance measures, prior year performance targets and results, current year targets, and the quality of the performance data. The Chief Financial Officer or other accountable senior executive of each agency was required to assert that (a) the performance reporting system was appropriate and applied; (b) explanations for not meeting performance targets were reasonable; (c) the methodology to establish performance targets was reasonable and applied; and (d) adequate performance measures existed for all significant drug control activity decision units. The decision unit was defined in the Circular as activities for which a significant amount of obligations (\$1,000,000 or 50 percent of the agency drug budget) were incurred in FY 2007. These management assertions were to be based on data (citing sources); other estimation methods such as professional judgment (documenting the objectivity and strength of these methods); and the accuracy and reliability of the reporting systems and the extent to which they were an integral part of agency budget and management processes.

The Circular mandated that "Each report... shall be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report." Each agency Office of Inspector General (OIG) conducted an attestation review consistent with the *Statements for Standards of Attestation Engagements*, promulgated by the American Institute of Certified Public Accountants. An attestation review is more limited in scope than a standard audit, the purpose of which is to express an opinion on management's assertions. The objective of an attestation review is to evaluate an entity's performance reporting and to provide negative assurance. Negative assurance, based on the criteria established by the

ONDCP Circular, indicates that nothing came to the attention of the OIG that would cause them to believe an agency's submission was presented other than fairly, in all material respects. This process ensured conformity with the requirements of the Circular while addressing the disparate performance issues facing drug control agencies.

Framework for Assessing Strategy Performance

The *National Drug Control Strategy (Strategy)* is driven in large measure by a principle that underlies an apprehension of drug addiction itself – that it is a disease. Though the disease is preventable, as well as treatable, once the behavior of drug use is acquired, the drugs themselves produce changes in the brain that alter neurological functioning, judgment, craving, and behavior. In some measure, the brain is “re-wired” in the continued presence of drugs of addiction in such a way that seeking more drugs becomes an overwhelming activity, notwithstanding the consequence that the drugs impose a toll on the health of the body and the brain. The disease of addiction creates a damaged brain, and it is the goal of drug treatment to alter the continued use of drugs in such a manner that the brain can heal. Treatment is more effective when offered early in the stages of abuse, dependency, and addiction, before damage to the brain threatens to become irreparable.

Because of this apprehension, substantial portions of the *Strategy* are organized to respond appropriately to the disease dimensions of drug use. By adopting an understanding that is fundamentally epidemiological, the drug use threat is diagnosed and appropriate interventions crafted in order to interrupt the transmission of this behavioral disease, and further treat those already in its grip at the most important junctures in the stages of the disease.

Following an epidemiological approach, ONDCP's approach is to first examine the populations most susceptible to acquisition of this disease, and examine the periods and circumstances during which they are most vulnerable to the behavioral transmission. Data show that drug use is largely an adolescent-onset disease, with primary exposure and initiation occurring between the ages of 12 and 20. Effective prevention interventions should be targeted at that age bracket. Moreover, the interventions should focus on the drug presenting the greatest risk to youth of that age. Given those understandings, the *Strategy* has emphasized prevention interventions that address youth marijuana use, realized in programs such as the National Youth Anti-Drug Media Campaign (targeting youth 14-16 and marijuana) and Student Drug Testing, an intervention that may be effective both as a vehicle for deterrence as well as treatment referral.

Though the programs cited above are directed specifically at youth, the epidemiological understanding of drug use demonstrates that the gains achieved in reducing youth drug use have ramifications across the entire population, given the reality that patterns of drug use established in youth persevere across the life-span. That is, gains made in preventing or deterring youth drug use will establish patterns in that population that they will carry forward, and as research has well established, will affect subsequent use of any drug, not just the target drug of the program or campaign.

As the above example shows, a general principle underlying the *Strategy* leads to an analysis of drug use that leads to a diagnostic understanding. Based on that diagnostic understanding the Administration has crafted specific programs tailored to address the diagnostic junctures. This is the approach adopted across all dimensions of supply control, demand reduction, and market-based attack strategy. That is, a similar logic train underpins programs as diverse as aerial eradication in Colombia, intensified seizure activities at the border, strengthened HIDTA programs, expanded treatment access programs, and the effort to drive drug abuse screening into routine medical practice.

The requisite next step in carrying out an accountable set of programs is to build a measurement capacity to evaluate the results of those programs. It is the Administration's conviction that the single most meaningful outcome measure for drug control is, in keeping with an epidemiological parallel, the number of people with the disease of drug use – that is, measuring the incidence and prevalence of the disease is the most important feature of ameliorating the trajectory of the disease, as well as the attendant behavioral pathologies associated with the disease.

Hence, the *Strategy* established goals for drug use, dividing the population into groups of youth and adults. The effectiveness of the youth strategy, is well-attested by data showing a 24 percent reduction in youth current use of any illicit substance over the past six years of the *Strategy's* implementation.

Measurement of the adult population is more problematic. Not only has the primary national survey that captures adult drug use been altered in such a manner as to disrupt continuity, the Administration has also realized that the adult population has characteristics that render it more resistant not only to rapid change, but to effective measurement of drug prevalence. First, adult drug users are more likely to have progressed in their disease to the point of greater resistance to interventions. Second, the most seriously afflicted are unlikely to be captured in a survey of households, the primary measurement instrument, as they are often living in more dire circumstances. And third, it has become evident that the primary characteristic of adult drug users in need of drug treatment is to be in a state of denial about that need.

Several programmatic steps followed from these realizations. First, the Administration has developed or enhanced additional drug use measuring instruments that seek to capture a problematic population – instruments such as the Arrestee Drug Abuse Monitoring (ADAM) program, which was rehabilitated and funded directly by ONDCP in order to acquire a portrait of drug use in a population involved in the criminal justice system. The data from the ADAM program is most effectively capitalized upon by linking to another specific policy initiative of the *Strategy*, Drug Courts, which provide supervised, sanctioned treatment to drug users that are criminal justice offenders.

Note from this example that ONDCP has sometimes been required to construct programs and simultaneously develop data sets to evaluate those programs, as existing data sets were often inadequate to the task or developed for other than strategic purposes.

Programmatic efforts notwithstanding, progress toward the adult goals was less than had been targeted. Accordingly, ONDCP determined based on feedback from measuring instruments, to

adjust the *Strategy* by developing a new program, one that addressed the dimension of adult drug use denial. ONDCP realized that only by mainstreaming drug abuse screening into regular medical care would it be possible to capture and educate a population of users who otherwise would not recognize their need for treatment. Moreover, this Screen, Brief Intervention, Referral to Treatment (SBIRT) program was linked to another feature of the adult drug demand programs, the Access To Recovery (ATR) initiative, which provides direct funding for a treatment episode based on a voucher for services, which could be provided at the conclusion of an SBIRT episode.

These examples show the effectiveness of establishing a feedback loop between programmatic operations, measured outcomes of those efforts, and adjustments to programs that derive from the same principles found in the strategic understanding.

In conclusion, what has been developed is a system of understandings linked to specific responses, which are linked to outcome measurements, which themselves can be linked back to future program directions. Importantly, this system of diagnostics, programmatic interventions, outcome measures, and course adjustments all takes place in consonance with the broader strategic principles that provide direction in establishing the *Strategy's* goals.

It should be stressed once again that similar logic chains inform each area of the *Strategy*. It is the Administration's further conviction that the various dimensions of that *Strategy*, supply, demand, and market, can work cumulatively in their impact, with the outcome of one dimension affecting and augmenting activities in another dimension (much as found in the supply-demand change spirals found in econometric analysis). That is, the *Strategy* has as a central feature the integration of efforts undertaken by various components that, by linking strategic understandings to operational priorities to programmatic realizations of those priorities, allow us to drive in a measurable way towards the *Strategy's* goals.

Program Performance

The *Strategy's* policies are carried out through a variety of programs undertaken by ONDCP's drug control partner agencies. These programs constitute the infrastructure supporting the *Strategy's* targeted programs described earlier. To assess the contributions of individual programs, ONDCP draws on existing agency data systems required by the Government Performance and Results Act (GPRA).

Agency performance measures, and the data sources that inform them, are tailored to best assess the unique contribution of each drug control agency. The reliance on existing, customized mechanisms for evaluating performance results in the use of a wide variety of measures and data sources. For example, prevention indicators range from perception of harm from drug use to attitudes towards drug use to actual drug use. Data sources vary from national surveys such as the National Survey on Drug Use and Health (NSDUH) and the Youth Risk Behavior Surveillance System (YRBS), to records maintained by individual programs. For instance, the Department of Education uses YRBS data to estimate the percent of students offered, sold, or given an illegal drug in school as a measure for the State Grants component of the Safe and Drug Free Schools and Communities Program. The Department of Defense uses program records to track the percent of active duty military personnel that test positive.

Treatment performance measures primarily focus on the effectiveness of programs in helping clients attain and sustain recovery, getting and keeping jobs, and decreasing criminality. The Substance Abuse and Mental Health Services Administration's (SAMHSA) National Outcomes Measures (NOMS) system is a collaborative effort with States. The NOMS evaluates both the Substance Abuse Prevention and Treatment Block Grant and Programs of Regional and National Significance (PRNS) across 10 performance domains and documents progress with state-by-state outcome information. The Office of Justice Programs records the number of drug courts and the Veterans Health Administration monitors the percent of clients receiving appropriate continuity of care -- both through program records. The National Institute on Drug Abuse employs various research milestones documenting progress towards developing and testing evidence-based treatment approaches for specialized populations in community settings.

Programs that contribute to Market Disruption use several performance measures that monitor eradication, alternative crop substitution, interdiction, and law enforcement activities. The Coast Guard's non-commercial maritime cocaine removal rate relies on the interagency developed Consolidated Counter Drug Database (CCDB), which was established to collect cocaine movement events in the source and transit zones and to permit strategic analyses of trafficking trends and operational performance. The Bureau of International Narcotics and Law Enforcement Affairs tracks the number of hectares of coca (or opium poppy) cultivated in relevant source countries, obtained from the Central Intelligence Agency's Crime and Narcotics Center. The Drug Enforcement Administration's number of Priority Target Organizations disrupted or dismantled is tracked in program records. Other measures include the Organized Crime Drug Enforcement Task Force's percent of key defendants convicted.

The Budget Summary that accompanies the annual *Strategy* documents the performance targets and actual achievements of each program along with a qualitative description of past-year accomplishments. This assessment of program performance guides ONDCP's oversight of agency performance. Every year, ONDCP issues funding guidance to agencies on improving their performance and refining their accountability systems. For instance, ONDCP established an interdiction target of 40 percent to guide the interdiction community. This long-term target has since been adopted by interdiction agencies such as the Coast Guard and appropriate annual targets developed by an interagency working group.

ONDCP's performance measurement system provides sound information for assessing the effectiveness of drug control agency programs. To further improve the capabilities of this system, ONDCP in collaboration with national drug control agencies, has taken several steps to refine the ability of this system to evaluate performance and inform programmatic and policy decisions.

Developing performance measures for national drug control program activities that reflect the intended outcomes of these efforts has been a major focus. ONDCP continues to urge agencies supporting treatment programs to monitor and assess recidivism and to track program-participant outcomes some months after discharge from services rather than report their status at discharge. The Veterans Health Administration and the Small Business Administration, at ONDCP's urging, are exploring options for supplementing their current measures with outcome measures

that reflect program effect on participants and the workforce respectively. ONDCP is also working with the Bureau of Indian Affairs to monitor drug-related violent incidents.

Work continues with agencies such as the Drug Enforcement Administration and the Customs and Border Protection to develop outcome measures, or valid proxy measures, which have a plausible causal link to desired end outcomes. ONDCP's efforts to develop interagency-approved drug flow estimates and promote the use of drug removal rates are designed to transform seizure output measures into drug availability outcome measures.

The agency performance summary reports constitute an independent assessment of the robustness of their accountability systems – exposing weaknesses and validating credible performance measures, targets, and related data bases. Some of the Offices of Inspectors General (OIGs) have reported deficiencies in agency accountability systems – for instance, the lack of a performance measure for the drug treatment-related Research and Development program in the Department of Veterans Affairs. This deficiency was immediately addressed by the Department and procedures established to monitor the measure selected. Other OIG findings represent potential opportunities for improving agency performance systems and their contribution to the *Strategy* – for instance, ONDCP will be working with the Department of Defense and the Department of Treasury to refine their monitoring of program performance.

Department Compliance and Attestation Reviews

With the exception of the Department of Defense, all National Drug Control Program agencies complied with the requirements of the Drug Control Accounting Circular dated May 1, 2007.¹ The OIG of each agency authenticated the agency performance summary report including management assertions, with the exception of the Department of Defense (DoD). The DoD OIG did not authenticate the report since it was transmitted too late for adequate review.

The performance summary reports have in some cases, pointed out vulnerabilities in agency accountability systems that necessitate further attention. Some Departments addressed such issues immediately as in the case of the Department of Veterans Affairs which responded to the OIG pointing out the need for a performance measure for their Research and Development program, by identifying a relevant measure and initiating the process of monitoring and reporting targets and results. In other cases – for example, the Department of the Treasury and the Department of Defense – ONDCP will be assisting relevant agencies to improve their accountability systems.

Performance summary reports for the Department of State's United States Agency for International Development (USAID) and for the Department of Homeland Security's Customs and Border Protection (CBP) are in preparation. To avoid delaying ONDCP's Report to Congress, the USAID and CBP reports will be transmitted later. The DoD report will be

¹ The Indian Health Service, the Centers for Medicare and Medicaid, and the Bureau of Indian Affairs are new to the drug budget and therefore, were not required to submit Performance Summary Reports for FY 2007.

transmitted separately as a classified document. Following are the summaries of each Department's compliance and OIG authentication.

Agency Performance Summary Reports

Department of Defense

The Department of Defense submitted a classified report which will be transmitted via separate correspondence. The Office of the Inspector General did not authenticate the report since it was transmitted too late for adequate review.

Department of Education

The Department of Education's performance summary report (Tab A) satisfies the requirements of ONDCP's Circular. Performance information is provided for four key drug control programs in the Safe and Drug-Free Schools and Communities Program, the Department's only drug control Budget Decision Unit. These programs are (i) Safe Schools/Healthy Students, (ii) Student Drug Testing, (iii) Safe and Drug-Free Schools & Communities State Grants Program, and (iv) Grants to Reduce Alcohol Abuse. Management assertions about the validity of the measures, the appropriateness of the targets and the soundness of the data collection systems were reviewed by the Office of the Inspector General. Nothing came to their attention that would lead them to believe that management assertions were not fairly stated in all material respects, based upon the Circular.

Department of Health and Human Services

The Department of Health and Human Services submitted separate reports (Tab B) for the National Institute on Health (NIDA activities) and the Substance Abuse and Mental Health Services Administration (SAMHSA).

NIDA: The Office of the Inspector General reviewed management's assertions regarding the performance measures, targets, and data collection systems for NIDA's prevention and treatment decision units. Nothing came to their attention that caused them to believe that management's assertions were not fairly stated, in all material respects.

SAMHSA: The report describes performance and data related to the Substance Abuse Prevention and Treatment Block Grants and to the Programs of Regional and National Significance, both prevention and treatment-related. SAMHSA's assertions regarding its accountability system – performance measures, targets, and data systems – were reviewed by the Office of the Inspector General. Nothing came to their attention that caused them to believe that management's assertions were not fairly stated, in all material respects.

Department of Homeland Security

The Department of Homeland Security submitted separate reports (Tab C) for the United States Coast Guard (USCG) and Immigration and Customs Enforcement (ICE). The Customs and Border Protection (CBP) report will be submitted later.

USCG: The report focused on performance and data regarding USCG's Drug Interdiction Program since their decision units – Acquisition, Construction & Improvements (AC&I); Operating Expenses (OE); Research Development Testing and Evaluation (RDT&E); and Reserve Training (RT) - are multi-mission and contribute together to the overarching goal of drug interdiction. Management assertions about the validity and soundness of USCG's performance measures, targets, and data system were reviewed by the Office of the Inspector General. Based on their review, nothing came to their attention that caused them to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's Circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

ICE: The report describes the accountability systems for the Office of Intelligence and for the Office of Investigations. The third decision unit – Office of International Affairs (OIA) – once part of Investigations, has been separated into a program. OIA plans to develop drug-related measures in FY 2008 to be reported the year after. Management assertions about the validity and soundness of ICE's performance measures, targets, and data system were reviewed by the Office of the Inspector General. Based on their review, nothing came to their attention that caused them to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's Circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

Department of Justice

The Department of Justice submitted separate reports (Tab D) for the Bureau of Prisons (BOP), the Drug Enforcement Administration (DEA), Organized Crime Drug Enforcement Task Force (OCDETF), and the Office of Justice Programs (OJP).

BOP: The report focuses on the Residential Drug Treatment Program. Based on the review of the report, nothing came to the attention of the Office of the Inspector General that caused them to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's Circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

DEA: The report describes the accountability system for their decision units – International Enforcement and Domestic Enforcement. The third decision unit – State and Local Assistance – was not included since most of the resources in this unit are reimbursable resources; relevant performance is therefore more accurately presented by the reimbursing agencies. Based on the review of the report, nothing came to the

attention of the Office of the Inspector General that caused them to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's Circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

OCDETF: The report focuses on the joint performance of their three decision units – Investigations, Intelligence, and Prosecutions – since these work together to achieve the goal of disrupting and dismantling Consolidated Priority Organization Target-linked trafficking organizations. Based on the review of the report, nothing came to the attention of the Office of the Inspector General that caused them to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's Circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

OJP: The report describes performance and data related to the Residential Substance Abuse Treatment Program (RSAT) and the Drug Court Program – decision units supporting the Strategy. Based on the review of the report, nothing came to the attention of the Office of the Inspector General that caused the office to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's Circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

Department of State

The Department of State's performance summary report (Tab E) outlines the accountability system for its two decision units – International Narcotics Control and Law Enforcement and the Andean Counterdrug Program (previously called "Andean Counterdrug Initiative"). Based on a review of the report and accompanying management assertions, nothing came to the attention of the Office of the Inspector General that would lead that Office to believe that the report did not meet the requirements of the Circular.

Department of Transportation

The National Highway Traffic Safety Administration (NHTSA) submitted a report (Tab F) delineating the accountability system for their Drug-Impaired Driving Program, including assertions by management regarding the soundness of the system and its performance measures and targets. Based on their review of the report, the Office of the Inspector General determined that the report and assertions were in conformity with the Circular.

Department of the Treasury

The performance summary report (Tab G) of the Department of the Treasury documents the performance measures, targets, and data system of the Internal Revenue Service's Criminal Investigation narcotics-related program. Based on their review of the report, the Office of the Treasury Inspector General for Tax Administration concluded that nothing came to their attention to indicate that management's assertions were not presented, in all material respects, in

accordance with the Circular. The Office recommended that the program's performance measures be improved to reflect its effectiveness.

Department of Veterans Affairs

The Department of Veterans Affairs submitted a report (Tab H) delineating the accountability system for the drug control activities of the Veterans Health Administration. Based on a review of the report, the Office of the Inspector General (OIG) concluded that nothing came to their attention that would lead them to believe managements assertions about the accountability system were not fairly stated in all material respects, based upon the Circular. The OIG indicated that the Department had not established a performance measure for the drug control decision unit - Research and Development – as required by the Circular. The Department has since identified a measure for this decision unit. The OIG also identified a material weakness in the Department's Information Technology Security Controls which deviates from the Circular's requirement of a system to capture performance information accurately and that the system be applied properly to generate performance data.

Small Business Administration

The Small Business Administration (SBA) submitted an alternative limited report (Tab I) since its drug control activities fall below the Circular's threshold of \$50 million. The report documents the agency's drug-related performance measures, targets, and supporting data systems. The Office of the Inspector General compared report data to submissions from SBA grantees and concluded that the reported performance information was accurate – the alternative report was not subject to an attestation review.

Tab A



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

ASSISTANT DEPUTY SECRETARY

FEB _ 1 2008

John P. Walters
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, D.C. 20500

Dear Mr. Walters:

In accordance with the Office of National Drug Control Policy (ONDCP) Circular *Drug Control Accounting*, enclosed please find detailed information about performance-related measures for key drug control programs administered by the U.S. Department of Education contained in the *U.S. Department of Education's Performance Summary Report for Fiscal Year 2007*, along with the Department of Education Assistant Inspector General's authentication of the management assertions included in that report.

Please do not hesitate to contact me if you have any questions about this information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deborah A. Price".

Deborah A. Price

Enclosure #1: Department of Education Performance Summary Report for Fiscal Year 2007, dated January 30, 2008

Enclosure #2: Authentication letter from Keith West, Assistant Inspector General for Audit Services, dated February 1, 2008

cc: Keith West

400 MARYLAND AVE., S.W., WASHINGTON, DC 20202
www.ed.gov

Our mission is to ensure equal access to education and to promote educational excellence throughout the nation.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

FEB 1 2008

Office of Inspector General's Independent Report on the U.S. Department of Education's Performance Summary Report for Fiscal Year 2007, dated January 30, 2008.

We have reviewed management's assertions contained in the accompanying Performance Summary Report, titled *Department of Education Performance Summary Report for Fiscal Year 2007*, dated January 30, 2008. The U.S. Department of Education's management is responsible for the Performance Summary Report and the assertions contained therein.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

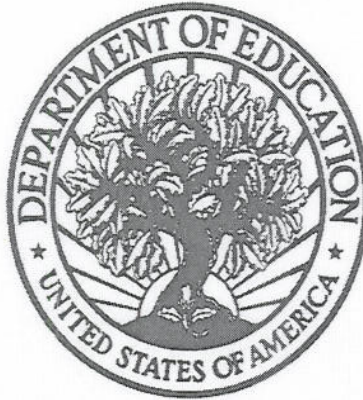
We performed review procedures on the "Performance Summary Information," "Assertions," and "Criteria for Assertions" contained in the accompanying Performance Summary Report. In general, our review procedures were limited to inquiries and analytical procedures appropriate for our review engagement. We did not perform procedures related to controls over the reporting system noted in the attached report.

Based on our review, nothing came to our attention that caused us to believe that management's assertions, contained in the accompanying Performance Summary Report, are not fairly stated in all material respects, based upon the Office of National Drug Control Policy Circular: *Drug Control Accounting*, dated May 1, 2007.

A handwritten signature in cursive script, appearing to read "Keith West for".

Keith West
Assistant Inspector General for Audit Services

Department of Education



Performance Summary Report

Fiscal Year 2007

In Support of the

National Drug Control Strategy

As required by ONDCP Circular: *Drug Control Accounting*

January 30, 2008

Department of Education

Performance Summary Report for Fiscal Year 2007

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

JAN 30 2008

Mr. John P. Higgins, Jr.
Inspector General
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, DC 20202-1510

Dear Mr. Higgins:

As required by Office of National Drug Control Policy (ONDCP) Circular *Drug Control Accounting*, enclosed please find detailed information about performance-related measures for key drug control programs administered by the U.S. Department of Education, in accordance with the guidelines in the circular dated May 1, 2007. This information corresponds to the Safe and Drug-Free Schools and Communities program, which is the Department's only Drug Control Budget Decision Unit displayed in the *National Drug Control Budget Summary*.

Consistent with the instructions in the ONDCP Circular, please provide your authentication to me in writing and I will transmit it to ONDCP along with the enclosed Performance Summary Report. As you know, ONDCP requests these documents by February 1, 2008 if possible. Please do not hesitate to contact me if you have any questions about the enclosed information.

Sincerely,

Deborah A. Price
Assistant Deputy Secretary for
Office of Safe and Drug-Free Schools

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Our mission is to ensure equal access to education and to promote educational excellence throughout the nation.

Performance Summary Information

Safe Schools/Healthy Students

Measure 1: The percentage of grantees demonstrating a decrease in substance abuse over the three-year grant period (Safe Schools/Healthy Students – FY 2004 and FY 2005 Cohorts)

Table 1

Cohort	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
2004	n/a	n/a	n/a	75	90	pending	none
2005	n/a	n/a	n/a	n/a	none	pending	86.25

The measure. This performance measure is for the Safe Schools/Healthy Students initiative, a joint project of the Departments of Education, Health and Human Services, and Justice. The initiative provides grants to local educational agencies (LEAs) to support the development and implementation of a comprehensive plan designed to prevent student drug use and violence and support healthy youth development.

This measure, one of four for this initiative, focuses on one of the primary purposes of the initiative – reduced student drug use. The initiative, and this measure, is directly related to the National Drug Control Strategy's goal of preventing drug use before it begins. Grantees select and report on one or more measures of prevalence of drug use for students. For the FY 2004 – 2006 cohorts, those grantee measures are not common across grant sites but, rather, reflect priority drug use problems identified by sites.

FY 2007 Performance Results. Because the measure is established to look at progress over the three-year grant period, it has just a single target for the third year of implementation of each cohort. Sites were not required to provide or collect baseline data at the time of application or before program interventions were implemented, so grantees provided baseline data for their selected measures related to drug use after year one (for example in FY 2005 for the FY 2004 cohort). Grantees from the FY 2004 cohort provided data in late November 2007 as part of a semi-annual performance report. Those data will be aggregated later in FY 2008 to determine if the FY 2007 target for the cohort has been met. Interim data for the 2005 cohort will also be reported on the same approximate time schedule.

FY 2008 Performance Targets. The FY 2005 cohort will be providing data for this measure near the end of 2008. The 2007 target for this cohort was set based on the results from the FY 2004 cohort; we calculated an increase of 15 percentage points in terms of grantees demonstrating decreased substance abuse in year two of the FY 2004 cohort. Because GPRA measures for this initiative were first implemented for the FY 2004 cohort, targets for this initial cohort represented our judgment at the time, given

the significant size of Safe Schools/Healthy Students grants and the emphasis on research-based programs that is central to the initiative. We elected to revise the target for the FY 2005 cohort for the measure based on the actual performance to date (implementation year two) of the FY 2004 cohort. Based on our professional judgment, it seemed that the revised target of 86.25 percent was appropriately aggressive and that attaining that target would be a meaningful outcome for the program, while acknowledging that our target for the initial (FY 2004) cohort may have been unrealistic.

Methodology. Data are collected by grantees, generally using student surveys. Data are furnished in the second of two semi-annual performance reports provided by grantees each project year. If grantees identified more than one measure of drug abuse, or provided data for individual school-building types (for example, separate data for middle and high schools), grantees were considered to have experienced a decrease in substance abuse if data for a majority of measures provided reflected a decrease. If a grant site provided data for an even number of measures and half of those measures reflected a decrease and half reflected no change or an increase, that grant site was judged not to have demonstrated a decrease in substance abuse. The response rate for the FY 2004 cohort for this measure was 35 percent. While most sites were able to provide some data related to this measure, we considered as valid data only data from sites that used the same elements/items in each of years one and two.

If data for this measure are not available at the time that performance reports are submitted, staff follow up with sites to attempt to obtain data for the measure. Grantees that fail to provide data are not included in the tabulation of data for the measures. Also, grantees that did not provide data for two consecutive project years (so that we could determine if a decrease in substance abuse had occurred) are not included in data report for the measure. Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of the signers' knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and does not conduct further reviews.

Targets were established for this measure after the baseline data for the FY 2004 cohort were provided. Based on the final results for this first cohort, targets for future cohorts may need to be adjusted. (For example, the target for the FY 2005 cohort was already adjusted.)

Student Drug Testing

Measure 2: The percentage of student drug testing grantees that experience a 5 percent reduction in current (30-day) illegal drug use by students in the target population. (Student Drug Testing – FY 2003 and FY 2005 cohorts)

Table 2

Cohort	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
2003	n/a	n/a	n/a	33	50	pending	n/a
2005	n/a	n/a	n/a	n/a	33	pending	50

The measure. This measure is one of two measures for the Student Drug-Testing Programs grant competition. The competition provides discretionary grants to LEAs, community-based organizations, or other public and private entities to support implementation of drug testing of students, consistent with the parameters established by the U.S. Supreme Court or for students and their families that voluntarily agree to participate in the student drug testing program.

This measure is directly related to the National Drug Control Strategy's goal related to preventing drug use before it starts. Student drug testing has been prominently featured in recent annual versions of the strategy as a recommended drug prevention intervention.

FY 2007 Performance Results. Data for the FY 2003 cohort will be submitted as part of final reports for these grants. The grantees are currently operating under no-cost extensions; final reports were due at the end of 2007, and aggregate data will be available in March 2008.

We have completed a preliminary review of data submitted by the FY 2005 cohort for this measure and have identified significant concerns about the quality and comparability of the data. Grant sites have reported on prevalence rates for a variety of illegal drugs and have not always provided data from the same items/elements across project years one and two. Based on these concerns, we will be obtaining assistance from the U.S. Department of Education's Data Quality Initiative contractor to create and disseminate detailed data collection and reporting guidance for the program, as well as data standards that we will use to determine what constitutes valid data for this measure. After that project is complete in 2008, we will aggregate and report data for the FY 2005 cohort based on these standards and report it.

FY 2008 Performance Targets. We established targets for the percentage of grantees experiencing a 5 percent reduction in current illegal drug use after reviewing the first two years of data for the FY 2003 cohort of grant sites. Consistent with research that suggests that changes in student behavior related to student drug testing may not be realized immediately, we assumed that we could look for an increased number of grantees to experience positive change and, using our professional judgment, set that target at 50 percent of grantees. When we have received data for three project years from a single cohort of sites, we will revisit targets for future cohorts. We may also need to consider revising targets for future cohorts based on full results from the FY 2005 cohort because the FY 2003 cohort is very small (only 8 sites) and may not be typical of other cohorts.

Methodology Data are collected by grantees using student surveys. Data are provided as part of the grantees' annual performance reports. Grantees do not use the same survey items to collect data for this measure but, rather, self-select survey items (often from surveys already administered) in order to provide these data. Survey items may relate to different substances, but must collect information concerning current use in order to be included in the data reported for this measure. Grantees did not provide baseline data in their applications, so we have to wait until grantees provide data from project year one and two in order to determine if they have experienced a decrease in substance abuse. For the FY 2003 cohort, project implementation was delayed for one full year while grantees sought needed institutional review board clearance to drug test students, so performance data were received in 2005 and 2006. Only 3 of 8 grantees provided comparable data across the first two years of their project.

Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of the signer's knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and does not conduct further reviews.

No new grants were awarded under this program in FY 2004.

The anticipated levels of decrease in substance abuse are consistent with those included in the National Drug Control Strategy – five percent per year. Targets were established following the report of baseline data for grant sites from the FY 2003 cohort.

Measure 3: The percentage of student drug testing grantees that experience a 5 percent reduction in past-year illegal drug use by students in the target population. (Student Drug Testing – FY 2003 and FY 2005 cohort)

Table 3

Cohort	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
2003	n/a	n/a	n/a	25	50	Pending	n/a
2005	n/a	n/a	n/a	n/a	25	Pending	50

The measure. This measure is one of two measures for the Student Drug-Testing Programs grant competition. The competition provides discretionary grants to LEAs, community-based organizations, or other public and private entities to support implementation of drug testing of students, consistent with the parameters established by the U.S. Supreme Court or for students and their families that voluntarily agree to participate in the student drug testing program.

This measure is directly related to the National Drug Control Strategy's goal related to preventing drug use before it starts. Student drug testing has been prominently

featured in recent annual versions of the strategy as a recommended drug prevention intervention.

FY 2007 Performance Results. Data for the FY 2003 cohort will be submitted as part of final reports for these grants. The grantees are currently operating under no-cost extensions; final reports were due at the end of 2007, and aggregate data will be available in March 2008.

We have completed a preliminary review of data submitted by the FY 2005 cohort for this measure and have identified significant concerns about the quality and comparability of the data. Grant sites have reported on prevalence rates for a variety of illegal drugs and have not always provided data from the same items/elements across project years one and two. Based on these and other concerns, we will be obtaining assistance from the U.S. Department of Education's Data Quality Initiative contractor to create and disseminate detailed data collection and reporting guidance for the program, as well as standards that we will use to determine what constitutes valid data for this measure. After that project is complete in 2008, we will aggregate data based on these standards and report it.

FY 2008 Performance Targets. We established targets for percentage of grantees experiencing a 5 percent reduction in past-year illegal drug use after reviewing the first two years of data for the FY 2003 cohort of grant sites. Consistent with research that suggests that changes in student behavior related to student drug testing may not be realized immediately, we assumed that we could look for an increased number of grantees to experience positive change and, using our professional judgment, set that target at 50 percent of grantees. When we have received data for three project years from a single cohort of sites, we'll revisit targets for future cohorts. We may also need to consider revising targets for future cohorts based on full results from the FY 2005 cohort because the FY 2003 cohort is very small (only 8 sites) and may not be typical of other cohorts.

Methodology Data are collected by grantees using student surveys. Data are provided as part of the grantees' annual performance reports. Grantees do not use the same survey items to collect data for this measure but, rather, self-select survey items (often from surveys already administered) in order to provide this data. Survey items may relate to different substances, but must collect information concerning annual use in order to be included in the data reported for this measure.

Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of the signer's knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and does not conduct further reviews.

The levels of anticipated decrease in substance abuse are consistent with those included in the National Drug Control Strategy – five percent per year. Targets were established following the report of baseline data for grant sites from the FY 2003 cohort. When we have received data for three project years from a single cohort of sites, we'll revisit targets for future years in other cohorts.

Safe and Drug-Free Schools and Communities State Grants

Measure 4: The percentage of students in grades 9-12 who were offered, sold, or given an illegal drug on school property during the past 12 months (Safe and Drug-Free Schools State Grants)

Table 4

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
29	None	25	None	27	Pending	None

The measure. This measure is one of three measures directly related to reducing student drug or alcohol use for the Safe and Drug-Free Schools and Communities (SDFSC) State Grants. This formula grant program provides funds to the States, based on school-aged population and the State's relative share of Elementary and Secondary Education Act Title I concentration grant funds, to support drug and violence prevention programs. The measure directly relates to the National Drug Control Strategy Goal of preventing youth drug use by focusing on the extent to which illegal drugs are available on school property.

FY 2007 Performance Results. FY 2007 data will be available in September 2008. We established targets for this measure by reviewing trends in this measure over time and identifying a target that reflects continuing achievable reductions.

FY 2008 Performance Targets. There are no targets for this program in FY 2008 because data are collected only in the odd-numbered years.

Methodology. Data for this measure are collected from a nationally representative sample of students in grades 9-12 as part of the Youth Risk Behavior Surveillance System (YRBSS), sponsored by the Centers for Disease Control and Prevention (CDC). Data are collected in odd years and reported in the following even years. No data are collected for even years and, as a result, no targets have been established for even years.

Detailed information about the methodology used to sample and report data for the YRBSS is available at the CDC website at: <http://www.cdc.gov/mmwr/preview/mmwrhtml/ss5505a1.htm>. We rely on the assertions provided about methodology presented by CDC in using this data to report on performance of SDFSC State Grants.

Measure 5: The percentage of students in grades 9-12 who used marijuana one or more times during the past 30 days. (SDFSC State Grants)

Table 5

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
22	None	20	None	19	Pending	None

The measure. This measure is one of three measures directly related to reducing student drug and alcohol use for SDFSC State Grants. This formula grant program provides funds to the States, based on school-aged population and the State's relative share of Elementary and Secondary Education Act Title I concentration grant funds, to support drug and violence prevention programs. The measure is directly related to the National Drug Control Strategy Goal of preventing youth drug use by focusing on the extent of current use by high school aged-youth of the most prevalent illegal drug.

FY 2007 Performance Results. FY 2007 data will be available in September 2008.

FY 2008 Performance Targets. There are no targets for this program in FY 2008 because data are collected only in the odd-numbered years.

Methodology. Data for this measure are collected from a nationally representative sample of students in grades 9-12 as part of the Youth Risk Behavior Surveillance System (YRBSS), sponsored by the Centers for Disease Control and Prevention (CDC). Data are collected in odd years and reported in the following even years. No data are collected for even years and, as a result, no targets have been established for even years.

Detailed information about the methodology used to sample and report data for the YRBSS is available at the CDC website at:
<http://www.cdc.gov/mmwr/preview/mmwrhtml/ss5505a1.htm>. We rely on the assertions provided about the methodology presented by CDC in using this data to report on performance of SDFSC State Grants.

Measure 6: The percentage of students in grades 9-12 who had five or more drinks of alcohol in a row one or more times during the past 30 days. (SDFSC State Grants)

Table 6

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
28	None	26	None	26	Pending	None

The measure. This measure is one of three measures related to reducing student drug or alcohol use for SDFSC Grants. This formula grant program provides funds to the States, based on school-aged population and the State's relative share of Elementary and Secondary Education Act Title I concentration grant funds, to support drug and violence prevention programs. The measure is directly related to the National Drug Control Strategy Goal of preventing youth drug use by focusing on the prevalence of binge drinking by high school aged-students. While alcohol is not explicitly an emphasis of the National Drug Control Strategy, illegal use of alcohol can be associated with use of other illegal drugs.

FY 2007 Performance Results. FY 2007 data will be available in September 2008.

FY 2008 Performance Targets. There are no targets for this program in FY 2008 because data are collected only in the odd-numbered years.

Methodology. Data for this measure are collected from a nationally representative sample of students in grades 9-12 as part of the Youth Risk Behavior Surveillance System (YRBSS), sponsored by the Centers for Disease Control and Prevention (CDC). Data are collected in odd years and reported in the following even years. No data are collected for even years and as a result no targets have been established for even years.

Detailed information about the methodology used to sample and report data for the YRBSS is available at the CDC website at: <http://www.cdc.gov/mmwr/preview/mmwrhtml/ss5505a1.htm>. We rely on the assertions provided about the methodology presented by CDC in using this data to report on performance of SDFSC State Grants.

Measure 7: The percentage of drug and violence prevention programs/practices supported with SDFSC State Grant funds that are research based. (SDFSC State Grants)

Table 7

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
None	None	7.8	None	None	None	11.7

The measure. This measure examines the extent to which programs and practices supported with SDFSC State Grant funds are based on research. The measure supports attainment of National Drug Control Strategy goals by focusing on the quality of programs supported with SDFSC State Grants funds and the likelihood that the programs will reduce or prevent youth drug use.

FY 2007 Performance Results. No target is established for this measure in FY 2007; data are collected every three years.

FY 2008 Performance Targets. A target of 11.7 percent has been established for FY 2008. We considered the challenges involved in encouraging the adoption of research-based programs and, using our professional judgment, we established a target for a 50 percent increase over the baseline in the prevalence of research-based programs implemented in schools. Although the target appears modest, it requires change in a very significant number of schools and districts in order to be achieved.

The next data collection is scheduled to collect information about programs implemented during the current (2007-2008) school year, so our remaining ability to influence performance on this measure for the next target is limited. However, we have established this issue as one of our strategic priorities for the Office of Safe and Drug-Free Schools 2008 organizational assessment. As part of that effort, SDFSC State Grant program staff have developed a plan to emphasize adoption and implementation of research-based programs. Strategies include requesting State protocols/standards for approving applications and providing waivers, focusing phone monitoring contacts on this issue, examining protocols to identify compliance issues and technical assistance needs, and identifying and disseminating best practices in this area based on protocols and monitoring activities.

Methodology. Baseline data for this measure were collected from a nationally representative sample of schools under a contract supported by ED. As a first step, the contractor developed a large list of research-based programs and then screened those programs to identify programs that were relevant to the SDFSC State Grants program; had at least two empirical studies completed that met stringent methodological standards; had implementation materials available; used at least two independent samples in program evaluations; and demonstrated an adequate level of program effectiveness.

The contractor collected data for the measure using surveys of national probability samples of public elementary and secondary schools and the school districts with which they were associated. The surveys – conducted using both mail and web-based approaches – gathered information on prevention programs operating during the 2004-2005 school year. Survey information was collected between fall 2005 and spring 2006.

The sample design included 2,500 districts, and nearly 6,000 schools that were sampled from the 2,500 districts. The contractor used the National Assessment of Educational Progress (NAEP) national sample frame. The NAEP sample frame is derived from the 2003-2004 National Center for Education Statistics Common Core of Data (CCD) Public Elementary and Secondary School Universe and Agency files. Using the NAEP sample frame allowed the contractor to take advantage of edits already made to the CCD files (for example eliminating administrative school districts from the sample frame).

Survey instruments used included 89 prevention programs; respondents were also able

to write in any programs omitted from those listed. The contractor received responses from 91 percent of the districts included in the sample and 86 percent of schools. The study conducted by the contractor to obtain data for this measure has some limitations that are the result of both the research synthesis and survey data collections. Despite significant efforts to be comprehensive, it is possible that the literature searches used may not have identified some published studies on prevention programs, and as a result, the number of research-based program may be understated.

Some other study limitations pertain to the quality of data collected via the surveys. Recall problems and responses from less knowledgeable respondents in some schools and districts (particularly among schools and districts that provided information late in the collection period) may have affected the quality of data. Schools may have also over-reported the prevention programs operating in their schools because respondents confused the specific named program in the survey with other similarly named but different programs.

Data for this measure will be collected every three years. A second data point for this measure will be collected in 2008-2009; information will reflect 2007-2008 school year practices.

Measure 8: The percentage of drug and violence prevention curriculum programs that are implemented with fidelity. (SDFSC State Grants)

Table 8

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
None	None	44.3	None	None	None	50.9

The measure. This measure examines the extent to which research-based curriculum programs supported with SDFSC State Grant funds are implemented with fidelity. The measure supports attainment of National Drug Control Strategy goals by focusing on the quality of implementation of the research-based programs and practices supported with SDFSC State Grants funds, and the corresponding likelihood that the programs will reduce or prevent youth drug use.

FY 2007 Performance Results. No targets were established for this measure for FY 2007 since the data are collected every three years.

FY 2008 Performance Targets. We established a target of 50.9 percent for FY 2008. We considered the challenges involved in encouraging the adoption of research-based programs and, using our professional judgment, we established a target for a 15 percent increase over the baseline data in the percentage of drug prevention programs that are implemented with fidelity. Although the target appears modest, it means change in a very significant number of schools and districts in order to be achieved.

Methodology. Baseline data for this measure were collected from a nationally representative sample of schools under a contract supported by ED. Data were collected in the fall of 2006, and reflected information about programs and practices implemented during the 2004-2005 school year. The contractor developed a list of research-based programs and compared information about programs and practices being implemented with SDFSC State Grants funds with the list of research-based program and practices. (See discussion for Measure 7)

The contractor then followed up with a subset of respondents to examine the extent to which research-based programs and practices were implemented in a manner consistent with implementation keys for individual programs (as determined by program developers). The contractor focused its review on the 10 programs (from the list of 21 research-based programs) that were implemented most frequently by respondents to the initial phase of the study.

The contractor mailed copies of questionnaires to principals and program implementers to each school that reported operating at least one research-based program in the response to the earlier survey. The response rate for the questionnaire supplied to program implementers was 78 percent; the response rate for questionnaires completed by principals was 70 percent.

The study developed program-specific measures of quality implementation for each of the research-based programs identified by the study. The standards were based on program developer's specifications for individual programs. Aspects of implementation considered included issues such as frequency of student participation; number of lessons delivered; and topics covered. Based on applying these quality standards to data supplied on the two questionnaires, the contractor identified the percentage of research-based programs that were implemented according to the standards identified by the program developer (which the study refers to as being implemented with "fidelity").

This aspect of the study has some limitations related to the application of the program-specific standards for assessing the quality of program implementation and from the additional survey data questionnaires. Valid measurement of quality of implementation required that a program developer's program specifications be applied to implementer reports on that specific program. In some cases, responses raised questions about whether respondents were reporting on the correct program. Study staff worked to confirm that implementers were reporting on the correct program; in cases where the implementer reported on the wrong program, that report was considered invalid and not included in the final data. If responses suggested that the program implementer reported on the wrong program and confirmation could not be made, those cases were also excluded from analyses.

Similar problems occurred for programs that had multiple components or different versions that are implemented for different ages or grade levels. Study staff reviewed program materials for different components or versions and worked to identify the

program standards most closely related to the various components or versions. If a meaningful standard for a component or measure could be developed, the case was included in the analyses; if not, the program was omitted.

Limitations related to data quality from questionnaires also exist. Because a substantial number of cases were ineligible for inclusion in the study analyses for the reasons described above, the number of valid cases was reduced, leading in turn to decreased precision in estimates and larger than expected standard errors and confidence intervals. Similar recall problems caused by the gap between program implementation and data collection (as discussed for the previous measure) may have also impacted data quality. Finally, the quality of reports varied by the extent to which respondents were in a position to observe actual implementation and intentionally bias reports. Program implementers may have difficulty in providing objective information about programs they are responsible for establishing. However, previous research using similar measures suggests that this 'social desirability' bias is likely to be low.

Data for this measure will be collected every three years. A second data point for this measure will be collected in 2008-2009; information will reflect 2007-2008 school year practices.

Grants to Reduce Alcohol Abuse

Measure 9: The percentage of grantees whose target students show a measurable decrease in binge drinking (Grants to Reduce Alcohol Abuse Program – FY 2004 and FY 2005 cohorts)

Table 9

Cohort	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
2004	n/a	n/a	n/a	50	70	pending	n/a
2005	n/a	n/a	n/a	n/a	none	65.2%	75

The measure. This measure examines a key outcome for the Grants to Reduce Alcohol Abuse (GRAA) program – reduction in binge drinking for the target population. While the National Drug Control Strategy is focused most intensively on preventing the use of controlled substances, the strategy does address the role of alcohol as a drug of choice for teenagers. Data do suggest that early use of alcohol is more likely to result in heavy later use of alcohol.

FY 2007 Performance Results. Actual performance data for FY 2007 for the FY 2004 cohort will be contained in final reports for these grant projects. Grants are currently operating in no-cost extensions; generally, final reports will be due at the end of 2008 for this cohort. Data will be aggregated and available in March 2009.

No FY 2007 target exists for the FY 2005 cohort for this measure since the first two performance reports were necessary in order to establish baseline data for this cohort.

FY 2008 Performance Targets. We have established a performance target of 75 percent for FY 2008 for this measure for the FY 2005 cohort. We elected to adjust the target for this measure to reflect the fact that a significantly greater number of grantees posted decreases in binge drinking at baseline. The target of 75 percent reflects an increase over the year three target for the prior (FY 2004) cohort, but a smaller increase between baseline and year three because of the performance of the FY 2005 cohort of grantees at baseline.

Methodology. Data for this measure are collected by grantees and reported as part of annual performance reports. If data for this measure are not available at the time that performance reports are submitted, staff follow up with sites to attempt to obtain data for the measure. Grantees that fail to provide data are not included in the tabulation of data for the measures. Also, grantees that did not provide data for two consecutive project years (so that we could determine if a decrease in binge drinking had occurred) are not included in data report for the measure. Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of the signer's knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and does not conduct further reviews.

ED does not mandate data collection protocols or instruments for grantees. Grantees select a survey item that reflects the concept of binge drinking, and collect and report data about that survey item as part of their performance reports. As a result, data are not comparable across grant sites, but individual grant sites are required to use the same survey items across performance periods.

Applicants are not required to furnish baseline data as part of their applications. Data supplied after year one are considered baseline data for the projects. Projects require two years of data in order to determine if a decrease in binge drinking among target students has occurred.

Measure 10: The percentage of grantees that show a measurable increase in the percentage of target students who believe that alcohol abuse is harmful to their health (Grants to Reduce Alcohol Abuse – FY 2004 and FY 2005 cohorts)

Table 10

Cohort	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
2004	n/a	n/a	n/a	55.6	76	pending	n/a
2005	n/a	n/a	n/a	n/a	none	70.1	80

The measure. This measure examines a key outcome for the Grants to Reduce Alcohol Abuse (GRAA) program – perception of health risk for alcohol abuse among target students. While the National Drug Control Strategy is focused most intensively on preventing the use of controlled substances, the Strategy does address the role of alcohol use as a drug of choice for teenagers. Data do suggest that changes in perceptions about risks to health resulting from alcohol use are positively correlated with reductions in alcohol use.

FY 2007 Performance Results. Actual performance data for FY 2007 for the FY 2004 cohort will be contained in final reports for these grant projects. Grants are currently operating in no-cost extensions; generally, final reports will be due at the end of 2008 for this cohort. Data will be aggregated and available in March 2009.

No FY 2007 target exists for the FY 2005 cohort for this measure since the first two performance reports were necessary in order to establish baseline data for this cohort.

FY 2008 Performance Targets. We have established a performance target of 80 percent for FY 2008 for this measure for the FY 2005 cohort. We elected to adjust the target for this measure to reflect the fact that a significantly greater number of grantees posted decreases in binge drinking at baseline than was the case for the FY 2004 cohort. The target of 80 percent reflects an increase over the year three target for the prior (FY 2004) cohort, but a smaller increase between baseline and year three because of the performance of the FY 2005 cohort of grantees at baseline.

Methodology. Data for this measure are collected by grantees and reported as part of annual performance reports. If data for this measure are not available at the time that performance reports are submitted, staff follow up with sites to attempt to obtain data for the measure. Grantees that fail to provide data are not included in the tabulation of data for the measures. Also, grantees that did not provide data for two consecutive project years (so that we could determine if an increase in the percentage of students that believe that alcohol abuse is harmful to their health had occurred) are not included in data report for the measure. Authorized representatives for the grant site sign the annual performance report and, in doing so, certify that to the best of the signers' knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and does not conduct further reviews.

ED does not mandate data collection protocols or instruments for grantees. Grantees select a survey item that reflects the concept of binge drinking, and collect and report data about that survey item as part of performance reports. As a result, data are not comparable across grant sites, but individual grant sites are required to use the same survey items across performance periods.

Applicants are not required to furnish baseline data as part of their applications. Data supplied after year one are considered baseline data for the projects. Projects require two years of data in order to determine if a decrease in binge drinking among target students has occurred.

Measure 11: The percentage of grantees that show a measurable increase in the percentage of target students who disapprove of alcohol abuse (Grants to Reduce Alcohol Abuse – FY 2004 and FY 2005 Cohorts)

Table 11

Cohort	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
2004	n/a	n/a	n/a	66.7	87	pending	n/a
2005	n/a	n/a	n/a	n/a	none	71.2	87

The measure. This measure examines a key outcome for the Grants to Reduce Alcohol Abuse (GRAA) program – perception of health risk for alcohol abuse among target students. While the National Drug Control Strategy is focused most intensively on the preventing the use of controlled substances, the Strategy does address the role of alcohol use as a drug of choice for teenagers. Data do suggest that increases in the percentage of target students who believe that alcohol abuse is not socially acceptable are associated with declines in consumption of alcohol.

FY 2007 Performance Results. Actual performance data for FY 2007 for the FY 2004 cohort will be contained in final reports for these grant projects. Grants are currently operating in no-cost extensions; generally. Final reports will be due at the end of 2008 for this cohort. Data will be aggregated and available in March 2009.

No FY 2007 target exists for the FY 2005 cohort for this measure since the first two performance reports were necessary in order to establish baseline data for this cohort.

FY 2008 Performance Targets. We have established a performance target of 87 percent for FY 2008 for this measure for the FY 2005 cohort. We retained the target from the FY 2004 cohort for this measure since it is an aggressive target (requiring that nearly all grantees achieve improvement for this measure), and the baseline differences between cohorts were smaller than in the other two measures for this program.

Methodology. Data for this measure are collected by grantees and reported as part of annual performance reports. If data for this measure are not available at the time that

performance reports are submitted, staff follow up with sites to attempt to obtain data for the measure. Grantees that fail to provide data are not included in the tabulation of data for the measures. Also, grantees that did not provide data for two consecutive project years (so that we could determine if an increase in the percentage of students that disapprove of alcohol abuse had occurred) are not included in data report for the measure. Authorized representatives for the grant site sign the annual performance report, and in doing so, certify that to the best of the signer's knowledge and belief, all data in the performance report are true and correct and that the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data included. Generally, the Department relies on the certification concerning data supplied by grantees and does not conduct further reviews.

ED does not mandate data collection protocols or instruments for grantees. Grantees select a survey item that reflects the concept of binge drinking, and collect and report data about that survey item as part of performance reports. As a result, data are not comparable across grant sites, but individual grant sites are required to use the same survey items across performance periods.

Applicants are not required to furnish baseline data as part of their applications. Data supplied after year one are considered baseline data for the projects. Projects require two years of data in order to determine if a decrease in binge drinking among target students has occurred.

Assertions

Performance Reporting System

The Department of Education has a system in place to capture performance information accurately and that system was properly applied to generate the performance data in this report. In instances in which data are supplied by grantees as part of required periodic performance reports, the data that are supplied are accurately reflected in this report.

Data related to the drug control programs included in this Performance Summary Report for Fiscal Year 2007 are recorded in the Department of Education's software for recording performance data and are an integral part of our budget and management processes.

Methodology for Establishing Performance Targets

The methodology described in the Performance Summary Report for Fiscal Year 2007 to establish performance targets for the current year is reasonable given past performance and available resources.

Performance Measures for Significant Drug Control Activities

The Department of Education has established at least one acceptable performance measure for each Drug Control Decision Unit identified in its Detailed Accounting of Fiscal Year 2007 Drug Control Funds.

Criteria for Assertions

Data

No workload or participant data support the assertions provided in this report. Sources of quantitative data used in the report are well documented. These data are the most recently available and are identified by the year in which the data was collected.

Other Estimation Methods

No estimation methods other than professional judgment were used to make the required assertions. When professional judgment was used, the objectivity and strength of those judgments were explained and documented. Professional judgment was used to establish targets for programs until data from at least one grant cohort were available to provide additional information needed to set more accurate targets. We routinely re-evaluate targets set using professional judgment as additional information about actual performance on measures becomes available.

Reporting Systems

Reporting systems that support the above assertions are current, reliable, and an integral part of the Department of Education's budget and management processes. Data collected and reported for the measures discussed in this report are stored in the Department of Education's Visual Performance System (VPS). The VPS includes appropriate disclosures about data quality issues associated with measures. Data from the VPS are used in developing annual budget requests and justifications, and in preparing reports required under the Government Performance and Results Act of 1993.

Tab B



Jon E. Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
750 17th Street NW
Washington DC 20503

Dear Mr. Rice:

Enclosed are the detailed Performance Summary Reports for the Department of Health and Human Services for Fiscal Year 2007, as requested by the ONDCP Circular entitled *Drug Control Accounting*. If you have any questions, your staff may contact Pete Bernardy at 202-690-5474.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Turman", with a long horizontal flourish extending to the right.

Richard J. Turman
Deputy Assistant Secretary, Budget

Enclosures

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

ATTESTATION REVIEW:
NATIONAL INSTITUTES OF
HEALTH PERFORMANCE
SUMMARY REPORT FOR
NATIONAL DRUG CONTROL
ACTIVITIES FOR
FISCAL YEAR 2007

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CONTAINS RESTRICTED
INFORMATION FOR
OFFICIAL USE. DISTRIBUTION
IS LIMITED TO
AUTHORIZED OFFICIALS.



Daniel R. Levinson
Inspector General

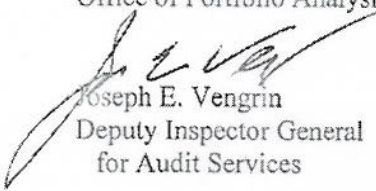
January 2008
A-03-08-00351



Warning – This report contains restricted information for official use.

JAN 24 2008

To: Alan Krensky, M.D.
National Institutes of Health Deputy Director for
Office of Portfolio Analysis and Strategic Initiatives (OPASI)

From: 
Joseph E. Vengrin
Deputy Inspector General
for Audit Services

Subject: Attestation Review: National Institutes of Health Performance Summary Report
for National Drug Control Activities for Fiscal Year 2007 (A-03-08-00351)

The purpose of this report is to provide you the results of our attestation review of the National Institutes of Health (NIH) Drug Control Activities Performance Summary Report and the NIH's Assertion Certification Statements for fiscal year (FY) 2007. Our attestation review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report; accordingly, we do not express such an opinion. We reviewed the attached NIH report entitled *Assertions Concerning Performance Summary Report*, dated November 27, 2007. The report is the responsibility of NIH's management and was prepared by NIH under the authority of 21 U.S.C. § 1703(d)(7) and as required by the Office of National Drug Control Policy (ONDCP) Circular: Drug Control Accounting Section 7, dated May 1, 2007.

OFFICE OF INSPECTOR GENERAL'S CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that management's assertions were not fairly stated, in all material respects.

Distribution is limited to authorized officials.

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Page 2 -- Alan Krensky, M.D.

NATIONAL INSTITUTES OF HEALTH PERFORMANCE SUMMARY REPORT

NIH's report included Scientific Research Outcomes (SRO) for two measures, one for prevention and one for treatment, with tables of the actual performance starting with the year of the baseline through the current year and annual targets for 2007 and 2008. The Performance Targets are reported each year on the Government Performance and Result Act (GPRA) Report.

We performed review procedures on NIH's related assertions and disclosures regarding the performance targets. In general, our review procedures were limited to inquiries and analytical procedures appropriate for our attestation review.

This report is intended solely for the information and use of Congress, ONDCP, and NIH, and is not intended to be, and should not be, used by anyone other than these specified parties. If you have questions or comments, contact me or have your staff call Stephen Virbitsky, Regional Inspector General for Audit Services, at 215-861-4470.

Attachment

Distribution is limited to authorized officials.

ATTACHMENT

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Richard J. Turman
Deputy Assistant Secretary, Budget

FROM: Alan Krensky, M.D.
National Institutes of Health Deputy Director for
Office of Portfolio Analysis and Strategic Initiatives (OPASI)

SUBJECT: Assertions Concerning Performance Summary Report

In accordance with the requirements of the Office of National Drug Control Policy circular "Drug Control Accounting," I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting System

I assert that NIH has a system to capture performance information accurately and that this system was properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

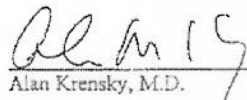
I assert that the explanations offered in the attached report for failing to meet a performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

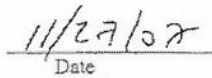
Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in the attached report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.


Alan Krensky, M.D.


Date

In accordance with the requirements of the Office of National Drug Control Policy circular "Drug Control Accounting," I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

FY 2007 Performance Summary Report for National Drug Control Activities

Decision Unit 1: Prevention

Measure 1 SRO-3.5: Identify and characterize at least 2 human candidate genes that have been shown to influence risk for substance use disorders and risk for psychiatric disorders using high-risk family, twin, and special population studies.

Table 1: Annual Targets for Measure 1

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
		Four genes have been identified: GABAB2 associated with tobacco addiction in African Americans; DOPA decarboxylase and Dopamine D2 receptor (DRD2) genes associated with response to either bupropion or nicotine replacement therapy for treatment of tobacco addiction; and NrCAM a drug-related gene expressed in neurons linked to reward and memory, and differentially expressed in post-mortem human tissue of polysubstance abusers versus controls. Also validated in animal studies.	From the whole genome scan, 35 genetic markers (SNPs) were identified with a primary p-value. The candidate gene approach revealed in 39 SNPs that differed most significantly between the dependent and non-dependent individuals. Among the top SNP signals were the nicotinic receptor genes, specifically CHRN3, CHRNA3, CHRNA3, and CHRN34.	Perform fine mapping studies to identify specific haplotypes for the most promising genes. Begin to seek functional differences among the SNPs within these haplotypes.	Research using SNP, linkage, and haplotype analyses identified haplotypes of 5 gene regions associated with dependence susceptibility, varying by ethnicity and gender. Functional implications of these variants are being studied.	Identify genomic markers that differ in addicted individuals who respond to treatment versus those who do not.

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency's drug control activities.

NIDA's growing knowledge about drug abuse and addiction is leading to prevention strategies that are not merely empirically or experientially derived, but that integrate validated epidemiological, genetic, and neuroscience research. NIDA-supported research is building the scientific knowledge base needed to advance NIDA's goal of developing effective tailored prevention strategies.

One key aspect of this knowledge base is data on factors that enhance or mitigate an underlying propensity to initiate or continue drug abuse. This includes research on the influence of biological (e.g., genetic, gender) and environmental (e.g., socioeconomic, cultural) factors on drug abuse and addiction at various stages of development. Information about these contributors to drug abuse and addiction and the different ways biological factors operate in different individuals is critical to designing more effective prevention messages.

NIDA's genetics research is essential to preventing addiction. A person's genetic makeup plays an important role in his or her addiction vulnerability: approximately 40-60 percent of the predisposition to addiction can be attributed to genetics, including the impact of the environment on how those genes function or are expressed. The gene variants driving such increased risks are largely unknown, but NIDA-supported research is harnessing new advances in science and technology to identify and characterize them. This measure to identify and characterize at least 2 human candidate genes that have been shown to influence risk for substance use disorders is representative of our overall approach to the development of targeted prevention programs – that is, identifying who is at risk and tailoring prevention programs to be most effective for them, thereby contributing to the *National Drug Control Strategy Goal of Stopping Drug Use Before it Starts*.

The efficacy and cost effectiveness of primary prevention programs – designed to stop drug abuse before it starts, or prevent escalation of drug use to abuse or addiction – can be enhanced by targeted efforts towards populations with specific vulnerabilities (genetic or otherwise) that affect their likelihood of taking drugs or becoming addicted. This has been demonstrated for prevention programs aimed at sensation-seeking youth. These programs are effective in those youth, but not in their peers who do not demonstrate the sensation-seeking characteristic. Sensation-seeking, and other traits known to be risk factors for drug abuse, may be identifiable early on using genetic markers. This would enable drug prevention programs to target messages more accurately based on individual or group vulnerability markers, ultimately increasing their impact and cost-effectiveness.

An added benefit of identifying genetic markers of vulnerability to addiction is through improved educational efforts to increase awareness of personal risk. Informing an individual that he or she is at higher risk of becoming addicted to drugs or sustaining other adverse health outcomes would empower him or her to make better decisions, ultimately preventing drug abuse before it starts or escalates.

Information gained from genetics research will lay the foundation for improved and tailored prevention efforts in the future. As genetic markers of drug abuse and addiction vulnerability (or protection) are identified, NIDA will encourage researchers to use that information to better understand both the biological and environmental factors that contribute to abuse vulnerability. In addition, where appropriate, NIDA would use this information to enhance its prevention portfolio. NIDA would encourage the scientific community to use this knowledge to develop and test targeted prevention interventions for individuals with different vulnerabilities to improve our Nation's intervention efforts similar to the strategy now being used to prevent drug use in sensation-seeking youth.

(2) Provide narrative that examines the FY 2007 actual performance results with the FY 2007 target, as well as prior year actuals. If the performance target was not achieved for FY 2007, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.

The achieved FY 2007 target was to perform fine mapping studies to identify specific haplotypes for the most promising genes and then to begin to seek functional differences among the SNPs within these haplotypes. NIDA met this target by identifying haplotypes of 5 gene regions associated with dependence susceptibility and studying the functional implications of these gene variants. FY 2007's target and achievement build upon previous year actuals, which identified genetic markers in which allelic frequencies differed most among addicted versus non-addicted individuals (FY 2006) and identified genes associated with either risk of substance abuse or response to substance abuse medications (FY2005).

(3) The agency should describe the performance target for FY 2008 and how the agency plans to meet this target. If the target in FY 2007 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2008.

The FY 2008 target is to identify genomic markers that differ in addicted individuals who respond to treatment versus those who do not. To meet this target, NIDA will continue to support research investigating genetic differences in response to treatment and will work with the scientific community to expand research in this area. The chronic nature of drug addiction means that relapsing to drug abuse following treatment is not only possible, but likely. However, there are individual differences (e.g., genetics, gender) that contribute to whether or not an addicted person will respond well to treatment and thus have a lower likelihood of relapsing to drug use. This target aims to identify the genetic contribution to treatment response. This builds on knowledge gained through genetics and other research, showing for example, that individuals with a specific genetic variant that metabolizes the anti-smoking medication bupropion have a greater likelihood of quitting smoking and remaining abstinent over time. Having genetic markers that can predict treatment response in individuals will lead to more cost-effective and tailored relapse prevention programs.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency

should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

Data Accuracy, Completeness and Unbiased Presentation

For all genetics projects (i.e., both contracts and grants), there is a three tier system that maximizes data accuracy. This three tier system is based on sound, proven scientific methodology which is internally governed by the larger scientific research community. First, gene expression levels are validated using highly quantitative methods to measure RNA levels. Second, each study builds in a replication design using subsets of the study population or, sometimes, different study populations. Third, the information gleaned from these studies is compared against previous animal data or, if not available, replicated and validated in newly generated animal models more suited to evaluate the functional implications of the genetic findings.

Every effort is made to acquire complete datasets, however, several factors conspire against achieving this. These factors are either intrinsic to the type of data being collected (i.e., inability to collect from all drug abusers, all ethnic minorities, every developmental stage, every comorbid association, etc.) or linked to the incompleteness of genetic information databases (i.e., considerable gaps in SNP collections, many genes yet unidentified or without known function). Some level of data incompleteness mires all human genomic programs in which population sampling – limited by cost considerations – must be used. These obstacles, however, do not necessarily jeopardize the quality of the data, for many powerful post-hoc standard protocols are available and being deployed to clean the data sets and ensure accuracy and replicability.

Finally, all research results are published in peer-reviewed publications. The process of peer review and publication provides additional assurance of the quality of data and research methodology. If a study does not meet the standards of quality of the scientific community, it will fail the process of peer review, not be published, or be refuted by other studies. NIDA's various grant and data review processes ensure that research funded by NIDA yields scientifically accurate data which is worthy of publication, and fills gaps in the scientific knowledge needed to implement NIDA's mission.

Methodology Used to Establish Targets/Actuals

Target (candidate) genes are identified based on scientifically sound methodologically approved bottom-up or top-down approaches. The former represents the more classical approach that takes advantage of biochemical and other (e.g., neuroimaging) experimental evidence suggesting that a particular gene might be involved in the addiction process. For example, science has established that the chemical dopamine plays a critical role in the assignment of relevance within the reward circuits of the brain. Humans with low levels of expression of dopamine receptors in a key area of the reward pathway (likely to be influenced by specific gene variants) find stimulant drugs more pleasurable than those with high levels of expression suggesting that they may be at increased risk of abuse and addiction.

The top-down approach is a more recent arrival, and a direct result of the wider application of whole genome association scans. This powerful tool provides an *unbiased* strategy for sifting

through vast numbers of genetic variations within large experimental populations to identify genes that are expressed differently in drug abusing and control subjects. Genes putatively associated with addiction in this fashion are then subjected to further characterization and validation, typically through epidemiological sampling and animal models.

NIDA uses the latest findings from both of these approaches to determine the next steps necessary to achieve the long term goal of identifying genes that confer substance abuse vulnerability. Understanding specific vulnerabilities (genetic or otherwise) which affect a person's likelihood of taking drugs or becoming addicted can inform the development of prevention programs targeting these vulnerabilities, thereby enhancing their efficacy.

Data Sources

The studies described in this PI rely on an extensive array of material/data sources. Resources include various animal genetic models that are versatile for gene discovery, functional analysis, and validation platforms; de-identified blood sample banks; fully characterized post-mortem human brain collections; and population sampling. These data sources can be used independently or in tandem to identify candidate genes. In one typical scenario, for example, human genome scans in drug abusing vs. control subjects may identify a variant for a particular gene as a key contributor to substance use disorder. In a next step, the investigator can generate various strains of mice, which differ only in the expression of that gene variant. These mice can be subjected to a battery of neurological, physiological and behavioral tests, specifically designed to determine the potential role of that gene in increasing vulnerability to substance abuse. These data sources are widely used in genome studies, and have undergone rigorous validity, accuracy and integrity checks.

Decision Unit 2: Treatment SRO 5.5

Measure 1: Develop and test two new evidence-based treatment approaches for drug abuse in community settings. (Lead: NIDA; contributor: NIAAA)

Table 1: Measure 1

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
	Three treatments have been adapted for community-based settings.	The Clinical Trials Network has trained 124 providers (94 more than planned) in BSFT, MET, or Seeking Safety, which are being tested in community settings.	The Clinical Trials Network has enrolled more than 1,200 patients in BSFT, MET, and Seeking Safety interventions which are being tested in community settings. Treatments are being delivered to diverse communities that are 20% African American, 34% Hispanic, and 43% White, respectively.	Analyze data from completed behavioral protocols and report initial findings from data analysis.	Research on treatments for drug abuse in community settings is progressing with knowledge to increase treatment among communities.	Complete goal of developing and testing of two new evidence-based treatment approaches for drug abuse in community settings.

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency's drug control activities.

Decades of research have led to today's improved understanding of addiction, clearer now than ever before. Research has shown addiction to be a chronic, relapsing brain disease characterized by compulsive behaviors and caused by a tangle of genetic, social, environmental, and developmental factors. NIDA supports multidisciplinary research addressing the myriad factors that can influence the development and progression of drug abuse and addiction, with the goal of informing and improving treatment strategies to facilitate abstinence and prevent relapse.

NIDA recognizes that despite major strides in treatment research, only limited improvements have occurred in non-research settings. An unacceptable gap of 17 years separates scientific discoveries from their integration into effective community-based practice. A scientific approach must be brought to bear on effectively testing and disseminating research-based treatments and

understanding how health services systems and settings influence treatment implementation. Ultimately, it is our goal to make research-based treatments user friendly, cost effective, and available to a broad range of practitioners and their patients.

NIDA's treatment portfolio encompasses the development and testing of medications and behavioral therapies for drug addiction as well as ensuring that effective treatment interventions are used by the communities that need them. For example, NIDA has supported the development of multiple behavioral treatments that have shown efficacy in research settings, however, many of these have not been widely adopted in community settings. This measure of developing and testing evidence-based treatment approaches for drug abuse in community settings represents NIDA's long-term strategy for improving drug abuse treatment nationwide, thereby contributing to the *National Drug Control Strategy's Goal of Healing America's Drug Abusers*.

To ensure translation into community settings and provide real-world feedback on the success and feasibility of research protocols, NIDA established the National Drug Abuse Treatment Clinical Trials Network (CTN), comprising 16 research nodes and more than 240 community treatment programs across the country. The CTN's mission is to test research-based treatments in community settings with diverse populations. To represent NIDA's treatment portfolio, in this measure the CTN is adapting behavioral treatments with demonstrated efficacy in research settings for testing in community-based settings and training treatment providers on proper implementation. If successful, these trials will generate much needed information on how to: test and implement scientifically-based treatments in a variety of community settings; train clinicians to deliver research-based treatments to drug abusing patients; and facilitate the success and sustainability of effective drug abuse treatments in communities.

To advance treatment adoption, NIDA's CTN encourages bidirectional communication between researchers and providers, which allows for the provision of real-world feedback on the success and feasibility of research protocols. This strategic approach facilitates the development of tailored treatment options and reduces the gap between discovery and practice. With input from practitioners and researchers, three promising treatments were selected for testing in the CTN in order to facilitate the goal of reaching different populations, and increasing treatment engagement/retention. This measure is representative of NIDA's broader efforts to develop and transition evidence-based substance abuse treatments to those who need them.

Applied treatments should take into account the most recent scientific discoveries, while being modified for cultural, social, and behavioral conditions affecting various communities. The following three interventions represent these priorities. (1) Brief Strategic Family Therapy (BSFT) is a family-based intervention aimed at preventing and treating child and adolescent behavior problems, including substance abuse. (2) Seeking Safety is a cognitive-behavioral substance abuse intervention for women with a DSM-IV¹ diagnosis of Post Traumatic Stress Disorder (PTSD). Estimates suggest that up to 80% of women seeking treatment for drug abuse have histories of assault and women who suffer from both PTSD and drug abuse have a more difficult time meeting their treatment goals. (3) Motivational Enhancement Treatment (MET) is a systematic intervention

¹ The Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), published by the American Psychiatric Association, is the most comprehensive and authoritative book devoted to the classification of psychiatric illness.

based on principles of motivational psychology to improve treatment engagement, retention, and outcome for substance abusers.

This measure is representative of NIDA's research efforts to develop and transition evidence-based substance abuse treatments to those who need them. Research developed in one community, population group, or lab may not be applicable to all; therefore, generalizability and tailored community-based research is critical to ensuring the best treatment.

(2) Provide narrative that examines the FY 2007 actual performance results with the FY 2007 target, as well as prior year actuals. If the performance target was not achieved for FY 2007, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.

The FY 2007 target was to analyze data from completed behavioral protocols and report initial findings from the data analysis. NIDA met this target by making progress in the data analysis on the MET, BSFT, and Seeking Safety protocols and reporting initial findings at scientific meetings and in the scientific literature.

Briefly, in a multi-site randomized controlled trial of MET in community drug abuse clinics, MET resulted in sustained substance use reductions among primary alcohol users. Research from BSFT found that: (1) specialized family treatment was more efficacious than group intervention in reducing conduct problems, associations with anti-social peers, and substance use, and it increased engagement in treatment; (2) family changes were associated with changes in behavioral problems among those families entering treatment with poor family function; and (3) physicians trained to begin diagnostic work and engagement over the phone prior to bringing in families for treatment improved engagement of family members reluctant to be involved. Research from Seeking Safety found that Seeking Safety treatment led by community substance abuse counselors can reduce PTSD symptoms at a statistically significant level.

FY 2007's target and achievement build upon previous year actuals which adapted three behavioral treatment protocols (MET, BSFT, and Seeking Safety) for community-based settings (FY 2004); trained 184 providers in these protocols (FY 2005), and enrolled more than 1,200 patients in these studies (FY 2005).

(3) The agency should describe the performance target for FY 2008 and how the agency plans to meet this target. If the target in FY 2007 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2008.

The FY 2008 target is to complete the goal of developing and testing two new evidence-based treatment approaches for drug abuse in community settings. To achieve this goal, NIDA will continue funding support of the CTN to complete data analysis and publication of their findings. Because of the progress that has occurred thus far (i.e., in meeting each target for the past 3 years), we anticipate completing the data analysis on at least 2 protocols and publishing their findings in FY 2008.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

Data Accuracy, Completeness and Unbiased Presentation

Because CTN's priority is the collection of scientific data, CTN follows scientific guidelines and procedures in collecting, verifying, cleaning, analyzing, and reporting data. These procedures ensure that the data meets scientific standards and can reliably and effectively be used to advance NIDA's goal of improving substance abuse treatment programs. The reliability of this program's performance data is ensured by the Data and Statistics Coordinating Center (DSC) and the Clinical Coordinating Center (CCC). The DSC ensures that the data conform to the predetermined and standardized parameters delineated in each protocol, and that non-conformance is tracked and submitted to each site for resolution. In addition, the data are validated, re-checked and routine data audits are performed to ensure data integrity and accuracy. The CCC was established as an independent contract institution to provide resources and regulatory support with review and quality assurance monitoring. On-site monitoring by the CCC usually occurs every three months or more often as needed for the particular trial. Valid data collection is of critical importance to the integrity of science. Standardized procedures are in place to ensure that quality data is collected for quality science.

Patient attrition is an issue of concern for all drug abuse clinical studies, and it is addressed statistically as part of the trial design (using, e.g., intent to treat analyses). Data entry checks are in place and final data sets are validated as well as audited by on-site monitors from the DSC. Monitors match Case Report Forms (CRFs) with the electronic database. Also, data are reviewed by monitors from the independent Clinical Coordinating Center (CCC) for quality assurance for the program nationally.

An in-person site visit is scheduled for close-out of the protocol at each site. At the completion of the trial, all data are verified using standardized scientific methodologies by the CCC and the DSC before data lock. Following publication, or 18 months after the data lock, the data are de-identified and made available to other clinical researchers through the CTN website:
<http://www.ctndatashare.org>.

A Publication Plan is prepared soon after the study commences, and submitted to the Publications Committee of the CTN. Work begins on the final analysis as soon as the data are locked and the database is determined to be complete. Publication of the study in a peer-reviewed scientific journal serves as a final step in verifying that the methods used to collect and analyze the data, and the conclusions supported by the data, meet the rigorous standards of the scientific community at large.

Methodology Used to Establish Targets/Actuals

The CTN has an extensive priority setting process to determine what research areas hold the most promise for filling gaps and should be prioritized for testing. A Research Development Committee

(RDC) composed of CTN researchers, community treatment provider representatives, and the CTN Director, has been established to ensure a strategic research agenda for the CTN. The field driven deliberations formulate research questions that capture unique scientific opportunities, and address critical public health needs, and prioritize research projects. The RDC then makes recommendations to an Executive Committee and a Steering Committee for review and approval. Collectively, these expert reviewers selected the three behavioral treatment protocols, which have shown efficacy in clinical research studies to be tested through the CTN in partnership with community treatment programs.

The target values are based on sound methodological assessment procedures and related timelines set for each protocol, which includes: adaptation of treatment protocols for CTPs; provider training; subject recruitment; treatment provision; assessment of outcomes and follow up assessments; data entry and audits; data analyses; and presentation and publication of results. While these methodologies cannot precisely predict the course of a study (e.g. given unexpected recruitment issues), the likelihood path of implementation and timing is based on knowledge gained from earlier research, and were used to generate the targets for this measure.

Data Sources

Each site collects patient data using the Case Report Forms, which are submitted directly from trained practitioners. The data must conform to predetermined parameters described in the written protocols which establish how, what and when data are collected. The data are then fed into a Data and Statistics Coordinating Center (DSC) for data collection, management, and cleaning. In this way, all of the data collected can be standardized, cleaned for errors, and rechecked for quality assurance. The data are stored confidentially and provide the resource for data analysis to determine program success.

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

ATTESTATION REVIEW:
SUBSTANCE ABUSE AND
MENTAL HEALTH SERVICES
ADMINISTRATION
PERFORMANCE SUMMARY
REPORT FOR NATIONAL DRUG
CONTROL ACTIVITIES FOR
FISCAL YEAR 2007

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Daniel R. Levinson
Inspector General

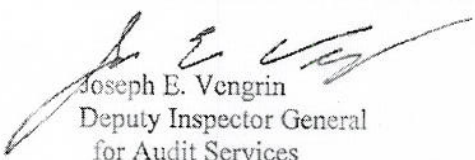
January 2008
A 03-08-00350



Warning – This report contains restricted information for official use.

JAN 24 2008

To: Daryl W. Kade
Chief Financial Officer
Substance Abuse and Mental Health Services Administration

From: 
Joseph E. Vengrin
Deputy Inspector General
for Audit Services

Subject: Attestation Review: Substance Abuse and Mental Health Services
Administration Performance Summary Report for National Drug Control
Activities for Fiscal Year 2007 (A-03-08-00350)

The purpose of this report is to provide you the results of our attestation review of the Substance Abuse and Mental Health Services Administration (SAMHSA) Performance Summary Report for National Drug Control Activities and the SAMHSA's Assertion Certification Statements for fiscal year (FY) 2007. Our attestation review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report; accordingly, we do not express such an opinion. We reviewed the attached SAMHSA report entitled "Assertions Concerning Performance Summary Report." The report is the responsibility of SAMHSA's management and was prepared by SAMHSA under the authority of 21 U.S.C. § 1703(d)(7) and as required by the Office of National Drug Control Policy (ONDCP) Circular: Drug Control Accounting Section 7, dated May 1, 2007.

OFFICE OF INSPECTOR GENERAL'S CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that management's assertions were not fairly stated, in all material respects.

Warning – This report contains restricted information for official use.

Page 2 - Daryl W. Kade

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION'S
REPORT**

SAMHSA's report included assertions for four measures for National Drug Control Activities. The four measures were: (1) Number of admissions to substance abuse treatment programs receiving public funding; (2) Increase perception of harm of drug use; (3) Number of persons served by the "Programs of Regional and National Significance" treatment capacity programs and (4) Percent of program participants age 12-17 that rate the risk of substance abuse as moderate or great.

We performed review procedures on SAMHSA's related assertions and disclosures regarding the performance targets. In general, our review procedures were limited to inquiries and analytical procedures appropriate for our attestation review.

This report is intended solely for the information and use of Congress, ONDCP, and SAMHSA, and is not intended to be, and should not be, used by anyone other than these specified parties. If you have questions or comments, contact me or have your staff call Stephen Virbitsky, Regional Inspector General for Audit Services, at 215-861-4470.

Attachment

ATTACHMENT



DEPARTMENT OF HEALTH & HUMAN SERVICES

Substance Abuse and Mental
Health Services Administration

Center for Mental Health Services
Center for Substance Abuse
Prevention
Center for Substance Abuse
Treatment
Rockville MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Richard J. Turman
Deputy Assistant Secretary, Budget

FROM: Daryl Kade
Chief Financial Officer
Substance Abuse and Mental Health Services
Administration (SAMHSA)

SUBJECT: Assertions Concerning Performance Summary Report

In accordance with the requirements of the Office of National Drug Control Policy circular "Drug Control Accounting," I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting System

I assert that SAMHSA has a system to capture performance information accurately and that this system was properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

I assert that the explanations offered in the attached report for failing to meet a performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

Methodology to Establish Performance Targets

I assert that the methodology used to establish performance targets presented in the attached report is reasonable given past performance and available resources.

Performance Measures Exist for All Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.

FY 2007 Performance Summary Report for National Drug Control Activities

Decision Unit 1: Substance Abuse Prevention and Treatment Block Grant

Measure 1: Number of admissions to substance abuse treatment programs receiving public funding

Table 1: Measure 1

FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2006 Target	FY 2007 Target	FY 2007 Actual (Oct. 2009)	FY 2008 Target
1,840,275	1,875,026	1,963,851	1,983,490	2,008,324	1,995,244	1,995,244

(1) Measure 1 is the number of admissions to substance abuse treatment programs receiving public funding as reported through the Treatment Episode Data Set (TEDS). This measure reflects program emphasis on increasing the number of individuals in need of treatment who receive treatment. The measure also reflects program emphasis on reducing demand for illicit drugs by targeting chronic users. Project officers review and monitor data on a regular basis, which serves as a focus of discussion with the states, as well as utilize it in the management of the program as needed.

(2) The FY 2004 target for admissions was missed slightly. There are a variety of factors which contribute to this, including an overall reduction in number of facilities from 2003 to 2004, as well as a series of administrative reorganizations in the States which have had the effect of slowing down the rate of admissions. Both of these factors are outside SAMHSA's control; however, SAMHSA is developing an executive mentoring program to assist new administrators to more effectively implement administrative reorganizations. FY 2004 is the most recent year for which data are currently available for this measure, because of the time required for states to report data on the number of admissions in any given year.

(3) The performance target for FY2008 is 1,995,244 treatment admissions. SAMHSA will continue to work with States to monitor progress in meeting the treatment admissions target and provide technical assistance as needed. It is expected that the FY 2008 target will be achieved.

(4) The data source for this measure is the Treatment Episode Data Set (TEDS). States are responsible for reviewing the quality of their data. Each State is responsible for ensuring that each record in the data submission contains the required key fields, that all fields in the record contain valid codes, and that no duplicate records are submitted. States are also responsible for cross-checking data items for consistency across data fields. The internal control program consists of a rigorous quality control examination of the data as they are received from States. They are examined to detect values that fall out of the expected range based on the State's historical trend. If such outlier values are detected the State is contacted to validate the value or correct the error. Detailed

instructions governing data collection, review, and cleaning are available at:
http://www.dasis.samhsa.gov/dasis2/manuals/teds_adm_manual.pdf.

Projections for the 2008 targets are based upon current trends, which show slightly declining numbers, and realistic rates of increase, which are very low. This is because block grant funding declined from 2004 to 2007 and is expected to remain level in 2008.

The measure is a count of treatment admissions. A definition of treatment admission, and a detailed description of how admissions are counted, appears at
http://www.dasis.samhsa.gov/dasis2/manuals/teds_adm_manual.pdf.

Decision Unit 1: Substance Abuse Prevention and Treatment Block Grant

Measure 2: Increase perception of harm of drug use

Table 2: Measure 2

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
		72.3% Baseline	73.2%	75%	Dec. 2007	77%

(1) Measure 2, also for Decision Unit 1 (SAPTBG), is to increase the perception of harm of drug use as measured by the National Survey on Drug Use and Health (NSDUH).

A substantial number of reports (e.g., Monitoring the Future, National Survey on Drug Use and Health), have provided findings that demonstrate that risk and protective factors are associated with the likelihood of substance use. There is typically a lag effect in time that depicts that increased use closely follows increases in specific risk factors. For example, a decrease in perceived risk in marijuana in 1992, preceded a substantial increase in use beginning in 1993 (MTF, Volume I Secondary School students, 2004, p331). Substance abuse prevention programs therefore target the reduction of risk factors, as well as incidence and prevalence, in order to achieve the end result of decreased substance use across the nation and among program participants.

Substance abuse prevention programs support the first goal of the National Drug Control Strategy: stopping use before it starts. Programs at the national, state, and community level target individuals, families and communities to change behaviors and norms. Perceived risk of substance use and abuse is one of the peer, family and community norms that we target.

Increases in perceived risk of substance abuse is a proven indicator of program effectiveness. Results can be used in program management in a number of ways. For example, CSAP performs additional analyses to track state trends in perceived risk and also produces a table comparing state levels of various risk factors to the national median. These tools are used by Project Officers with their states in identifying any technical assistance needs to help improve any results indicated.

(2) CSAP exceeded its target for the most recent reporting year. The 2006 result exceeded the target by a wide margin because the 2006 target was an estimate, which was set before baseline data were available. Once the 2005 baseline data became available, SAMHSA was not able to change the 2006 target.

(3) The target for 2008 is 77% and it not anticipated that meeting this target will be a problem. However, SAMHSA is retiring the current measure. A modified version will be used that is consistent with SAMHSA's National Outcome Measures in future years.

(4) Data for this measure is collected as part of the National Survey on Drug Use and Health. Information on methodology and data validation is available at <http://www.oas.samhsa.gov/nhsda/methods.cfm>

Information on any data problems identified is transmitted to the DCCC Government Project Officer who works with the Program Project Officers and grantees to identify a resolution. Communications are supported by regularly submitted program data inventories, preliminary reports and variable by variable cleaning sheets. The Data Management team then makes any required edits to the files. The edited files are then available to the DCCC Data Analysis Team for analysis and reporting. Grantees are instructed in the use of data collection protocols through grantee meetings and questionnaire administrative guides.

The 2008 target was set after review of NSDUH trends over time and expert opinion. Trends related to increased perception of harm were reviewed from 2002- 2005. In addition according to the literature, increases in perceived risk of substance abuse is a proven indicator of program effectiveness. Results can be used in program management in a number of ways.

Decision Unit 2: CSAT Programs of Regional and National Significance (PRNS)

Measure 3: Number of persons served by PRNS Capacity programs

Table 3: Measure 3

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
28,988	30,217	34,014	35,334	35,334	Oct. 2007	35,334

(1) Measure 3 reflects the number of persons served by the capacity portion of the PRNS portfolio which includes 12 CSAT programs.¹ This measure reflects demonstration of an expansion of treatment capacity. This measure contributes to the National Drug Control strategy as it reflects an expansion of capacity of treatment being provided to those individuals in need.

The number of persons served is monitored routinely throughout the period of performance of the program. Regular monitoring of this measure ensures that the number of clients being served is consistent with what was proposed by the grantee.

(2) CSAT met the existing targets for each of the previous four years and does not anticipate a problem meeting the target for future years.

(3) The target for FY 2008 is 35,334. SAMHSA does not anticipate a problem meeting this target. The PI is calculated based on the summation of the number of unique clients seen by the program. Grantees are required to use a unique client identifier to ensure clients are not double counted. The target for FY2008 is based on previous performance of the grantees and anticipated funding level.

(4) CSAT is able to ensure the accuracy, completeness of this measure as all data are submitted via the Services Accountability Improvement System (SAIS), a web-based data entry and reporting system. The system has automated built-in checks to ensure data quality.

Targets are set based on trends seen in previous performance and anticipated funding level (i.e. in general, the number served would be expected to go up if funding increases and decline if funding decreases). Further, this decision unit incorporates several different program activities. The mix of programs and grantees varies from year to year and needs to be adjusted for in the target methodology.

¹ The 12 programs include: Targeted Capacity Expansion (TCE)/General, HIV/AIDS/Outreach, Addiction Treatment for Homeless Persons, Assertive Adolescent and Family Treatment, Family Drug Courts, Juvenile Drug Courts, Young Offender Re-entry Program, Pregnant and Post-Partum Women, Recovery Community Service -- Recovery, Recovery Community Service -- Facilitating, Co-Occurring State Incentive Grants, and Child and Adolescent State Incentive Grants.

Decision Unit 3: CSAP Programs of Regional and National Significance

Measure 4: Percent of program participants age 12-17 that rate the risk of substance abuse as moderate or great

Table 4: Measure 4

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
	90.0% Baseline	95.3%	92.7%	Retiring		Retiring

(1) Measure 4 reflects the percent of program participants from CSAP's PRNS programs² between the ages of 12 and 17 who rate the risk of substance abuse and moderate or great.

A substantial number of reports (e.g., Monitoring the Future, National Survey on Drug Use and Health), have provided findings that demonstrate that risk and protective factors are associated with the likelihood of substance use. There can be a lag effect in time that depicts that increased use closely follows increases in specific risk factors. For example, a decrease in perceived risk in marijuana in 1992, preceded a substantial increase in use beginning in 1993 (MTF, Volume I Secondary School students, 2004, p331). Substance abuse prevention programs therefore target the reduction of risk factors, as well as incidence and prevalence, in order to achieve the end result of decreased substance use across the nation and among program participants.

Substance abuse prevention programs support the first goal of the National Drug Control Strategy: stopping use before it starts. Programs at the national, state, and community level target individuals, families and communities to change behaviors and norms. Perceived risk of substance use and abuse is one of the peer, family and community norms that SAMHSA targets.

Increase in perceived risk of substance abuse is a proven indicator of program effectiveness. Results can be used in program management in a number of ways. For example, CSAP performs additional analyses to assess whether outcomes are consistent across demographic groups and individual PRNS programs. Where demographic or program differences are identified, consideration is given to program modifications that would increase success.

² CSAP program participants in 2004/2005 include: Community Initiated Prevention Interventions, Human Immunodeficiency Virus Cohort 3, Multisite Family Strengthening, State Incentive Grants
 CSAP program participants in 2006 include: Human Immunodeficiency Virus Cohort 3, State Incentive Grants, Methamphetamine.

(2) The 2006 report (using data from FY 2005) indicated that 92.7% of CSAP program participants in the 12–17 age group associated moderate or great risk with at least one substance use category included in their program's evaluation instrument. The corresponding figure in the FY 2005 report was 95.3%. It is not clear whether the slight decrease observed between the 2 years is indicative of a substantive difference between the 2 years or an artifact of the large difference in the total numbers of youth for whom data were available. In addition, different grant programs were reporting in these two time periods. Finally, the vast majority of participants report disapproval. In such situations, there is often a ceiling effect that places limits on incremental gains.

(3) This measure is being retired. OMB has approved reporting separately for major PRNS programs (currently Strategic Prevention Framework State Incentive Grant and HIV). Baselines and targets of new measures to be reported in December 2007

(4) Data are collected through standardized instruments when possible. Outcome data were collected using questionnaires that include items from other validated instruments such as Monitoring the Future and the National Survey on Drug Use and Health. Data were carefully collected, cleaned, analyzed and reported through a data coordinating center. The DCCC Data Management Team reviews the data for completeness and accuracy. Information on any data problems identified is transmitted to the DCCC Government Project Officer who works with the Program Project Officers and grantees to identify a resolution. Communications are supported by regularly submitted program data inventories, preliminary reports and variable by variable cleaning sheets. The Data Management team then makes any required edits to the files. The edited files are then available to the DCCC Data Analysis Team for analysis and reporting. Grantees are instructed in the use of data collection protocols through grantee meetings and questionnaire administrative guides.

Tab C

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**Independent Review of The U.S. Coast
Guard's Reporting of FY 2007 Drug
Control Performance Summary**



OIG-08-43

April 2008

Office of Inspector General

U.S. Department of Homeland Security
Washington, DC 20528



Homeland
Security

April 18, 2008

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report presents the results of the review of the Performance Summary Report of the U.S. DHS' Coast Guard (USCG) for the year ended September 30, 2007, for the Office of National Drug Control Policy (ONDCP). We contracted with the independent public accounting firm KPMG LLP to perform the review. USCG's management prepared the Performance Summary Report and Management Assertions to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. We do not express an opinion on the Performance Summary Report and Management Assertions.

It is our hope that the information in this report will continue to result in effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) U.S. Coast Guard (USCG) for the year ended September 30, 2007. We have also reviewed the accompanying management's assertions for the year ended September 30, 2007. USCG's management is responsible for the Performance Summary Report and the assertions.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertions. Accordingly, we do not express such an opinion.

Management of USCG prepared the Performance Summary Report and management's assertions to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that (1) the Performance Summary Report for the year ended September 30, 2007 is not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting* (May 1, 2007), or that (2) management's assertions referred to above are not fairly stated, in all material respects, based on the criteria set forth in ONDCP's Circular, *Drug Control Accounting* (May 1, 2007).

This report is intended solely for the information and use of the management of DHS and USCG, the Inspector General, 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.

KPMG LLP

February 4, 2008



Homeland
Security

April 18, 2008

MEMORANDUM FOR: Admiral Thad M. Allen
Commandant
United States Coast Guard

FROM: *Richard L. Skinner*
Richard L. Skinner
Inspector General for Audits

SUBJECT: *Independent Review of The U.S. Coast Guard's Reporting of FY 2007
Drug Control Performance Summary*

Attached for your information is our report, *Independent Review of The U.S. Coast Guard's Reporting of FY 2007 Drug Control Performance Summary*. This report contains no recommendations.

The Performance Summary Report is required by 21 U.S.C. 1704 (d) and the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007, and is the responsibility of USCG's management.

We contracted with the independent public accounting firm KPMG LLP to perform the review. The review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion. Accordingly, we do not express such an opinion as a result of our review.

Should you have any questions, please call me, or your staff may contact Anne Richards, Assistant Inspector General for Audits, at 202-254-4100.

Attachment

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20593-0001
Staff Symbol: CG-821
Phone: (202) 372-3509
Fax: (202)372-2311
Email:Christina.M.Davidson@uscg.mil

7110
February 4, 2008

Mr. John E. McCoy
Department of Homeland Security
Director of Financial Management
Office of the Inspector General
1120 Vermont Avenue, 10th Floor, NW
Washington, D.C. 20005

Dear Mr. McCoy,

In accordance with the Office of National Drug Control Policy Circular: *Annual Accounting of Drug Control Funds* dated May 1, 2007, enclosed is the Coast Guard's report of FY 2007 drug control performance summary report and assertions.

If you require further assistance on this information, please contact LCDR Christina Davidson, 202-372-2606.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. C. Burton".

J. C. BURTON
Commander, U.S. Coast Guard
Chief, Office of Performance
Management and Assessment

Enclosure FY 2007 Drug Control Performance Summary Report

Copy: DHS Budget Office

I. PERFORMANCE INFORMATION

Decision Unit 1: Primary Outcome Measure

NOTE: Although the Coast Guard appropriation is apportioned along budget decision unit lines (i.e. Acquisitions, Construction & Improvements (AC&I), Operating Expenses (OE), Research Development Testing and Evaluation (RDT&E), and Reserve Training (RT)), the Coast Guard does not manage performance along decision unit lines. This is impractical due to the multi-mission performance of our assets, which transcends budget decision units.

The Coast Guard's drug interdiction performance is best summarized by the lead outcome measure of the program. That measure is the central focus of our Performance Summary Report. The Coast Guard Drug Interdiction Program has a suite of metrics that support the lead outcome measure. The lead outcome measure and its supporting metrics suite were validated during a 2007 PART Evaluation.

Measure: Cocaine Removal Rate

Table 1: Cocaine Removal Rate

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
N/A	30.7%	27.3%	25.3%	26.0%	31.4% (est.) ¹	28.0%

(1) Describe the measure. In doing so, provide an explanation of how the measure (1) reflects the purpose of the program, (2) contributes to the *National Drug Control Strategy*, and (3) is used by management of the program. This description should include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to the agency's drug control activities.²

The goal of the Coast Guard's Drug Interdiction program is to reduce the supply of illegal drugs by denying smugglers the use of air and maritime routes by projecting an effective law enforcement presence in and over the Caribbean Sea, the Gulf of Mexico and the Eastern Pacific Ocean. The Coast Guard's primary outcome measure, the Cocaine Removal Rate, tells the program how effective it is at disrupting the flow of cocaine that is traveling via non-commercial maritime means toward the United States. The more cocaine bound for the U.S. that the Coast Guard removes, the less supply of cocaine will be available within the U.S. The cocaine removal rate is calculated by dividing the total amount of cocaine removed by the Coast Guard by the non-commercial maritime movement of cocaine towards the U.S.

The 2007 *National Drug Control Strategy* set an interagency, Transit Zone removal rate

¹ The Cocaine Removal Rate estimate for FY 2007 is based on the actual quantity of cocaine removed in FY 2007 and the non-commercial maritime cocaine flow towards the U.S. from 2006. The non-commercial maritime flow towards the U.S. for 2007 will be available following the publication of the *Interagency Assessment of Cocaine Movement* in July 2008.

² Requirements 1 through 4 in this section are drawn from the ONDCP Drug Accounting Circular.

goal for cocaine of 40%. With over 80% of the cocaine moving through the Transit Zone via non-commercial maritime means, the higher that Coast Guard's cocaine removal rate, the less cocaine needs to be removed by our partner agencies to achieve that 40% target. The Drug Interdiction program managers monitor the cocaine removal rate, watching for both changes in Coast Guard removals as well as increases or decreases in flow. Any changes are then diagnosed to determine the cause and to develop strategies to continue to increase the removal rate. Factors that can impact the removal rate include, but are not limited to, changing tactics and routes by the drug trafficking organizations, increased or decreased patrol effort by the Coast Guard or its drug interdiction partner agencies/nations, the availability, quality and timeliness of tactical intelligence, and the implementation of new capabilities (Airborne Use of Force, for example).

(2) Provide narrative that examines the FY 2007 actual performance results with the FY 2007 target, as well as prior year actuals. If the performance target was not achieved for FY 2007, the agency should explain why this is the case. If the agency has concluded it is not possible to achieve the established target with available resources, the agency should include recommendations on revising or eliminating the target.³

In FY 2007, the Coast Guard set a new record with 355,754.6 pounds of cocaine removed, up from 287,035.4 pounds last year and 6.6 percent higher than our previous record set in FY 2005. Based on the 2006 flow, the Coast Guard expects to exceed its 26 percent target by as much as 4-6 percent. That would make FY 2007 the fourth consecutive year in which the Coast Guard exceeded its annual target. At 28 percent, the FY 2008 target is the highest removal rate target the Coast Guard has ever set. This target remains ambitious, yet achievable given the tremendous success the Coast Guard has experienced over the past four years.

Critical to the Coast Guard's successful drug interdiction efforts were the numerous enforcement partnerships, such as the deployment of Coast Guard Law Enforcement Detachments aboard U.S. Navy and allied warships, and increased international, inter-department and inter-agency cooperation/coordination, such as the joint investigation PANAMA EXPRESS, which has produced tactical, actionable intelligence.

(3) The agency should describe the performance target for FY 2008 and how the agency plans to meet this target. If the target in FY 2007 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2008.

The Coast Guard's target for FY 2008 is to remove 28 percent of the cocaine moving via non-commercial maritime means towards the U.S. To meet this target, the Coast Guard will continue to source major cutters, airborne use of force capable helicopters, long range maritime patrol aircraft, and law enforcement detachments to drug detection, monitoring and interdiction operations in the Transit Zone, and push further expansion of the airborne use of force program with our US and Allied Naval partners.

³ If FY 2007 actuals are not available by the recommended deadline for agencies to submit materials to the OIG (December 31st), the most recently available actuals can be used as an acceptable substitute. Agencies need only provide actuals starting in FY 2003.

(4) The agency should describe the procedures used to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance. The agency should also describe the methodology used to establish targets and actuals, as well as the data source(s) used to collect information.

The data that is used to calculate the Coast Guard's cocaine removal rate is drawn from two independent sources. The amount of cocaine removed by the Coast Guard is the sum of all the cocaine that is physically seized by Coast Guard personnel and all the cocaine lost to the drug trafficking organizations due to the Coast Guard's efforts. This latter amount is often an intelligence-based estimate of the quantity of cocaine onboard a given vessel that is burned, jettisoned, or scuttled in an attempt to destroy evidence when Coast Guard presence is detected. Cocaine removals are drawn from the Consolidated Counterdrug Database (CCDB). The CCDB is recognized by the Office of National Drug Control Policy (ONDCP) as the primary database for tracking cocaine movement. The data entered into the CCDB is approved through an interagency vetting process. Although the cocaine removals are originally reported in pounds, the Coast Guard converts the removal to metric tons to compute the cocaine removal rate. The non-commercial maritime flow of cocaine towards the U.S. is extracted from the *Interagency Assessment of Cocaine Movement* (IACM). The IACM is prepared for ONDCP by the Defense Intelligence Agency. All data that is contained within these two sources are deemed to be accurate, complete, and unbiased in presentation and substance. The Coast Guard also issues a Federal Manager's Financial Integrity Act (FMFIA) Section 2 assurance statement each year that confirms the integrity of our performance information and the effectiveness and efficiency of Coast Guard mission operations.

At least annually, the Coast Guard's Office of Law Enforcement and Office of Performance Management Assessment review all the assumptions that factor into the setting of its out-year targets, makes adjustments as necessary, and forwards the new target recommendations to the Assistant Commandant for Operations for final review and approval. The key factors that drive the target setting process are the estimated out-year cocaine flow, the availability of Coast Guard resources (mainly major cutters and long range maritime patrol aircraft), and any changes in Coast Guard capabilities, authorities, or partnerships that may impact cocaine removals.

II. MANAGEMENT'S ASSERTIONS

The Report should include a letter in which an accountable agency official makes the following assertions regarding the information presented above:

(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.

Yes. The Coast Guard performance reporting system was reviewed in a 2007 Independent Program Evaluation by the Center for Naval Analyses, a 2007 OMB PART evaluation, and during the generation of the Coast Guard FMFIA Section 2 Assertion Statement for Operational Effectiveness and Efficiency. All reviews supported reasonable assurance on the appropriateness and application of the performance reporting system.

(2) Explanations for not meeting performance targets are reasonable – The explanation(s) 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.

N/A

(3) Methodology to establish performance targets is reasonable and applied – The methodology described above to establish performance targets for the current year is reasonable given past performance and available resources.

Yes. A robust quantitative and qualitative process that reviews intelligence, logistics, policy, capability, emerging trends, past performance, and capacity variables impacting mission performance is used to establish performance targets. Targets generated by the program manager are reviewed independently by performance and budget oversight offices at Coast Guard Headquarters, as well as the DHS Office of Program Analysis and Evaluation, prior to entry into budget documents and the DHS Future Year Homeland Security Program.

(4) Adequate performance measures exist for all significant drug control activities

Yes. This was validated in the 2007 OMB PART of the Coast Guard Drug Interdiction Program.

- The agency has established one acceptable performance measure that covers all four budget decision units 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.

Management should take the following criteria into account when making assertions:

- (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.

III. INSPECTOR GENERAL AUTHENTICATION

Agency performance information and management's assertions should 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.

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**Independent Review of The U.S.
Immigration and Customs Enforcement's
Reporting of FY 2007 Drug Control
Performance Summary**



OIG-08-45

April 2008

Office of Inspector General

U.S. Department of Homeland Security
Washington, DC 20528



Homeland
Security

April 18, 2008

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report presents the results of the review of the Performance Summary of the DHS' Immigration and Customs Enforcement (ICE) for the year ended September 30, 2007, for the Office of National Drug Control Policy (ONDCP). We contracted with the independent public accounting firm KPMG LLP to perform the review. ICE's management prepared the Performance Summary Report and Management Assertions to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. We do not express an opinion on the Performance Summary Report and Managements Assertions.

It is our hope that the information in this report will continue to result in effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) U.S. Immigration and Customs Enforcement (ICE) for the year ended September 30, 2007. We have also reviewed the accompanying management's assertions for the year ended September 30, 2007. ICE's management is responsible for the Performance Summary Report and the assertions.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertions. Accordingly, we do not express such an opinion.

Management of ICE prepared the Performance Summary Report and management's assertions to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that (1) the Performance Summary Report for the year ended September 30, 2007 is not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting* (May 1, 2007), or that (2) management's assertions referred to above are not fairly stated, in all material respects, based on the criteria set forth in ONDCP's Circular, *Drug Control Accounting* (May 1, 2007).

This report is intended solely for the information and use of the management of DHS and ICE, the Inspector General, 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.

KPMG LLP

January 25, 2008



Homeland
Security

April 18, 2008

MEMORANDUM FOR: Julie L. Myers
Assistant Secretary
Immigration and Customs Enforcement

FROM: *Richard L. Skinner*
Richard L. Skinner
Inspector General for Audits

SUBJECT: *Independent Review of The U.S. Immigration and Customs
Enforcement's Reporting of FY 2007 Drug Control Performance
Summary*

Attached for your information is our report, *Independent Review of The U.S. Immigration and Customs Enforcement's Reporting of FY 2007 Drug Control Performance Summary*. This report contains no recommendations.

The Performance Summary Report is required by 21 U.S.C. 1704 (d) and the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007, and is the responsibility of ICE's management.

We contracted with the independent public accounting firm KPMG LLP to perform the review. The review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion. Accordingly, we do not express such an opinion as a result of our review.

Should you have any questions, please call me, or your staff may contact Anne Richards, Assistant Inspector General for Audits, at 202-254-4100.

Attachment

Office of the Chief Financial Officer

U.S. Department of Homeland Security
425 I Street, NW
Washington, DC 20536



U.S. Immigration
and Customs
Enforcement

Anne Richards
Assistant Inspector General for Audits
Office of Inspector General
1120 Vermont Avenue, 12 FL, N.W.
Washington, D.C. 20005

Dear Ms. Richards:

This letter is in connection with your review of the U.S. Immigration and Customs Enforcement's (ICE) Annual Reporting of Fiscal Year 2007 Drug Control Funds ("Submission") for the purpose of expressing a conclusion about the reliability of assertions made in the Submission.

We confirm, to the best of our knowledge and belief, the following representations made to you during your review:

1. We are responsible for preparing the Submission and the assertions therein.
2. Our Submission, including the assertions therein, was prepared pursuant to 21 U.S.C. ss1704(d) and Office of National Drug Control Policy (ONDCP) Circular. Annual Accounting of Drug Control Funds (Circular).
3. The criteria used to assess ICE's assertions and the appropriateness of the criteria was established by ONDCP in its Circular.
4. The assertions made in Section B and the performance summary report of our Submission are fairly stated, in all material respects, based on the requirements set forth in the Circular.
5. We have made available to you all records and data relevant to the Submission and the assertions therein.
6. Any known matters contradicting the assertions and any communication from regulatory agencies affecting the Submission and the assertions have been disclosed to you.
7. Any known events subsequent to the date of the Submission that would have a material effect on the Submission and the assertions have been properly disclosed to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Keenan".

Alex Keenan
Chief Financial Officer

**PERFORMANCE SUMMARY REPORT
OFFICE OF INTELLIGENCE**

Measure: Pounds of Drugs Interdicted

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
70,107 lbs	207,234 lbs	175,267 lbs	231,274 lbs	N/A*	54,509 lbs.	TBD**

* Due to reorganization within the Office of Intelligence, FY 2007 represented a period of reallocation of assets and resources away from the drug interdiction support mission, and toward a classified interagency national security related project, as well as closer alignment with investigative mission areas. Interdiction support formally ceased as an ICE Intelligence program by the end of FY07. *JIAF South, EPIC/DEA, DOD, and USCG, former interdiction support partners with ICE Intelligence, have assumed the ICE portion of the mission within the course of their normal CN intelligence activities.*

** FY 2008 counternarcotics activities are invested in collecting CN requirements from ICE operational offices, and designing production to meet those requirements. FY08/09 will see the establishment of a new counternarcotics baseline, based on customer-driven intelligence products and support.

(1) Description

Interdiction support was a holdover mission based on pre-DHS U.S. Customs intelligence priorities. These Customs priorities do not have a significant corresponding customer within the ICE Intelligence customer set. Thus, this performance measure was phased out during FY 2007.

(2) FY 2007 actual performance results

FY 2007 represented a year of residual interdiction support, carried on during the phasedown of the interdiction support mission. There was no formal interdiction target for that year.

(3) Performance Target for FY 2008

During FY 2008, the Office of Intelligence is building a set of customer requirements for CN support. Following determination of the total set of requirements, along with a negotiated body of production to meet those requirements, a baseline year for CN performance can be determined. Performance measurement will be based on how the operational elements in ICE express their needs for intelligence support, and what will satisfy those needs.

(4) Quality of Performance Data

The database used to validate the Office of Intelligence performance data is the Narcotic Tactical Reporting System (NTRS). Intelligence relies on the database to ensure that the performance data is reasonable and accurate in regard to the workload data employed.

**PERFORMANCE SUMMARY REPORT
OFFICE OF INVESTIGATION**

Measure 1: Percent of closed investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty)

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
N/A	N/A	37.9%	36.4%	36.5%	35.8%	36.6%

(1)Description

The outcome measure for OI as a whole is the percentage of closed investigations that have an enforcement consequence defined as arrest, indictment, conviction, seizure, or penalty. However, OI has constructed new performance measures that will tie drug control efforts to impacts on the systems by which drugs and drug money are moved and stored. However, ICE will continue to provide traditional measures such as drug seizures to support the outcomes developed by ONDCP.

The Office of Investigations (OI) was reviewed in PART as one program. Therefore, there are no separate findings for the Drug component of OI's mission. Furthermore, ICE is authorized to enforce Federal statutes and regulations concerning the movement of carriers, persons, and commodities between the United States and other nations, which enables ICE to play a key role in the overall anti-drug effort with a nexus to the border.

ICE has broad authority to investigate international financial crime and money laundering. ICE's jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across the nation's borders and is applied pursuant to the authority of the Bank Secrecy Act, the USA PATRIOT Act, and the Money Laundering Control Act.

ICE participates in and actively supports the Organized Crime Drug Enforcement Task Forces (OCDETF). ICE OCDETF Coordinators sit on each of OCDETF's nine regional task forces and actively interact with other federal law enforcement agencies, local police chiefs, and state and local prosecutors. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations.

This measure evaluates the percent of closed cases worked by the Office of Investigations in a selected fiscal year that produced an enforcement consequence (e.g., arrest, indictment, conviction, seizure, fine and/or penalty). Based on management review of our performance results, the decision has been made that any result within one percent of the target will be considered "Met". One percent was chosen as the factor of error on a reasonable standard versus a statistical basis for all program measures. Note that other

government agencies have a similar practice. Hence, our FY 2007 target of 36.5% was "Met" based on our FY 2007 actual of 35.8%.

ICE Office of Investigations (OI) has proposed new performance measures, and outputs for FY 2008 – FY 2013. These new performance measures and outputs are strategic in scope and are also in the draft ICE Strategic Plan. The existing performance measure under "Issue 2" will still be maintained in the Future Years Homeland Security Program (FYHSP) database and will not be replaced.

The proposed new measures will be entered and tracked during 1st Quarter of FY 2008 and the FY 2008 totals will be used as base for the subsequent fiscal years.

More effective immigration and trade enforcement will contribute to enhanced homeland security as well as to greater deterrence. One method for measuring this effectiveness is to determine the extent to which criminal investigations are completed successfully, i.e., closed with an enforcement consequence. However, although many criminal cases arise that are worth pursuing, the potential of an investigation is not known at its inception; therefore, it is to be expected that many cases will be closed each year without an enforcement consequence when it is determined that the investigation is no longer viable. In addition to getting criminals off the street, successful investigations also expose and remove, or contribute to the elimination of, vulnerabilities in various aspects of trade and immigration, i.e., the ways in which criminals manage to evade safeguards that are supposed to prevent their illegal activity, and areas in which such safeguards are lax or do not exist.

(2) FY 2007 actual performance results

Final performance fell below target. OI achieved a 35.8% performance target as a result of the following:

OI agents are urged to and have been working towards achieving higher quality level investigations in terms of complexity in order to identify, disrupt, and dismantle criminal organizations. As a result, the complexity of investigative cases is increasing which prevents closure of cases.

Many cases may be awaiting judicial processing such as: sentencing, trials, adjudications, appeals, etc.

Final disposition of cases have been delayed due to complexity of prosecutions, arrests, seizures, fines and penalties. Fines and penalties may be mitigated, which takes additional time.

Seizures and forfeitures are criminal and civil in nature and proceedings are quite lengthy. Also, there can be petitions for relief (similar to appeals).

Due to ongoing quality control throughout OI, cases can be reopened, cancelled, etc. which can affect law enforcement statistics at any one time.

As stated in our report, OI has proposed new performance measures and outputs for FY 2008 – FY 2013. These new performance measures and outputs are strategic in scope and are also in the draft ICE Strategic Plan.

Measure 2, “percent of closed drug smuggling investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty)” is a new measure established in FY 2007. FY 2008 will be the baseline year for data collection/analysis. Targets will be set for FY 2009 and out-years based upon FY 2008 results.

Also, OI does not provide year to year targets for seizures – only year end data.

This measure evaluates the percent of closed cases worked by the Office of Investigations in a selected fiscal year that produced an enforcement consequence (e.g., arrest, indictment, conviction, seizure, fine and/or penalty). Based on management review of our performance results, the decision has been made that any result within one percent of the target will be considered “Met”. One percent was chosen as the factor of error on a reasonable standard versus a statistical basis for all program measures. Note that other government agencies have a similar practice. Hence, our FY 2007 target of 36.5% was “Met” based on our FY 2007 actual of 35.8%.

ICE Office of Investigations (OI) has proposed new performance measures, and outputs for FY 2008 – FY 2013. These new performance measures and outputs are strategic in scope and are also in the draft ICE Strategic Plan. The existing performance measure under “Issue 2” will still be maintained in the Future Years Homeland Security Program (FYHSP) database and will not be replaced.

(3) Performance target for FY 2008

The performance target for FY 2008 is 36.6%. The target increase of .1% is based upon prior year’s performance results. However, OI has constructed new performance measures that will tie drug control efforts to impacts on the systems by which drugs and drug money are moved and stored. Also, ICE will continue to provide traditional measures such as drug seizures to support the outcomes developed by ONDCP.

Measure 3, “Dollar value of real or other property seizures derived from/and/or used from drug operations” was included because, as our report states, this output measure directly evaluates the success of removing financial incentives for criminals and terrorists to operate their drug activities. The scope of data demonstrates the ability, in a given timeframe, of removing criminal financial assets.

In an effort to reduce losses to the public resulting from financial crimes, OI continues to target transnational money laundering activities and bulk currency smuggling (both drug related and non-drug related).

Also, OI does not provide year to year targets for seizures – only year end data.

(4) Quality of Performance Data

The database used to validate the Office of Investigations (OI) performance data is the Treasury Enforcement Communication System (TECS). The Office of Investigation conducts quality control verification on all data received through TECS.

Measure 2: Percent of closed drug smuggling investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty).

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
N/A	N/A	N/A	N/A	N/A	N/A	Baseline

(1) Description

The outcome measure for OI as a whole is the percentage of closed investigations that have an enforcement consequence defined as arrest, indictment, conviction, seizure, or penalty. However, OI has constructed new performance measures that will tie drug control efforts to impacts on the systems by which drugs and drug money are moved and stored. However, ICE will continue to provide traditional measures such as drug seizures to support the outcomes developed by ONDCP.

The Office of Investigations (OI) was reviewed in PART as one program. Therefore, there are no separate findings for the Drug component of OI's mission. Furthermore, ICE is authorized to enforce Federal statutes and regulations concerning the movement of carriers, persons, and commodities between the United States and other nations, which enables ICE to play a key role in the overall anti-drug effort with a nexus to the border. ICE has broad authority to investigate international financial crime and money laundering. ICE's jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across the nation's borders and is applied pursuant to the authority of the Bank Secrecy Act, the USA PATRIOT Act, and the Money Laundering Control Act.

ICE participates in and actively supports the Organized Crime Drug Enforcement Task Forces (OCDETF). ICE OCDETF Coordinators sit on each of OCDETF's nine regional task forces and actively interact with other federal law enforcement agencies, local police chiefs, and state and local prosecutors. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations.

This measure evaluates the percent of closed cases worked by the Office of Investigations in a selected fiscal year that produced an enforcement consequence (e.g., arrest, indictment, conviction, seizure, fine and/or penalty).

More effective immigration and trade enforcement will contribute to enhanced homeland security as well as to greater deterrence. One method for measuring this effectiveness is to determine the extent to which drug smuggling investigations are completed successfully, i.e., closed with an enforcement consequence. However, although many drug smuggling cases arise that are worth pursuing, the potential of an investigation is not known at its inception; therefore, it is to be expected that many cases will be closed each year without an enforcement consequence when it is determined that the investigation is no longer viable. In addition to getting criminals off the street, successful investigations also expose and remove, or contribute to the elimination of, vulnerabilities in various aspects of trade and immigration, i.e., the ways in which criminals manage to evade safeguards that are supposed to prevent their illegal activity, and areas in which such safeguards are lax or do not exist.

(2) FY 2007 actual performance results

This is a new measure established in FY 2007. FY 2008 will be the baseline year for data collection and analysis.

As stated in our report, OI has proposed new performance measures and outputs for FY 2008 – FY 2013. These new performance measures and outputs are strategic in scope and are also in the draft ICE Strategic Plan.

Measure 2, “percent of closed drug smuggling investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty)” is a new measure established in FY 2007. FY 2008 will be the baseline year for data collection/analysis. Targets will be set for FY 2009 and out-years based upon FY 2008 results.

(3) Performance target for FY 2008

This is a new measure established in FY 2007. FY 2008 will be the baseline year for data collection and analysis. Targets will be set for FY 2009 and out-years based upon FY 2008 results.

Measure 3, “Dollar value of real or other property seizures derived from/and/or used from drug operations” was included because, as our report states, this output measure directly evaluates the success of removing financial incentives for criminals and terrorists to operate their drug activities. The scope of data demonstrates the ability, in a given timeframe, of removing criminal financial assets.

In an effort to reduce losses to the public resulting from financial crimes, OI continues to target transnational money laundering activities and bulk currency smuggling (both drug related and non-drug related).

Also, OI does not provide year to year targets for seizures – only year end data.

(4) Quality of Performance Data

The database used to validate the Office of Investigations (OI) performance data is the Treasury Enforcement Communication System (TECS). The Office of Investigation conducts quality control verification on all data received through TECS.

Measure 3: Dollar value of real or other property seizures derived from/and/or used from drug operations.

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Description

This output measure directly evaluates the success of removing financial incentives for criminals and terrorists to operate. The scope of data demonstrates the ability, in a given timeframe, of removing criminal financial assets.

The outcome measure for OI as a whole is the percentage of closed investigations that have an enforcement consequence defined as arrest, indictment, conviction, seizure, or penalty. However, OI has constructed new performance measures that will tie drug control efforts to impacts on the systems by which drugs and drug money are moved and stored. However, ICE will continue to provide traditional measures such as drug seizures to support the outcomes developed by ONDCP.

The Office of Investigations (OI) was reviewed in PART as one program. Therefore, there are no separate findings for the Drug component of OI's mission. Furthermore, ICE is authorized to enforce Federal statutes and regulations concerning the movement of carriers, persons, and commodities between the United States and other nations, which enables ICE to play a key role in the overall anti-drug effort with a nexus to the border.

ICE has broad authority to investigate international financial crime and money laundering. ICE's jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across the nation's borders and is applied pursuant to the authority of the Bank Secrecy Act, the USA PATRIOT Act, and the Money Laundering Control Act.

ICE participates in and actively supports the Organized Crime Drug Enforcement Task Forces (OCDETF). ICE OCDETF Coordinators sit on each of OCDETF's nine regional task forces and actively interact with other federal law enforcement agencies, local police chiefs, and state and local prosecutors. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations.

(2) FY 2007 actual performance results

The Office of Investigations (OI) does not provide year to year targets for seizures. OI only provides year end data on seizures.

As stated in our report, OI has proposed new performance measures and outputs for FY 2008 – FY 2013. These new performance measures and outputs are strategic in scope and are also in the draft ICE Strategic Plan.

Measure 2, “percent of closed drug smuggling investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty)” is a new measure established in FY 2007. FY 2008 will be the baseline year for data collection/analysis. Targets will be set for FY 2009 and out-years based upon FY 2008 results.

(3) The performance target for FY 2008

The Office of Investigations (OI) does not provide year to year targets for seizures. OI only provides year end data on seizures.

Measure 3, “Dollar value of real or other property seizures derived from/and/or used from drug operations” was included because, as our report states, this output measure directly evaluates the success of removing financial incentives for criminals and terrorists to operate their drug activities. The scope of data demonstrates the ability, in a given timeframe, of removing criminal financial assets.

In an effort to reduce losses to the public resulting from financial crimes, OI continues to target transnational money laundering activities and bulk currency smuggling (both drug related and non-drug related).

Also, OI does not provide year to year targets for seizures – only year end data.

(4) Quality of Performance Data

The database used to validate the Office of Investigations (OI) performance data is the Treasury Enforcement Communication System (TECS). The Office of Investigation conducts quality control verification on all data received through TECS.

The Office of Investigations (OI) does not assign agents to its different investigative program areas. Each Special Agent in Charge (SAC) allocates resources based on the threat within their area of responsibility. ICE agents target criminal violators in all ICE programmatic areas and strive to levy criminal charges whenever possible in order to send a strong message of deterrence. Retrospectively, we can estimate FTE by dividing the latest actual total investigative hours expended by the program in question. Prospectively, we use the latest actual percentage of total investigative hours expended by the investigative area in question and apply the percentage to a specific budget year.

In FY 2007, OI expended \$362 million on Drug Smuggling Investigations.

PERFORMANCE SUMMARY REPORT OFFICE OF INTERNATIONAL AFFAIRS

Office of International Affairs (OIA) was previously part of the Investigations Program. Beginning in Mid FY 2007, it was separated out as a separate program. Therefore, there are no existing OIA drug-related metrics. In FY 2008, OIA will be developing metrics to be reported next year.

ICE MANAGEMENT ASSERTION REPORT

MANAGEMENT ASSERTIONS

- 1. Performance reporting system is appropriate and applied.**
Systems are developed based on the support requirements of ICE operational stakeholders.
- 2. Explanations for not meeting performance targets are reasonable.**
ICE continues to achieve progress on overall performance management by reviewing and refining program measures.
- 3. Methodology to establish performance targets is reasonable and applied.**
Establishment of ICE performance targets are based on production as required by the stakeholders expressed needs.
- 4. Adequate performance measures exist for all significant drug control activities.** Performance measurements cover activities that meet the established threshold.

Tab D



U. S. Department of Justice

Office of the Inspector General

January 31, 2008

Mr. David J. Rivait
Associate Director
Office of Planning and Budget
Office of National Drug Control Policy
Washington, D.C. 20503

Dear Mr. Rivait:

This letter transmits the fiscal year 2007 attestation review reports from the U.S. Department of Justice. The attestation review reports, the annual detailed accounting of funds expended by each drug control program agency, and performance summary is required by 21 U.S.C. § 1704(d), as implemented by the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.

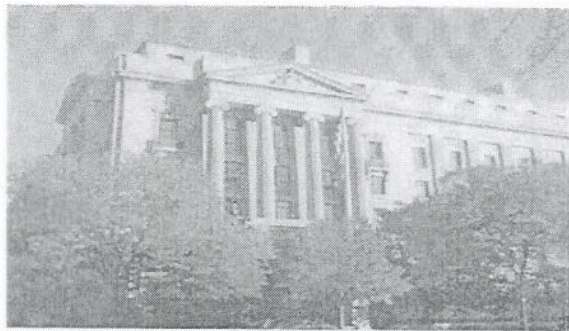
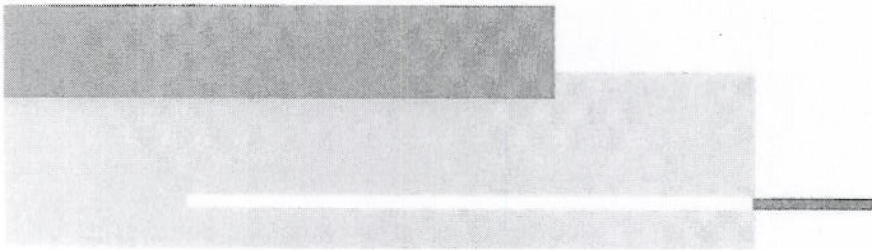
If you have any questions, please contact me on (202) 514-3435 or Mark L. Hayes, Director, Financial Statement Audit Office, on (202) 616-4660.

Sincerely,

A handwritten signature in cursive script that reads "Glenn A. Fine".

Glenn A. Fine
Inspector General

Enclosure



**ANNUAL ACCOUNTING AND
AUTHENTICATION OF DRUG
CONTROL FUNDS AND RELATED
PERFORMANCE
FISCAL YEAR 2007**

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

Audit Report 08-05
January 2008

**ANNUAL ACCOUNTING AND AUTHENTICATION OF
DRUG CONTROL FUNDS AND RELATED
PERFORMANCE
FISCAL YEAR 2007**

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

This report contains the fiscal year 2007 attestation review reports of the Federal Bureau of Prisons (BOP), Drug Enforcement Administration (DEA), Organized Crime Drug Enforcement Task Forces (OCDETF), and Office of Justice Programs (OJP) annual accounting and authentication of drug control funds and related performance. 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 (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007. Under the direction of the Office of the Inspector General (OIG), KPMG LLP (KPMG) performed the attestation reviews.

KPMG prepared the reports in accordance with the Attestation Standards issued by the American Institute of Certified Public Accountants (AICPA). Each of the reports was properly addressed, titled, and contained the elements required by the AICPA Statements on Standards for Attestation Engagements, AT Section 100.45. An attestation review is less in scope than an examination and, therefore, does not result in the expression of an opinion. However, KPMG auditors reported that nothing came to their attention that caused them to believe the submission was not presented in all material respects in accordance with the requirements of the ONDCP circular.

The OIG reviewed KPMG's reports and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an attestation engagement in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion or conclusions on the annual accounting and authentication of drug control funds and related performance. KPMG is responsible for the attached auditors' reports dated January 2008, and the conclusions expressed in the reports. However, our oversight disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards.

**Independent Accountants' Reports and
Component Performance Summary Reports**

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KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Assistant Attorney General for Administration
U.S. Department of Justice

Inspector General
U.S. Department of Justice

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Justice's Federal Bureau of Prisons (BOP) for the year ended September 30, 2007. We have also reviewed the accompanying Management's Assurance Statement for Fiscal Year Ended September 30, 2007. BOP's management is responsible for the Performance Summary Report and the assertion.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertion. Accordingly, we do not express such an opinion.

Management of the BOP prepared the Performance Summary Report and management's assertion to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that: (1) the Performance Summary Report for the year ended September 30, 2007 is not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007, or that (2) the Management's Assurance Statement referred to above is not fairly stated, in all material respects, based on the criteria set forth in 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 U.S. Department of Justice, the U.S. Department of Justice Office of the Inspector General, 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.

KPMG LLP

January 14, 2008



U.S. Department of Justice

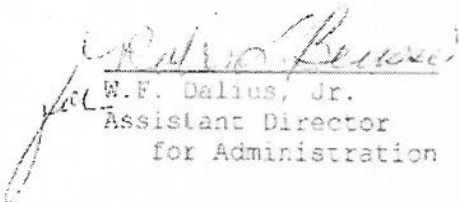
Federal Bureau of Prisons

Washington, DC 20534

U.S. Department of Justice
Bureau of Prisons
Performance Summary Report
Management's Assurance Statement
For Fiscal Year Ended September 30, 2007

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

1. The SENTRY is BOP's 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 2007 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 report 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.


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

01/14/08

Date

Performance Summary Report

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 treatment program to the number of participants at the end of each fiscal year. The objective is to monitor the utilization of residential drug treatment program capacity. For FY 2007, the performance target was 95% utilization and the BOP achieved a 97% utilization rate.

Residential Drug Treatment programs are offered at 58 BOP institutions. 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 residential drug treatment program and subject matter experts enter and analyze the data.

For FY 2008, the BOP has established the following performance targets: 1) Capacity (6,066); 2) Participants(5,763); and 3) Utilization (95%). The capacity target was set based on the number of Residential Drug Treatment Programs beds available at the end of FY 2007. The BOP allowed for a 5 percent dropout/turnover rate of inmates in the Residential Drug Treatment Program to arrive at the Participants and Utilization target.

Measure:

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

Fiscal Year	Capacity	Participants*	Utilization
FY 2003 Actual	5,425	5,425	100%
FY 2004 Actual	5,425	5,425	100%
FY 2005 Actual	5,642	5,889	104%
FY 2006 Actual	5,994	6,101	102%

FY 2007 Target	5,994	5,694	95%
FY 2007 Actual	6,066	5,892	97%
FY 2008 Target	6,066	5,763	95%

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



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Assistant Attorney General for Administration
U.S. Department of Justice

Inspector General
U.S. Department of Justice

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the year ended September 30, 2007. We have also reviewed the accompanying Management's Assertion Statement for Fiscal Year Ended September 30, 2007. DEA's management is responsible for the Performance Summary Report and the assertion.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertion. Accordingly, we do not express such an opinion.

Management of the DEA prepared the Performance Summary Report and management's assertion to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that: (1) the Performance Summary Report for the year ended September 30, 2007 is not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007, or that (2) the Management's Assertion Statement referred to above is not fairly stated, in all material respects, based on the criteria set forth in 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 U.S. Department of Justice, the U.S. Department of Justice Office of the Inspector General, 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.

KPMG LLP

January 14, 2008



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, 2007

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

1. The agency'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 agency has established at least one acceptable performance measure for each Drug Control Decision Unit as agreed to by 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.

We have documented the performance measures used by DEA for the associated National Drug Control Program activities for FY 2007 in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

Frank M. Kalder, Chief Financial Officer

Date

1/14/08

The Drug Enforcement Administration's FY 2007 Performance Summary Report

I. PERFORMANCE INFORMATION

Performance Measures

This is the first year that ONDCP has required the submission of a Performance Summary Report as part of DEA's Annual Accounting of Drug Control Funds. As such, the Department of Justice initiated discussions with ONDCP to determine the performance measures that most clearly reflect DEA's National Drug Control Program activities. The performance measures selected and agreed to by ONDCP include disruptions and dismantlements of international and domestic priority target organizations not linked to CPOT targets and active international and domestic priority target organizations linked to CPOT targets. These measures correspond to DEA's resources as presented in the Table of Drug Control Obligations in the international and domestic enforcement decision units. Reimbursable resources from the Organized Crime and Drug Enforcement Task Forces (OCDETF) program contribute to these performance measures, but are not responsible for specifically identifiable performance. Since the Priority Targeting program is DEA's flagship initiative for meeting its enforcement goals, the performance measures associated with this program are the most appropriate for assessing DEA's National Drug Control Program activities.

A measure corresponding to DEA's state and local assistance decision unit was not included since most of the resources included in 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.

Data Validation and Verification

Priority Targets identified by DEA's domestic field divisions and foreign country offices are tracked using the *Priority Target Activity Resource Reporting System (PTARRS)*, an Oracle database that tracks operational progress and direct case-related expenses, i.e., investigative work hours.

Once an investigation meets the criteria for a PTO, the investigation can be nominated as a PTO submission through PTARRS. In PTARRS, users electronically propose, nominate, assign, decline and track Priority Target investigations. PTARRS provides a means of electronically validating, verifying and approving Priority Targets through the chain of command, beginning with the case agent in the field and ending with the headquarters' Operations Division.

PTO Projection Methodology

DEA sets annual and long-term targets that are challenging, but realistic. In the first few years of DEA's Priority Target Program, DEA repeatedly exceeded its annual targets for disruptions and dismantlements. In response, DEA refined its projection methodology by using regression

analysis to generate the relative weight of many independent variables and their contribution to the number of Priority Targets disrupted and dismantled. This refined methodology was used to set DEA's long-term targets for inclusion in DOJ's FY 2007 - FY 2012 Strategic Plan. To establish targets for active Priority Targets, DEA uses an MS Excel algorithm, which compiles and computes a trend (usually linear) utilizing actual data from the preceding time periods (e.g., fiscal years) and predicts data estimates for subsequent fiscal years.

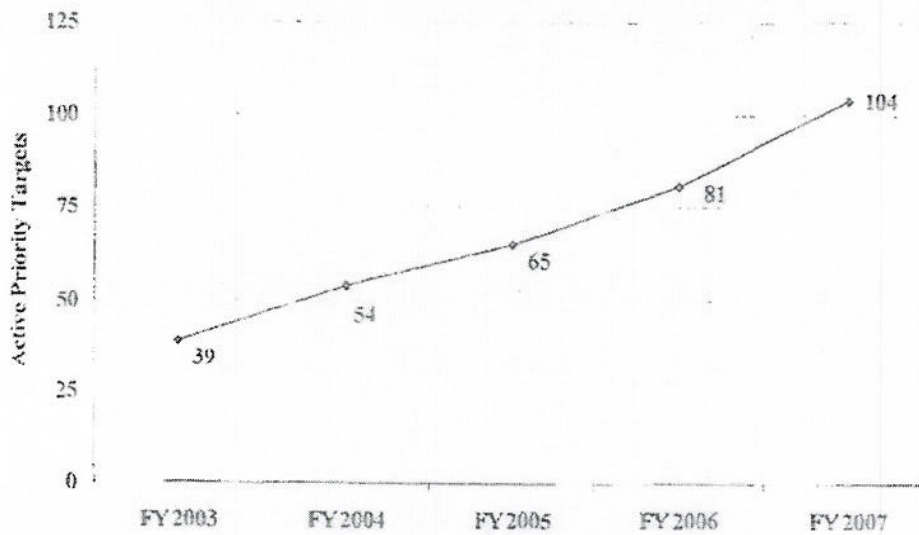
Decision Unit: International Enforcement

Measure 1: Number of Active International Priority Targets Linked to CPOT

Table 1: Measure 1

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
39	54	65	81	80	104	120

Active International Priority Targets Linked to CPOT

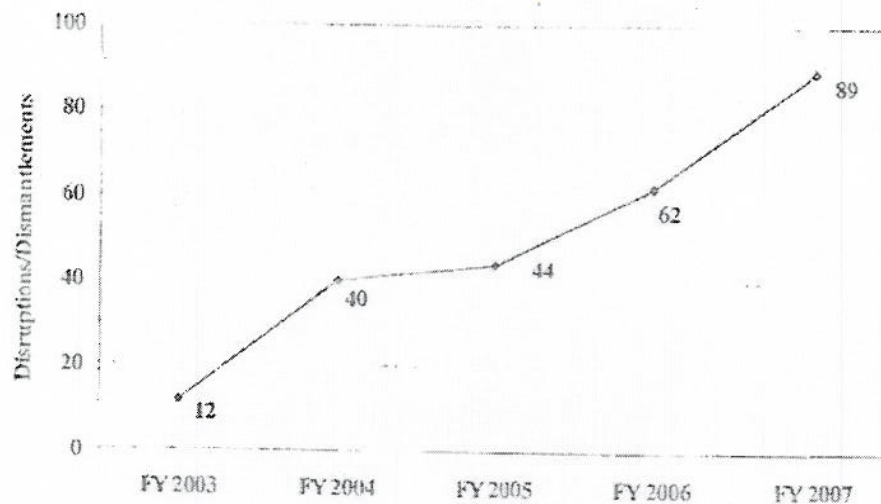


Measure 2: Number of International Priority Targets Not Linked to CPOT Targets Disrupted or Dismantled

Table 2: Measure 2

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
12	40	44	62	55	89	105

International Priority Targets Not Linked to CPOT Targets Disrupted or Dismantled (Actual)



The main focus of DEA's International Enforcement program is the disruption¹ or dismantlement² of drug trafficking organizations identified as the most significant international drug and chemical trafficking organizations, also known as Priority Targets. DEA's Priority Targets comprise the most significant investigations in each foreign country office. As these organizations are identified, disrupted, or dismantled, the investigative intelligence developed is utilized to identify and target all organizational elements on the drug trafficking continuum. As entire drug trafficking networks, from sources of supply to the transporters/distributors, are disrupted or dismantled, the availability of drugs within the United States is impacted.

¹ 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.

² 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.

DEA's foreign offices focus their investigative efforts on Priority Targets with a direct connection to the Attorney General's Consolidated Priority Organization Targets (CPOTs), as well as other Priority Targets that are not linked to CPOT targets. The list of CPOT targets includes the most significant international command and control organizations threatening the United States as identified by Organized Crime Drug Enforcement Task Force (OCDETF) member agencies. All current CPOT organizations represent foreign targets based abroad. Efforts to disrupt and dismantle CPOT organizations are primarily accomplished through multi-agency investigations, most of which are directed by DEA. Consistent with the *President's National Drug Control Strategy*, DEA focuses on finding and exploiting strategic vulnerabilities in the drug market. DEA's strategy relies heavily on intelligence and investigative capabilities to identify significant international drug trafficking organizations and drug facilitators, collect and maintain in-depth information concerning their leadership and operations, and assist field offices in establishing priorities and developing targets. This strategy emphasizes the disruption or complete dismantlement of the organizations targeted by DEA foreign country offices.

One measure of the effectiveness used by DEA management to assess DEA's international enforcement efforts is the number of disruptions or dismantlements of Priority Targets linked to CPOTs.

As of September 30, 2007, DEA exceeded its target of 80 active Priority Targets linked to CPOTs by 24. Throughout FY 2007, DEA continued to focus on identifying Priority Targets linked to CPOT targets. The FY 2007 target for the disruption and dismantlement of International Priority Targets not linked to CPOT targets was 55. As of September 30, 2007, DEA disrupted or dismantled 89. DEA continues to exceed its annual targets as DEA's success at disrupting and dismantling priority targets emphasizes DEA's ultimate objective – the dismantlement of the most significant drug trafficking and money laundering organizations so that the reestablishment of the same organization is impossible.

Since DEA cannot operate unilaterally in the foreign arena, complex external challenges can impede progress toward the achievement of agency goals. For example, most international drug laws are inadequate to address counter drug efforts. Many countries lack effective legislative measures and the judicial means to effectively impede illicit drug production, diversion, transportation, and distribution in their countries. In addition, changes with foreign government administrations may decrease cooperation in host countries in the areas of drug and chemical control. However, despite these challenges, DEA has fully embraced the importance of coordinated attacks with host nation counterparts against entire drug networks from the source of supply, through the transporters, to the distribution cells operating in the United States.

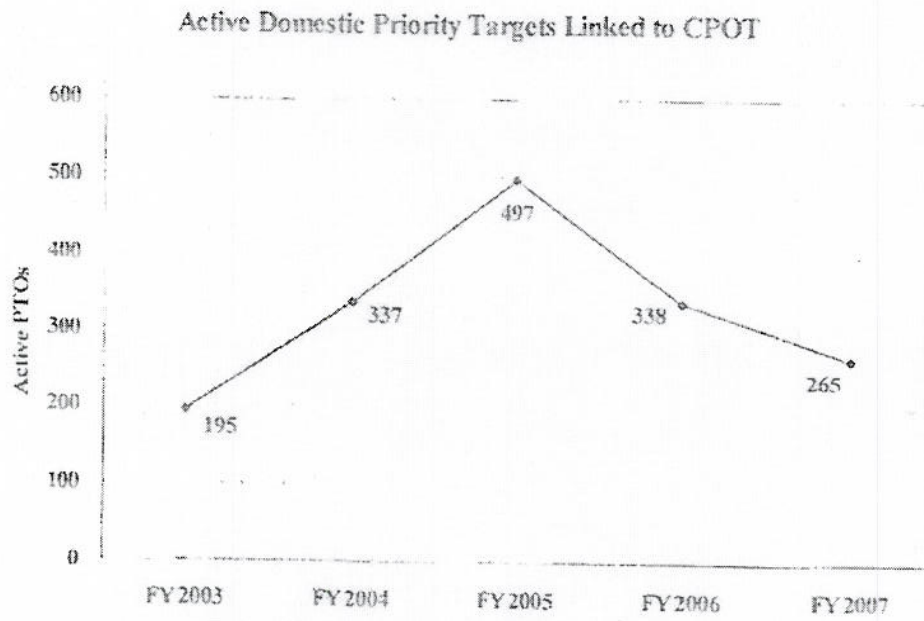
The current FY 2008 targets are 120 active international Priority Targets linked to CPOT and 105 disruptions or dismantlements of international Priority Targets not linked to CPOT. The Priority Target program will continue to be DEA's focus.

Decision Unit: Domestic Enforcement

Measure 1: Number of Active Domestic Priority Targets Linked to CPOT

Table 3: Measure 1

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
195	337	497	338	720	265	300

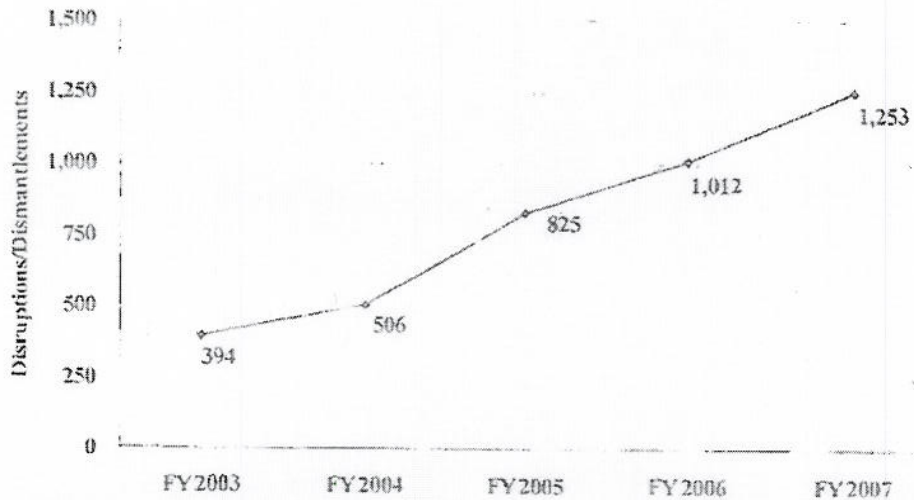


Measure 2: Number of Domestic Priority Targets not Linked to CPOT Targets Disrupted or Dismantled

Table 4: Measure 2

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
394	506	825	1,012	915	1,253	1,285

Domestic Priority Targets Not Linked to CPOT Targets Disrupted or Dismantled



DEA's Domestic Enforcement program comprises the majority of DEA's investigative and support resources. These resources, in conjunction with DEA's foreign offices, create a seamless intelligence and investigative web to pursue drug trafficking organizations, from multi-national and poly-drug conglomerates, to independent specialty one-function cells. Specifically, DEA continues an aggressive and balanced domestic enforcement program with a multi-jurisdictional approach designed to focus federal resources on the disruption or dismantlement of drug trafficking organizations that control the illegal drug trade, and the seizure of the proceeds and assets involved in the illegal drug trade. Similar to legitimate businesses, drug trafficking organizations have corporate leaders, employees, chemical suppliers, transporters, financial service providers, communication needs, infrastructure, and assets. The drug trafficking business is therefore subject to market forces. Consistent with the *President's National Drug Control Strategy*, DEA focuses on finding and exploiting strategic vulnerabilities in the drug market. DEA's strategy relies heavily on intelligence and investigative capabilities to identify significant domestic drug trafficking organizations and drug facilitators, collect and maintain in-depth information concerning their leadership and operations, and assist field offices in establishing

priorities and developing targets. This strategy emphasizes the disruption or complete dismantlement of the organizations targeted by DEA domestic field offices.

The Priority Targeting program was implemented in April 2001 to identify, target, investigate and disrupt or dismantle those international, national, regional, and local impact drug trafficking and/or money laundering organizations having a significant impact on drug availability within the United States. DEA domestic field divisions, under the supervision of Special Agents in Charge (SACs), identify and target major drug threats within their areas of responsibility.

The Priority Targeting program focuses on dismantling the drug networks most responsible for the supply of drugs in America by targeting their leaders for arrest and prosecution, confiscating the profits that fund continuing drug operations, and eliminating their international supply sources. DEA continues to collect and analyze drug seizure data as a means of evaluating its progress towards its performance goal of contributing to the reduction of drug availability in America. In addition, DEA is working to estimate the real impact of selected disruptions and dismantlements on drug availability.

One measure of the effectiveness used by DEA management to assess its domestic enforcement efforts is the number of disruptions or dismantlements of Priority Targets linked to CPOTs.

As of September 30, 2007, DEA fell short of its FY 2007 target of 720 by 63 percent. The FY 2007 target for Active Priority Targets linked to CPOT Targets was influenced by the actual results reported in FY 2005, which represented a 47 percent increase over FY 2004. While DEA did not meet the expected targets in FY 2007, it did achieve significant results against these CPOT-linked Priority Targets. In fact, historically unprecedented successes were recorded in FY 2007 against the leaders of some of the world's most powerful drug-trafficking organizations, including the Gulf Cartel, the Tijuana Cartel, and the Norte Valle Cartel.

DEA attributes the decline in this performance measure to four factors. First, the 46 CPOT targets on the FY 2007 CPOT List represent a much different group of organizations than was first placed on the list in FY 2003. When the CPOT List was first established, it contained many organizations that had been known to law enforcement for decades. Investigations of these organizations were already quite mature. As a result of the DEA investigative successes, only 18 of the original 53 targets remain on the FY 2007 CPOT List. The FY 2007 CPOT List consists largely of targets that have been more recently identified by law enforcement.

Second, the investigations against these targets have become more complex. CPOT level organizations have learned from law enforcement's past successes, and have adjusted their operations to thwart law enforcement efforts. Law enforcement has been forced to pursue more complex investigative techniques to achieve a lasting impact against these organizations. This inherently takes more time. Pursuing such things as electronic surveillance and in-depth financial investigations has permitted the DEA to improve upon its success in permanently dismantling major drug trafficking organizations. After review of DEA's current inventory of CPOT-linked Priority Targets, the average number of days an investigation has been open has increased by 67 percent since FY 2005.

Third, DEA implemented a hiring freeze at the end of FY 2006. As DEA attempts to reduce its Special Agent work force through attrition, DEA is losing its most seasoned Special Agents. The number of Special Agent investigative work hours dedicated to Priority Target investigations linked to CPOT has decreased by 22 percent between FY 2006 and FY 2007.

Fourth, OCDETF reviewed the criteria used to link investigations to CPOT targets in FY 2005, which resulted in the more stringent review of nominated CPOT linkages in DEA. This stringent review has also contributed to the decrease in the number of CPOT-linked Priority Targets identified each year. Although it cannot be statistically documented, it is believed that the identification of CPOT linkages is occurring later in the life cycle of a Priority Target investigation. DEA is continuing to review this performance trend.

In terms of Priority Targets Not Linked to CPOT Targets disrupted or dismantled, DEA exceeded its FY 2007 target by 37 percent with 1,253 Priority Target investigations disrupted or dismantled.

The current FY 2008 targets are 300 active domestic Priority Targets linked to CPOT and 1,285 disruptions or dismantlements of domestic Priority Targets not linked to CPOT. The Priority Target program will continue to be DEA's focus.



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Assistant Attorney General for Administration
U.S. Department of Justice

Inspector General
U.S. Department of Justice

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Justice's Organized Crime Drug Enforcement Task Forces (OCDETF) Program for the year ended September 30, 2007. We have also reviewed the accompanying Management's Assertion Statement for Fiscal Year Ended September 30, 2007. The OCDETF Program's management is responsible for the Performance Summary Report and the assertion.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertion. Accordingly, we do not express such an opinion.

Management of the OCDETF Program prepared the Performance Summary Report and management's assertion to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that: (1) the Performance Summary Report for the year ended September 30, 2007 is not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007, or that (2) the Management's Assertion Statement referred to above is not fairly stated, in all material respects, based on the criteria set forth in 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 U.S. Department of Justice, the U.S. Department of Justice Office of the Inspector General, 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.

KPMG LLP

January 24, 2008



U.S. Department of Justice

Criminal Division

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, 2007

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. OCDETF has a system to capture performance information accurately and that system was properly applied to generate the performance data.
2. The explanation(s) 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 methodology described to establish performance targets for the current year is reasonable given past performance and available resources.
4. OCDETF has established at least one acceptable performance measure for each Drug Control Decision Unit, as agreed to by 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 OCDETF to identify and accumulate FY 2007 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

1/24/2008
Date

U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces (OCDETF) Program
Performance Summary
For the Fiscal Year Ended September 30, 2007

Drug Control Decision Units: Investigations/Intelligence/Prosecutions

ONDCP agreed to OCDETF reporting only one measure for all three of the OCDETF Decision Units as the efforts of all three units is needed to achieve the results tracked by the measure. The disruption and dismantlement of a drug organization is a very complex operation beginning with federal agents investigative and intelligence activities cumulating in federal prosecution of the parties involved.

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

Table 1: Measure 1

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
Dismantlements	20	29	93	64	93	64*	93
Disruptions	62	127	156	135	155	127*	155

* Breakdown by agency for OCDETF is: 64 Dismantled (49 DEA and 15 FBI), 127 Disrupted (84 DEA and 43 FBI)

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 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 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 drug supply and permanently destroying the infrastructure of significant drug trafficking organizations are critical pieces of the Attorney General's Drug Control 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.

OCDETF did not meet its ambitious FY 2007 targets with respect to CPOT-linked organizations. It is difficult to accurately predict how many disruptions and dismantlements of CPOT-linked organizations will occur in a given fiscal year because these statistics can be inherently volatile

from year to year. While OCDETF did not meet its expected targets in FY 2007, it still achieved significant results against these CPOT-linked organizations and the CPOTs themselves. The FY 2007 OCDETF CPOT-linked dismantlements are the same number as those achieved in FY 2006, yet greater than the number achieved in FY 2004 and greater than the number achieved in FY 2003. FY 2007 OCDETF CPOT-linked disruptions were slightly less than FY 2006 CPOT-linked disruptions, but still greater than the number achieved in FY 2003. Also, historically unprecedented successes were recorded in FY 2007 against the leaders of some of the world's most powerful drug-trafficking organizations, including the Gulf Cartel, the Tijuana Cartel, and the Norte Valle Cartel.

OCDETF continues to review its performance for these measures and attributes the lower than estimated performance to evolving changes in the CPOT List. The 50 targets on the FY 2007 CPOT List represent a much different group of organizations than was first placed on the list in FY 2003. When the CPOT List was first established, it contained many organizations that had been known to law enforcement for decades. Investigations of these organizations were already quite mature, and, as a result, 522 CPOT-links had already been identified at the time the CPOT List was initially promulgated. As a result of investigative and prosecutorial successes, only 18 of the original 53 targets remain on the FY 2007 CPOT List. The FY 2007 CPOT List consists largely of targets that have been more recently identified by law enforcement. With respect to these newer CPOTs, it has taken longer to identify subsidiary organizations linked to the CPOT itself. Although the CPOT linked performance is lower than estimated, law enforcement efforts are having a profound impact as evidenced by a record of cash forfeitures, and the fact that cocaine prices have increased while available domestic supplies have decreased.

OCDETF is currently reviewing the FY 2008 estimated target to determine if the target should be adjusted downward for the upcoming FY 2009 Congressional Budget Submission. Estimated targets for FY 2006 through FY 2008 have been based on the FY 2005 actual which may have been unusually high. OCDETF is reviewing the methodology for setting the FY 2008 and future targets for this performance measure, taking into account the number of CPOT linked cases and their status. The Department began tracking CPOT-links in FY 2003 and does not have a significant history with the CPOT process by which to inform the establishment of annual targets. The FY 2006 targets were revised substantially upward as a consequence of the actual results reported in FY 2005. OCDETF has maintained the high targets and has not yet adjusted the targets downward.

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 "in-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.

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KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Assistant Attorney General for Administration
U.S. Department of Justice

Inspector General
U.S. Department of Justice

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Justice's Office of Justice Programs (OJP) for the year ended September 30, 2007. We have also reviewed the accompanying Management's Assertion Statement for Fiscal Year Ended September 30, 2007. OJP's management is responsible for the Performance Summary Report and the assertion.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report and management's assertion. Accordingly, we do not express such an opinion.

Management of the OJP prepared the Performance Summary Report and management's assertion to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that: (1) the Performance Summary Report for the year ended September 30, 2007 is not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007, or that (2) the Management's Assertion Statement referred to above is not fairly stated, in all material respects, based on the criteria set forth in 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 U.S. Department of Justice, the U.S. Department of Justice Office of the Inspector General, 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.

KPMG LLP

January 14, 2008

**U.S. Department of Justice
Office of Justice Programs
Performance Summary Report
Management's Assertion Statement
for Fiscal Year Ended September 30, 2007**

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 Grants Management System (GMS) is OJP's online system that captures performance information and was utilized for the purposes of this report.
2. Explanations for not meeting performance targets are reasonable.
3. The methodology used to establish performance targets is reasonable and applied.
4. Adequate performance measures exist for all significant drug control activities; for FY 2007 performance reporting purposes, those drug control activities which have been identified to provide performance measure information, adequate performance measures exist.

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



Ralph E. Martin, Director
Office of the Chief Financial Officer, Budget Division
OJP Official Responsible for Assertion

11/30/2008

Date

I. PERFORMANCE INFORMATION

The 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 the OJP's overall program structure, specific resources dedicated to support of the National Drug Control Strategy are found in the Residential Substance Abuse Treatment (RSAT) Program and the Drug Court Program. Performance measures, established by the OJP, which support the National Drug Control Strategy are: (1) Number of participants in the RSAT Program; and (2) Graduation rate of program participants in the Drug Court Program."

Decision Unit: State and Local Law Enforcement: Residential Substance Abuse Treatment (RSAT) Program
Measure 1: Number of participants in the RSAT Program

Table 1: Number of Participants in the RSAT Program

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual	FY 2007 Target	FY 2008 Target
25,521	33,239	31,740	17,500	27,756	20,000	20,000

- (1) The RSAT, 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 and complete 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) 2007 data for this measure is collected on a calendar year basis and will be available in October 2008. Data collected and reported for 2007 for the RSAT program is according to the grantee's fiscal year, which is not the same year for all grantees (i.e. some grantees have a fiscal year end as of June 30 and also as of September 30), however, data reported does cover a single consecutive 12-month period.

In 2006, the target of 17,500 was exceeded by 10,256. There are many contributing factors that determine the number of people who complete 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. The target of 17,500 was based on prior year's trends with the knowledge that in 2004, Federal funding for this program was eliminated. This lack of funding resulted in scaled back programs in certain individual states. With the return of funding in 2005, states had to again readjust their RSAT programs, resulting in the fluctuation in the target and actual data.

- (3) The 2008 target is 20,000 participants. The RSAT targets should not be changed due to unpredictable funding. Targets are estimated from previous year counts provided by grantees.
- (4) 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. In Spring of 2007, the 2005 performance data were reverified by the Bureau of Justice Assistance (BJA). BJA determined that the actual count was 31,740, rather than 35,350 reported in 2006. The variance in the number previously reported is a result of the OJP's continuing efforts to enhance data collection and data verification processes. In addition, since the OJP last reported, the Office of the Inspector General audited this performance measure. As a result, previously submitted numbers were updated and resubmitted to reflect more accurate numbers and additional reports received from some states.

Decision Unit: State and Local Law Enforcement: Drug Court Program
Measure 2: Graduation rate of program participants in the Drug Court Program

Table 1: Graduation Rate of Program Participants in the Drug Court Program

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
N/A	N/A	18.1%	31.9%	22.1%	29.0%	24.0%

This measure used FY 2005 as the baseline year. Therefore, FY 2003 and FY 2004 data is not available.

- (1) According to data from the most recent National Crime Victimization Survey published in 2002, there were 5.3 million violent victimizations of residents age 12 or older. Victims of violence were asked to describe whether they perceived the offender to have been drinking or using drugs. About 29% of the victims of violence reported that the offender was using drugs or drugs in combination with alcohol. These facts demonstrate that the need for drug treatment services is tremendous. The OJP has a long history of providing drug-related resources to its constituencies in an effort to break the cycle of drugs and violence by reducing the demand, use, and trafficking of illegal drugs.

The drug court movement began as a community-level response to reduce crime and substance abuse among criminal justice offenders. This approach integrated substance abuse treatment, sanctions, and incentives with case processing to place non-violent drug-involved defendants in judicially supervised rehabilitation programs. The OJP's Drug Court Program is administered by BJA and was established in 1995 to provide financial and technical assistance to states, state courts, local courts, units of local government, and Indian tribal governments in order to establish drug treatment courts. Drug courts employ the coercive power of the judicial system to subject non-violent offenders to an integrated mix of treatment, drug testing, incentives and sanctions to break the cycle of substance abuse and crime. This community-level movement is supported through drug court grants and targeted technical assistance and training. Since 1989, more than 1,000 jurisdictions have established or are planning to establish a drug court. Currently, every state either has a drug court or is planning a drug court.

Drug Court Program participants are the number of eligible program participants during the reporting period. The Graduation Rate of Program Participants is calculated by dividing the number of graduates during the reporting period (numerator) and the number of eligible program participants during the reporting period (denominator).

- (2) The FY 2007 target of 22.1% was exceeded by 6.9%. The data compiled for this reporting period include grants awarded in FY 2004, FY 2005, and FY 2006. The Drug Court Program experienced a dramatic decrease in funding in FY 2006 (\$10 million in FY 2006 versus \$40 million in FY 2005). The FY 2007 success may

be derived from the OJP's emphasis on training and technical assistance and a refocusing of the Drug Court Program with the reduction in funding. Drug courts across the country have become more effective in their graduate rates due to the additional concentration on training the staff and partners within individual drug courts. This has led to a more efficient drug court program and an increase in the graduation rate compared to FY 2005.

- (3) The FY 2008 target of 24.0% was established from the 2005 baseline and the target increases in increments of 2 percent per year.
- (4) End of year performance data for the Drug Court Program is provided by semi-annual progress reports via the Grants Management System in August. 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 of grantee support documentation by program managers.

Beginning with data reported for 2007, data collected and reported cover a single consecutive 12-month period. The 12-month period used was July 1, 2006 through December 31, 2006 and January 1, 2007 through June 30, 2007. Prior year's data was collected and reported from one semi-annual progress report which reflected the fiscal year.

Tab E



United States Department of State

*Assistant Secretary of State
for International Narcotics and
Law Enforcement Affairs*

Washington, D.C. 20520

APR 02 2008

Jon E. Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
Washington, D.C. 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007, the Department of State is submitting its Accounting and Authentication of FY 2007 Drug Control Funds and Related Performance Report. The Inspector General's attestation report is enclosed.

If you would like to address any questions associated with our submission, please call me on (202) 647-8464.

Sincerely,

David T. Johnson

Enclosures:

- 1) Accounting and Authentication of FY 2007 Drug Control Funds and Related Performance Report
- 2) Department of State Office of Inspector General Attestation Report



United States Department of State
and the Broadcasting Board of Governors

Inspector General

MAR -6 2008

MEMORANDUM

TO: INL - Mr. David T. Johnson

FROM: DIG - Mr. Robert Peterson, Acting

SUBJECT: Attestation Review of Annual Accounting of Drug Control Funds and Performance Summary by the Department of State for FY 2007 (AUD/PP-08-17)

Attached is the Office of Inspector General's (OIG) Attestation Review of the Annual Accounting of Drug Control Funds and Performance Summary by the Department of State for FY 2007 for the Department of State. No matters came to OIG's attention that caused OIG to believe that the Department's submission did not meet the requirements of the Office of National Drug Control Policy, although OIG could not attest to three of the assertions, as described in OIG's attached review.

If you have any questions or need additional information, please call me at (202) 663-0373 or Mark W. Duda, Assistant Inspector General for Audits, at (202) 663-0372.

Attachment: As stated.

cc: INL/RM - Mr. Robert S. Byrnes
INL/RM/BUD - Mr. Anthony J. Gresko



United States Department of State
and the Broadcasting Board of Governors

Inspector General

Attestation Review of
Annual Accounting of Drug Control Funds
and Performance Summary by
the Department of State for FY 2007
AUD/PP-08-17
March 6, 2008

The Office of Inspector General (OIG) reviewed the accompanying assertions from the Bureau of International Narcotics and Law Enforcement Affairs (INL) FY 2007 detailed accounting and performance submission to the Director of the Office of National Drug Control Policy (ONDCP), which was prepared in compliance with ONDCP Circular *Drug Control Accounting*, dated May 1, 2007. The submission is the responsibility of the Department of State.

OIG's review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, as specified in section 8 of the ONDCP Circular. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the submission. Accordingly, we do not express such an opinion.

OIG cannot attest to the following three assertions¹ made by INL:

- . . . that the drug methodology used to calculate the obligations of prior year budgetary resources are reasonable, that the data presented is complete, and that the financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregated obligations from which the drug-related obligations are derived.
- . . . that all the information presented for the Bureau for International Narcotics and Law Enforcement Affairs (INL) is true and correct and concur with all assertions associated with INL.
- . . . that the obligation amounts presented in the drug control obligation table are associated with a financial plan that properly reflects any changes that occurred during the fiscal year. The obligation data presented in the report for INL are associated with the INL financial plan.

The FY 2007 obligations, as reported, are based solely on data produced by the Department's financial management system. However, during its audit of the

¹ OIG cannot attest to the assertions as they relate to FY 2007 obligation data. OIG previously attested (AUD/TP-07-16) to INL assertions regarding FY 2006 obligation data.

Department's FY 2007 financial statements, an independent external auditor found that the Department's financial management system was inadequate. For instance, the system could not provide financial information to prepare the financial statements. The independent auditor also noted that the Department's financial systems did not support management's fiduciary role by providing complete, reliable, consistent, timely, and useful financial management information. During our work, a Department official informed OIG about inaccuracies in the obligation data included in the system related to the assertions under review.

Because the Department was unable to provide evidential material and the auditor was not able to perform other auditing procedures, the auditor was unable to express an opinion on the financial statements.

In addition to issues related to the financial systems, the independent auditor also noted a material weakness in the Department's management of obligations. Specifically, the Department did not deobligate unneeded obligations in a timely manner. The auditor identified more than \$550 million in excess obligations. OIG found that INL did not have an effective process in place to independently verify the obligation data included in its report to ensure that the data were accurate and complete.

Notwithstanding the statements made in this INL submission regarding the financial statement audit for FY 2007 and material weaknesses, as of the date of this attestation, nothing has come to our attention to provide any assurance that the problems identified by the independent auditor have been corrected.

Except for the preceding qualifications, nothing came to our attention that caused us to believe that the accompanying assertions do not, in all material respects, reliably represent FY 2007 obligation and performance targets and results for all years presented in the submission and comply with ONDCP criteria.

This review is intended solely for the use of ONDCP in meeting its statutory obligation to provide an accounting of prior-year drug control funds and performance. It should not be used by any other parties for any other purposes.



Robert B. Peterson
Deputy Inspector General, Acting

SECTION 7a Reporting – Performance Summary

I. PERFORMANCE INFORMATION

Decision Unit 1: International Narcotics Control and Law Enforcement

Measure 1: Opium Poppy Cultivation in Laos

Table 2

CY 2003 Actual	CY 2004 Actual	CY 2005 Actual	CY 2006 Actual	CY 2007 Target	CY 2007 Actual	CY 2008 Target
18,900 hectares	10,000 hectares	5,600 hectares	1,700 hectares	2,000 hectares	1,100 hectares	< 1,000 hectares

Measure Description: This performance measure tracks the net amount of opium poppy that is cultivated in Laos on an annual basis.

- **Purpose of the program:** The long-term goal of the International Narcotics Control and Law Enforcement program in Southeast Asia is to remove all countries receiving U.S. assistance from the List of Major Drug Producing and Drug Transit Nations. Thailand was removed in 2004, with the goal of removing Laos prior to 2010. When opium poppy cultivation in Laos is estimated by the U.S. government as less than 1,000 hectares, the country will be removed from the President's list of major illicit drug producing countries.
- **Contribution to National Drug Control Strategy:** The program contributes to the National Drug Control Strategy's goal of "Disrupting the Market for Illicit Drugs" by "creating inefficiencies in drug production and distribution, resulting in decreased drug abuse in the United States."
- **How is this measure used by program managers?** Tracking this measure has convinced program managers that strategic crop control in Laos is successful and should be sustained.

CY 2007 Performance Results: The CY 2007 target was for cultivation to be at the level of 2,000 hectares. Results for CY 2007 were 1,100 hectares under cultivation, exceeding the CY 2007 target.

CY 2008 Performance Target: In CY 2008 the performance target is for cultivation to decline to less than 1,000 hectares. INL plans to meet this target through continuation of its crop control strategy in Laos.

Data Collection and Validation:

- **Data Source:** Annual results are reported in the International Narcotics Control Strategy Report (INCSR). Performance targets are set in the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART). The data for the INCSR and the PART is provided by the Central Intelligence Agency's (CIA) Crime and Narcotics Center (CNC). CNC data serves as the official U.S. government estimate for narcotics cultivation and is used by the Defense Intelligence Agency (DIA), the National Drug Intelligence Center (NDIC), the Office of National Drug Control Policy (ONDCP) and the other drug control agencies. INL utilizes the official U.S. government drug cultivation estimates provided by CNC for the purposes of the Department of State's annual performance reporting.
- **Methodology for Setting Targets and Reporting Results:** In order to achieve the goal of removing Laos from the Major's List, embassy personnel set ambitious targets in the Mission Performance Plan to ensure that Laos would cultivate less than 1,000 hectares of opium poppy by CY 2009. Actual performance results are reported in the INCSR through a cultivation survey prepared by CNC.
- **Process for Validating Performance Information:** The official U.S. government cultivation estimate for Laos is produced by CNC and reported through the International Narcotics Control Strategy Report (INCSR). Before the INCSR is made public, the cultivation numbers are sent back to CNC to confirm accuracy in reporting. If new data becomes available or if errors are identified, the INCSR is updated and errors are corrected. The State Department does not participate in the collection of the data itself. The UN Office on Drugs and Crime (UNODC) also produces a cultivation estimate for Laos which, using a different methodology, produces similar trend patterns to those provided by CNC and gives INL greater confidence in the accuracy of CNC data. Data provided by CNC is the best data available to the U.S. government regarding crop cultivation and INL assumes that this information is accurate, complete, and unbiased.

Decision Unit 1: International Narcotics Control and Law Enforcement**Measure 2:** Percent of MEM Recommended Reforms Implemented**Table 3**

CY 2000/1 Actual	CY 2002/3 Actual	CY 2004/5 Actual	CY 2006/7 Target	CY 2006/7 Actual	CY 2008/9 Target
18% complete; 58% in progress	23% complete; 62% in progress	27% complete; 54% in progress	35% complete; 55% in progress	To be reported	38% complete, 55% in progress

Measure Description: The Multilateral Evaluation Mechanism (MEM) is a peer review system that provides governments in the Western Hemisphere with recommendations on how to strengthen their anti-drug efforts and includes follow on training and technical support. This measure tracks the percent of MEM recommendations that have been completed and the percent of those that are still in progress.

- **Purpose of the program:** The purpose of U.S. foreign assistance to the Organization of American States' (OAS) Inter-American Drug Abuse Commission (CICAD) is to assist governments in developing national anti-drug strategies and crafting region-wide legislation against precursor chemical production and against money laundering.
- **Contribution to National Drug Control Strategy:** The program contributes to the National Drug Control Strategy's goal of "Disrupting the Market for Illicit Drugs" by strengthening the criminal justice and law enforcement sectors of partner governments so that they can assist the U.S. in "creating inefficiencies in drug production and distribution, resulting in decreased drug abuse in the United States."
- **How is this measure used by program managers?** INL program managers address the shortcomings in country anti-drug programs identified by the MEM by designing law enforcement, transnational crime, and criminal justice sector programs that provide technical support and training to partner governments.

CY 2007 Performance Results: The target for 2007 was to have 35 percent of the recommendations complete and have 55% of the recommendations in progress. As of March 2008, the results from the Fourth Evaluation Round of the MEM have not yet been published.

CY 2008 Performance Target: The target for 2008 is to have 38 percent of the recommendations complete and have 55% of the recommendation in progress. The MEM is published biennially. The Fifth Evaluation Round of the MEM will commence in 2008 with results available late in 2009.

Data Collection and Validation:

- **Data Source:** The Hemispheric Report for Evaluation in Progress in Drug Control serves as the source for the MEM statistics and is released biennially. The most recently published Hemispheric Report covers the Third Evaluation Round and was published in June 2005. The Hemispheric Report for the Fourth Evaluation Round has not yet been released. The results for the first three evaluation rounds of the MEM have been compiled in "The Multilateral Evaluation Mechanism (MEM): Achievement, 1997-2007."
- **Methodology for Setting Targets and Reporting Results:** The value of the MEM lies in the recommendations identified in the individual country reports and in the individual strategies employed to strengthen partner government anti-drug programs. Since the OMB PART of INCLE programs in the Western Hemisphere required that all measures of performance be quantifiable, INL assigned numerical targets to the percent of MEM recommendations that have been completed and to the percent that are in progress based on an extrapolation and positive trend analysis from the first and second MEM evaluation rounds. The results are reported in the OMB PART on a biennial basis.
- **Process for Validating Performance Information:** INL relies on CICAD data to report on trends and report annual progress. The use of third party data sources increases INL's confidence that the data is unbiased, but also means that decisions about collection methodology and reporting timelines are often beyond INL control. INL does not evaluate the MEM methodology nor validate the MEM evaluations. Data provided by OAS/CICAD is the best (and for some countries the only) data available for determining the institutional capacity of foreign governments to combat narcotics and other related crimes.

Decision Unit 1: International Narcotics Control and Law Enforcement**Measure 3:** Poppy Free Provinces (PFP) and Provinces Reducing Cultivation (PRC) in Afghanistan**Table 4**

CY 2003 Actual	CY 2004 Actual	CY 2005 Actual	CY 2006 Actual	CY 2007 Target	CY 2007 Actual	CY 2008 Target
5 PFP; 6 PRC	3 PFP; 1 PRC	6 PFP; 16 PRC	6 PFP; 9 PRC	6 PFP; 6 PRC	13 PFP; 13 PRC	7 PFP; 7 PRC

Measure Description: The measure tracks the number of Poppy Free Provinces (PFP), defined as provinces with zero cultivation, and the number of Provinces Reducing Cultivation (PRC), provinces with declining year-on-year cultivation figures that do not reach zero cultivation.

- **Purpose of the program:** The purpose of the counternarcotics program in Afghanistan is to reduce opium poppy cultivation in order to create stability in Afghanistan and prevent it from becoming a narco-state controlled by insurgents. The goal of the program is to have 21 of Afghanistan's 34 provinces to be poppy-free or provinces reducing cultivation by 2010.
- **Contribution to National Drug Control Strategy:** The program, through implementation of the five-pillar strategy for counternarcotics in Afghanistan, contributes to the National Drug Control Strategy's goal of "Disrupting the Market for Illicit Drugs" by "creating inefficiencies in drug production and distribution" that aid in the stabilization and establishment of government control in Afghanistan.
- **How is this measure used by program managers?** This measure is used by program managers as a general guide in annual program planning and targeting, focusing governor-led eradication campaigns in the more stable northern provinces of Afghanistan while continuing to implement forced manual and mechanized eradication in the less secure southern provinces.

CY 2007 Performance Results: The target for CY 2007 was to have six poppy free provinces and six (distinct) provinces reducing cultivation. In CY 2007, Afghanistan exceeded its targets achieving 13 poppy free provinces and an additional 13 (distinct) provinces reducing cultivation.

CY 2008 Performance Target: The target for 2008, which was originally set in early 2007 as part of the OMB PART process, is seven poppy free provinces and an additional seven (distinct) provinces reducing cultivation. The targets are

modest because the security situation in Afghanistan is becoming increasingly difficult. According to UNODC, security has a greater impact on a farmer's decision to plant opium poppy than do wealth or development opportunities.

Data Collection and Validation:

- **Data Source:** Annual results are reported in Afghanistan: 2007 Annual Opium Poppy Survey produced by the United Nations Office on Drugs and Crime (UNODC). The State Department targets are set in the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) review of Assistance to Rebuilding Countries – Afghanistan. INL utilizes the UNODC 2007 Annual Opium Poppy Survey for the purposes of the Department of State's annual performance reporting on this metric.
- **Methodology for Setting Targets and Reporting Results:** The long term goal of having 21 of 34 provinces in Afghanistan poppy free by CY 2010 was set during CY 2007 by the State Department and USAID personnel via the coordination of the Office of the Director of Foreign Assistance. The 2007 (6 PFP; 6 PRC) and 2008 (7 PFP; 7 PRC) targets were set in the PART to demonstrate progress towards achieving the long term goal of having 21 of 34 provinces in Afghanistan poppy free. Actual performance results are reported in the 2007 Opium Poppy Survey prepared by UNODC.
- **Process for Validating Performance Information:** The UNODC Opium Poppy Survey is released in the fall of each year and is used to inform management decision making. The trends and the data in the UNODC survey are compared against the official U.S. government estimate published by the Office of National Drug Control Policy (ONDCP) in late-Winter/early-Spring of each year in order to confirm that the trends outlined by the UNODC survey are confirmed through the more sophisticated techniques employed by the CIA's Crime and Narcotics Center. The State Department does not participate in the collection of the data nor in data validation, but does compare trends to ensure that the UNODC data properly informs management decisions. The combination of data provided by UNODC and CNC provide multiple viewpoints to produce a more accurate, complete, and unbiased picture of the counternarcotics situation in Afghanistan.

Decision Unit 2: Andean Counterdrug Initiative**Measure 1:** Hectares of coca cultivated in Bolivia, Colombia, and Peru.**Table 5**

CY 2003 Actual	CY 2004 Actual	CY 2005 Actual	CY 2006 Actual	CY 2007 Target	CY 2007 Actual	CY 2008 Target
166,300 hectares	166,200 hectares	208,500 hectares	220,000 hectares	138,000 hectares	TBR	Discontinued

Measure Description: This performance measure tracks the amount of coca that is cultivated in Colombia, Peru, and Bolivia on an annual basis.

- **Purpose of the program:** The long-term goal of the Andean Counterdrug Initiative is to reduce the number of hectares of coca under cultivation, thereby reducing the supply of processed cocaine that is shipped to the United States. The program accomplishes this through a strategy of forced aerial and manual eradication, increased drug interdiction, and strengthen rule of law and alternative livelihood efforts.
- **Contribution to National Drug Control Strategy:** The program contributes to the National Drug Control Strategy's goal of "Disrupting the Market for Illicit Drugs" by "creating inefficiencies in drug production and distribution, resulting in decreased drug abuse in the United States."
- **How is this measure used by program managers?** The sustained increase in cultivation from 2004 to 2007 has served as a signal to policy makers and program managers to reconsider the appropriate mix of eradication and interdiction programs with other foreign assistance programs that would complement the eradication effort while addressing the root causes of coca cultivation. In order to conform with Department policy regarding standardized performance metrics for Foreign Assistance programs, this measure is being discontinued in lieu of an eradication metric per guidance issued by the Office of the Director of Foreign Assistance, which has implemented Country Operational Plans that focus on the management of day-to-day output metrics such as eradication vis-à-vis the more ephemeral cultivation metrics.

CY 2007 Performance Results: The target for CY 2007 was 138,000 hectares. The results are scheduled to be released by the Crime and Narcotics Center in May/June 2008. .

CY 2008 Performance Target: No performance target for CY 2008 has been set. The performance measure is being discontinued in order to conform with Department policy regarding standardized performance metrics for Foreign Assistance programs.

Data Collection and Validation:

- **Data Source:** Annual results are reported in the International Narcotics Control Strategy Report (INCSR). Performance targets were set in the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART). The data for the INCSR and the PART is provided by the Central Intelligence Agency's (CIA) Crime and Narcotics Center (CNC). CNC data serves as the official U.S. government estimate for narcotics cultivation and is used by the Defense Intelligence Agency (DIA), the National Drug Intelligence Center (NDIC), the Office of National Drug Control Policy (ONDCP) and the other drug control agencies. INL utilizes the official U.S. government drug cultivation estimates provided by CNC for the purposes of the Department of State's annual performance reporting.
- **Methodology for Setting Targets and Reporting Results:** In order to achieve the long term goal of reducing the production of cocaine from the Andes by 80% from 2004 to 2010, very ambitious targets were set in the OMB PART by INL and post personnel in 2004. Though the targets have been revised slightly upwards since then to 138,000 hectares in 2007, the targets are still aiming to drastically reduce cultivation and thus reduce cocaine production by 80%. Given realities on the ground in the Andes, 2008 performance targets tied to the PART long term goal were not developed and the use of the measure has been discontinued. Actual performance results were reported in the INCSR from data prepared by CNC.
- **Process for Validating Performance Information:** The official U.S. government coca cultivation estimate for Colombia, Bolivia and Peru is produced by CNC and reported through the International Narcotics Control Strategy Report (INCSR). Before the INCSR is made public, the cultivation numbers are sent back to CNC to confirm accuracy in reporting. If new data becomes available or if errors are identified, the INCSR is updated and errors are corrected. The State Department does not participate in the collection of the data itself, but uses CNC information exclusively as the official U.S. government estimate for coca cultivation reporting per "GAO-03-319R: Coca Estimates in Colombia." Data provided by CNC is the best data available to the U.S. government regarding crop cultivation and INL assumes that this information is accurate, complete, and unbiased.

Decision Unit 2: Andean Counterdrug Initiative

Measure 2: Hectares of coca eradicated in Bolivia, Colombia, and Peru.

Table 6

CY 2003	CY 2004	CY 2005	CY 2006 Actual	CY 2007 Target	CY 2007 Actual	CY 2008 Target
N/A	166,321 hectares	188,365 hectares	231,482 hectares	248,000 hectares	236,855 hectares	246,000 hectares

Measure Description: This performance measure tracks the amount of coca leaf that is forcibly or voluntarily eradicated in Colombia, Peru, and Bolivia on an annual basis. This measure replaces the coca cultivation metric that has been reported in previous years.

- **Purpose of the program:** The long-term goal of the Andean Counterdrug Initiative is to reduce the number of hectares of coca under cultivation, thereby reducing the supply of processed cocaine that is shipped to the United States. The program accomplishes this through a strategy of forced aerial and forced and voluntary manual eradication, increased drug interdiction, and strengthening rule of law and alternative livelihood efforts. Eradication is a critical component of the U.S. government's counternarcotics strategy in the Andean region and is the metric used by managers to handle day-to-day operations.
- **Contribution to National Drug Control Strategy:** The program contributes to the National Drug Control Strategy's goal of "Disrupting the Market for Illicit Drugs" by "creating inefficiencies in drug production and distribution, resulting in decreased drug abuse in the United States."
- **How is this measure used by program managers?** INL program managers in the field use this measure for operational planning and day-to-day program management. The eradication measure is available daily rather than six months following the close of the calendar year, allowing managers the flexibility to adjust program operations to meet annual targets. Furthermore, the measure conforms to Department policy regarding standardized performance metrics for Foreign Assistance programs.

CY 2007 Performance Results: The CY 2007 target was for eradication to reach 248,000 hectares in Bolivia, Colombia, and Peru. Results for CY 2007 were 236,855 hectares of coca eradicated. Results for the entire region are below target due largely to the continued absence of political will in Bolivia and because of the

Colombian government's failure to meet its overly ambitious target of 70,000 hectares for manual eradication.

CY 2008 Performance Target: The CY 2008 performance target is to eradicate 246,000 hectares of coca in Colombia, Bolivia, and Peru. The CY 2008 target is slightly less than the CY 2007 target due to expected decreases in funding for eradication programs in the region.

Data Collection and Validation:

- **Data Source:** Annual results are reported in the International Narcotics Control Strategy Report (INCSR). Performance targets are set by each embassy, aggregated in and included as a global performance metric in support of the Congressional Budget Justification. The data for eradication results is reported by each embassy at year end during the annual data call for the INCSR. Embassy officials gather information from host government contacts and implementing partners to report country results in the INCSR. INL utilizes host country and implementing partner information for the purposes of the Department of State's annual performance reporting.
- **Methodology for Setting Targets and Reporting Results:** The embassy country team consult subject area experts in Washington and in the field and consider past performance and trends, policy priorities and long term goals, relevant conditions on the ground, and resource levels in setting performance targets. The targets are set in the Joint State/USAID Highlights to the Congressional Budget Justification. The results are reported in the International Narcotics Control Strategy Report. Results are aggregated in Washington for the purposes of performance reporting to other stakeholders.
- **Process for Validating Performance Information:** The eradication measure is one of a select grouping of foreign assistance measures that are aggregated for inclusion in foreign assistance performance documents and budget submissions. Each post utilizing these select measures must complete a Data Quality Assessment (DQA) once every three years. The DQA assesses the validity, reliability, timeliness, precision, and integrity of the performance data. Though the DQA is not submitted to Washington, DC, post must have the DQA available in the event that the metric is part of the annual performance audit by an independent auditing firm. INL has provided post with guidance and assistance regarding the DQAs. Eradication data provided by overseas embassies is the best data available to the U.S. government regarding U.S. government and host government coca

eradication and INL assumes that this information has undergone a Data Quality Assessment and is accurate, complete, and unbiased.

II. ASSERTIONS

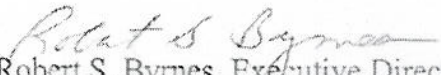
I assert that INL has a system to report performance information that is appropriate and applied. All of the performance information presented here is gathered from third party sources. These sources are reputable and, I believe, provide the best data available for these performance measures. INL has not directly observed these parties gathering data and I cannot, therefore, speak directly to the accuracy of the data. I can say that these third parties are experts in their fields and provide INL with actionable information.

I assert that the explanation for not meeting the performance target is reasonable, for the targets for which data is currently available. Actual CY 2007 performance results are only available for three of the five measures presented here. In the cases where results are available, two of the three performance targets were met or exceeded. For the measure where results were not met, the explanation for not meeting the target is reasonable. Where CY 2007 results are not available, it is because these results have not yet been released by the pertinent third parties.

I assert that the methodology to establish performance targets is reasonable and applied. Subject area experts consider past performance and trends, policy priorities and long term goals, relevant conditions on the ground, and resource levels in setting performance targets.

I assert that adequate performance measures exist for all significant drug control activities. There are two Drug Control Decision Units in INL: International Narcotics Control and Law Enforcement (INCLE) and the Andean Counter Drug Initiative (ACI). Three performance measures have been selected for INCLE, one for each of the following areas: Africa and Asia, South Asia, and the Western Hemisphere. There are two performance measures for ACI, with program managers choosing to discontinue the use of the cultivation metric after 2007 as the lag time in data collection and reporting has diminished its usefulness in management decision making. Each performance measure addresses the market disruption objective of the National Drug Control Strategy.

For purposes of Section 7a reporting, I assert that the methodology disclosed in this report was the actual methodology used to generate the performance data included here.


Robert S. Byrnes, Executive Director

Bureau for International Narcotics and Law Enforcement Affairs

Tab F

**INSPECTOR GENERAL REVIEW OF
FY 2007 DRUG CONTROL FUNDS AND
PERFORMANCE SUMMARY REPORTING**

National Highway Traffic Safety Administration

Report Number: FI-2008-025

Date Issued: February 1, 2008



U.S. Department of
Transportation

Office of Inspector General

Office of the Secretary
of Transportation

February 1, 2008

Mr. Jon E. Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
Washington, DC 20503

Dear Mr. Rice:

This report transmits the results of our independent review of the U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) reporting of fiscal year 2007 Drug Control Funds dated January 24, 2008, and Performance Summary Report dated January 28, 2008, to the Office of National Drug Control Policy (ONDCP). The NHTSA reports and our review are required by 21 U.S.C. § 1704 (d).

This review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards prescribed by the Comptroller General of the United States. The objective of our review was to provide negative assurance as to whether any information came to our attention on the basis of the work performed to indicate that management's assertions are not presented in all material respects, based on established or stated criteria. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the *National Highway Traffic Safety Administration's Drug Control Obligation Summary and Performance Summary Report* to ONDCP. Accordingly, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on the accompanying report (Enclosure 1), NHTSA's submission (6a), Table of Prior Year Drug Control Obligations. In general, our review processes were limited to inquiries and analytical procedures appropriate for an attestation review. We traced the amounts in Table 6(a) to the Department's accounting system.

Based on our review, the accompanying *National Highway Traffic Safety Administration FY 2007 Drug Control Obligation Summary* is presented in conformity with the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007. The obligation amount reported in Enclosure 1 was supported by the Department's accounting system.

NHTSA is reporting \$2.9 million in drug control obligations, which is below the \$50 million threshold for full reporting in accordance with the Office of National Drug Control Policy circular. The Office of Inspector General attests that full compliance with this circular would constitute an unreasonable reporting burden.

Performance Reporting Summary and Assertions

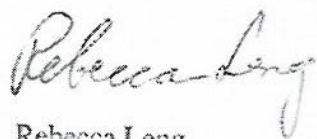
We performed review procedures on the accompanying report (Enclosure 2), *National Highway Traffic Safety Administration FY 2007 Performance Summary Report* and management's assertions. These assertions are that (1) the performance reporting system for FY 2007 is appropriate and applied, (2) explanations for not meeting performance targets are reasonable, (3) a methodology to establish performance targets is reasonable and applied and (4) adequate performance measures exist for all significant drug control activities. NHTSA is responsible for these assertions.

In general, our review processes were limited to inquiries and analytical procedures appropriate for an attestation review based upon the criteria specified in the ONDCP circular. Based upon our review, the accompanying *National Highway Traffic Safety Administration Performance Summary Report* is presented in general conformity with the ONDCP circular. Management's assertions for the performance measure reported in Enclosure 2 are reasonable; however, the detailed sampling plan is still being developed.

In addition, we noted one exception. The reporting systems supporting NHTSA's assertions did not meet the ONDCP requirement that these systems be an integral part of the agency's budget and management process. NHTSA's FY 2007 performance measure to select 300 representative survey sites and secure local cooperation as part of the National Roadside Survey of Alcohol and Drugged Driving was not included in the Department's *Performance and Accountability Report for Fiscal Year 2007* (PAR). FY 2007 represents the first year NHTSA had a performance reporting requirement for the Drug Impaired Driving Program. According to NHTSA officials, the drug control program is a subset of NHTSA's Impaired Driving Program. Since the Impaired Driving Program was discussed in the PAR, we are not making any recommendations.

This report is intended solely for the use of the U.S. Congress, the Office of National Drug Control Policy, and the Department of Transportation. It is not intended to be used and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca Leng".

Rebecca Leng
Assistant Inspector General for
Financial and Information Technology Audits

Enclosure(s)

cc: Senior Associate Administrator for Policy and Operations, NHTSA



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

Enclosure 1
Page 1 of 2

1200 New Jersey Avenue SE
Washington, DC 20590

January 24, 2008

Jon E. Rice
Associate Director for Performance and Budget
Office of the National Drug Control Policy
Washington, DC 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued May 1, 2007, the National Highway Traffic Safety Administration's (NHTSA) Fiscal Year 2007 Drug Control Obligation Summary is enclosed. NHTSA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

NHTSA's point of contact for this report is Melanie O'Donnell. She can be reached at (202) 366-0498, if further assistance is required

Sincerely,

Gregory A. Walter
Senior Associate Administrator
for Policy and Operations

Enclosure



NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
FISCAL YEAR 2007 DRUG CONTROL OBLIGATIONS SUMMARY
(SMILLIONS)
FY 2007
Estimate

Drug Methodology:

The Drug Impaired Driving Program provides technical support for Drug Recognition Expert training. In addition, the program focuses on greater consistency in enforcement, prosecution, adjudication, prevention, education, drug testing and treatment. This program also currently supports drug impaired driving research as required under SAFETEA-LU.

Drug Resources by Drug Control Function:

Research & Development	\$2.9
Total	\$2.9

Drug Resources by Budget Unit:

Highway Safety Program-Drug Recognition Expert Program	\$1.5
SAFETEA-LU	\$1.4
Total	2.9

Note:

Full compliance with circular: Annual Accounting of Drug Control Funds would constitute an unreasonable reporting burden.



U.S. Department of
Transportation
Office of the Secretary
of Transportation

Enclosure 2
Page 1 of 4

1200 New Jersey Avenue, SE
Washington, DC 20590

January 28, 2008

Jon E. Rice
Associate Director for Performance and Budget
Office of the National Drug Control Policy
Washington, DC 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued May 1, 2007, the National Highway Traffic Safety Administration's (NHTSA) Fiscal Year 2007 Performance Summary Report is enclosed. As specified by the Circular, the agency has selected a performance measure for 2007 to assess its success in reducing drug impaired driving, followed by complementary measures in 2008 and 2009. These measures track the progress of critical steps toward the development of a reliable and accurate measure of the drug impaired driving problem by increasing the Agency's understanding of the extent of drug use among drivers, and the role of drugs in crash causation. These performance measures are:

1. Select representative survey sites and secure local cooperation as part of a National Roadside Survey of Alcohol and Drugged Driving (FY 2007).
2. Collect and analyze oral fluids and blood samples as part of a National Roadside Survey of Alcohol and Drugged Driving (FY 2008).
3. Develop and recommend methods for detecting the presence of major illegal drugs in drivers as part of a Study to Identify Methods and Technologies to Measure Drug Presence Among Drivers (FY 2009).

Assertions

1. **Performance reporting system is appropriate and applied:** Performance information for the first and second measures relies on data captured through the execution of the National Roadside Survey of Alcohol and Drugged Driving. Similarly, the performance information for the third measure will be derived from a study to identify methods and technologies to measure drug presence. Each study has data collection and reporting requirements specified in contract language with the firm conducting the research.

2. **Explanations for not meeting performance targets are reasonable:** Not applicable. FY 2007 is the first year in which NHTSA will apply a specific performance measure to the drug impaired driving program, which will continue in FY 2008 and 2009. As such, four years of prior data does not exist for this goal.
3. **Methodology to establish performance targets is reasonable and applied:** Data collection sites for the National Roadside Survey of Alcohol and Drugged Driving were selected on a probabilistic basis, using traffic volume and demographic variables to ensure a statistically representative sample.
4. **Adequate performance measures exist for all significant drug control activities:** The measures used to describe the Agency's drug impaired driving program performance adequately reflect key steps toward the completion of necessary studies to increase general knowledge of the drugged driving problem. These measures provide a meaningful assessment of progress toward the development of reliable and accurate measures of the drugged driving problem in the United States.

NHTSA's point of contact for this report is Melanie O'Donnell. She can be reached at (202) 366-0498, if further assistance is required.

Sincerely,



Gregory A. Walter
Senior Associate Administrator
for Policy and Operations

Enclosure

**National Highway Traffic Safety Administration
Drug-Impaired Driving Program**

**Performance Summary Report
Fiscal Year 2007**

(1) Performance Measures

The National Highway Traffic Safety Administration (NHTSA) will use the following measures to assess progress of the Drug-Impaired Driving Program.

- a. Select representative survey sites and Secure Local Cooperation as part of a National Roadside Survey of Alcohol and Drugged Driving (FY 2007).

As part of the implementation of the National Roadside Survey, the agency selected representative survey sites, and obtained the cooperation with local government and law enforcement agencies necessary to conduct the survey.

NHTSA can contribute to the National Drug Control Strategy by reducing the prevalence of drug-impaired drivers on the Nation's roadways. However given the current state of knowledge, meaningful measures of the drug impaired driving problem are not available. To chart progress toward development of a valid measure of this problem, NHTSA will use the FY 2007 measure as the basis of performance reporting, and adopt two new measures in FY 2008 and 2009. These measures will assess Agency progress in two critical steps: an understanding of the extent of drug use among drivers, and the role of drugs in crash causation. The agency anticipates that findings from these studies, combined with other research information, will allow development of a meaningful measure by 2012.

These measures reflect critical milestones in the development of valid and reliable performance measures of the drug impaired driving problem. Additional milestones will be identified to assess progress in future years.

- b. Collect and analyze oral fluids and blood samples as part of a National Roadside Survey of Alcohol and Drugged Driving (FY 2008).

This survey will provide the first nationally-representative estimate of the presence of drug use among the driver population. Findings from the survey will be used to steer future drugged driving program development and will lead to critical further research regarding the role of drugs in crash causation.

- c. Develop and recommend methods for detecting the presence of major illegal drugs in drivers as part of a Study to Identify Methods and Technologies to Measure Drug Presence Among Drivers (FY 2009).

This study will assess methods for reliably and accurately detecting drug presence among drivers. Findings of the study will contribute to the development of enforcement techniques and enable more efficient and effective program evaluation.

(2) Prior Years Performance Targets and Results

Not applicable. FY 2007 is the first year in which NHTSA will apply a specific performance measure to the drug impaired driving program, which will continue in FY 2008 and 2009. As such, four years of prior data does not exist for this goal.

(3) Current Performance Targets

<u>Selected Measures of Performance</u>	<u>FY 2007 Target</u>	<u>FY 2007 Achieved</u>
Roadside Survey of Alcohol and Drug Use Among Drivers		
Select Representative Survey Sites and Secure Local Cooperation	300 sites	300 sites

Data collection sites for the National Roadside Survey of Alcohol and Drugged Driving were selected in a multistage process that started with the NASS General Estimates System 60 Primary Sampling Units (PSUs). The next stage involved stratification by roadway classification to yield 5 randomly selected locations with each of the 60 NASS sites.

<u>Selected Measures of Performance</u>	<u>FY 2008 Target</u>	<u>FY 2008 Achieved</u>
Roadside Survey of Alcohol and Drug Use Among Drivers		
Collect and analyze oral fluids and blood samples from randomly selected drivers in at least 300 locations across the U.S.	7,500 drivers	

<u>Selected Measures of Performance</u>	<u>FY 2009 Target</u>	<u>FY 2009 Achieved</u>
Study to Identify Methods and Technologies to Measure Drug Presence		
Develop and recommend methods for detecting the presence of major illegal drugs in drivers	Detection methods for at least 5 drugs	

(4) Quality of Performance Data

NHTSA used traffic volume and demographic variables to ensure statistically representative samples in the selection of the 300 survey sites needed for the Roadside Survey of Alcohol and Drug Use Among Drivers. These variables are accurate, complete, and unbiased in presentation and substance.

Tab G

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



***Attestation Review of the Internal Revenue
Service's Fiscal Year 2007 Annual
Accounting of Drug Control Funds and
Related Performance***

January 31, 2008

Reference Number: 2008-10-058

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Phone Number / 202-622-6500

Email Address / inquiries@tigta.treas.gov

Web Site / <http://www.tigta.gov>



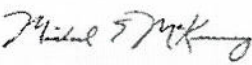
TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

January 31, 2008

MEMORANDUM FOR CHIEF FINANCIAL OFFICER


FROM: (for) Michael R. Phillips
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Attestation Review of the Internal Revenue Service's Fiscal Year 2007 Annual Accounting of Drug Control Funds and Related Performance (Audit # 200710038)

This report presents the results of our attestation review of the Internal Revenue Service's (IRS) Fiscal Year (FY) 2007 Office of National Drug Control Policy (ONDCP)¹ Detailed Accounting Submission and Performance Summary Report (the Report). The purpose of this review was to express a conclusion about the reliability of each assertion made in the Report.

Impact on the Taxpayer

The IRS reported that it expended \$58.4 million on ONDCP-related activities and completed 654 ONDCP-related investigations in FY 2007. Overall, the methodology used to calculate the IRS' FY 2007 Report was clearly explained and adequately documented. Complete and reliable financial and performance information is critical to the IRS' ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

Synopsis

Overall, the methodology used to calculate the IRS' FY 2007 Report was clearly explained and adequately documented. However, in our opinion, the performance measure reported by the IRS could be improved to better represent the IRS' contribution to the National Drug Control

¹ The ONDCP was established in 1988 to set priorities, implement a national strategy, and certify Federal Government drug control budgets by the Anti-Drug Abuse Act of 1988, P.L. 105-277 (Division C-Title VII), Section 707(d).



***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance***

Strategy. Specifically, by reporting only the number of ONDCP-related investigations completed, the IRS is providing very little information on the effectiveness of its efforts.

In addition, our testing of the IRS ONDCP performance information for reasonableness identified that 47 (7 percent) of the 654 investigations reported as completed in FY 2007 were both initiated and completed on the same day and resulted in referral for prosecution, based on the supporting documentation provided. The IRS informed us that the 47 investigations were all related to other investigations and were worked as part of the related investigations. The IRS concluded that the 47 cases were not tracked as unique investigations until approximately the time the cases were forwarded for prosecution. While the IRS' explanation for the reporting of these types of investigations appears reasonable, we are unable to adequately verify it without a detailed review of at least a sample of investigation case files, which is significantly beyond the scope of this review.

Based on our review, with the exception of the matters discussed above, nothing came to our attention to indicate that the assertions are not presented, in all material respects, in accordance with ONDCP-established criteria.

Recommendation

We recommended the Chief Financial Officer, in coordination with the Chief, Criminal Investigation Division, expand the performance information used to report the IRS' contribution to the National Drug Control Strategy to include additional measures that specifically address program effectiveness.

Response

The IRS agreed to consider expanding the performance information it reports. Specifically, the IRS will evaluate potential performance measures and, in particular, will look at the measures used by the other agencies that support the National Drug Control Strategy.

Copies of this report are also being sent to the IRS managers affected by the report recommendation. Please contact me at (202) 622-6510 if you have questions or Nancy Nakamura, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.



**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance**

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***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance***

Abbreviations

FY	Fiscal Year
IRS	Internal Revenue Service
ONDCP	Office of National Drug Control Policy



**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance**

Background

The Anti-Drug Abuse Act of 1988¹ establishes as a policy goal the creation of a drug-free America. A key provision of the Act is the establishment of the Office of National Drug Control Policy (ONDCP) to set priorities, implement a national strategy, and certify Federal Government drug control budgets.

The Internal Revenue Service (IRS) Narcotics Program supports the National Drug Control Strategy with continued support of joint agency task forces (e.g., the Organized Crime and Drug Enforcement Task Force and High Intensity Drug Trafficking Area Task Force) through the use of asset forfeiture legislation, international training programs, and assistance programs.

National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended.

This review was conducted as required by the National Drug Enforcement Policy (21 U.S.C. Section 1704(d)) and the ONDCP Circular *Annual Accounting of Drug Control Funds*, dated May 1, 2007. The National Drug Control Program agencies² are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year. Agencies also need to identify and document performance measure(s) that justify the results associated with these expenditures. Further, the Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission. Beginning in Fiscal Year (FY) 2006, ONDCP funding became a part of the IRS budget. In prior years, IRS-related ONDCP funds expended were reimbursed by the Department of Justice.

This review was performed at the IRS Headquarters offices of the Chief Financial Officer and Chief, Criminal Investigation Division, in Washington, D.C., during the period October through December 2007. Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Report. Accordingly, we do not express such an opinion.

Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

¹ P.L. 105-277 (Division C-Title VII), Section 707(d).

² A National Drug Control Program agency is defined as any agency that is responsible for implementing any aspect of the National Drug Control Strategy.



***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance***

Results of Review

The Methodology Used to Calculate the Internal Revenue Service's Fiscal Year 2007 Report Was Clearly Explained and Adequately Documented

We reviewed the IRS' FY 2007 ONDCP Detailed Accounting Submission and Performance Summary Report (the Report) (see Appendix IV). The Report was prepared pursuant to 21 U.S.C. Section 1704(d) and the ONDCP Circular *Annual Accounting of Drug Control Funds*. It is the responsibility of the IRS.

The Report assertions, as required by Section 6.b. of the ONDCP Circular, include statements that the methodology used is reasonable and accurate, including explanations and documentation of estimation assumptions used; the methodology disclosed was the actual methodology used; and the data presented are associated with obligations against a financial plan that reflects changes, if made. The assertions, as required by Section 7.b. of the ONDCP Circular, include statements that the performance reporting system is appropriate and applied, explanations for not meeting any performance targets are reasonable, and the methodology used to establish performance targets is reasonable and correctly applied. The ONDCP-established criteria include well-documented sources of data, documented and explained calculations, and a complete and fair presentation of data from financial systems. The IRS reported that it expended \$58.4 million on ONDCP-related activities and completed 654 ONDCP-related investigations in FY 2007.

Overall, the methodology used to calculate the IRS' FY 2007 Report was clearly explained and adequately documented. However, in our opinion, the performance measure reported by the IRS could be improved to better represent the IRS' contribution to the National Drug Control Strategy. Specifically, by reporting only the number of ONDCP-related investigations completed, the IRS is providing very little information on the effectiveness of its efforts. Measures that would provide a better indicator of the effectiveness of the IRS' ONDCP-related efforts include the number of prosecution referrals, the number of convictions, and the conviction rate. Complete and reliable financial and performance information is critical to the IRS' ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

In addition, our testing of IRS ONDCP performance information for reasonableness identified that 47 (7 percent) of the 654 investigations reported as completed in FY 2007 were both initiated and completed on the same day and resulted in referral for prosecution, based on the supporting documentation provided. The IRS informed us that the 47 investigations were all



***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
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related to other investigations and were worked as part of the related investigations. It concluded that the 47 cases were not tracked as unique investigations until approximately the time the cases were forwarded for prosecution. While the IRS' explanation for the reporting of these types of investigations appears reasonable, we are unable to adequately verify it without a detailed review of at least a sample of investigation case files, which is significantly beyond the scope of this review.

Based on our review, with the exception of the matters discussed above, nothing came to our attention to indicate that the assertions are not presented, in all material respects, in accordance with ONDCP-established criteria.

Recommendation

Recommendation 1: The Chief Financial Officer, in coordination with the Chief, Criminal Investigation Division, should expand the performance information used to report the IRS' contribution to the National Drug Control Strategy to include additional measures that specifically address program effectiveness.

Management's Response: The IRS agreed to consider expanding the performance information it reports. Specifically, the IRS will evaluate potential performance measures and, in particular, will look at the measures used by the other agencies that support the National Drug Control Strategy.

* * * * *

While this report is an unrestricted public document, the information it contains is intended solely for the use of the IRS, the United States Department of the Treasury, the ONDCP, and Congress. It is not intended to be, and should not be, used by anyone other than these specified parties.



***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance***

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to perform an attestation review of the IRS' FY 2007 ONDCP Detailed Accounting Submission and Performance Summary Report (the Report),¹ for the purpose of expressing a conclusion about the reliability of each assertion made in the Report. To accomplish our objective, we:

- I. Obtained an understanding of the process used to prepare the FY 2007 Report.
 - A. Discussed the process to record and report ONDCP expenditures and performance information with responsible IRS personnel.
 - B. Obtained documents that show the methodology used, such as written procedures, supporting worksheets, and recording modifications.
- II. Evaluated the reasonableness of the drug methodology process.
 - A. Reviewed data supporting the Detailed Accounting Submission segment of the Report to establish the relationship to the amounts being reported.
 - B. Reviewed the estimation methods used for consistency with reported amounts.
- III. Performed sufficient verifications of reported obligations to support our conclusion on the reliability of the assertions.
 - A. Verified whether the Detailed Accounting Submission segment of the Report included all elements specified in Section 6 of the ONDCP Circular *Annual Accounting of Drug Control Funds*.
 - B. Verified the mathematical accuracy of the obligations presented in the Table of the FY 2007 Drug Control Obligations.
 - C. Traced the information contained in the Table of the FY 2007 Drug Control Obligations to the supporting documentation.
- IV. Evaluated the reasonableness of the methodology used to report performance information for National Drug Control Program Agency activities.
 - A. Reviewed data supporting the Performance Summary segment of the Report to establish its relationship to the National Drug Control Program Agency activities being reported.

¹ See Appendix IV.



***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance***

- B. Reviewed the estimation methods for consistency with reported performance information.
- V. Performed sufficient verifications of reported performance information to support our conclusion of the reliability of the assertions.
 - A. Verified whether the Performance Summary segment of the Report includes all elements specified in Section 7 of the ONDCP Circular *Annual Accounting of Drug Control Funds*.
 - B. Verified the mathematical accuracy of the performance information presented.
 - C. Traced the performance information presented to the supporting documentation.
 - D. Reviewed the supporting documentation for reasonableness.



**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance**

Appendix IV

**Internal Revenue Service Fiscal Year 2007
Detailed Accounting Submission and Performance
Summary Report**



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

December 20, 2007

RECEIVED
JAN 07 2008

MEMORANDUM FOR MICHAEL PHILLIPS
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: *Alison L. Doone*
Alison L. Doone
Chief Financial Officer

SUBJECT: Internal Revenue Service (IRS) Fiscal Year 2007
Detailed Accounting Submission of Drug Control Funds

The Internal Revenue Service (IRS) is submitting this report to the Treasury Inspector General for Tax Administration (TIGTA) in compliance with Section 8, *Inspector General Authentication*, of the Office of National Drug Control Policy (ONDCP) Circular: Drug Control Accounting, dated May 1, 2007. This circular requires TIGTA to perform an attestation review of this report before the IRS submits it to the ONDCP. After the IRS receives TIGTA's conclusion as to the reliability of each assertion made in the report, I will forward the document to the ONDCP.

If you have any questions, please contact me at (202) 622-6400, or have a member of your staff contact Bob Mahaffie, Associate Chief Financial Officer for Corporate Performance Budgeting at (202) 622-4663.

Attachment



**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance**

Attachment 11/15/2007

**INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related
Performance**

DETAILED ACCOUNTING SUBMISSION

A. Table of FY 2007 Drug Control Obligations

Drug Resources by Function	
	(\$000)
Investigations	<u>\$58,371</u>
Total	\$58,371
Drug Resources by Decision Unit	
Narcotics Crimes	<u>\$58,371</u>
Total	\$58,371

1) Drug Methodology

- All Drug Control Obligations (the resources appropriated and available for these activities) are reported under one Drug Control Function and one Budget Decision Unit, as shown in the above chart.
- The Internal Revenue Service's (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics-related program. The Office of National Drug Control Policy (ONDCP) requires CI to only report on the Organized Crime and Drug Enforcement Task Force (OCDETF) portion of the Narcotics program. Criminal Investigation's overall DIT applied to narcotics cases for FY 2007 was 11.8 percent of total DIT. The OCDETF sub-component of this program was 10.8 percent of total DIT or 93 percent of the total narcotics DIT.
- The methodology for computing the resources appropriated and realized for the OCDETF program is the application of the Direct Investigative Time (DIT) attributable to OCDETF cases and applying the DIT percentage to the total realized appropriated resources, reduced by reimbursable funds and Earned Income Tax Credit (EITC) resources, for the year for which the resources are being reported. The result is determined to be the amount of resources expended on OCDETF cases. This methodology has been approved by CI, the IRS's Chief Financial Officer, and the Treasury Inspector General for Tax Administration (TIGTA) during the FY 2008 ONDCP attestation



**Attestation Review of the Internal Revenue Service's
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review. The FY 2006 Annual Accounting of Drug Control Funds was submitted after the attestation review.

- Fiscal Year 2006 was the first year OCDETF funding became a permanent part of the CI's budget. In the past, OCDETF was a reimbursable program administered by the Department of Justice (DOJ).

2) Methodology Modifications

None, since the FY 2006 attestation review, which was the first time CI was required to prepare this document independently.

3) Material Weaknesses or Other Findings

None

4) Reprogramming or Transfers

None

5) Other Disclosures

None

B. Assertions

1) Obligations by Budget Decision Unit

Obligations reported by the Budget Decision Unit are a result of applying DIT data derived from Criminal Investigation Management Information System (CIMIS) to the total CI Financial Plan less reimbursements and EITC funds.

2) Drug Methodology

The methodology used to calculate obligations of prior year budgetary resources is reasonable and accurate.

(a) Data

Data is derived from CIMIS to determine the DIT applied to the OCDETF activities. Each special agent submits CIMIS time reports monthly detailing their activities relating to specific investigations. Each investigation is associated with a specific program and sub-program area. The percentage of DIT applied to each program area is



**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
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Attachment 11/15/2007

calculated monthly with a final annual percentage determined after the close of the fiscal year. The annual percentage of DIT relating to OCDETF sub-program area items is applied to the total resources expended for FY 2007 in the CI budget (excluding reimbursables and EITC). These OCDETF percentages include High Intensity/OCDETF, OCDETF, and Terrorism/OCDETF program areas. These OCDETF DIT percentages are used to determine the total resources expended on the OCDETF program.

(b) Other Estimation Methods

None

(c) Financial Systems

The Integrated Financial System (IFS) is the final authority for the IRS resource obligations.

3) Application of Drug Methodology

The methodology disclosed in this section meets all requirements described in section 6 of the ONDCP Circular: Drug Control Accounting. Calculations made using this methodology are sufficiently documented to independently reproduce all data and ensure consistency between reporting years.

4) Reprogramming or Transfers

The data presented is associated with obligations against a financial plan and properly reflects any revisions occurring during the fiscal year.

5) Fund Control Notices

Criminal Investigation asserts the data presented is associated with obligations against a financial plan that fully complied with all fund control notices issued by the Director under 21 U.S.C. section 1703(f) and Section 8 of the ONDCP Circular, Budget Execution.

C. Performance Summary Report

1) Performance Reporting

(a) Performance Measures



**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance**

Attachment 11/15/2007

The performance measure used for the National Drug Control Program is "criminal investigations completed". This is the same performance measure used for all programs. Criminal investigations completed for the OCDETF program and all other programs are defined as total subject criminal investigations completed during the fiscal year, including those resulting in a prosecution recommendation to the Department of Justice or discontinued due to lack of evidence or a finding that the allegation was false (or other reasons). It assesses CI's performance of its mission to serve the public by conducting investigations of potential violations of the Internal Revenue Code and related financial crimes (which OCDETF cases are an important component), to foster confidence in the tax system and enhance voluntary compliance. In addition it reduces or eliminates the profits and financial gains from narcotics trafficking and money laundering.

Criminal Investigation's Narcotics Program supports the goals of the National Drug Control Strategy and the National Money Laundering Strategy by seeking to reduce or eliminate the profits and financial gains from narcotics trafficking and money laundering organizations. Criminal Investigation has been a participant of the OCDETF program since its inception in 1982 and focuses its narcotics efforts almost exclusively on high priority OCDETF cases where its contributions will have the greatest impact.

(b) Prior Years Performance Targets and Results

Prior to FY 2008 Criminal Investigation did not set performance targets for the OCDETF Program. However, CI did project for completed investigations which were used as benchmarks. The OCDETF resources became a part of the IRS budget in FY 2006. Prior to that, the IRS portion of the OCDETF resources were included in the Department of Justice (DOJ) appropriation and was reported as part of the DOJ budget submission. The performance measurements for FY 2003 through FY 2006 are shown below:

FY 2003	FY 2004	FY 2005	FY 2006
838	1,068	938	728

Due to budgetary constraints Criminal Investigation reduced its narcotics DIT (9 to 11 percent of total) in FY2005, FY2006 and FY2007. This resulted in a decline in the number of completed OCDETF investigations in these years. Before the number of narcotics investigations can be significantly increased it will be necessary to counter the negative effects of the previous withdrawal of agents from these task forces by successfully



**Attestation Review of the Internal Revenue Service's
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Attachment 11/15/2007

reestablishing close working relationships with our law enforcement counterparts.

(c) Current Year Performance Targets

The total projected FY 2007 SCI's completed for OCDEF cases is 710. Criminal Investigation did not meet that projection, completing only 654 OCDEF investigations or 7.9 percent below the projection. As the number of narcotics case initiations increase, this trend will eventually result in corresponding increases in OCDEF completions. Estimated performance projections failed to anticipate the cumulative negative effect of the previous withdrawal of agents from the narcotics task forces, the inherent difficulties of rapidly increasing narcotics case initiations, and the problems of reestablishing working relationships with other task force members.

Targets are computed using the methodology used for all reporting programs (Legal Source Cases, Illegal Source Cases, and Narcotics Cases). The OCDEF Program is included in the Narcotics Program.

Historical data shows that a certain percentage of investigations are completed in the year of initiation as well as subsequent years. These percentages are reviewed and recalculated at the close of each fiscal year by CI Research. For FY 2004 through 2008 the most current percentages from FY 2006 were applied to investigations initiated. Completion rates are calculated for all reporting programs; Legal, Illegal and Narcotics. They are not changed during the year. Therefore, any calculation for current (FY 2007) and out-years (future) use the same percentages.

(d) Quality of Performance Data

To ensure the reliability of the data, all cases have unique numbers assigned in CIMIS which contains validity and business rule checks. The CIMIS database tracks the status of the investigations from initiation through final disposition. The only limitations on the reliability of data relate to the accuracy and timeliness of the data input into CIMIS. The system has sufficient internal checks and balances to assure status updates are input in the proper order.



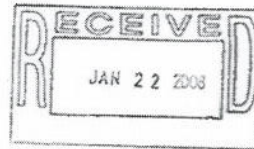
**Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance**

Appendix V

Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224



January 22, 2008

MEMORANDUM FOR MICHAEL PHILLIPS
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

Alison L. Doone
Alison L. Doone
Chief Financial Officer

SUBJECT:

Response to Draft Audit Report – Attestation Review of the
Internal Revenue Service's Fiscal Year 2007
Annual Accounting of Drug Control Funds and Related
Performance Summary Report (Audit #200710038)

Thank you for the opportunity to comment on the Treasury Inspector General for Tax Administration's (TIGTA) draft report titled "Attestation Review of the IRS's Fiscal Year 2007 Annual Accounting of Drug Control Funds". The draft report summarizes the results of TIGTA's review of the IRS's reporting of Fiscal Year (FY) 2007 Office of National Drug Control Policy (ONDCP) expenditures.

We reviewed the recommendation in the report and our comments follow.

Recommendation

"The Chief Financial Officer in coordination with the Chief, Criminal Investigation Division should expand the performance information used to report the IRS's contribution to the National Drug Control Strategy to include additional measures which specifically address program effectiveness."

The IRS will consider TIGTA's recommendation to expand performance information. We will evaluate potential performance measures and, in particular, will look at the measures used by the other agencies that support the National Drug Control Strategy.

On page three in the last paragraph, TIGTA states in part "our testing of IRS' ONDCP performance information for reasonableness identified that 47 (7 percent) of the 654 investigations reported as completed in FY 2007 were both initiated and completed on the same day and resulted in a referral for prosecution per the supporting documentation provided."

The 47 investigations mentioned by TIGTA were worked in conjunction with other cases. Many of CI's drug investigations involve drug organizations in which multiple targets/subjects are simultaneously investigated. CI typically opens investigations only on the individuals that have the greatest prosecution potential. However, there are



***Attestation Review of the Internal Revenue Service's
Fiscal Year 2007 Annual Accounting of Drug Control Funds and
Related Performance***

some instances in which new information comes to light near the conclusion of the investigation which leads to additional investigations initiated on other subjects/targets. For example, it is somewhat common for one or more of the co-conspirators to provide information regarding the organization near the conclusion of investigations in plea bargain situations. In the above example, if information provided by the co-conspirator had been previously corroborated during the investigation the case on the additional subjects could be opened and closed in one day.

CI is concerned that the references to these cases portrays an inaccurate picture of CI's case initiation policies. TIGTA stated in the report a detailed review of these cases would be "significantly beyond the scope of this review." Further, TIGTA stated "the IRS' explanation for the reporting of these types of investigations appears reasonable." The number of days an investigation is open has no relevance to the completed cases measure depicting CI's effectiveness. Based on all of the above, CI requests that TIGTA remove the references to these cases from the report.

The IRS appreciates TIGTA's overall finding that the methodology IRS used to calculate the IRS's FY 2007 Annual Accounting of Drug Control Funds and Related Performance Summary Report was clearly explained and adequately documented.

If you have any questions, please contact me at (202) 622-6400, or have a member of your staff contact Bob Mahaffie, Associate Chief Financial Officer for Corporate Performance Budgeting, at (202) 622-4663.

Tab H



**Department of Veterans Affairs
Office of Inspector General**

**Independent Review of VA's Fiscal Year 2007
Performance Summary Report
To the Office of National Drug Control Policy**

Report No. 08-00782-100

VA Office of Inspector General
Washington, DC 20420

March 26, 2008

**To Report Suspected Wrongdoing in VA Programs and Operations
Call the OIG Hotline - (800) 488-8244**

**Department of
Veterans Affairs**

Memorandum

Date: March 26, 2008

From: Assistant Inspector General for Auditing (52)

Subj: Final Report - Independent Review of the VA's Fiscal Year 2007 Performance Summary Report to the Office of National Drug Control Policy (Report No. 08-00782-100)

To: Chief Patient Care Services Officer, Veterans Health Administration (11)

1. The Office of Inspector General is required to review VA's FY 2007 Performance Summary Report to the Director, Office of National Drug Control Policy (ONDCP), pursuant to ONDCP Circular: *Drug Control Accounting* (Circular), dated May 1, 2007, and as authorized by 21 U.S.C. § 1703(d). The Performance Summary Report is the responsibility of VA's management and is included in this report as Attachment A. The Circular is included as Attachment B.
2. We have reviewed, according to the Circular's criteria and requirements, whether VA has a system to capture performance information accurately and whether that system was properly applied to generate the performance data reported in the Performance Summary Report. We also have reviewed whether VA offered a reasonable explanation 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; whether the methodology described in the Performance Summary Report to establish performance targets for the current year is reasonable given past performance and available resources; and whether VA has established at least one acceptable performance measure for each Drug Control Decision Unit, as defined by the Circular, for which a significant amount of obligations were incurred.
3. Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the applicable 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 matters described in paragraph two. Accordingly, we do not express such an opinion.
4. VA did not establish a performance measure for the Drug Control Decision Unit, Research and Development, as required by the Circular. VA reported \$11.3 million in drug control obligations for Research and Development in VA's Fiscal Year (FY) 2007 Detailed Accounting Submission that is included in our *Independent Review of the VA's Fiscal Year 2007 Detailed Accounting Submission to the Office of National Drug Control Policy* (Report No. 08-00782-93, March 17, 2008). Research and Development is a Drug Control Decision Unit as defined by the Circular. This condition deviates from the requirement that VA establish at least one acceptable performance measure for each Drug Control Decision Unit for which a significant amount of obligations (\$1,000,000

or 50 percent of the agency drug control budget, whichever is less) were incurred in the previous fiscal year.

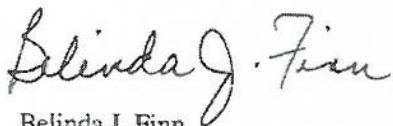
5. Our *Report of the Audit of the Department of Veterans Affairs Consolidated Financial Statements for Fiscal Years 2007 and 2006* (Report No. 07-01016-21, November 15, 2007), identified one material weakness, "Information Technology (IT) Security Controls," that is relevant to VA's performance reporting system. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. This material weakness on information technology security controls deviates from the requirement that the department have a system to capture performance information accurately and that the system was properly applied to generate the performance data.

6. Based upon our review and the criteria of the Circular, and except for the matters discussed in paragraphs four and five:

- Nothing came to our attention that caused us to believe that VA does not have a system to capture performance information accurately and that the system was not properly applied to generate the performance data reported in the Performance Summary Report, in all material respects;
- Nothing came to our attention that caused us to believe that VA did not meet its FY 2007 target for the "Continuity of Care" performance measure and was therefore required to offer an explanation for failing to meet a performance target, for recommendations concerning plans and schedules for meeting future targets, or for revising or eliminating performance targets, in all material respects;
- Nothing came to our attention that caused us to believe that the methodology described in the Performance Summary Report to establish performance targets for the current year is not reasonable given past performance and available resources, in all material respects; and
- Nothing came to our attention that caused us to believe that VA did not establish at least one acceptable performance measure for each Drug Control Decision Unit, as defined by the Circular, for which a significant amount of obligations were incurred in the previous fiscal year, in all material respects.

7. We provided you our draft report for review. The Deputy Chief Patient Care Services Officer for Mental Health concurred with the report, and he and the Director of Performance Management stated their willingness to provide clinical and measurement expertise to support development of a performance measure for Research and Development.

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

A handwritten signature in cursive script that reads "Belinda J. Finn". The signature is written in dark ink and is positioned above the printed name.

Belinda J. Finn

Attachments



DEPARTMENT OF VETERANS AFFAIRS
Veterans Health Administration
Washington DC 20420

Attachment A

FEB 26 2008

In Reply Refer To:

Belinda J. Finn (52)
Assistant Inspector General for Auditing
Office of Inspector General
Department of Veterans Affairs

Dear Ms. Finn:

As required by Section 7 of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007, enclosed please find the Performance Summary Report for the Veterans Health Administration for your authentication in accordance with the guidelines in Section 8 of the Circular.

We certify that the Veterans Health Administration has established a performance measure for its drug activities; that the methodology to generate this measure is appropriate and accurate; and that the target level for the performance measure is reasonable.

The Veterans Health Administration achieved its target performance goal for FY 2007.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ira Katz".

Ira Katz, MD, PhD
Deputy Chief Patient Care Services
Officer for Mental Health

**Department of Veterans Affairs
Veterans Health Administration
FY 2007 Performance Summary Report**

I. PERFORMANCE INFORMATION

Decision Unit 1: Veterans Health Administration

Measure 1: Continuity of Care

Table 1

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
NA	*29%	35%	37%	≥39%	44%	47%

* The FY 2004 data, and thus the resulting score, cannot be trended with 2005-2007 data due to changes in the measure in 2005 to allow telephone care to meet the standard for visits during the 2nd and 3rd 30 day retention periods. .

(a) This measure was established to promote better substance use disorder (SUD) treatment outcomes. It applies to patients entering specialty treatment for SUD in inpatient, residential, domiciliary or outpatient programs, but not opioid substitution, to determine if they are staying in treatment for at least 90 days. Research has shown that good addiction treatment outcomes are contingent on adequate lengths of treatment. Many patients drop out during the initial 90 days of treatment with limited clinical benefit and high rates of relapse. While two contacts per month for at least three months would rarely be sufficient, most patients with chronic conditions require ongoing treatment for at least this duration to establish early remission. Note: SUD includes patients with an alcohol or drug use disorder diagnosis or both.

Indicator: Percent of patients beginning a new episode of treatment for SUD who maintain continuous treatment involvement for at least 90 days after qualifying date

Numerator: Veterans beginning a new episode of treatment for SUD who maintain continuous treatment involvement for at least 90 days as demonstrated by at least 2 days with visits every 30 days for a total of 90 days in any of the outpatient specialty SUD clinics.

Denominator: Veterans beginning a new episode of specialty treatment for SUD

(b) In FY 2007 the standard was 39% or greater to meet and 42% or greater to exceed the target. In FY 2007, 43.9% of VA patients in a specialized SUD program met or exceeded the target of 39%. In FY 2008 the standard has been raised to 47% or greater. The target for FY 08 was established based upon the FY 07 performance at the 80th percentile of the 21 Veterans Integrated Service Networks (VISNs).

(c) Performance results are updated monthly on a VA intranet site and discussed on semi-monthly national conference calls. In addition to establishing standards and providing feedback, pay incentives of leaders at the network, facility, service and program level are directly linked to these quality metrics. Expansion funding over the past two years has been used to improve the continuum of care in order to promote retention. This includes efforts to arrange accessible transitional housing to facilitate program attendance and establishing telemental health services capability at additional locations. Consultation is offered through national resources including the Substance Use Disorder Quality Enhancement Research Initiative and the Centers of Excellence in Substance Abuse Treatment and Education. Informatics tools are shared within and across VISNs to promote active patient tracking and outreach.

(d) Performance Measures are maintained by the VHA Office of Quality and Performance. In the case of the SUD measure, workload data generated at the facility is transmitted to the VHA data center. The extraction methodology uses the appropriate DSS identifier codes (stop codes) to select the patients who meet the criteria for inclusion in the measure. The patient data is then extracted from the data center files and is maintained by the Office of Quality and Performance. A copy of the Office of Quality and Performance, 9a1 Substance Use Disorder, Continuity of Care Technical Manual Chapter is attached.

II. MANAGEMENT'S ASSERTIONS

(1) Performance reporting systems appropriate and applied.

Performance Measures are maintained by the VHA Office of Quality and Performance. In the case of the SUD measure, workload data generated at the facility is transmitted to the VHA data center. The extraction methodology uses the appropriate DSS identifier codes (stop codes) to select the patients who meet the criteria for inclusion in the measure. The patient data is then extracted from the data center files and is maintained by the Office of Quality and Performance. The methodology was properly applied to generate the performance data.

(2) Explanations for not meeting performance targets are reasonable.

In FY 2007 target of 39% was met with an actual rate of 43.9%. The FY 2008 target is 47% which is more than the previous year but considered realistic.

(3) Methodology to establish performance targets is reasonable and applied. The target measures are set by the VHA Office of Quality Performance and are based upon the previous year's results and the number of the 21 Veterans Integrated Service Networks (VISN) performed. The performance targets for the current year are reasonable given past performance.

(4) Adequate performance measures exist for all significant drug control activities
VHA is only in the identification and treatment of those having an SUD issue.

9a1 Substance Use Disorder – Continuity of Care
Health Systems Indicator (mnemonic sa5)

Rationale: This measure applies to patients entering specialty treatment for substance use disorders (inpatient, residential, domiciliary or outpatient, but not opioid substitution), to determine if they are staying in treatment for at least 90 days. It involves 100% review of administrative databases using clinic stop codes to determine specialty care of substance use disorders (SUD). The performance period applies to patients completing their 90-day retention period from October 07 through August 08. Research has shown that good addiction treatment outcomes are contingent on adequate lengths of treatment. There is no predetermined length of addiction treatment that assures success, but duration of treatment is the factor most consistently associated with successful addiction treatment outcome (Crits-Cristoph & Siqueland, 1996; Donovan, 1998; Onken et al., 1997; Simpson et al., 1997; Zhang, Friedmann & Gerstein, 2003). Many patients drop out during the initial 90 days of treatment with limited clinical benefit and high rates of relapse. While two contacts per month for three months would rarely be sufficient, most patients require ongoing treatment for **at least** this duration to establish early remission.

The initial intensity of treatment should be considered primarily as a means to promote treatment retention, e.g., severely dependent patients typically may require multiple treatment contacts per week in order to stabilize early remission. However, for many patients following initial stabilization, it may be appropriate to provide a lower intensity of addiction-focused treatment extending over a longer duration with superior remission rates for those who remain engaged in treatment for 6-12 months (Finney & Moos, 2002; Ritscher et al, 2002). Available evidence supports the effectiveness of telephone follow-up for patients after they have stabilized during the initial weeks of outpatient treatment (McKay, et al., 2004; McKay et al., 2005). Many individuals continue to benefit from treatment (e.g., methadone maintenance) over a period of years.

Consistent with the VHA/DoD Guideline for Treatment of Substance Use Disorders, this performance measure is intended to emphasize the importance of early treatment retention as an essential condition of quality care for addiction. Treatment duration beyond 3 months presents important opportunities to individualize treatment plans consistent with treatment response over time by adjusting the intensity of psychosocial interventions (e.g., frequency of group sessions), pharmacotherapy (e.g., dose amount and monitoring frequency), community recovery support (e.g., promoting Twelve-Step program involvement), and management of co-morbid conditions.

References & Resources:

- The VHA/DoD SUD Guideline (especially Module R Annotation H)
http://www.oqp.med.va.gov/cpg/SUD/SUD_Base.htm
- Principles of Drug Addiction Treatment A Research-Based Guide
<http://www.nida.nih.gov/PODAT/PODAT5.html#FAQ5>
- Drug Abuse Treatment Outcome Study web site, Treatment Retention and Follow-up Outcomes <http://www.datos.org/adults/adults-retention.html>
- Crits-Cristoph, P., & Siqueland, L. (1996). Psychosocial treatment for drug abuse: selected review and recommendations for national health care. *Archives of General Psychiatry*, 53, 749-756.

- Donovan, DM. (1998). Continuing care: promoting the maintenance of change. In W.R. Miller & N. Heather (Eds.), *Treating Addictive Behaviors*, 2nd ed. New York: Plenum.
- Finney, J. W., & Moos, R. H. (2002). Psychosocial treatments for alcohol use disorders. In P. E. Nathan & J. M. Gorman (Eds.), *A Guide to Treatments That Work* (2nd ed.; pp. 157-168.). New York: Oxford University Press.
- McKay, J.R., Lynch, K.G., Shepard, D.S., Ratichek, S., Morrison, R., Koppenhaver, J., & Pettinati, H. (2004) The effectiveness of telephone-based continuing care in the clinical management of alcohol and cocaine use disorders: 12 month outcomes. *Journal of Consulting and Clinical Psychology*, 72, 967-79.
- McKay, J.R., Lynch, K.G., Shepard, D.S., Pettinati, H. (2005). The Effectiveness of Telephone-Based Continuing Care for Alcohol and Cocaine Dependence: 24 Month Outcomes. *Archives of General Psychiatry*, 62,199-207.
- Moos, R. H., Finney, J. W., Ouimette, P. C., & Suchinsky, R. T. (1999). A comparative evaluation of substance abuse treatment: Treatment orientation, amount of care, and 1-year outcomes. *Alcoholism: Clinical and Experimental Research*, 23, 529-536.
- Onken, L. S., Blaine, J. D., & Boren, J. J. (1997). Beyond the Therapeutic Alliance: Keeping the Drug-Dependent Individual in Treatment (NIDA Research Monograph 165) (NIH Publication No. 97-4142). Rockville, MD: National Institute on Drug Abuse.
- Ritsher, J.B., Moos, R.H., Finney, J.W. (2002). Relationship of treatment orientation and continuing care to remission among substance abuse patients. *Psychiatric Services*, 53, 595-601.
- Simpson, D.D., Joe, G.W., & Brown, B.S. (1997). Treatment retention and follow-up outcomes in the Drug Abuse Treatment Outcome Study (DATOS). *Psychology of Addictive Behaviors*, 11, 294-307.
- Zhang, Z., Friedmann, P.D., Gerstein, D.R. (2003). Does retention matter? Treatment duration and improvement in drug use. *Addiction*, 98, 673-684.

Indicator: Percent of patients beginning a new episode of treatment for SUD who maintain continuous treatment involvement for at least 90 days after qualifying date

Numerator: Veterans beginning treatment for SUD who maintain continuous treatment involvement for at least 90 days as demonstrated by at least 2 days with visits every 30 days for a total of 90 days in any of the outpatient specialty SUD clinics.

Denominator: Veterans beginning specialty treatment for SUD

Exclusions:

- Non veterans are excluded from this measure. They are identified by either a means test response of "n", "no" (zero) which represents a "non-vet", or by eligibility status indicating non veteran.
- Patients without an initial enrollment date
- Patients discharged dead or deceased during the 90-day retention period. To be captured for this measure, data must be in AAC or Beneficiary Identification Record Locator System (BIRLS).
- Smoking cessation visits are excluded. When stop code 707 is paired with any SUD code, the SUD visit is not used in this measure

Note: Clinic visits to outpatient SUD clinic stops 513 SA-IND or 514 SA-Home or 519 SA/PTSD or 547 inter-SA TRT, or 560 SA GRP are included in this measure. For discussion on the use of telephone stop code 545, see Table C below. Therefore all

other clinic visits, including non SUD clinic visits and Opioid Substitution visits (Clinic code 523) are not considered in this measure.

Cohort: Universe includes all veterans with an SUD outpatient encounter or inpatient discharge from SUD specialty bed section in VHA.

Definitions:

- There are 3 events in time analyzed in this measure:
 - Negative SUD Treatment History also called Dormancy
 - New SUD treatment episode through outpatient or inpatient qualification
 - Continuous treatment involvement during the retention period of three 30 day intervals

TABLE A - Events in Time

Event	Negative SUD Treatment History (Dormancy)	Qualification as New SUD Episode			Continuous Treatment Involvement (Retention Period) 90 Total Days		
Event Description	90 day period of no SUD treatment in the 90 days prior to the 1st outpatient qualifying event date (T-90) minus total days from 1st to 3rd outpatient qualifying event	Inpatient or Outpatient Qualification Date = T			1st 30 days of retention	2nd 30 days of retention	3rd 30 days of retention
Outpatient Qualified Events in Time		1st Qualifying Event Date Not earlier than T-29	2nd Qualifying Event Date Not earlier than T-28	3rd Qualifying Event Date T	2 SUD visits in period greater than T but not later than T+30	2 SUD visits in period greater than T+30 but not later than T+60	2 SUD visits in period greater than T+60 but not later than T+90
Inpatient Qualified Events in Time	None required for inpatient qualification	1st and only Qualifying event T = Date of any inpatient discharge or transfer from a SUD bed-section			2 SUD visits in period greater than T but not later than T+30	2 SUD visits in period greater than T+30 but not later than T+60	2 SUD visits in period greater than T+60 but not later than T+90

- Veterans beginning new SUD treatment episode: To qualify as a New SUD Outpatient Episode, two criteria must be met:
 - A 90-day Negative SUD outpatient or inpatient treatment history (no SUD outpatient visit, telephone 545, specialty SUD inpatient admission or discharge or inpatient SUD encounters) before the date of the 1st of three qualifying SUD outpatient visits **and**
 - Three visits within 30 days to outpatient SUD clinic stops 513 SA-IND or 514 SA-Home or 519 SA/PTSD or 547 inter-SA TRT, or 560 SA GRP. Listed stops are included if paired with other stops as primary or secondary except smoking cessation 707 **OR** opioid substitution 523. SUD Telephone visits (Stop Code 545) *will NOT be used to qualify new SUD treatment episodes.*

The date of the 3rd SUD visit in 30 days is the "qualifying" date for the outpatient track. The retention period begins the next day.

Patients who accrue outpatient workload while in an inpatient SUD bed section will not "qualify" for the measure via the outpatient track. Since inpatient workload may not be available until after discharge, the patient may be "picked up" as new and tracked for a period of time. However, upon SUD specialty inpatient discharge or transfer, the outpatient track will be dropped and the patient will be qualified in the inpatient track.

To qualify as a New SUD Inpatient Episode, a single criterion must be met:

- a discharge or transfer from SUD inpatient bed section (PTF Discharge Specialty 27 SA Res Rehab or 74 SA HI INT, 86 DOM SA with a length of stay at least 4 calendar days.

The SUD bed section discharge or transfer date is the "qualifying" date for the inpatient track. The retention period begins the next day.

- **Continuous Treatment Involvement (Retention period):** Continuous treatment involvement for at least 90 days is defined as visits on at least 2 days during every 30 day retention interval for a total of 90 days (three discrete 30 day intervals) in any of the outpatient specialty SUD clinics. The continuous SUD treatment retention period begins the day after the qualifying date and ends the 90th day from the beginning of the continuous treatment involvement retention period.
- **Telephone care:** Substance use disorder clinical care by telephone which meets the same standard as face-to-face visits (e.g. staff qualifications, time spent with the veteran, etc.) will be accepted for continuity of care for visits during the 2nd and 3rd 30-day retention intervals. Stop code 545 (telephone Substance Abuse) will be used for the measure. Telephone visits will not be used to "qualify" new veterans into the measure.
- **Admission during the retention period:** If a veteran has already qualified for the measure (from the inpatient or the outpatient tracks) and, during the retention period has an admission to or a discharge from one of the SUD inpatient bed sections listed above, and LOS
 - < 4 calendar days will have no effect on the measure.
 - At least 4 calendar days, the veteran will be dropped from the previous qualifying track. Upon discharge or transfer from the SUD bed section, he will re-qualify for the measure.

Scoring: $N/D * 100 = \text{Percent}$

Veterans seen in multiple facilities will be attributed to the facility where the last retention visit occurred in order to promote coordinated transitions between facilities.

- If the veteran is not seen in any substance abuse clinic in VHA during the 1st 30 days of the retention period, he fails the measure. The failure will be attributed to the facility where the 'qualifying' event occurred (i.e. where the 3rd visit occurred that qualified the veteran as beginning a new episode of care or where the veteran was discharged from inpatient SUD care).
- If the veteran is seen for a 1st retention visit in a substance abuse clinic during the 1st 30-day retention period but is not seen again, the patient fails the measure. The failure will be attributed to the facility where the first retention visit occurred.
- If the patient passed the first 30-day retention interval requirement but failed to meet the 2nd 30-day retention interval requirement, the patient fails the measure and the failure is attributed to the facility where the latest retention visit occurred.

- If the patient passed the first and second 30-day retention interval requirement but failed to meet the 3rd 30-day retention interval requirement, the patient fails the measure and the failure is attributed to the facility where the latest retention visit occurred.

Time frame issues: Reports include patients who have completed the retention period during the report month or quarter selected. The performance period is consistent with EPRP quarters.

EPRP Lagged Quarter	Months included in quarter = Patients completing their retention period in:	OQP Executive Briefing Book Reporting Date	Dormancy Check Range (T- days to first qualification visit date - 90)	Index Episode 1st Qualification Visit Date Range for Outpatient Qualification	Index Episode Qualification Date (T) Range	Index Episode Retention Start Date (T+1) Range	Index Episode Retention Completion Date (T+90) Range
1	Oct, Nov	First Friday February 08	03/06/07 - 05/05/07	06/04/07 - 08/30/07	07/03/07 - 09/01/07	07/04/07 - 09/02/07	10/01/07 - 11/30/07
2	Oct, Nov, Dec, Jan, Feb	First Friday May 08	03/06/07 - 08/31/07	06/04/07 - 11/29/07	07/03/07 - 12/01/07	07/04/07 - 12/02/07	10/01/07 - 02/29/08
3	Oct, Nov, Dec, Jan, Feb, Mar, Apr, May	First Friday August 08	03/06/07 - 12/01/07	06/04/07 - 02/29/08	07/03/07 - 03/02/08	07/04/07 - 03/03/08	10/01/07 - 05/31/08
4	Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug	Mid-October 08	03/06/07 - 03/02/08	06/04/07 - 05/31/08	07/03/07 - 06/02/08	07/04/07 - 06/03/08	10/01/07 - 08/31/08

Data

- Origin: Workload generated is sent to VHA data center. Data submitted after the quarterly report has been collected pertaining to veteran care already reported will be updated during the following quarterly run.
 - Sample size & Extraction: 100% from data center database by OQP.
- Repository: Monthly, facility, VISN, VHA and SSN specific data are available for trouble shooting and understanding local patterns retrospectively after the completion of a retention period; however this is not sufficiently close to 'real time' data to provide prospective tracking during the retention period.

Will these sources be used to contribute information for specified period/event?

	Dormant	Qualifying	Retention
SUD Clinic stops	Yes. SUD clinic stops are used to evaluate the dormant period. E.g. If the patient has SUD clinic stops, they will be considered "NOT dormant" and do not newly qualify for the measure for at least 90 more days.	Yes. SUD clinic stops will be used to qualify a veteran. For example, if a veteran has 3 visits in 30 days, he qualifies in the measure.	Yes. SUD clinic stops will be used to determine retention compliance.
Telephone stop 545	Yes. Telephone clinic stop 545 will be used to evaluate the dormant period. For example, Pt is receiving SUD 'maintenance' telephone care (545) so will 'show-up' in a search for 'dormant time' and 'count' as SUD visits, therefore the patient will not be 'dormant' if 545 visits are present.	No. 545 will NOT be used to evaluate for qualifying events. E.g. Pt has a true dormant period (no SUD workload in 90 days) then 3 telephone visits in 30 days. This workload will NOT be used to determine a 'qualifying' event. The patient will not be considered newly 'qualified' based	Yes. 545 clinic stops will be used to determine retention compliance in the 2nd & 3rd period only

TABLE C Events / Data Source Use During Dormancy, Qualification, and Retention Determination			
	Dormant	Qualifying	Retention
Inpatient SUD Dischg w/ LOS \geq 4 calendar days	Yes. Discharge data will be evaluated and considered as active SUD workload when evaluating the dormant period. Therefore, if a patient has an admission or discharge during the dormant period, it will not be considered 'dormant'.	on 545 workload. Yes. Discharge data from an inpt SUD bed section will be used as a qualifying event. Such a discharge will 'disconnect/drop' a veteran from any previous qualifying track AND will re-qualify a patient with a new qualifying date.	Yes. If a patient was ADMITTED to a SUD Bed Section during the retention period, those data will be used to 'disconnect' him from the previous qualifying track. He will be re-qualified upon discharge or transfer from the SUD Bed sec.
Inpatient w/ SUD Encounter s ¹	No. SUD encounters provided on inpatients will NOT be used to evaluate for a dormant period. Therefore if a patient has received SUD consult while an inpatient (on any bed section), it will not be considered when evaluating for a dormant period. If the patient had ONLY inpatient encounters for 90 days, he will be considered as having a 'dormant' period.	No. SUD encounters provided on inpatients will NOT be used to evaluate for qualifying events	Yes. SUD encounters provided on inpatients will be used to evaluate retention compliance
Census on SUD bed section w/ LOS \geq 4 calendar days	No. SUD census data will not be used to evaluate a dormant period (when the patient is discharged, the measure will pick-up the discharge information)	No. SUD census data will not be used to evaluate for a qualifying event (when the patient is discharged, the measure will pick-up the discharge information)	Yes (partially). SUD census data will be used to evaluate whether to 'disconnect' a vet from previous qualifying track. But it will not be used to meet retention visit requirements. The patient will be re-qualified upon discharge from the SUD Bed Section.

¹ These are 'encounter forms' generated while a patient is admitted to an inpatient bed section. Prior to 2005, 'outpatient' workload for 'inpatients' was 'blocked' at the facility and not submitted to the data center. In 2005, VHA removed this block and allows encounters for professional workload provided to inpatients to be sent to the VHA data center.

Tab I



OFFICE OF THE ADMINISTRATOR

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

May 1, 2008

Mr. John P. Walters
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Mr. Walters:

In accordance with the Office of National Drug Control Policy's Drug Control Accounting Circular, the Small Business Administration submits its Detailed Accounting of FY 2007 Drug Control Funds and Performance Summary Report with the accompanying IG authentication.

If you have any additional questions or comments, please call me directly.

Sincerely yours,

Steven C. Preston

Enclosures



U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF INSPECTOR GENERAL
WASHINGTON, D.C. 20416

April 17, 2008

Mr. John P. Walters
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Mr. Walters:

In accordance with the Office of National Drug Control Policy Circular (ONDCP), *Drug Control Accounting*, we reviewed the Small Business Administration's fiscal year (FY) 2007 *Annual Accounting of Drug Control Funds and Related Performance Report* and supporting documentation. We concur with SBA's decision to provide an alternative report because, as provided under Section 9 of the ONDCP circular, SBA's annual Drug Free Workplace Program budget is below \$50 million, and its full compliance with reporting requirements would constitute an unreasonable burden.

In preparing its alternative report, SBA disclosed that it relied on the honesty and integrity of grantees to ensure that performance data was accurate, complete and unbiased in presentation and substance. Therefore, we compared SBA's FY 2007 alternative report to accounting and performance data submissions from the nine recipients of SBA's Drug-Free Workplace Program grants, and determined that the information provided in SBA's report matched the data reported by grantees.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Thorson".

Eric Thorson
Inspector General

I. PERFORMANCE INFORMATION

MEASURE 1: Number of Small Businesses Educated

Table 1¹

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
11,873	19,400	5,150	531	1,400	2,731	1,450

(a) Describe the measure. This measure reflects the number of small businesses that were educated by a DFWP grantee. A purpose of the program is to educate as many small businesses as possible to make them aware of the benefits of implementing a drug free workplace program for their business. If a business implements a DFWP program, it is believed that there will be a decrease in absenteeism, workplace accidents, tardiness, damaged or stolen property and insurance premiums. It is also believed that productivity and morale will increase. The information is collected directly from the grantees. The grantees input their data into a database created just for this program.

(b) In 2005, approximately 5,100 small businesses were educated about drug free workplace benefits. A substantial reduction in businesses educated occurred from 2004 to 2005 due to the funding availability. The \$1 million funding level in 2005 was available for a two-year period, thereby making only one half of the historical annual funding available in one year (FY2005 - \$500,000; FY2006 - \$500,000). In addition, in FY2005 there were twelve (12) grantees; in FY2006 there were only five (5), one of which was new and needed ramp-up time.

In 2006, coupled with a change in the funding methodology, the program office began to analyze ways to establish a better goaling process for the program. This has resulted in more realistic projections for outputs in 2007 and 2008.

Finally, during 2006, the program began to identify possible outcome metrics for this program and evaluate methodologies to collect that data.

In 2007, the program has begun to collect outcome information on the following metrics from businesses that had a change in:

¹ While not required, ONDCP recommends agencies develop a graph to accompany information contained in the table.

Employee Behaviors Improved:		Business Costs Decreased:	
	Absenteeism		Insurance Premiums
	Tardiness		Damaged or stolen Property costs
	Workplace Accidents		Productivity
	Employee Turnover		

As Fiscal Year 2007 closes, the outcome information will be collected and analyzed to determine the effects that the implementation of a Drug Free Workplace program has on small businesses. It is believed that after the implementation of a Drug Free Workplace program a small business will see a decrease in absenteeism, tardiness, workplace accidents, employee turnover, damaged or stolen property and insurance premiums. Also, the small business will see an increase in productivity. Since this information will be the first ever collected, it is possible that the results will not yield the expected outcomes.

The procedures used ensure the performance data described above are accurate, complete, and unbiased in presentation and substance.

- (c) The goal for FY 2008 is lower because Florida Drug Screening, Inc. is no longer a grantee. Additionally, Drugs Don't Work in Arizona closed down halfway through FY 2007 and is no longer a grantee. The agency determines the goals based on the number of grantees and whether previous goals were reached or not.
- (d) The agency depends on the honesty and integrity of the DFWP grantees to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance.

MEASURE 2: Number of DFWPs Implemented

Table 2²

FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target
1,500	1,075	1,029	62	160	453	165

- (a) Describe the measure. This measure reflects the number of small businesses that implemented a whole or partial Drug Free Workplace Program. A purpose of the program is to encourage as many small businesses as possible to implement a drug free workplace

² While not required, ONDCP recommends agencies develop a graph to accompany information contained in the table.

program for their business. If a business implements a DFWP program, it is believed that there will be a decrease in absenteeism, workplace accidents, tardiness, damaged or stolen property and insurance premiums. It is also believed that productivity and moral will increase. The information is collected directly from the grantees. The grantees input their data into a database created just for this program.

- (b) The actual goal of 2007 was exceeded by 293 small businesses that implemented a drug free workplace program. As you can see from the chart above, the number of small businesses implementing a drug free workplace program varies widely from year to year because the grantees can not force a small business to implement such a program. The grantee can only encourage the small business by showing the benefits of the implementation.
- (c) The goal for FY 2008 is slightly lower because Florida Drug Screening, Inc. is no longer a grantee. Additionally, Drugs Don't Work in Arizona closed down halfway through FY 2007 and is no longer a grantee. The agency determines the goals based on the number of grantees and whether previous goals were reached or not.
- (d) The agency depends on the honesty and integrity of the DFWP grantees to ensure performance data for this measure are accurate, complete, and unbiased in presentation and substance.

II. RESOURCE SUMMARY

(Budget Authority in Millions)

	FY2007 <u>Final BA</u>
Drug Resources by Drug Control	
Function:	
<u>Prevention</u>	<u>\$0.987M</u>
Drug Resources by Budget Decision	
Unit:	
<u>Education</u>	<u>\$0.987M</u>
Drug Free Workplace Grants	
Drug Resources Personnel Summary	
<u>Total FTEs (direct only)</u>	<u>0</u>
Information	
Total Agency Budget*	\$445,339
Drug Percentage	0.22%

III. MANAGEMENT'S ASSERTIONS

- (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** – Both goals were exceeded in FY 2007.
- (3) **Methodology to establish performance targets is reasonable and applied** – 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** - 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 considers the intended purpose of the National Drug Control Program activity.

Tab J

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 policies 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.¹ 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

¹Consistent 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 (IIDTA) 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.²
 - (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:

²For 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