

**FY 2009 Performance Summary Report**

**FY 2009  
Performance Summary Report**

**Office of National Drug Control Policy  
September 2010**



**FY 2009 Performance Summary Report**

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## FY 2009 Performance Summary Report

# Fiscal Year 2009 Performance Summary Report

### Executive Summary

#### Background

This document presents the FY 2009 Performance Summary Reports (PSR) 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 ..."

The ONDCP Circular, *Annual Accounting of Drug Control Funds* (Tab K) includes a section requiring all drug control agencies to submit annual Performance Summary Reports. Each report is to include performance-related information for National Drug Control Program activities – specifically regarding performance measures, prior year performance targets and results, current year targets, and the quality of performance data.

The Chief Financial Officer or other accountable senior executive of each agency is required to assert that (a) the performance reporting system is appropriate and applied; (b) explanations for not meeting performance targets are reasonable; (c) the methodology to establish performance targets is reasonable and applied; and (d) adequate performance measures exist for all significant drug control activity decision units. The decision unit is 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 2009. These management assertions are 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 are an integral part of agency budget and management processes.

The Circular mandates 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's Office of Inspector General (OIG) is required to conduct an attestation review of its FY 2009 Performance Summary Report, 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 ensures

## FY 2009 Performance Summary Report

conformity with the requirements of the Circular while addressing the disparate performance issues facing drug control agencies.

### Assessing Performance

Agency Performance Summary Reports are a component of ONDCP's assessment of agency performance; they provide independent assessments of agency accountability systems for both the Administration and Congress. The key function of the reports is to evaluate the effectiveness of the goals and objectives of the Federal drug control agencies in relation to the National Drug Control Strategy (*Strategy*).

A major deficiency identified in the FY 2008 performance system was the lack of interagency joint policy targets that monitor progress towards the overarching goals of the *Strategy*. ONDCP's performance measurement system is currently being refined to more comprehensively assess the effectiveness of the *Strategy* in achieving its goals and objectives, while developing and improving needed data sources. In accordance with the Reauthorization Act, ONDCP is currently developing a Performance Reporting System (PRS) in close collaboration with other Federal drug control agencies. Once established, the PRS will monitor the success of Federal drug control agencies in achieving the Goals and Objectives of the Strategy with regard to drug use, availability, and consequences. An electronic reporting system – the Performance Measure Manager (PMM) database (an extension of the Department of Treasury's Budget Formulation and Execution Manager) - is being implemented to support the tracking and reporting of progress for each goal and objective. Annual reports will be published with the Strategy.

The contributions of drug control programs to the *Strategy* will continue to be assessed through agency documents mandated by the Government Performance and Results Act (GPRA) and ONDCP assessments through budget certifications, the annual Budget Summary, and internal program evaluations. ONDCP's annual assessment of agencies' Summer and Fall Performance Budgets are preceded by funding guidance on improving their performance and refining their accountability systems. The Budget Summary accompanying the annual *Strategy* documents the performance targets and actual achievements of each program along with a qualitative description of past-year accomplishments. ONDCP also works year round with agencies to improve their performance systems.

### Department Compliance and Attestation Reviews

All Federal drug control agencies submitted a PSR. The Department of Defense did not submit an IG attestation. Therefore they were not compliant with the requirements of the ONDCP Circular.

The table below summarizes the status of drug control Departments' submissions.

#### **Table: 1 Summary of Performance Summary Report Compliance and Attestation Reviews**

## FY 2009 Performance Summary Report

Department/Bureau	Provided Signed Management Assertions (Yes/No)	OIG/Independent Auditor Attestation Review	Compliance with ONDCP Circular (Yes/No)
<b>Defense</b>	Yes	Not Submitted	No
<b>Education</b>			
Office of Safe and Drug-Free Schools	Yes	Pass	Yes
<b>Health and Human Services</b>			
Indian Health Services (IHS)	Yes	Pass	Yes
National Institute on Drug Abuse	Yes	Pass	Yes
Centers for Medicare and Medicaid Services	N/A	N/A	N/A
Substance Abuse and Mental Health Services Administration	Yes	Pass	Yes
<b>Homeland Security</b>			
United States Coast Guard	Yes	Pass	Yes
Immigration and Customs Enforcement	Yes	Pass	Yes
Customs and Border Protection	Yes	Pass	Yes
<b>Department of Interior</b>			
Bureau of Indian Affairs	N/A*	N/A*	Yes
<b>Justice</b>			
Bureau of Prisons	Yes	Pass	Yes
Drug Enforcement Administration	Yes	Pass	Yes
Organized Crime Drug Enforcement Task Force	Yes	Pass	Yes
Office of Justice Programs	Yes	Pass	Yes
<b>Small Business Administration</b>			
Drug Free Workplace Program	Yes	Pass	Yes
<b>State</b>			
Bureau of International Narcotics and Law Enforcement Affairs	Yes	Pass	Yes
United States Agency for International Development	Yes	Pass	Yes
<b>Transportation</b>			
National Highway Traffic Safety Administration	N/A*	N/A*	Yes
<b>Treasury</b>			
Internal Revenue Service	Yes	Pass	Yes
<b>Veterans Affairs</b>			
Veterans Health Administration	Yes	Pass	Yes

\*Under the Drug Control Accounting Circular, Section 9 entitled "Unreasonable Burden", it states that an agency or bureau included in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may submit an alternative report that does not include the IG's attestation or Management Assertions.

Following are the summaries of each Department's compliance and OIG authentication.

## FY 2009 Performance Summary Report

### Agency Performance Summary Reports

#### *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 Indian Health Service (IHS), the National Institute on Health (NIDA activities) and the Substance Abuse and Mental Health Services Administration (SAMHSA).

**CMS:** The FY 2009 Performance Summary Report from CMS, in response to the ONDCP Accounting Circular, states that the agency is not planning on developing performance measures or targets. ONDCP will continue to work with CMS in developing metrics that represent their contributions.

**IHS:** The Indian Health Service's performance measures, targets, and data collection systems were reviewed by the OIG. The OIG report concludes that nothing came to their attention that would cause them to believe that the Report and management assertions were not fairly stated, in all material respects.

**NIDA:** The OIG 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.

However, the OIG stated that "the two performance measures represented drug control activities that accounted for \$31.5 million" out of NIDA's \$1.1 billion budget for FY 2009. They found that the measures reported "did not meet ONDCP's expectations for reporting the scope or complexity of NIDA's national drug control program activities." NIDA is developing additional measures for future fiscal year performance plans. ONDCP will examine whether these along with the two provided to the OIG, adequately represent the scope and complexity of NIDA's contributions to the Strategy.

**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

## FY 2009 Performance Summary Report

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), Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP).

**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 Homeland Security Investigations (HIS). 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. ICE did not provide the Prior Year Performance Targets and Results and Current Year Performance Targets for all performance measures thus resulting in a deviation from the criteria required by ONDCP's Circular. Apart from not providing these performance targets, 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.

**CBP:** The report reviewed the performance of the Offices of Field Operations, Border Patrol, Information Technology, Training Development, and Air and Marine. CBP did not provide the Prior Year Performance Targets and Results and Current Year Performance Targets for all performance measures, resulting in a deviation from the requirement of the ONDCP Circular. In addition, CBP was unable to assert that the methodology to establish performance targets is reasonable and applied. Apart from not providing these performance targets and assertions, 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. CBP is currently

## FY 2009 Performance Summary Report

working on developing performance measures that reflect their contribution to the Strategy. ONDCP will continue to provide technical assistance as necessary.

### *Department of Interior*

**BIA:** The Bureau of Indian Affairs (BIA) submitted an alternative report (Tab D) 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.

### *Department of Justice*

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

**BOP:** The report focuses on the Residential Drug Abuse 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 two of its 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 decision units – Investigations 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



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(ii) management's assertions were not fairly stated in all material respects, based on the criteria in the Circular.

### ***Small Business Administration***

The Small Business Administration (SBA) submitted an alternative report (Tab F) 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.

### ***Department of State***

The Department of State's performance summary report (Tab G) 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.

### ***U.S. Agency for International Development***

The performance summary report for the United States Agency for International Development (Tab G) outlines the performance measures, targets, and data sources for Afghanistan and the Andean Region. 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, in all material respects, reliably represent the agency's performance targets and results for FY 2009 and comply with the Circular.

### ***Department of Transportation***

The National Highway Traffic Safety Administration (NHTSA) submitted a report (Tab H) 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 I) 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.

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### *Department of Veterans Affairs*

The Department of Veterans Affairs submitted a report (Tab J) delineating the accountability system for the drug control activities of the Veterans Health Administration. Information was submitted for both the Health Care Decision Unit and the Research & Development Decision Unit. 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.

# Tab A



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

MAR 1 2010

Honorable R. Gil Kerlikowske  
Director  
Office of National Drug Control Policy  
Executive Office of the President  
Washington, D.C. 20500

Dear Director Kerlikowske:

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 2009*, 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 black ink, appearing to read "Kevin Jennings".

Kevin Jennings  
Assistant Deputy Secretary

Enclosure #1: Department of Education Performance Summary Report for Fiscal Year 2009, dated February 19, 2010

Enclosure #2: Authentication letter from Keith West, Assistant Inspector General for Audit Services, dated February 25, 2010

cc: Keith West

400 MARYLAND AVE., S.W., WASHINGTON, D.C. 20202  
[www.ed.gov](http://www.ed.gov)

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

# Department of Education



## Performance Summary Report Fiscal Year 2009

In Support of the

*National Drug Control Strategy*

As required by ONDCP Circular: *Drug Control Accounting*

February 19, 2010

**Department of Education**  
**Performance Summary Report for Fiscal Year 2009**

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

ASSISTANT DEPUTY SECRETARY

Ms. Mary Mitchelson  
Inspector General (Acting)  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202-1510

Dear Ms. Mitchelson:

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 covers 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 March 1, 2010 if possible. Please do not hesitate to contact me if you have any questions about the enclosed information.

Sincerely,

Kevin Jennings

400 MARYLAND AVE., S.W., WASHINGTON, DC 20202  
[www.ed.gov](http://www.ed.gov)

*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 2005, and 2006 cohorts)

**Table 1**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2005	n/a	n/a	43.75	34.2	86.25	pending	n/a
2006	n/a	n/a		66.67	76.67	pending	80.0

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 for the 2004, 2005, and 2006 cohorts, focuses on one of the primary purposes of the initiative – reduced student drug use. The initiative and this measure, are 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, the items selected by grantees to respond to this measure are not common across grant sites but, rather, reflect priority drug use problems identified by sites.

FY 2009 Performance Results. Sites were not required to provide or collect baseline data at the time of application or before program interventions were implemented, so grantees provide 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 2005 cohort generally completed no-cost extensions and are providing GPRA data in final grantee reports that were due at the end of December 2009. Those data will be aggregated later in FY 2010 to determine if the FY 2009 target for the cohort has been met. The FY 2006 cohort of grantees received no-cost extensions during FY 2009. Final GPRA data for this cohort will be submitted at the end of December 2010. FY 2009 data for the FY 2006 cohort have been received and are being aggregated, but are not yet available for inclusion in this summary report.

FY 2010 Performance Targets. Targets for the two earliest cohorts were initially established before any performance data for this measure were received, and



represented our best judgment at the time, given the significant size of SS/HS grants and the emphasis on research-based programs that is central to the initiative. We elected in 2008 to revise the target for the FY 2005 cohort for this 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 original target of 90 percent for the initial (FY 2004) cohort may have been unrealistic. In 2008 we also developed revised targets for the FY 2006 cohort, again, based on the limited data available for this measure. We have made no additional revisions to targets for these cohorts at this time.

Our ability to establish appropriate targets for this program has also been impacted by challenges associated with the quality of data supplied by grant sites. Initially, a significant number of sites failed to provide valid data for this and some other SS/HS measures. Through technical assistance activities we have achieved some improvements in data quality for some sites, including significantly improved response rates for the 2005 and 2006 grant cohorts, but have not completed a full grant cycle with cohorts that have received early and more intensive technical assistance.

Subsequently, we have adopted revised GPRA measures for this initiative beginning with the FY 2007 cohort in order to address implementation challenges with the measure described above. Those revised GPRA measures for the program that are relevant to the National Drug Control are included as Measures 2 and 3 in this summary report.

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. 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 two years. We considered a grant site to have experienced a decrease if data supplied reflected a decrease over baseline data provided.

The contractor for the SS/HS national evaluation is also using data for this measure as part of the program evaluation. The evaluation contractor reviews data submitted, and works with grantees to seek clarifying information and provide technical assistance if grantees are having difficulty in collecting or

reporting data for this measure. The contractor supplies data for the measure after it has completed data cleaning processes. 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 reported 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.

Targets were established for this measure after the baseline data for the FY 2004 cohort were provided. Based on more recent available data for this first cohort and subsequent cohorts, we adjusted targets. For example, the targets for the FY 2005 and 2006 cohorts were adjusted in 2008. We made no additional adjustments to these targets in FY 2009.

**Measure 2: The percentage of SS/HS grantees that report a decrease in students who report current (30-day) marijuana use (SS/HS – FY 2007 and 2008 cohorts)**

**Table 2**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2007	n/a	n/a	n/a	pending	pending	pending	pending
2008	n/a	n/a	n/a	n/a	pending	pending	pending

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. Beginning with the FY 2007 cohort, the project period for SS/HS grants is 48 months.

This measure, one of six for this initiative for cohorts from FY 2007 and forward, focuses on one of the primary purposes of the initiative – reduced student drug use. The initiative and this measure are directly related to the National Drug Control Strategy's goal of preventing drug use before it begins.

FY 2009 Performance Results. Sites were asked to provide baseline data at the time of application or collect baseline data before program interventions were implemented. Generally, grantees from the FY 2007 cohort provided baseline and performance data in 2008, though some sites experienced significant delays in beginning implementation of interventions while they finalized partnership agreements, completed a project logic model, and developed an evaluation plan. Final data for 2008 (both baseline and year one data), as well as data for 2009, have been received and are being aggregated. Results for 2008 and 2009 will be reported in the 2010 report.

The FY 2008 cohort recently reported baseline and year one performance data. Those data are being reviewed as part of the aggregation process. Results will be reported in the 2010 report.

FY 2010 Performance Targets. We have not established targets for this measure for any cohort, pending aggregation of final 2008 and 2009 data for the FY 2007 cohort. We plan to establish targets for the 2007 and 2008 cohorts in 2010. At that time we'll review data received to date from these cohorts, as well as the results from similar measures in other OSDFS programs and information from the research literature about program effect size, in order to establish targets.

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.

The contractor for the SS/HS national evaluation is also using data for this measure as part of the national program evaluation. The evaluation contractor reviews data submitted by grantees, and works with grantees to seek clarifying information and provide technical assistance if grantees are having difficulty in collecting or reporting data for this measure. The contractor supplies data for the measure after it has completed data cleaning processes. 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 or that provide data that does not respond to the established measure are not included in the tabulation of data for the measures. 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.

We will establish targets for this measure when we have final baseline and performance data from at least one cohort.

**Measure 3: The percentage of SS/HS grantees that report a decrease in students who report current (30-day) alcohol use (SS/HS – FY 2007 and 2008 cohorts)**

**Table 3**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2007	n/a	n/a	n/a	pending	pending	pending	pending
2008	n/a	n/a	n/a	n/a	pending	pending	pending

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. Beginning with the FY 2007 cohort, the project period for SS/HS grants is 48 months.

This measure, one of six for this initiative for cohorts from FY 2007 and forward, focuses on prevalence of alcohol use. 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. The initiative and this measure, are directly related to the National Drug Control Strategy's goal of preventing drug use before it begins.

FY 2009 Performance Results. Sites were asked to provide baseline data at the time of application or collect baseline data before program interventions were implemented. Generally, grantees from the FY 2007 cohort provided baseline and performance data in 2008, though some sites experienced significant delays in beginning implementation of interventions while they finalized partnership agreements, completed a project logic model, and developed an evaluation plan. Final data for 2008 (both baseline and year one data), as well as data for 2009 have been received and are being aggregated. Results for 2008 and 2009 will be reported in the 2010 report.

The FY 2008 cohort recently reported baseline and year one performance data. That data is being reviewed as part of the aggregation process. Results will be reported in the 2010 report.

FY 2010 Performance Targets. We have not established targets for this measure for any cohort, pending aggregation of final 2008 and 2009 data for the FY 2007 cohort. We plan to establish targets for the 2007 and 2008 cohorts in 2010. At that time we'll review data received to date from these cohorts, as well as the results from similar measures in other OSDFS programs and information from the research literature about program effect size,, in order to establish targets.

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.

The contractor for the SS/HS national evaluation is also using data for this measure as part of the national program evaluation. The evaluation contractor reviews data submitted by grantees, and works with grantees to seek clarifying information and provide technical assistance if grantees are having difficulty in collecting or reporting data for this measure. The contractor supplies data for the measure after it has completed data cleaning processes. 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 or that provide data that does not respond to the established measure are not included in the tabulation of data for the measures. 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.

We have delayed in establishing targets for this measure until we have final baseline and performance data from at least one cohort.

### Student Drug Testing

**Measure 4:** 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 2005, 2006, 2007, and 2008 cohorts)

**Table 4**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2005	n/a	n/a	no valid	no valid	n/a	n/a	n/a

			data available	data available			
2006	n/a	n/a	n/a	66.67	70	12.5	70
2007	n/a	n/a	n/a	established baseline	50	41.7	60
2008	n/a	n/a	n/a	n/a	33	48.8	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 was been prominently featured in the 2009 version of the strategy as a recommended drug prevention intervention.

FY 2009 Performance Results. FY 2009 performance data for the FY 2006, 2007, and 2008 cohorts are included in the chart for this measure above.

During FY 2008 we completed a review of data submitted to date by the FY 2005 cohort for this measure and 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 did not always provide data from the same items/elements across project years one and two. Also, some sites surveyed their entire student population and others surveyed only students in the testing pool.

Based on these concerns, we obtained assistance from the U.S. Department of Education's Data Quality Initiative contractor. With the contractor's help, we created and disseminated 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. We disseminated this guidance to FY 2007 grantees during project implementation, but were able to provide the guidance to the new cohort of 2008 grantees at the start of their projects. Based on that guidance, as well as data quality and aggregation checks, in FY 2009 we aggregated available data from the FY 2007 and 2008 cohorts and recorded those data in the Department's software that houses GPRA measures and data.

Data for the FY 2006 cohort come from the evaluation being conducted for the Department of Education by a contractor. Data for this cohort were collected by the contractor annually; the data reported in the chart above reflects the progress of cohort grant sites based on aggregate information at the grantee level about changes in prevalence of drug use among each grantee's students surveyed by

the contractor. Based on the performance data for this measure for the FY 2006 cohort collected and reported in FY 2008, we revised the established 2009 target (60 percent) to 70 percent of grant sites

Because of the concerns about data quality discussed previously, including receiving valid data from only a small percentage of grantees in the cohort, no aggregate data for the FY 2005 can be provided.

It is difficult to assess why performance results for the 2006 and 2007 cohorts fell short of the established targets for this measure. We have carefully considered performance reports submitted by grantees, as well as our experience in monitoring and providing technical assistance to grantees, and have identified some challenges that may have impeded grant performance. Some common problems include turnover in leadership (at the school board, authorized representative or project director level) and challenges with collecting and reporting valid data about the measure. Another variable that might affect performance in sites is related to project design. For example, we're not certain how to assess the likely impact of a random student drug testing intervention on students that volunteer to be included in the testing pool, versus students who are forced to be tested as a condition of participation in extracurricular activities. Finally, cohort size and composition varies from cohort to cohort. In some years funding for a large amount of new awards is available and in others only a handful of sites will receive grants. To the extent that our peer review results that are used to rank order applications and select grantees accurately predict project quality, the range of scores funded (and perhaps the range of project quality) varies from fiscal year to fiscal year.

We believe that an equally important dimension in assessing performance against established targets for this measure is our ability to correctly predict targets for measures. Because there is limited available research and no "industry" standard available to guide expectations for performance, generally we have used the performance of prior cohorts on the measure to establish targets for subsequent cohorts. Because of the need to establish targets for future cohorts before a single cohort has completed project implementation and submitted final data, we have based targets on information provided over a fairly limited amount of time, often reflecting the results of less than a single cohort of complete performance information. Initial challenges with data quality also resulted in situations where only a limited number of grantees in a cohort were able to provide valid performance data. This situation introduced two possible problems into the target setting process – that targets are being based in some part on a subset of grantees that are not representative of the cohort as a whole, and that those sites able to provide valid data more quickly may also have superior capacity to effectively implement program interventions. While we have placed a significant emphasis on improving data quality and have worked to improve the response rates for measures over the life of the cohort, this causes performance results from a relatively small set of grantees in year one to be

compared to results for a significantly larger percentage of the cohort by the end of project.

Increasingly, it is clear that a series of variables serve to make each cohort unique, and that the issue of how we have established targets for this measure has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2010 Performance Targets section below.

FY 2010 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. We have since received data for three project years from this single cohort of sites (the FY 2003 cohort), and the information provided by the grantees does not provide an adequate basis for revisiting targets for future cohorts. This cohort was very small (eight grantees), and also experienced extensive delays in implementation and data collection activities. Because only a handful of grantees were able to eventually provide data specific to the measure, we do not believe that it would be appropriate to base expectations about the performance of other cohorts on this limited information.

Similar problems with data quality for the FY 2005 cohort of grant sites mean that data from that cohort will not be helpful in determining if targets for the program will need to be readjusted. Challenges with data quality have resulted in only a very limited proportion of grant sites that provided approximately comparable data. Conversely, because the data from the evaluation are being collected by a contractor using comparable survey items and collection procedures (in contrast to the varying procedures used by individual grant sites in the other cohorts), data for the 2006 cohort similarly do not provide an appropriate basis for making adjustments in existing targets under the program. Performance for the FY 2006 cohort declined significantly from the FY 2008 level, but the reasons for the decrease are not clear. As a result, we have retained the established targets for this measure at this time.

Given these challenges, and improvements we have made in data quality (including generally requiring grantees to collect baseline data for their projects before interventions are implemented), we intend to modify our process for establishing targets. While prior cohort performance may provide some insights about general patterns of performance that we can incorporate into our targeting setting processes, for any future cohorts for this program we will establish numerical performance targets after baseline data is received for the new cohort. We will enter these targets into the Department's Visual Performance System (VPS) as "administrative" targets (for example, baseline plus 5 percent), and then



convert the targets to numerical targets after baseline data is collected and aggregated. We believe that this process revision will help us better match targets to cohort performance.

Methodology With the exception of the FY 2006 cohort, data are collected by grantees using student surveys. Data are provided as part of the grantees' annual performance reports. Generally, 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. Beginning with the FY 2008 cohort, we asked grantees to provide data for current (prior 30-day) use of marijuana. Grantees did not provide baseline data in their applications, so we have to wait until grantees provide data both from project year one and two in order to determine if they have experienced a decrease in substance abuse. Beginning with the FY 2008 cohort, we instructed grantees to collect baseline data for this measure before beginning implementation of their student drug testing program.

The FY 2005 cohort of grant sites has provided data for FY 2006 and 2007, but only a small percentage of grant sites provided valid data for the measure. Many sites requested and received no-cost extensions for their projects, and data for this measure is included in final reports due at the end of December 2009. Significant data quality issues (including inconsistent use of survey items and changes in respondent populations) affect the majority of grant sites in the cohort, resulting in no valid data for this cohort.

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.

Data for the FY 2006 cohort are being collected as part of an evaluation of student drug testing. Data for the measures are being collected by the evaluation contractor, using common survey items and collection procedures. Survey responses are analyzed by the contractor and data are provided to the Department.

The anticipated levels of decrease in substance abuse are consistent with the national goals for the reduction of underage drug use included in the National Drug Control Strategy in effect when SDT grants were awarded— five percent per year. Targets were initially established following the report of baseline data for grant sites from the FY 2003 cohort. As discussed above, we do not currently

have data of sufficient quality to support adjustment of targets for this program at this time.

**Measure 5:** 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 2005, 2006, 2007 and 2008 cohorts)

**Table 5**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2005	n/a	n/a	no valid data available	no valid data available	n/a	n/a	n/a
2006	n/a	n/a	n/a	55.5	60	12.5	60
2007	n/a	n/a	n/a	established baseline	50	33.3	60
2008	n/a	n/a	n/a	n/a	33	57.5	60

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 was prominently featured in annual editions of the National Drug Control Strategy between 2003 and 2009 as a recommended drug prevention intervention.

FY 2009 Performance Results. FY 2009 performance data for the FY 2006, 2007, and 2008 cohorts are included in the chart for this measure above.

During FY 2008 we completed a preliminary review of data submitted to date by the FY 2005 cohort for this measure and 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. Also, some sites surveyed their entire student population and others surveyed only students in the testing pool.

Based on these concerns, we obtained assistance from the U.S. Department of Education's Data Quality Initiative contractor. With the contractor's help, we created and disseminated 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. We disseminated this guidance to FY 2007 grantees during project implementation, but were able to provide the guidance to the new cohort of 2008 grantees at the start of their projects. Based on that guidance, as well as data quality and aggregation checks, in FY 2009 we aggregated available data from the FY 2007 and FY 2008 cohorts and recorded those data in the Department's software that houses GPRA measures and data.

Data for the FY 2006 cohort come from the evaluation being conducted for the Department of Education by a contractor.. Data for this cohort were collected by the contractor annually; the data reported in the chart above reflects the progress of cohort grant sites based on aggregate information at the grantee level about changes in prevalence of drug use among each grantee's students surveyed by the contractor. An important note is that data supplied for the measure for the 2006 cohort represents student drug use in the six months prior to the survey (rather than the one-year period called for in the measure.)

Because of the concerns about data quality discussed previously, including receiving valid data from only a small percentage of grantees in the cohort, no aggregate data for the FY 2005 can be provided.

It is difficult to assess why performance results for the 2006 and 2007 cohorts fell short of the established targets for this measure. We have carefully considered performance reports submitted by grantees, as well as our experience in monitoring and providing technical assistance to grantees, and have identified some challenges that may have impeded grant performance. Some common problems include turnover in leadership (at the school board, authorized representative or project director level) and challenges with collecting and reporting valid data about the measure. Another variable that might affect performance in sites is related to project design. For example, we're not certain how to assess the likely impact of a random student drug testing intervention on students that volunteer to be included in the testing pool, versus students who are forced to be tested as a condition of participation in extracurricular activities. Finally, cohort size and composition varies from cohort to cohort. In some years funding for a large amount of new awards is available and in others only a handful of sites will receive grants. To the extent that our peer review results that are used to rank order applications and select grantees accurately predict project quality, the range of scores funded (and perhaps the range of project quality) varies from fiscal year to fiscal year.

We believe that an equally important dimension in assessing performance against established targets for this measure is our ability to correctly predict targets for measures. Because there is limited available research and no "industry" standard available to guide expectations for performance, generally we have used the performance of prior cohorts on the measure to establish targets for subsequent cohorts. Because of the need to establish targets for

future cohorts before a single cohort has completed project implementation and submitted final data, we have based targets on information provided over a fairly limited amount of time, often reflecting the results of less than a single cohort of complete performance information. Initial challenges with data quality also resulted in situations where only a limited number of grantees in a cohort were able to provide valid performance data. This situation introduced two possible problems into the target setting process – that targets are being based in some part on a subset of grantees that are not representative of the cohort as a whole, and that those sites able to provide valid data more quickly may also have superior capacity to effectively implement program interventions. While we have placed a significant emphasis on improving data quality and have worked to improve the response rates for measures over the life of the cohort, this causes performance results from a relatively small set of grantees in year one to be compared to results for a significantly larger percentage of the cohort by the end of project.

Increasingly, it is clear that a series of variables serve to make each cohort unique, and that the issue of how we have established targets for this measure has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2010 Performance Targets section below.

FY 2010 Performance Targets. We established targets for the percentage of grantees experiencing a 5 percent reduction in annual 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. We have since received data for three project years from this single cohort of sites (the FY 2003 cohort), and the information provided by the grantees does not provide an adequate basis for revisiting targets for future cohorts. This cohort was very small (eight grantees), and also experienced extensive delays in implementation and data collection activities. Because only a handful of grantees were able to eventually provide data specific to the measure, we do not believe that it would be appropriate to base expectations about the performance of other cohorts on this limited information.

Similar problems with data quality for the FY 2005 cohort of grant sites mean that data from that cohort will not be helpful in determining if targets for the program will need to be readjusted. Challenges with data quality have resulted in only a very limited proportion of grant sites that provided approximately comparable data. Conversely, because the data from the evaluation are being collected by the contractor using comparable survey items and collection procedures (in contrast to the varying procedures used by individual grant sites in the other cohorts), data for the 2006 cohort similarly do not provide an appropriate basis for making adjustments in existing targets under the program for the FY 2007

cohort. As a result, we have retained the established targets for this measure at this time.

Given these challenges, and improvements we have made in data quality (including generally requiring grantees to collect baseline data for their projects before interventions are implemented), we intend to modify our process for establishing targets. While prior cohort performance may provide some insights about general patterns of performance that we can incorporate into our targeting setting processes, for any future cohorts for this program we will establish numerical performance targets after baseline data is received for the new cohort. We will enter these targets into the Department's Visual Performance System (VPS) as "administrative" targets (for example, baseline plus 5 percent), and then convert the targets to numerical targets after baseline data is collected and aggregated. We believe that this process revision will help us better match targets to cohort performance.

Methodology With the exception of the FY 2006 cohort, data are collected by grantees using student surveys. Data are provided as part of the grantees' annual performance reports. Generally, 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 annual use in order to be included in the data reported for this measure. Beginning with the FY 2008 cohort, we asked grantees to provide data for annual (prior year) use of marijuana. Grantees did not provide baseline data in their applications, so we have to wait until grantees provide data both from project year one and two in order to determine if they have experienced a decrease in substance abuse. Beginning with the FY 2008 cohort, we instructed grantees to collect baseline data for this measure before beginning implementation of their student drug testing program.

The FY 2005 cohort of grant sites has provided data for FY 2006 and 2007, but only a small percentage of grant sites provided valid data for the measure. Many sites requested and received no-cost extensions for their projects, and data for this measure is included in final reports due at the end of December 2009. Significant data quality issues (including inconsistent use of survey items and changes in respondent populations) affect the majority of grant sites in the cohort, resulting in no valid data for this cohort.

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.

Data for the FY 2006 cohort are being collected as part of an evaluation of student drug testing. Data for the measures are being collected by the evaluation contractor, using common survey items and collection procedures. Survey responses are analyzed by the contractor and data are provided to the Department.

The anticipated levels of decrease in substance abuse are consistent with the national goals for the reduction of underage drug use included in the National Drug Control Strategy in effect when SDT grants were awarded – five percent per year. Targets were initially established following the report of baseline data for grant sites from the FY 2003 cohort. As discussed above, we do not currently have data of sufficient quality to support adjustment of targets for this program at this time.

Safe and Drug-Free Schools and Communities State Grants

**Measure 6:** 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 and Communities State Grants)

**Table 6**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
25.4	None	22.3	None	26	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 2009 Performance Results. Data for this measure were collected in 2009, but will not be released by the Centers for Disease Control and Prevention until summer 2010.

FY 2010 Performance Targets. No target is established for this measure for FY 2010 because data is collected only every other year, in odd-numbered years. The target identified for this measure in FY 2009 was 26 percent. Although the FY 2007 results exceeded the established FY 2009 target, we did not go through the process to revise the 2009 target because the SDFSC State Grants program

was terminated in FY 2010. We will provide FY 2009 data in the FY 2010 performance summary report, but will end reporting for the measure at that time.

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

**Table 7**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
20.2	None	19.7	None	18	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 2009 Performance Results. Data for this measure were collected in 2009, but will not be released by the Centers for Disease Control and Prevention until summer 2010.

FY 2010 Performance Targets. No target is established for this measure for FY 2010 because data is collected only every other year, in odd-numbered years. The target for this measure in FY 2009 is 18. Given the limited progress made toward achieving the established target level in FY 2007, we have not revised this target. Because the SDFSC State Grants was program was terminated in FY 2010, we will provide FY 2009 data in the FY 2010 performance summary report, but will end reporting for the measure at that time.

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 8:** 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 8**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
25.5	None	26	None	25	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 2009 Performance Results. Data for this measure were collected in 2009, but will not be released by the Centers for Disease Control and Prevention until summer 2010.

FY 2010 Performance Targets. No target is established for this measure for FY 2010 because data is collected only every other year, in odd-numbered years. The target for this measure for FY 2009 is 25. Given that there was no change in the data for this measure between 2005 and 2007, we did not revise the target for FY 2009. Because the SDFSC State Grants program was terminated in FY 2010, we will provide FY 2009 data in the FY 2010 performance summary report, but will end reporting for the measure at that time.



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

**Table 9**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
7.8	None	None	None	13	pending	None

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. The 2005 data constitute the baseline for this measure.

FY 2009 Performance Results. A contract to collect data to implement this measure could not be issued in time to permit data collection during FY 2008 as originally scheduled. As a result, we established a 2009 target against the 2005 baseline that is a linear extrapolation of a previously established FY 2008 target for this measure. Data collection for the measure began under the contract, but was cancelled based on the enacted appropriations statute for FY 2010 that did not provide funding for the State Grants program. No additional data will be available for this measure.

FY 2010 Performance Targets. Data for this measure were scheduled to be collected only every three years. As a result, no target was established for this measure for FY 2010. We do not intend to establish future targets given the termination of this program in FY 2010.

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 if respondents confused the specific named program in the survey with other similarly named but different programs.

**Measure 10:** The percentage of drug and violence prevention curriculum programs that are implemented with fidelity. (SDFSC State Grants)

**Table 10**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
44.3	None	None	None	53.1	pending	None

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. The 2005 data constitute the baseline for this measure.

FY 2009 Performance Results. A contract to collect data to implement this measure could not be issued in time to permit data collection during FY 2008 as originally scheduled. As a result, we established a 2009 target against the 2005 baseline that is a linear extrapolation of a previously established FY 2008 target for this measure. Data collection for the measure began under the contract, but was cancelled based on the enacted appropriations statute for FY 2010 that did not provide funding for the State Grants program. No additional data will be available for this measure.

FY 2010 Performance Targets. Data for this measure were scheduled to be collected only every three years. As a result, no target was established for this measure for FY 2010. We do not intend to establish a target given the termination of this program in FY 2010.

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 9)

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 in 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 used for assessing the quality of program implementation to responses provided from respondents concerning their program implementation. 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.

Grants to Reduce Alcohol Abuse

**Measure 11:** The percentage of grantees whose target students show a measurable decrease in binge drinking. (Grants to Reduce Alcohol Abuse Program – FY 2005, 2007, and 2008 cohorts – no new grants were awarded under this program in FY 2006.)

**Table 11**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2005	n/a	n/a	65	pending	n/a	n/a	n/a
2007	n/a	n/a	n/a	61.5	76.87	47	49.4
2008	n/a	n/a	n/a	n/a	61.5	50.7	53.2

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. Research suggests that early use of alcohol is more likely to result in heavy later use of alcohol.

FY 2009 Performance Results. Grantees from the FY 2005 cohort are currently operating in no-cost extensions; generally, their final reports are due at the end of 2009. Data will be aggregated and available in March 2010.

We used data from the 2008 reports from prior cohorts to establish the FY 2009 target for the FY 2007 cohort. However, it turned out that the FY 2007 cohort performed worse in 2009 than in 2008 and fell significantly short of the established performance target for 2009. The FY 2008 cohort also underperformed in its first year (2009) if compared to the year one results from the prior cohort. As we receive data from across cohorts for this measure, we are finding it difficult to discern a pattern of performance that can serve as a basis for establishing future targets.

It is difficult to assess why performance results for the 2007 and 2008 cohorts fell short of the established targets for this measure. We have carefully considered performance reports submitted by grantees, as well as our experience in monitoring and providing technical assistance to grantees, and have identified some challenges that may have impeded grant performance. Some common problems include turnover in leadership (at the authorized representative or project director level) and challenges with collecting and reporting valid data about the measure. Another variable that might affect performance in sites is

related to project design. For example, we're not certain how to assess the likely impact of a site that is implementing a single research-based program versus sites that have adopted a more comprehensive strategy that includes a community-based intervention that complements school-based curricula. Finally, cohort size and composition varies from cohort to cohort. In some years funding for a large amount of new awards is available and in others only a handful of sites will receive grants. To the extent that our peer review results that are used to rank order applications and select grantees accurately predict project quality, the range of scores funded (and perhaps the range of project quality) varies from fiscal year to fiscal year.

We believe that an equally important dimension in assessing performance against established targets for this measure is our ability to correctly predict targets for measures. Because there is limited available research and no "industry" standard available to guide expectations for performance, generally we have used the performance of prior cohorts on the measure to establish targets for subsequent cohorts. Because of the need to establish targets for future cohorts before a single cohort has completed project implementation and submitted final data, we have based targets on information provided over a fairly limited amount of time, often reflecting the results of less than a single cohort of complete performance information. Initial challenges with data quality also resulted in situations where only a limited number of grantees in a cohort were able to provide valid performance data. This situation introduced two possible problems into the target setting process – that targets are being based in some part on a subset of grantees that are not representative of the cohort as a whole, and that those sites able to provide valid data more quickly may also have superior capacity to effectively implement program interventions. While we have placed a significant emphasis on improving data quality and have worked to improve the response rates for measures over the life of the cohort, this causes performance results from a relatively small set of grantees in year one to be compared to results for a significantly larger percentage of the cohort by the end of project.

Increasingly, it is clear that a series of variables serve to make each cohort unique, and that the issue of how we have established targets for this measure has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2010 Performance Targets section below.

FY 2010 Performance Targets. We established an FY 2009 target for the FY 2007 cohort based on the performance of prior cohorts in 2009. This cohort achieved performance levels after one year that were close to those met after two years by a prior cohort, but experienced a significant decline in FY 2009. Based on lower than anticipated levels of performance for this measure, we revised the FY 2010 targets for both the FY 2007 and FY 2008 cohorts for this measure. The 2010 target for the FY 2007 cohort was reduced from 80 percent to 49.4 percent (or a target level that represents a 5 percent increase of the FY

2009 actual data for this measure)., The 2010 target for the FY 2008 cohort was reduced from 76.87 percent to 53.2 percent (or a target level that represents a 5 percent increase of the FY 2009 actual data for this measure).

Given these challenges, and improvements we have made in data quality (including generally requiring grantees to collect baseline data for their projects before interventions are implemented), we intend to modify our process for establishing targets. While prior cohort performance may provide some insights about general patterns of performance that we can incorporate into our targeting setting processes, for any future cohorts for this program we will establish numerical performance targets after baseline data is received for the new cohort. We will enter these targets into the Department's Visual Performance System (VPS) as "administrative" targets (for example, baseline plus 5 percent), and then convert the targets to numerical targets after baseline data is collected and aggregated. We believe that this process revision will help us better match targets to cohort performance.

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 the aggregate data reported 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. We consider sites that have experienced a decrease in the rate of binge drinking of one percent or greater to have achieved a measurable decrease in binge drinking.

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

We have provided significantly increased guidance and technical assistance to grantees beginning with the FY 2007 cohort, and believe that these efforts have produced data that are of higher quality and more comparable across sites than those of previous cohorts. These cohorts were instructed to provide baseline data in their application, or if that data was not available, to collect it before beginning project implementation.

**Measure 12:** 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 2005, 2007, and 2008 cohorts – no new grants were awarded under this program in FY 2006.)

**Table 12**

Cohort	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
2005	n/a	n/a	70	pending	n/a	n/a	n/a
2007	n/a	n/a	n/a	69.2	86.5	76.5	80.3
2008	n/a	n/a	n/a	n/a	69.2	58.6	61.5

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 2009 Performance Results. Grantees from the FY 2005 cohort are currently operating in no-cost extensions; generally, their final reports are due at the end of 2009. Data will be aggregated and available in March 2010.

We used data from the 2008 reports to establish the FY 2009 target for the FY 2007 cohort. However, it turned out that the FY 2007 cohort performed worse in 2009 than in 2008 and fell short of the established performance target for 2009. The FY 2008 cohort also underperformed in its first year (2009) if compared to the year one results from the prior cohort. As we receive data from across cohorts for this measure, we are finding it difficult to discern a pattern of performance that can serve as a basis for establishing future targets.

It is difficult to assess why performance results for the 2007 and 2008 cohorts fell short of the established targets for this measure. We have carefully considered performance reports submitted by grantees, as well as our experience in monitoring and providing technical assistance to grantees, and have identified



some challenges that may have impeded grant performance. Some common problems include turnover in leadership (at the authorized representative or project director level) and challenges with collecting and reporting valid data about the measure. Another variable that might affect performance in sites is related to project design. For example, we're not certain how to assess the likely impact of a site that is implementing a single research-based program versus sites that have adopted a more comprehensive strategy that includes a community-based intervention that complements school-based curricula. Finally, cohort size and composition varies from cohort to cohort. In some years funding for a large amount of new awards is available and in others only a handful of sites will receive grants. To the extent that our peer review results that are used to rank order applications and select grantees accurately predict project quality, the range of scores funded (and perhaps the range of project quality) varies from fiscal year to fiscal year.

We believe that an equally important dimension in assessing performance against established targets for this measure is our ability to correctly predict targets for measures. Because there is limited available research and no "industry" standard available to guide expectations for performance, generally we have used the performance of prior cohorts on the measure to establish targets for subsequent cohorts. Because of the need to establish targets for future cohorts before a single cohort has completed project implementation and submitted final data, we have based targets on information provided over a fairly limited amount of time, often reflecting the results of less than a single cohort of complete performance information. Initial challenges with data quality also resulted in situations where only a limited number of grantees in a cohort were able to provide valid performance data. This situation introduced two possible problems into the target setting process – that targets are being based in some part on a subset of grantees that are not representative of the cohort as a whole, and that those sites able to provide valid data more quickly may also have superior capacity to effectively implement program interventions. While we have placed a significant emphasis on improving data quality and have worked to improve the response rates for measures over the life of the cohort, this causes performance results from a relatively small set of grantees in year one to be compared to results for a significantly larger percentage of the cohort by the end of project.

Increasingly, it is clear that a series of variables serve to make each cohort unique, and that the issue of how we have established targets for this measure has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2010 Performance Targets section below.

FY 2010 Performance Targets. We had established an FY 2009 target for the FY 2007 cohort based on the performance of prior cohorts in 2008. However, this cohort experienced a significant decline in performance in FY 2009. Based

on lower than anticipated levels of performance for this measure, we revised the FY 2010 targets for both the FY 2007 and FY 2008 cohorts for this measure. The 2010 target for the FY 2007 cohort was reduced from 86.5 percent to 80.3 percent (or a target level that represents a 5 percent increase of the FY 2009 actual data for this measure). The 2010 target for the FY 2008 cohort was reduced from 86.5 percent to 61.5 percent (or a target level that represents a 5 percent increase of the FY 2009 actual data for this measure)

Given these challenges, and improvements we have made in data quality (including generally requiring grantees to collect baseline data for their projects before interventions are implemented), we intend to modify our process for establishing targets. While prior cohort performance may provide some insights about general patterns of performance that we can incorporate into our targeting setting processes, for any future cohorts for this program we will establish numerical performance targets after baseline data is received for the new cohort. We will enter these targets into the Department's Visual Performance System (VPS) as "administrative" targets (for example, baseline plus 5 percent), and then convert the targets to numerical targets after baseline data is collected and aggregated. We believe that this process revision will help us better match targets to cohort performance.

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 who believe that alcohol abuse is harmful to their health had occurred) are not included in the aggregate data reported 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 perceived harm to health, 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. We consider sites that have experienced an increase in the percentage of students reporting perceived risk of harm to health of one percent or greater to have achieved a measurable increase for this measure.

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

We have provided significantly increased guidance and technical assistance beginning with the FY 2007 cohort, and believe that these efforts have produced data that are of higher quality and more comparable across sites than those of previous cohorts. These cohorts were instructed to provide baseline data in their application, or if that data was not available, to collect it before beginning project implementation.

**Measure 13:** 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 2005, 2007, and 2008 cohorts – no new grants were awarded under this program in FY 2006.)

**Table 13**

<b>Cohort</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
2005	n/a	n/a	71	pending	n/a	n/a	n/a
2007	n/a	n/a	n/a	69.2	86.5	47	49.4
2008	n/a	n/a	n/a	n/a	69.2	49.3	51.8

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 2009 Performance Results. Grantees from the FY 2005 cohort are currently operating in no-cost extensions; generally, their final reports are due at the end of 2009. Data will be aggregated and available in March 2010.

We used data from the 2008 reports to establish the FY 2009 target for the FY 2007 cohort. However, it turned out that the FY 2007 cohort performed worse in 2009 than in 2008 and fell short of the established performance target for 2009. The FY 2008 cohort also significantly underperformed in its first year (2009) if compared to the year one results from the prior cohort. As we receive data from

across cohorts for this measure, we are finding it difficult to discern a pattern of performance that can serve as a basis for establishing future targets, and have elected not to revise the target for FY 2010.

It is difficult to assess why performance results for the 2007 and 2008 cohorts fell short of the established targets for this measure. We have carefully considered performance reports submitted by grantees, as well as our experience in monitoring and providing technical assistance to grantees, and have identified some challenges that may have impeded grant performance. Some common problems include turnover in leadership (at the authorized representative or project director level) and challenges with collecting and reporting valid data about the measure. Another variable that might affect performance in sites is related to project design. For example, we're not certain how to assess the likely impact of a site that is implementing a single research-based program versus sites that have adopted a more comprehensive strategy that includes a community-based intervention that complements school-based curricula. Finally, cohort size and composition varies from cohort to cohort. In some years funding for a large amount of new awards is available and in others only a handful of sites will receive grants. To the extent that our peer review results that are used to rank order applications and select grantees accurately predict project quality, the range of scores funded (and perhaps the range of project quality) varies from fiscal year to fiscal year.

We believe that an equally important dimension in assessing performance against established targets for this measure is our ability to correctly predict targets for measures. Because there is limited available research and no "industry" standard available to guide expectations for performance, generally we have used the performance of prior cohorts on the measure to establish targets for subsequent cohorts. Because of the need to establish targets for future cohorts before a single cohort has completed project implementation and submitted final data, we have based targets on information provided over a fairly limited amount of time, often reflecting the results of less than a single cohort of complete performance information. Initial challenges with data quality also resulted in situations where only a limited number of grantees in a cohort were able to provide valid performance data. This situation introduced two possible problems into the target setting process – that targets are being based in some part on a subset of grantees that are not representative of the cohort as a whole, and that those sites able to provide valid data more quickly may also have superior capacity to effectively implement program interventions. While we have placed a significant emphasis on improving data quality and have worked to improve the response rates for measures over the life of the cohort, this causes performance results from a relatively small set of grantees in year one to be compared to results for a significantly larger percentage of the cohort by the end of project.

Increasingly, it is clear that a series of variables serve to make each cohort unique, and that the issue of how we have established targets for this measure has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2010 Performance Targets section below.

FY 2010 Performance Targets. We had established an FY 2009 target for the FY 2007 cohort based on the performance of prior cohorts in 2008. However, this cohort experienced a significant decline in performance in FY 2009. Based on lower than anticipated levels of performance for this measure, we revised the FY 2010 targets for both the FY 2007 and FY 2008 cohorts for this measure. The 2010 target for the FY 2007 cohort was reduced from 86.5 percent to 49.4 percent (or a target level that represents a 5 percent increase of the FY 2009 actual data for this measure), The 2010 target for the FY 2008 cohort was reduced from 86.5 percent to 51.8 percent (or a target level that represents a 5 percent increase of the FY 2009 actual data for this measure).

Given these challenges, and improvements we have made in data quality (including generally requiring grantees to collect baseline data for their projects before interventions are implemented), we intend to modify our process for establishing targets. While prior cohort performance may provide some insights about general patterns of performance that we can incorporate into our targeting setting processes, for any future cohorts for this program we will establish numerical performance targets after baseline data is received for the new cohort. We will enter these targets into the Department's Visual Performance System (VPS) as "administrative" targets (for example, baseline plus 5 percent), and then convert the targets to numerical targets after baseline data is collected and aggregated. We believe that this process revision will help us better match targets to cohort performance.

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 the aggregate data reported 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 disapproval of alcohol abuse, 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. We consider sites that have experienced an increase in the percentage of students reporting disapproval of alcohol use of one percent or greater to have achieved a measurable increase for this measure.

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

We have provided significantly increased guidance and technical assistance beginning with the FY 2007 cohort, and believe that these efforts have produced data that are of higher quality and more comparable across sites than those of previous cohorts. These cohorts were instructed to provide baseline data in their application, or if that data was not available, to collect it before beginning project implementation.

## **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 2009 are recorded in the Department of Education's software for recording performance data and are an integral part of our budget and management processes.

### Explanations for Not Meeting Performance Targets

The explanations provided in the Performance Summary report for Fiscal Year 2009 for not meeting performance targets and for recommendations for plans to revise performance targets are reasonable given past experience, available information, and available resources.

### Methodology for Establishing Performance Targets

The methodology described in the Performance Summary Report for Fiscal Year 2009 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 2009 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.



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

February 25, 2010

**MEMORANDUM**

**To:** Kevin Jennings  
Assistant Deputy Secretary  
Office of Safe and Drug-Free Schools

**From:** Keith West *Keith West*  
Assistant Inspector General for Audit

**Subject:** Office of Inspector General's Independent Report on the U.S. Department of Education's *Performance Summary Report for Fiscal Year 2009*, dated February 19, 2010

Attached is our authentication of management's assertions contained in the U.S. Department of Education's *Performance Summary Report for Fiscal Year 2009*, dated February 19, 2010, as required by section 705(d) of the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. § 1704(d)).

Our authentication was conducted in accordance with the guidelines stated in the Office of National Drug Control Policy Circular: *Drug Control Accounting*, dated May 1, 2007.

If you have any questions or wish to discuss the contents of this authentication, please contact Michele Weaver-Dugan, Director, Operations Internal Audit Team, at (202) 245-6941.

Attachment





UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

February 25, 2010

Office of Inspector General's Independent Report on the U.S. Department of Education's  
Performance Summary Report for Fiscal Year 2009, dated February 19, 2010

We have reviewed management's assertions contained in the accompanying *Performance Summary Report for Fiscal Year 2009*, dated February 19, 2010 (Performance Summary Report). 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 that reads "Keith West".

Keith West  
Assistant Inspector General for Audit

# **Tab B**



Jon E. Rice  
Associate Director for Performance and Budget  
Office of National Drug Control Policy  
750 17<sup>th</sup> 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 2009, as requested by the ONDCP Circular entitled *Drug Control Accounting*. If you have any questions, your staff may contact Jillian Curtis at (202) 690-8717.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. A. DeVoss", is positioned above the typed name.

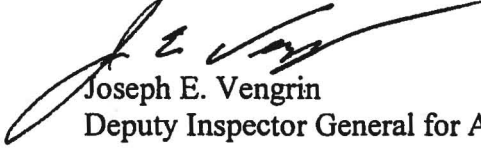
Elizabeth DeVoss  
Acting Director, Division of Discretionary Programs  
Office of Budget

Enclosures



JAN 15 2010

**TO:** Yvette Roubideaux, M.D., M.P.H.  
Director  
Indian Health Service

**FROM:**   
Joseph E. Vengrin  
Deputy Inspector General for Audit Services

**SUBJECT:** Independent Attestation Review: Indian Health Service Fiscal Year 2009  
Performance Summary Report for National Drug Control Activities and  
Accompanying Required Assertions (A-03-10-00356)

The purpose of this report is to provide the results of our attestation review of the Indian Health Service (IHS) Performance Summary Report for National Drug Control Activities and accompanying required assertions for fiscal year (FY) 2009.

Pursuant to 21 U.S.C. § 1703(b)(13), each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP) an evaluation of the progress of the agency with respect to drug control program goals using the performance measures established for that agency. Section 1703(d)(7) authorizes ONDCP to “monitor implementation of the National Drug Control Program, including – (A) conducting program and performance audits and evaluations.” ONDCP may request “assistance from the Inspector General of the relevant agency in such audits and evaluations.” Section 7 of the ONDCP Circular entitled “Drug Control Accounting,” dated May 1, 2007, provides the reporting requirements to comply with section 1703(b)(13). Section 8 of the ONDCP Circular requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in each Performance Summary Report for National Drug Control Activities.

Pursuant to 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular, we reviewed the attached IHS report entitled “FY 2009 Performance Summary Report: National Drug Control Activities” and accompanying required assertions, dated November 16, 2009. We conducted our attestation review 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.

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**INDIAN HEALTH SERVICE PERFORMANCE SUMMARY REPORT**

IHS's report included assertions for five measures of National Drug Control Program activities. The five measures were (1) regional treatment center improvement/accreditation: accreditation rate for youth regional treatment centers in operation 18 months or more; (2) domestic violence (intimate partner) screening: proportion of women who are screened for domestic violence at health care facilities; (3) behavioral health: proportion of adults aged 18 and over who are screened for depression; (4) alcohol screening (fetal alcohol syndrome prevention): alcohol-use screening among appropriate female patients; and (5) suicide surveillance: incidences of suicidal behavior reported by health care (or mental health) professionals.

We performed review procedures on the performance summary report and accompanying required assertions. In general, we limited our review procedures to inquiries and analytical procedures appropriate for our attestation review.

**OFFICE OF INSPECTOR GENERAL CONCLUSION**

Based on our review, nothing came to our attention that caused us to believe that IHS's performance summary report for FY 2009 and management's assertions accompanying its report were not fairly stated, in all material respects, based on the ONDCP Circular entitled "Drug Control Accounting," dated May 1, 2007.

\*\*\*\*\*

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

Attachment

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# ATTACHMENT

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

NOV 16 2009

Indian Health Service  
Rockville MD 20852

TO: See below

FROM: Director  
Indian Health Service

SUBJECT: Response to Attestation Review: Indian Health Service Performance Summary  
Report for National Drug Control Activities for Fiscal Year 2009

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 Indian Health Service (IHS) has a system in place to capture drug control 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 presented in the attached report for failure to meet a specified performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance deficiencies 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.

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Page 2 – See below

Performance Measures Exist for All Significant Drug Control Activities

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



Yvette Roubideaux, M.D., M.P.H.

Addressees:  
Assistant Secretary  
Office of Resources and Technology

Director  
Office of Inspector General

Attachment:  
FY 2009 Performance Summary Report--National Drug Control Activities –  
Indian Health Service



FY 2009 Performance Summary Report  
National Drug Control Activities--Indian Health Service

Decision Unit 1: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

**Measure 1: RTC Improvement/Accreditation: Accreditation Rate for Youth Regional Treatment Centers (YRTC) in operation 18 months or more**

Table 1: Measure No. 1						
FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
100%	100%	100%	91%	100%	91%	100%

(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.)

Measure No. (1) reflects an evaluation of the quality of care associated with accreditation status by either the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), State certification, or regional Tribal health authority certification. This measure contributes to the *National Drug Control Strategy* by providing alcohol and substance abuse services to "heal America's drug users." These programs provide alcohol and substance abuse treatment and prevention services to rural and urban communities, with a focus on holistic and culturally-based approaches. The existing performance measure of 100% accreditation of Youth Regional Treatment Centers (YRTC) addresses the quality of services for program management.

(2) Provide narrative that examines the FY 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for FY 2009, 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 actual performance measure was not met in fiscal year FY 2009 as a result of an ongoing difficulty with one YRTC program, the Shiprock Youth Regional Treatment Center (Shiprock YRTC), located on the Navajo Reservation in the State of New Mexico. It is still in the process of seeking accreditation from the Commission on Accreditation of Healthcare Facilities (CARF). The Navajo Tribal Behavioral Health Authority, located in Window Rock, Arizona, which is in the boundary of the Navajo Reservation, reviews and certifies that the Shiprock YRTC exists as part of an integrated behavioral health team that works collaboratively to reduce the incidence of alcoholism and other drug dependencies in American Indian and Alaska Native (AI/AN) communities.

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(3) The Agency should describe the performance target for FY 2010 and how the Agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2010.

The FY 2010 performance target for the YRTCs will remain unchanged at 100% accreditation/certification status.

The Shiprock YRTC is still not accredited due to leadership transitions above the YRTC itself, which culminated in a new management team being put in place by Navajo Nation for their overall behavioral health system in September 2008. Subsequent to that, they have taken definitive steps to prepare for accreditation, including the following activities accomplished prior to requesting a CARF accreditation site survey sometime in the May to August 2010 timeframe: Jack Brown Center (YRTC) staff from Oklahoma made a site visit on February 24-25, 2009 at the Shiprock YRTC to assess readiness for accreditation and made recommendations to the new management team; clinical staff attended the CARF accreditation training on June 24-26, 2009; and outpatient treatment center staff attended an on-site CARF accreditation training on August 25-26, 2009 provided by the Substance Abuse and Mental Health Services Administration (SAMHSA). Based on recommendations and subsequent YRTC management actions, a tentative site survey will be possible in 2010 with a high probability for success based on reports from the above consultations; however, it remains for Navajo Nation and its Shiprock YRTC to successfully take the necessary steps to prepare for and pass their upcoming CARF accreditation.

(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.

On an annual basis, the Indian Health Service (IHS) Office of Clinical and Preventive Services, Division of Behavioral Health requires all YRTCs to verify their accreditation/certification status by forwarding a copy of this documentation to Agency Headquarters in Rockville, Maryland. Using verified program documents, this methodology ensures that standards for continued accreditation/certification are continually being met and deficiencies addressed. To ensure performance data for this measure are accurate, complete, and unbiased, the IHS Division of Behavioral Health collects, evaluates, and monitors individual program files for each YRTC. Program Directors are required to submit the appropriate documentation for FY 2009 data.

Program targets and actual performance are evaluated by Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission, States, or Regional Behavioral Health Authorities and measured through CARF, the Joint Commission, States, or Regional Behavioral Health Authorities' standards for accreditation/certification.

Decision Unit 2: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

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**Measure 2: Domestic Violence (Intimate Partner) Screening: Proportion of women who are screened for domestic violence at health care facilities.**

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
13%	28%	36%	42%	42%	48%	53%

(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.

This measure is designed to identify and assist AI/AN women who experience domestic violence. Screening identifies women at risk for domestic violence and refers these individuals for services aimed at reducing its prevalence. Significant increases in the rate of domestic violence screens are due to a combination of higher primary provider awareness of the measure and improved documentation practices. Research has shown that alcohol and drug use can worsen and, in some cases, accelerate domestic violence situations. This measure contributes to the *National Drug Control Strategy* by identifying alcohol and/or drug use factors in relationships in an effort to "stop drug use before it starts" and "healing America's drug (and alcohol) users."

In FY 2009, the IHS continued our support and technical assistance to Tribes in developing programs to address violence against women. The Omnibus Appropriations Act 2009, Public Law 111-8, the Domestic Violence Prevention Initiative provided \$7,500,000 "to implement a nationally coordinated domestic violence initiative." The final Tribal consultations regarding the initiative are being completed at this writing, with the proposed initiative including direct service provisions for expanding SANE (Sexual Assault Nurse Examiner Programs), SAFE (Sexual Assault Forensic Examiner Programs), and SART (Sexual Assault Response Teams), Tribal community developed models for domestic violence prevention and intervention, as well as more robust epidemiological capabilities. The initiative will directly support the development and implementation of domestic violence screening policies and procedures and develop model programs from which the entire system can utilize.

(2) Provide narrative that examines the FY 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for FY 2008, 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.

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The FY 2009 performance target for this measure was exceeded by 6 percent. It reflects the ongoing commitment from the Agency and its Tribal partners to incorporate domestic violence screening as a routine part of women's health care.

(3) The Agency should describe the performance target for FY 2010 and how the Agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2009.

The performance target for FY 2010 is 53% screening rate. The measure is categorized as high priority, but low cost, which means health care providers can conduct the screening in conjunction with any health care visit or encounter. Within the context of the Agency's current overall health services funding, projections based on increasing the existing performance rate may ultimately prove ambitious, but achievable.

(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.

#### Clinical Reporting System (CRS) Documentation

##### Data Collection

The IHS relies on the Resource and Patient Management System (RPMS) to track and manage data at facilities and clinical sites. Clinical Reporting System (CRS) software automates the data extraction process using data from patient records in the IHS health information system (RPMS) at the individual clinic level. CRS is updated at least annually to reflect changes in clinical guidelines for existing measures as well as adding new measures to reflect new healthcare priorities. Software versions are tested first on developmental servers on large data bases and then are beta tested at facilities, before submission to IHS Software Quality Assurance, which conducts a thorough review prior to national release. The new version of the application is released as Class 1 software throughout the IHS. In 2005 the Healthcare Information and Management Systems Society selected the Clinical Reporting System for the Davies Award of Excellence in public health information technology.

##### Completeness

After local sites submit their data, IHS Area coordinators use CRS to create Area level reports, which are forwarded to the national data support team for a second review and final aggregation. CRS software automatically creates a special file format of Area data for use in national aggregation, which eliminates potential errors that could occur if manual data extraction were required. These national aggregations are thoroughly reviewed for quality and accuracy before final submission. Specific instructions for running quarterly reports are available for both local facilities and each IHS Area.

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CRS generated data reports are comprehensive representations of patient data and clinical performance for those facilities that participate and include data from 100 percent of all IHS direct facilities. At this time however, not all Tribes have elected to participate in the RPMS. Because Tribal participation is voluntary, results include data for only those Tribal clinics and hospitals that utilize RPMS.

Reliability

Electronic collection, using CRS, ensures that performance data is comparable across all facilities and is based on a review of 100 percent of all patient records rather than a sample. Facility reports are submitted on a quarterly and annual basis to the Government Performance and Results Act (GPRA) coordinator for their Area, who is responsible for quality reviews of the data before forwarding reports for national aggregation. Because the measure logic and reporting criteria are hard coded in the CRS software, these checks are primarily limited to assuring all communities assigned to a site are included in the report and to identifying measure results that are anomalous, which may indicate data entry or technical issues at the local level. Comprehensive information about CRS software and logic is at [www.ihs.gov/cio/crs/](http://www.ihs.gov/cio/crs/).

Decision Unit 3: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

**Measure 3: Behavioral Health: Proportion of adults ages 18 and over who are screened for depression**

Table 1: Measure 3						
FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	15%	24%	35%	35%	44%	53%

(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.

Depression is often an underlying component contributing to suicide, accidents, domestic/intimate partner violence, and alcohol and substance abuse. Early identification of depression will contribute to the *National Drug Control Strategy* by "stopping drug use before it starts" and "healing America's drug users."

(2) Provide narrative that examines the FY 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for

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FY 2009, 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 2009 performance target for this measure was exceeded by 9%. Since FY 2006 the IHS has increased the screening rate by over 300 percent, from 15 percent in 2006 to 44 percent in FY 2009, through informational campaigns and incorporating depression screening as a routine part of AI/AN health care.

(3) The Agency should describe the performance target for FY 2010 and how the Agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2010.

The performance target for FY 2010 is to increase screenings by 9% to 53% over 2009 screening levels of 44%. The rationale for increasing the target is based on several factors. The measure is categorized as high priority, but low cost, which means health care providers can conduct the screening in conjunction with any health care visit or encounter. Within the context of the Agency's current overall health services funding, projections based on increasing the existing performance rate may ultimately prove ambitious, but achievable.

(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.

#### Clinical Reporting System (CRS) Documentation

##### Data Collection

The IHS relies on the RPMS to track and manage data at facilities and clinical sites. CRS software automates the data extraction process using data from patient records in the IHS health information system (RPMS) at the individual clinic level. CRS is updated at least annually to reflect changes in clinical guidelines for existing measures as well as adding new measures to reflect new healthcare priorities. Software versions are tested first on developmental servers on large data bases and then are beta tested at facilities, before submission to IHS Software Quality Assurance, which conducts a thorough review prior to national release. The new version of the application is released as Class 1 software throughout the IHS. In 2005 the Healthcare Information and Management Systems Society selected the Clinical Reporting System for the Davies Award of Excellence in public health information technology.

##### Completeness

After local sites submit their data, IHS Area coordinators use CRS to create Area level reports, which are forwarded to the national data support team for a second review and final aggregation. CRS software automatically creates a special file format of Area data for use in national

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aggregation, which eliminates potential errors that could occur if manual data extraction were required. These national aggregations are thoroughly reviewed for quality and accuracy before final submission. Specific instructions for running quarterly reports are available for both local facilities and each IHS Area.

CRS generated data reports are comprehensive representations of patient data and clinical performance for those facilities that participate and include data from 100 percent of all IHS direct facilities. At this time however, not all Tribes have elected to participate in the RPMS. Because Tribal participation is voluntary, results include data for only those Tribal clinics and hospitals that utilize RPMS.

**Reliability**

Electronic collection, using CRS, ensures that performance data is comparable across all facilities and is based on a review of 100 percent of all patient records rather than a sample. Facility reports are submitted on a quarterly and annual basis to the GPRA coordinator for their Area, who is responsible for quality reviews of the data before forwarding reports for national aggregation. Because the measure logic and reporting criteria are hard coded in the CRS software, these checks are primarily limited to assuring all communities assigned to a site are included in the report and to identifying measure results that are anomalous, which may indicate data entry or technical issues at the local level. Comprehensive information about CRS software and logic is at [www.ihs.gov/cio/crs/](http://www.ihs.gov/cio/crs/).

**Decision Unit 4: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS**

***Measure 4: Alcohol Screening (FAS Prevention): Alcohol-use screening (to prevent fetal alcohol syndrome) among appropriate female patients***

Table 1: Measure 4						
FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
11%	28%	41%	47%	47%	52%	55%

(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.

Alcohol consumption can cause significant birth defects, including fetal alcohol syndrome (FAS). FAS is the leading known, and preventable, cause of mental retardation. Rates of FAS are higher among AI/AN populations than the general population. Screening with intervention has

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been shown to be effective in reducing alcohol misuse in pregnancy and to reduce the incidence of FAS. Continued increases in screening rates for this measure will have a significant impact on AI/AN communities. Increases beginning in the FY 2007 rates of alcohol screening can be attributed to specific Agency initiatives emphasizing the importance of behavioral health screenings at either clinical or behavioral health encounters. This measure contributes to the *National Drug Control Strategy* by identifying alcohol usage factors in an effort to "heal America's drug (and alcohol) users."

(2) Provide narrative that examines the FY 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for FY 2009, 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 2009 performance target for this measure was exceeded by 5 percent. Since FY 2004 the IHS has increased the screening rate by a remarkable 7.5 times the rate from 7 percent in 2004 to 52 percent in 2009, through promoting and incorporating alcohol screening as a routine part of women's health care.

(3) The Agency should describe the performance target for FY 2010 and how the Agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2010.

The performance target for FY 2010 is to increase the previous year's performance by 3 percent from 52 percent to 55 percent. The rationale for increasing the target to this level is based on several factors. The measure is categorized as high priority, but low cost, which means health care providers can conduct the screening in conjunction with any health care visit or encounter. Within the context of the Agency's current overall health services funding, projections based on increasing the existing performance rate may ultimately prove ambitious, but achievable.

(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.

#### Clinical Reporting System (CRS) Documentation

##### Data Collection

The IHS relies on the RPMS to track and manage data at facilities and clinical sites. CRS software automates the data extraction process using data from patient records in the IHS health information system (RPMS) at the individual clinic level. CRS is updated at least annually to reflect changes in clinical guidelines for existing measures as well as adding new measures to reflect new healthcare priorities. Software versions are tested first on developmental servers on



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large data bases and then are beta tested at facilities, before submission to IHS Software Quality Assurance, which conducts a thorough review prior to national release. The new version of the application is released as Class 1 software throughout the IHS. In 2005 the Healthcare Information and Management Systems Society selected the Clinical Reporting System for the Davies Award of Excellence in public health information technology.

#### Completeness

After local sites submit their data, IHS Area coordinators use CRS to create Area level reports, which are forwarded to the national data support team for a second review and final aggregation. CRS software automatically creates a special file format of Area data for use in national aggregation, which eliminates potential errors that could occur if manual data extraction were required. These national aggregations are thoroughly reviewed for quality and accuracy before final submission. Specific instructions for running quarterly reports are available for both local facilities and each IHS Area.

CRS generated data reports are comprehensive representations of patient data and clinical performance for those facilities that participate and include data from 100 percent of all IHS direct facilities. At this time however, not all Tribes have elected to participate in the RPMS. Because Tribal participation is voluntary, results include data for only those Tribal clinics and hospitals that utilize RPMS.

#### Reliability

Electronic collection, using CRS, ensures that performance data is comparable across all facilities and is based on a review of 100 percent of all patient records rather than a sample. Facility reports are submitted on a quarterly and annual basis to the GPRA coordinator for their Area, who is responsible for quality reviews of the data before forwarding reports for national aggregation. Because the measure logic and reporting criteria are hard coded in the CRS software, these checks are primarily limited to assuring all communities assigned to a site are included in the report and to identifying measure results that are anomalous, which may indicate data entry or technical issues at the local level. Comprehensive information about CRS software and logic is at [www.ihs.gov/cio/crs/](http://www.ihs.gov/cio/crs/).

Decision Unit 1: Office of Clinical and Preventive Services, Division of Behavioral Health, IHS

***Measure 5: Suicide Surveillance: Increase the incidence of suicidal behavior reporting by health care (or mental health) professionals***

Table 1: Measure 5						
FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target

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Integrated <sup>1,2</sup>	1,603	1,674	1,598	1,678	1,687	1,700
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<sup>1</sup> In 2004, this indicator committed to implementing the national reporting plan to support national performance management of American Indian and Alaska Native suicide surveillance by deploying the suicide reporting form in the RPMS Behavioral Health package.

<sup>2</sup> In FY 2005, the target for this measure was to integrate the suicide reporting form into the RPMS.

**(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.**

The suicide surveillance measure has evolved from developing a data collection tool for use by behavioral health providers to integrating the suicide reporting form into the RPMS and making it available to all providers. A baseline usage level by primary care, emergency, behavioral health and other providers was established in 2006. The suicide surveillance tool captures data related to a specific incident, such as date and location of act, method, contributing factors, and other useful epidemiologic information. Local and national reports can be sorted by a number of different variables including the number of suicide events by sex, age, community, Tribe, and method. Increased utilization of suicide reporting forms throughout the Indian health system will provide more comprehensive information about the incidence of suicidal ideations, attempts, and completions, provide far more timely and accurate data to national policy makers, and allow interventions to be evaluated in ways not previously possible. Unfortunately, suicide is often the result of ongoing life management concerns such as depression, domestic/intimate partner violence, and alcohol and substance abuse. Early identification of suicides and suicidal ideations will contribute to "stopping drug use before it starts" and "healing America's drug users."

**(2) Provide narrative that examines the FY 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for FY 2009, 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 2009 target was to increase the number of suicide reporting forms by 80 actual reporting forms exported over the FY 2008 actual. This performance target was met in FY 2009. The FY 2009 target was 1,678 forms. The FY 2009 actual results were 1,687 forms.

While exceeding the goal, the analysis suggests several issues that may exist in underutilization of the suicide reporting form. Steps are currently being undertaken to increase utilization, perhaps the most visible of which is the funding provided under the Consolidated Appropriations Act of 2008 and the Omnibus Appropriations Act of 2009, which, combined, provide \$16,391,000 for Methamphetamine and Suicide Prevention Initiative (MSPI) programs nationally. Currently, 124 such programs are beginning operations at this writing with these

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funds. Specific to suicide reporting, there is language in the cooperative spending agreements to utilize the IHS suicide reporting forms as a reporting criterion for suicide prevention and/or treatment programs. We are thus confident that we will meet FY 2010 targets and actually believe we will exceed them substantially if the MSPI programs perform as projected.

**(3) The Agency should describe the performance target for FY 2010 and how the Agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2010.**

The FY 2010 target performance measure is 1,700 suicide reporting forms exported or 13 reporting forms over 2009 actual reports. To increase the utilization of the suicide reporting form, IHS will increase and improve awareness of the form and the importance of suicide surveillance activities among providers, facility and Area managers, and administrators. Similarly, RPMS Site Managers and Electronic Health Record Clinical Application Coordinators will be made aware of the suicide reporting form and the appropriate application set-up and exporting processes.

**(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 suicide surveillance measure utilizes the suicide reporting form documented and entered by the provider at the time a suicidal event is treated. Once entered, the SRF is then electronically exported from the documenting site to the national suicide database in Albuquerque, New Mexico. Processes are in place to accurately document receipt of the electronic file(s), notify the sending site that the file(s) have been received by providing electronic file name(s) and record counts. Once received, the national suicide database is automatically updated with the new information. The performance measure uses the actual data received from the sending site. The source system is the IHS Resource Patient Management System behavioral health package. Sites must initiate the electronic export process for data to be included in the performance measurement report. The programming logic was developed and approved by a behavioral health measures workgroup and has been consistently applied to this performance measure.

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JAN 15 2010

**TO:** Lana Skirboll, Ph.D.  
Acting Director  
Division of Program Coordination, Planning, and Strategic Initiatives  
National Institutes of Health

**FROM:**  Joseph E. Vengrin  
Deputy Inspector General for Audit Services

**SUBJECT:** Independent Attestation Review: National Institutes of Health Fiscal Year 2009 Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions (A-03-10-00354)

The purpose of this report is to provide the results of our attestation review of the National Institutes of Health (NIH) Performance Summary Report for National Drug Control Activities and accompanying required assertions for the National Institute on Drug Abuse (NIDA) for fiscal year (FY) 2009.

Pursuant to 21 U.S.C. § 1703(b)(13), each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP) an evaluation of the progress of the agency with respect to drug control program goals using the performance measures established for that agency. Section 1703(d)(7) authorizes ONDCP to “monitor implementation of the National Drug Control Program, including – (A) conducting program and performance audits and evaluations.” ONDCP may request “assistance from the Inspector General of the relevant agency in such audits and evaluations.” Section 7 of the ONDCP Circular entitled “Drug Control Accounting,” dated May 1, 2007, provides the reporting requirements to comply with section 1703(b)(13). Section 8 of the ONDCP Circular requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in each Performance Summary Report for National Drug Control Activities.

Pursuant to 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular, we reviewed the attached NIH report entitled “FY 2009 Performance Summary Report for National Drug Control Activities” and accompanying required assertions, dated November 23, 2009. We conducted our attestation review 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

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which is to express an opinion on management's assertions contained in its report; accordingly, we do not express such an opinion.

## **NATIONAL INSTITUTES OF HEALTH PERFORMANCE SUMMARY REPORT**

NIH's NIDA report included assertions for two measures of National Drug Control Activities. The two measures were (1) identify and characterize at least two 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 and (2) identify three effective implementation strategies that enhance the uptake of research-tested interventions in service systems such as primary care, specialty care, and community practice. The two performance measures represented drug control activities that accounted for \$31.5 million.

NIDA's assertions concerning drug control accounting and its accompanying tables of FY 2009 Actual Obligations (A-03-10-00353) identified obligations totaling \$1.2 billion. According to NIDA and ONDCP officials, NIDA's entire billion-dollar budget, as well as Recovery Act funding of \$136 million, related to preventing or treating drug abuse. NIDA classified its budget by function. NIH officials said that they used the first measure, accounting for \$25 million, to represent the \$456.9 million obligated for prevention of drug abuse and that they used the second measure, accounting for \$6.5 million, to represent the \$718.7 million obligated for treatment of drug abuse. In total, the two measures accounted for approximately 2.7 percent of the total funds obligated. However, ONDCP officials advised us that they expected NIH to develop additional performance measures that reflect more of NIDA's budget, which is all drug related.

According to NIH officials, the prevention and treatment goals reported in FY 2009 are intended to be representative of the budget for prevention and treatment, as well as the Recovery Act funds used in FY 2009 for prevention and treatment. However, as early as May 2006, ONDCP told NIDA that it should develop "long term and annual performance measures for each specific programmatic initiative and general area of research provided for budget review." The ONDCP guidance for FY 2009 recommended that NIDA include additional performance targets. In addition, ONDCP officials have had ongoing conversations with NIH officials about developing more robust performance reporting.

The Performance Summary Report for National Drug Control Activities did provide an evaluation of the progress of the agency with respect to specific activities within the drug control program goals. The use of a small sample, however, may not meet ONDCP's expectation that the report reflect the complexity and scope of NIDA's drug control activities.

We performed review procedures on the performance summary report and accompanying required assertions. In general, we limited our review procedures to inquiries and analytical procedures appropriate for our attestation review.

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## OFFICE OF INSPECTOR GENERAL CONCLUSION

Based on our review, except for the fact that NIH's performance measures did not meet ONDCP's expectations for reporting the scope or complexity of NIDA's national drug control program activities, nothing came to our attention that caused us to believe that NIH's Performance Summary Report for FY 2009 and management's assertions accompanying its report were not fairly stated, in all material respects, based on the ONDCP Circular entitled "Drug Control Accounting," dated May 1, 2007.

In a written response to our report, NIH officials said that they did not have any comments.

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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, please contact me, or have your staff call Stephen Virbitsky, Regional Inspector General for Audit Services, Region III, at (215) 861-4470.

Attachment

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# ATTACHMENT

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health  
Bethesda, Maryland 20892

November 23, 2009

**TO:** Director  
Office of National Drug Control Policy

**THROUGH:** Richard J. Turman  
Deputy Assistant Secretary, Budget

**FROM:** Lana Skirboll, Ph.D., Acting Director  
Division of Program Coordination, Planning, and Strategic Initiatives  
National Institutes of Health

**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. Performance reported is validated.

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.

  
Lana Skirboll, Ph.D.

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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 2009 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 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual			
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 resulted 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, CHRNA5, CHRNA3, and CHRN4.	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	SNP analyses identified a gene cluster predictive of treatment response to bupropion for smoking cessation and revealed additional genetic markers of addiction vulnerability.	Identify genomic markers in addicted individuals that differ in treatment response and dependence vulnerability.	Research has identified or verified genetic markers of nicotine dependence vulnerability or outcomes of smoking cessation therapies including: CYP2A6, CHRN2, SLC6A3, and NR4A2.	Replicate genetic markers that identify differences in treatment response and/or vulnerability to dependence.

(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.

Finally, genetic information can be harnessed for improving relapse prevention, i.e., honing treatments to those who will most likely benefit from them. Individual differences in response to medications for nicotine addiction have been reported, for example; therefore, genetic predictors of treatment response could lead to more efficacious and cost-effective relapse prevention strategies.

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 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for FY 2009, 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 2009 target was to identify genomic markers that differ in addicted individuals who differ in treatment response and dependence vulnerability. NIDA met this target by identifying or verifying genetic markers of nicotine dependence vulnerability or outcomes of smoking cessation therapies including: CYP2A6, CHRN2, SLC6A3, and NR4A2. This performance builds on previous performance that

identified genetic markers that distinguish individuals who respond to bupropion treatment for nicotine dependence versus those who do not, and identified markers of addiction vulnerability (FY 2008). Previous research has also identified haplotypes<sup>1</sup> of 5 gene regions associated with dependence susceptibility varying by ethnicity and gender (FY 2007), 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 (FY 2005).

**(3) The agency should describe the performance target for FY 2010 and how the agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2010.**

The FY 2010 target is to replicate genetic markers that identify differences in treatment response and/or vulnerability to dependence. 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 replicate and confirm the genetic contributions of identified genetic markers to treatment response. This builds on knowledge gained through genetics and other research, showing for example, that individuals with specific gene variants controlling enzymes 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 data sets; 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<sup>2</sup> 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,

<sup>1</sup> A way of referring to a collection of gene types (genotypes) that includes several, closely linked genes on a chromosome.

<sup>2</sup> Single Nucleotide Polymorphisms (SNPs): DNA sequence variations that occur when a single nucleotide (A, T, C, or G) in the genome sequence is altered.

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. Performance Office in the Division of Program Coordination, Planning, and Strategic Initiatives oversees data validation and quality control of performance data submitted.

#### *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**

**Measure 1: SRO-8.7 Identify three effective implementation strategies that enhance the uptake of research-tested interventions in service systems such as primary care, specialty care and community practice.**

**Table 1: Measure 1**

FY 2007 Actual	FY 2008 Actual			
	Identified characteristics of facilities that predicted their use of evidence based programs (EBPs) and which EBPs they used.	Establish collaborative partnerships with at least 2 criminal justice agencies across the US to participate with NIDA investigators in studies of implementation processes	12 Research Centers identified a state or local criminal justice partner in preparation for protocol development.	Develop collaborative protocols to test implementation models of treatment interventions in the criminal justice system

**(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 separates scientific discoveries from their integration into community and other practice settings. 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, NIDA strives to make research-based treatments user friendly, cost effective, and available to a broad range of practitioners and their patients.

There are high rates of drug abuse among people involved with the criminal justice system. It is estimated that 70-85 percent of state inmates are in need of drug abuse treatment, yet only about 13 percent receive it while incarcerated. About 600,000 inmates per year are released back into the community, often without having received drug abuse treatment in prison or being connected to community-based drug treatment for continuing care. Left untreated, drug addicted offenders often relapse to drug use and return to criminal behavior. This jeopardizes public health and public safety and leads to re-arrest and re-incarceration, which exacerbates already high burdens on the criminal justice system.

To better address public health and safety concerns, a treatment model within the criminal justice system is needed that fits the chronic nature of addictive disorders, and ensures a continuity of treatment

corresponding to the needs of the patient. Such an integrated model should be designed not only to incorporate the best criminal justice practices and therapeutic services but also to use the best organizational practices to deliver them.

To improve existing drug treatment for criminal justice populations and inform the development of integrated treatment models, NIDA established in 2002 a multisite research cooperative program, the national Criminal Justice Drug Abuse Treatment Studies (CJ-DATS), which aligns with NIDA's multi-pronged approach to more rapidly move promising science-based addiction treatments into community settings. CJ-DATS, with twelve Research Centers and one Coordinating Center across the country, represents a collaboration of NIDA with the Substance Abuse and Mental Services Administration, Centers for Disease Control and Prevention, Department of Justice agencies, and a host of drug treatment, criminal justice, and health and social service professionals.

Since its inception, CJ-DATS has contributed to a significant body of research to describe existing treatment practices in the criminal justice system and to develop and test the effectiveness of specific interventions. The implementation of research-based drug abuse treatment practices in criminal justice settings, however, often faces clinical, administrative, organizational, and policy barriers. Many research-based clinical interventions and treatment services have not been adopted for criminal justice populations. Consequently, relatively few drug-involved offenders benefit from them. While various implementation barriers are often surmounted during the course of research, these research solutions seldom translate into sustainable gains in practice.

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 criminal justice settings. To transition validated treatment strategies into effective and sustainable treatment for criminal justice populations, this measure is testing implementation and quality improvement strategies of effective treatment interventions within the criminal justice system. SRO-8.7 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*.

As CJ-DATS enters its second phase, research will be conducted on the effective implementation and sustainability of improvements in the quality of drug abuse treatment for criminal justice populations. The objective of this present phase of research is on the process of implementation and quality improvement. It is not to test the clinical efficacy or effectiveness of treatment interventions per se, outside the context of implementation research.

An essential component of implementation research is organizational change. Research that focuses on organizational level processes is expected to produce higher-quality treatment services, practices, and processes that are more likely to be sustainable over time. Several different models for organizational change are found in the quality improvement literature, in research on implementation and technology transfer, in management science literature, and in studies of inter-organizational relationships and cross-agency collaboration. The processes to implement new treatment services may require changes in clinical or administrative infrastructure and practices that in some respects parallel individual behavioral change processes.

In this goal CJ-DATS will undertake implementation research around interventions in 3 areas:

(1) Implementation of a clinical assessment to identify drug abuse and related behavioral or health problems and to use in treatment planning and re-entry.

(2) Implementation of an intervention. Interventions presently being considered include: approved drug abuse medications intended for a purpose other than detoxification (e.g., maintenance with an opiate agonist, antagonist, or partial agonist/antagonist), which are not currently in use in the criminal justice setting; or antiretrovirals for HIV treatment.

(3) Developing an HIV continuum of care. Specific HIV interventions under consideration include: Screening and counseling for HIV and other infectious diseases; HIV risk reduction interventions; continuity of HIV antiretroviral treatment from prison or jail into the community.

These studies will generate much needed information on how to implement evidence-based practices in the criminal justice system in order to increase the numbers of individuals receiving high-quality services; improve the use of resources; increase staff expertise, training, or other capacities, and reduce staff turnover; modify organizational climate and culture to facilitate adoption and improve treatment practices; or increase adherence to best organizational and clinical practices and processes. Depending on the study, outcome measures may also include distal individual-level outcomes (e.g., return to drug use, reincarceration, HIV risk behaviors).

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 2009 actual performance results with the FY 2009 target, as well as prior year actuals. If the performance target was not achieved for FY 2009, 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 2009 target was to establish collaborative partnerships with at least 2 criminal justice agencies across the United States to participate with NIDA investigators in studies of implementation processes. NIDA met this target by having each of 12 Research Centers identify a state or local criminal justice partner in preparation for protocol development. The role of the criminal justice partner is to:

- review research implementation approaches,
- establish liaisons with criminal justice and correctional entities for their Research Center, and
- facilitate the study of implementation approaches for drug abuse treatment and HIV interventions in their criminal justice/correctional settings.

FY 2009's target and achievement builds upon previous year actuals, which initiated two studies to develop and test models for implementing research-supported drug treatment interventions in the criminal justice system (FY 2008).

**(3) The agency should describe the performance target for FY 2010 and how the agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2010.**

The FY 2010 target is to develop collaborative protocols to test implementation models of treatment interventions in the criminal justice system. To meet this target, NIDA will continue to support CJ-DATS

and its partners as they undertake the next step towards conducting research on the effective implementation of drug abuse treatment for criminal justice populations by developing collaborative protocols to assess process and quality improvement and its sustainability within the criminal justice system.

**(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*

CJ-DATS's priority is to study implementation approaches in criminal justice settings in order to facilitate the translation of evidence-based practices into routine care. Since CJ-DATS's priority is the collection of scientific data, CJ-DATS follows scientific guidelines and procedures in collecting, verifying, cleaning, analyzing, and reporting data. These procedures ensure that the data meet scientific standards and can reliably and effectively be used to advance NIDA's goal of improving substance abuse treatment. Towards this end, NIDA's CJ-DATS requires a protocol for each study which describes the study in enough detail to dictate what will be done: major research questions and hypotheses to be tested, a sequence and timeline for planning and implementing the study, a list of instruments to be used, target population characteristics, and proposed sample size.

There is a thorough process for the development of CJ-DATS protocols to ensure that they are able to provide valid, reliable and useful data. Briefly, research concepts are proposed by CJ-DATS Research Centers and submitted to the Research Management (RM) Subcommittee of the Steering Committee (SC) for a critical review of the concept, focusing on scientific and technical issues (e.g., research design, measurement issues, analytic strategies, participation of criminal justice and drug treatment partners, budget for the study). The RM then makes a recommendation to the SC for approval or other action for the final concept. Concepts approved by the SC may proceed to protocol development, which is also reviewed by the RM and SC. The SC evaluates whether the proposed protocol:

- Is within the scope of the research framework established by NIDA;
- Considers systems-level factors in the criminal justice system and, as appropriate, in the drug abuse treatment system;
- Furthers our ability to improve the quality of treatment services offered to drug-disordered offenders during incarceration, during transition from incarceration to community reentry, and after reentering the community;
- Responds to stakeholder needs and priorities, including those of criminal justice administrators and staff; drug abuse, mental health, and primary health care providers; and policy makers;
- Creates generalizable evidence-based practices, processes, and procedures;
- Capitalizes on the CJ-DATS research infrastructure to increase knowledge about effective models of integration with the criminal justice systems, public health and social service systems, and the drug abuse treatment system; and
- Uses rigorous study designs in order to yield valid and reliable findings.

Performance Office in the Division of Program Coordination, Planning, and Strategic Initiatives oversees data validation, quality control of performance data submitted, and unbiased presentation.



For each treatment protocol, NIDA's CJ-DATS explicitly outlines the extensive process for ensuring the data are collected, verified, cleaned, analyzed, and reported in a systematic and consistent manner. Because the protocols for the second wave of CJ-DATS have not yet been established, we cannot outline their procedures for ensuring data accuracy. However, below is an example of those procedures for a protocol conducted in the first wave of CJ-DATS, which will serve as a model for the upcoming CJ-DATS protocols:

Lead Center Data Management Unit staff established procedures to ensure quality control in the collection, entry, verification, and documentation of data. First, they established data tracking, collection and quality control procedures to assure the collection of accurate data in a timely fashion. Second, they developed data collection forms recognizable by TELEForm scanners. Third, the quality of the completed assessment forms was examined prior to scanning. Fourth, forms were scanned initially and then again as a verification procedure. TELEForm scanning software alerts users of inconsistencies in the data, ensuring accuracy of the database. Procedures were put in place to clearly distinguish forms initially scanned from forms scanned for verification. Fifth, data were exported as an SPSS system file. Sixth, all fields were fully documented in a data dictionary.

For Session Planning and Implementation Logs used to monitor adherence, data were scanned and summary reports generated monthly to monitor fidelity of the treatment delivery in real time. Project Coordinators at collaborating centers scanned and emailed their data on a monthly basis. The LC data managers evaluated the data for discrepancies, out of range values, outliers, or other inaccuracies. If incomplete or inaccurate data were found, a data clarification request was forwarded to the local RC for a response. The local Project Coordinator resolved any identified inconsistencies and errors within 2 weeks. The quality of the data was monitored once per month. The LC provided data collection forms and codebooks to the CC, as well as cleaned data files on a quarterly basis and on completion of each data collection phase of the project. Data from the participating Research Centers were pooled and submitted to the DSMB on a quarterly basis for independent analyses.

*Missing data:*

Missing data can pose analytic and interpretive problems. The investigators developed and used the same tracking procedures that in previous studies have consistently yielded follow-up rates over 95% up to 4 years post-intake. However, some attrition is unavoidable. The impact of expected attrition was reduced by over-sampling to ensure replacement of those ineligible due to being placed directly from detention into long-term residential facilities (an additional 20 youth from each RC, expecting 15% to be dropped from the study by the end of phase 1 because they cannot participate in phase 2 interventions). The target sample was 120 adolescents from each RC (total sample of 480). Analyses were conducted to identify patterns of attrition and to determine if there is differential attrition by treatment condition. Attrition between conditions was captured by contact logs and follow-up tables. To minimize any impact of attrition on the hypothesis tests, an intent-to-treat data analysis was used. Missing items from multi-item scales were imputed using multiple imputation; however, missing outcome measures (due to missing a research assessment) were not imputed. Instead, latent growth-curve modeling (LGM) provides Full Information Maximum Likelihood estimation procedures, which produced accurate parameter estimates when cases with missing assessments are included in the analyses (assuming the data are missing at random).

*Randomization checks:*

To determine if randomization was effective, ethnicity, gender, number of co-occurring diagnoses, age, years using drugs, probation status, and number of lifetime arrests and detentions were compared at baseline between program's treatment conditions. Chi-square tests for two independent samples were used

for the categorical variables, and one-way analysis of variance for the continuous variables. Should any of the analyses be statistically significant, such differences were adjusted by creating a propensity score (which is analogous to a multivariate covariate). Propensity scores were estimated by logistic regression using treatment condition as the dependent variable and background characteristics as model covariates. Analyses include propensity score as a covariate, controlling for differences in treatment condition at entry into the study (e.g., possible selection bias).

*Methodology Used to Establish Targets/Actuals*

The targets to date have been to establish the network, its collaborations and develop protocols for implementation. These targets were established based on the initial steps that must be taken prior to conducting a research study. Upcoming targets will be established based on the protocols that are currently under development. As is discussed above, these protocols undergo a rigorous review process to determine what research areas hold the most promise for filling gaps and should be prioritized for testing. The target values will be based on sound methodological procedures and related timelines set for each protocol. While these methodologies cannot precisely predict the course of a study, the likely path of implementation and timing is based on knowledge gained from earlier research and will be used to generate the targets for this measure.

*Data Sources*

Each site conducting a CJ-DATS study is responsible for the collection, cleaning, and documentation of data in that study. The data must conform to predetermined parameters described in the written protocols which establish how, what, and when the data are collected. The data are then transmitted to the coordinating center, which is responsible for monitoring data files. An Information Management (IM) work group provides oversight and direction for data management, cleaning, and archiving of data. The data are stored confidentially and provide the resource for data analysis to determine program success.



JAN 15 2010

**TO:** Daryl Kade  
Chief Financial Officer  
Office of Policy, Planning, and Budget  
Substance Abuse and Mental Health Services Administration

**FROM:**   
for Joseph E. Vengrin  
Deputy Inspector General for Audit Services

**SUBJECT:** Independent Attestation Review: Substance Abuse and Mental Health Services Administration Fiscal Year 2009 Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions (A-03-10-00352)

The purpose of this report is to provide 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 accompanying required assertions for fiscal year (FY) 2009.

Pursuant to 21 U.S.C. § 1703(b)(13), each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP) an evaluation of the progress of the agency with respect to drug control program goals using the performance measures established for that agency. Section 1703(d)(7) authorizes ONDCP to “monitor implementation of the National Drug Control Program, including – (A) conducting program and performance audits and evaluations.” ONDCP may request “assistance from the Inspector General of the relevant agency in such audits and evaluations.” Section 7 of the ONDCP Circular entitled “Drug Control Accounting,” dated May 1, 2007, provides the reporting requirements to comply with section 1703(b)(13). Section 8 of the ONDCP Circular requires the Office of Inspector General to express a conclusion about the reliability of each assertion made in each Performance Summary Report for National Drug Control Activities.

Pursuant to 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Circular, we reviewed the attached SAMHSA report entitled “FY 2009 Performance Summary Report for National Drug Control Activities” and accompanying required assertions, dated December 22, 2009. We conducted our attestation review 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

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which is to express an opinion on management's assertions contained in its report; accordingly, we do not express such an opinion.

### **SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION PERFORMANCE SUMMARY REPORT**

SAMHSA's report included assertions for four measures of National Drug Control Program activities. The four measures were (1) percentage of clients reporting abstinence from illegal drug use at discharge, (2) percentage of States showing an increase in State-level estimates of survey respondents (aged 12–17) who rate the risk of substance abuse as moderate or great, (3) percentage of clients reporting no past-month arrests, and (4) percentage of program participants (aged 18 and up) who rate the risk of substance abuse as moderate or great.

We performed review procedures on the performance summary report and accompanying required assertions. In general, we limited our review procedures to inquiries and analytical procedures appropriate for our attestation review.

### **OFFICE OF INSPECTOR GENERAL CONCLUSION**

Based on our review, nothing came to our attention that caused us to believe that SAMHSA's performance summary report for FY 2009 and management's assertions accompanying its report were not fairly stated, in all material respects, based on the ONDCP Circular entitled "Drug Control Accounting," dated May 1, 2007.

\*\*\*\*\*

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, please contact me, or have your staff call Stephen Virbitsky, Regional Inspector General for Audit Services, Region III, at (215) 861-4470.

Attachment


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# ATTACHMENT

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**MEMORANDUM TO:** Director  
Office of National Drug Control Policy

**THROUGH:** Norris Cochran  
Deputy Assistant Secretary, Budget

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

**SUBJECT:** Assertions Concerning Performance Summary Report

**DATE:** December 22, 2009

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.

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**FY 2009 Performance Summary Report for National Drug Control Activities**

**Decision Unit 1: Substance Abuse Prevention and Treatment Block Grant (SAPTBG)**

**Measure 1: Percent of clients reporting abstinence from illegal drug use at discharge**

**Table 1: Measure 1**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Target</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
Not available	68.3%	73.7%	69.3%	73.7%	73.7%	To be reported Nov. 2010	73.7%

Note: Data on this measure were reported beginning in 2006.

(1) Measure 1 is the percent of clients in public substance abuse treatment programs who are abstinent from illegal drug use at discharge. The measure relates directly to a key goal of the Block Grant Program, that is, to assist clients in achieving abstinence through effective substance abuse treatment. This measure allows SAMHSA to gauge the extent to which this program addresses this key objective. This 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) Because of the lag in the reporting system, actual data for FY 2009 will not be available until November 2010. However, the target for FY 2008 was exceeded.

(3) The performance targets for FY 2009 and FY 2010 were also set at 73.7%. Changing economic conditions, especially at the State level, can be expected to negatively impact substance abuse treatment programs throughout the country, thus stability in program outcomes and outputs is somewhat questionable. SAMHSA will continue to work with States to monitor progress in accomplishing treatment goals and will provide technical assistance as needed. It is expected that the FY 2009 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

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available at [http://www.dasis.samhsa.gov/dasis2/manuals/teds\\_admin\\_manual.pdf](http://www.dasis.samhsa.gov/dasis2/manuals/teds_admin_manual.pdf) and  
[http://www.dasis.samhsa.gov/dasis2/manuals/teds\\_manual.pdf](http://www.dasis.samhsa.gov/dasis2/manuals/teds_manual.pdf) .

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**Decision Unit 1: Substance Abuse Prevention and Treatment Block Grant (SAPTBG)**

**Measure 2: Percent of states showing an increase in state-level estimates of survey respondents who rate the risk of substance abuse as moderate or great (age 12-17)**

**Table 2: Measure 2**

FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
Not Available	Not Available	Baseline	45.1%	45.1%	47.1%	45.1%	To be reported Aug 2010	45.1%

NOTE: Data has changed from previously reported. Previously, data was reported as a result for the following year. For example, results for 2008 reflected data collected in 2007. In order to achieve consistency across SAMHSA, reporting has been revised so that results reflect data actually collected in that year. However, in the case of the SAPT, the NSDUH state estimates published in FY2008 are used for the FY2008 Actual. These data were gathered during the 2006/2007 compliance years.

(1) Measure 2, for Decision Unit 1 (SAPTBG), is to increase the percentage of states showing an increase in state levels of perceived risk of harm of substance use as measured by the National Survey on Drug Use and Health (NSDUH).

Increasing statewide levels of perceived risk of harm of substance use supports the first goal of the National Drug Control Strategy: stopping use before it starts. 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. Perceived risk of substance use and abuse is a particularly important factor because of the role lower perceived risk plays in an individual's decision to change from abstaining from substance use to being a user.

For example, a longitudinal study of 725 college students examined the efficacy of a marijuana prevention program. Risk perception was found to be significantly correlated with current use. The findings suggest that for abstainers, perceived risk and the potential negative consequences of marijuana use may serve a protective role against the initiation of marijuana use.<sup>1</sup> There is also 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 of marijuana in 1992 preceded a substantial increase in use beginning in 1993.<sup>2</sup>

<sup>1</sup> Kilmer, J.R., Hunt, S.B., Lee, C.M., & Neighbors, C. (2007). Marijuana use, risk perception, and consequences: Is perceived risk congruent with reality? *Addictive Behaviors, 32*(12), 3026-3033.

<sup>2</sup> Johnston, L. D., O'Malley, P. M., Bachman, J. G., & Schulenberg, J. E. (2009). *Monitoring the Future national survey results on drug use, 1975-2008: Volume I, Secondary school students* (NIH Publication No. 09-7402). Bethesda, MD: National Institute on Drug Abuse, p. 340.

The NSDUH is a self-report questionnaire. Respondents select from a list of available responses to characterize their perceived risks of substance abuse. For instance, the NSDUH contains the following question about the perceived risk of binge drinking:

*"How much do people risk harming themselves physically and in other ways when they have five or more drinks of an alcoholic beverage once or twice a week?" [Response options: No risk, slight risk, moderate risk, great risk, "don't know"]*

Respondents who indicate that binge drinking poses either a moderate or a great risk are considered to have the positive attitude. For purposes of measuring SAPT Block Grant performance, a state has improved if there are increased rates of the positive attitudes in their population on at least two of the following: perceived risk of binge drinking, perceived risk of regular cigarette use and perceived risk of regular marijuana use. The percentage of total states (including D.C.) showing such an improvement is reported here.

Performance on these measures can be used in program management in a number of ways. CSAP performs additional analyses to track state trends in perceived risk and also produces tables comparing state levels of various risk factors to the national median. These analyses appear in the State NOMs and Trends & Directions reports. These tools are used by Project Officers with their states in identifying any technical assistance needs to help improve any results indicated.

(2) FY 2007 is the baseline year for results. The baseline was 45.1%. The target for FY 2008 was 45.1% also. The FY 2008 actual was 47.1% which exceeded the target.

(3) The targets for FY 2009 and FY 2010 are the same as the FY 2007 actual reported. This is because the targets were set before the FY 2008 actual was obtained. Given the current economic context, we are hopeful that we can maintain the improvements gained in FY 2008. FY 2009 actuals will be reported in August 2010.

(4) Data for this measure are 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>. As described by the Office of Applied Studies, extensive methodological testing has been conducted on the NSDUH survey and data processing procedures.

Since most state-level sample sizes are too small for statistical reliability, CSAP pools two years of data to estimate state-level figures. Pooling data may understate improvements, while random sampling errors may lead to an overstatement of improvements.

Information on any data problems identified is transmitted to the Government Project Officer for the CSAP Data Analytic Coordination and Consolidation Center (DACCC), which works with the program Government Project Officers and grantees and contractors to identify a resolution. Communications are supported by regularly submitted program data inventories, and by data cleaning procedures. Grantees are instructed in the use of data collection protocols through grantee meetings and questionnaire administrative guides.

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

Measure 3: Percent of clients reporting no past month arrests

Table 3: Measure 3

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
96%	96%	96%	96%	96%	94%	95.6%	95%

(1) Measure 3 is the percent of clients served by the capacity portion of the PRNS portfolio<sup>3</sup> who report no past month arrests. A key component of the Program is to ensure that clients receive a comprehensive array of services to achieve improvements in quality of life. This measure supports a primary objective of assisting clients to increase productivity and remain free from criminal involvement. In addition, this measure relates directly to and supports the national drug control strategy.

This measure of percentage of clients with no past month arrests is monitored routinely throughout the period of performance of the program.

(2) CSAT exceeded the target for FY 2009 with an actual rate of 95.6%.

(3) The target for FY 2010 is 95%. 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.

(4) CSAT is able to ensure the accuracy and 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.

<sup>3</sup> PRNS capacity programs: Targeted Capacity Expansion (TCE)/General, TCE/HIV and HIV 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 Services – Recovery, Recovery Community Services – Facilitating, Co-Occurring State Incentive Grants, and Child and Adolescent State Incentive Grants.

**Decision Unit 3: CSAP Programs of Regional and National Significance (PRNS)**

**Measure 4: Percent of program participants who rate the risk of substance abuse as moderate or great (age 18 and up) (Minority AIDS Initiative: Substance Abuse Prevention, HIV Prevention and Hepatitis Prevention for Minorities and Minorities Re-entering Communities Post-Incarceration [HIV])**

**Table 4: Measure 4**

FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
Not Available	Not Available	Baseline	94.4%	84.2%	96.5%	85.1%	To be reported Aug. 2010	93%

NOTE: Data has changed from previously reported. Previously, data was reported as a result for the following year. For example, results for 2008 reflected data collected in 2007. In order to achieve consistency across SAMHSA, reporting has been revised so that results reflect data actually collected in that year. However, in the case of the SAPT, the NSDUH state estimates published in FY2008 are used for the FY2008 Actual. These data were gathered during the 2006/2007 compliance years.

(1) Measure 4 is for Decision Unit 3, CSAP Programs of Regional and National Significance (PRNS). CSAP PRNS comprises a collection of activities, primarily the Strategic Prevention Framework State Incentive Grants and the HIV Initiative. A measure from the latter is shown to represent CSAP PRNS.

Increasing statewide levels of perceived risk of harm of substance use supports the first goal of the National Drug Control Strategy: stopping use before it starts. 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. Perceived risk of substance use and abuse is a particularly important factor because of the role lower perceived risk plays in an individual's decision to change from abstaining from substance use to being a user.

For example, a longitudinal study of 725 college students examined the efficacy of a marijuana prevention program. Risk perception was found to be significantly correlated with current use. The findings suggest that for abstainers, perceived risk and the potential negative consequences of marijuana use may serve a protective role against the initiation of marijuana use.<sup>4</sup> There is also 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 of marijuana in 1992 preceded a substantial increase in use beginning in 1993.<sup>5</sup>

<sup>4</sup> Kilmer, J.R., Hunt, S.B., Lee, C.M., & Neighbors, C. (2007). Marijuana use, risk perception, and consequences: Is perceived risk congruent with reality? *Addictive Behaviors*, 32(12), 3026-3033.

<sup>5</sup> Johnston, L. D., O'Malley, P. M., Bachman, J. G., & Schulenberg, J. E. (2009). *Monitoring the Future national survey results on drug use, 1975-2008: Volume I, Secondary school students* (NIH Publication No. 09-7402). Bethesda, MD: National Institute on Drug Abuse, p. 340.

These results represent the percent of HIV Cohort 6 participants at program exit who report the rate the risk of substance use as moderate or great. Respondents select from a list of available responses to characterize their attitudes about the risks of substance abuse. For instance, the questionnaire contains the following question about the perceived risk of binge drinking:

*"How much do people risk harming themselves physically and in other ways when they have five or more drinks of an alcoholic beverage once or twice a week?" [Response options: No risk, slight risk, moderate risk, great risk, "don't know"]*

Respondents who indicate that binge drinking poses either a moderate or a great risk are considered to have the positive attitude. The number reported is the percentage of all exit surveys gathered during the fiscal year that indicated a positive attitude on at least one of the following: perceived risk of binge drinking, perceived risk of regular cigarette use and perceived risk of regular marijuana use.

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. Results can also be used by Government Project Officers in identifying any technical assistance needs to help improve any results indicated.

(2) HIV This program began reporting data in FY 2007. The FY 2007 data represent the baseline which has been updated and finalized at 94.4%. FY 2008 final results exceeded the FY 2008 target substantially, reaching 96.5%. The FY 2008 and FY 2009 targets (84.2% and 85.1% respectively) were established prior to obtaining the final baseline result for FY 2007.

(3) The target for FY 2010 is 93.0%, about 8 percentage points higher than the FY 2009 target. Given the current economic context, we are hopeful that we can maintain the improvements gained in FY 2008. FY 2009 actuals will be reported in August 2010.

(4) HIV data are collected through standardized instruments by the grantees. The outcome measures on these questionnaires include items from other validated instruments such as Monitoring the Future and NSDUH. These data are typically entered into an online data entry system, although grantees may perform data entry and validation functions offline and upload the data as one or more files.

Data received are carefully collected, cleaned, analyzed and reported by the Data Analysis Coordination and Consolidation Center (DACCC). The DACCC reviews the data for completeness and accuracy using a set of uniform cleaning rules. Information on any data problems identified is transmitted to the DACCC Government Project Officer, who works with the program Government Project Officers and grantees to identify a resolution. Grantees also receive instruction on the data collection protocols at grantee meetings and through survey administration guides.

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# Tab C



Homeland  
Security

JAN 27 2010

MEMORANDUM FOR: David V. Aguilar  
Acting Deputy Commissioner  
United States Customs and Border Protection

From:   
Richard L. Skinner  
Inspector General

Subject: *Independent Review of the U.S. Customs and Border Protection's  
Reporting of FY 2009 Drug Control Performance Summary Report*

Attached for your information is our report, *Independent Review of the U.S. Customs and Border Protection's Reporting of FY 2009 Drug Control Performance Summary Report*. 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.

U.S. Customs and Border Protection did not provide the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* for all performance measures, resulting in a deviation from the disclosure requirement of the Office of National Drug Control Policy Circular. In addition, CBP was unable to assert that the methodology to establish performance targets is reasonable and applied. Apart from not providing these performance targets and assertions, nothing came to KPMG LLP's attention that caused them to believe the Performance Summary Report is not presented, in all material respects, in conformity with the Office of National Drug Control Policy's Circular. As such, this report contains no recommendations.

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

Attachment



# Department of Homeland Security Office of Inspector General

## Independent Review of the U.S. Customs and Border Protection's Reporting of FY 2009 Drug Control Performance Summary Report







Homeland  
Security

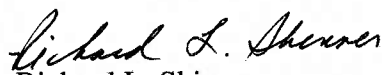
JAN 27 2010

### 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. Customs and Border Protection for the fiscal year ending September 30, 2009, for the Office of National Drug Control Policy. We contracted with the independent public accounting firm KPMG LLP to perform the review. The U.S. Customs and Border Protection prepared the Performance Summary Report and management assertions to comply with requirements of the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007. The U.S. Customs and Border Protection did not provide the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* for all performance measures, resulting in a deviation from the disclosure requirement of the Office of National Drug Control Policy Circular. In addition, the U.S. Customs and Border Protection was unable to assert that the methodology to establish performance targets is reasonable and applied. Apart from not providing these performance targets and assertions, nothing came to KPMG LLP's attention that caused them to believe the Performance Summary Report is not presented, in all material respects, in conformity with the Office of National Drug Control Policy's Circular. KPMG LLP is responsible for the attached independent accountants' report dated January 20, 2010, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report and management's assertions.

We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

  
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) Customs and Border Protection (CBP) for the year ended September 30, 2009. We were engaged to review the accompanying management's assertions for the year ended September 30, 2009. CBP's management is responsible for the preparation of the Performance Summary Report and assertions for compliance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 (Circular).

The ONDCP Circular requires management to make certain assertions related to the accuracy and completeness of the Performance Summary Report. Management was unable to assert that the methodology to establish performance targets is reasonable and applied, as required by the ONDCP Circular. In accordance with applicable professional standards, since management was unable to make an assertion that is required by the ONDCP Circular, we limited our review procedures to the Performance Summary Report only, and we are unable to provide a report on management's assertions pursuant to the requirements of the ONDCP Circular.

Our review of the Performance Summary Report 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. Accordingly, we do not express such an opinion.

In addition, our review disclosed that CBP has not provided the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* resulting in a deviation from the disclosure criteria required by the ONDCP Circular.

Based on our review, except for the deviation from the criteria described in the preceding paragraph, nothing came to our attention that caused us to believe that the Performance Summary Report for the year ended September 30, 2009 is not presented, in all material respects, in conformity with ONDCP's Circular.

This report is intended solely for the information and use of the management of DHS and CBP, 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 20, 2010

**Performance Summary Report  
U.S. Customs and Border Protection  
FY 2009**

**Measure 1: Inspection Narcotics Seizures – Cocaine, in pounds**

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
CBP Air and Marine	196,850	101,993	188,561	129,043	63,521
Office of Border Patrol	12,338	12,885	14,242	9,268	10,907
Office of Field Operations	53,700	53,755	78,568	40,459	61,521
<b>CBP TOTAL</b>	<b>262,888</b>	<b>168,633</b>	<b>281,371</b>	<b>178,770</b>	<b>135,949</b>

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP’s overall mission to secure the nation’s borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP’s border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of cocaine seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.
  
- (2) **Prior Years Performance Targets and Results** - In FY 2009, CBP seized a total of 135,949 pounds of cocaine, which is a 24% decrease from FY 2008. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2009 and will not provide drug interdiction targets for FY 2010.
  
- (3) **Current Year Performance Targets** - One of CBP’s Strategic Goals, “Secure our Nation’s borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel” has as its performance objective “Use a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States.” While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP’s deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.
  
- (4) **Quality of Performance Data** - BorderStat is now CBP’s official statistical reporting system on all enforcement and operational statistical data across CBP’s operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager’s Dashboard, COMPStat,

and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP's operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2009. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

**Measure 2: Inspection Narcotics Seizures – Marijuana, in pounds**

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
CBP Air and Marine	79,369	110,781	308,792	245,699	1,052,771
Office of Border Patrol	1,211,823	1,369,602	1,859,299	1,647,166	2,591,215
Office of Field Operations	48,300	489,434	618,046	579,066	686,341
<b>CBP TOTAL</b>	<b>1,339,492</b>	<b>1,969,817</b>	<b>2,786,137</b>	<b>2,471,931</b>	<b>4,330,327</b>

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP's overall mission to secure the nation's borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP's border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of marijuana seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.
- (2) **Prior Years Performance Targets and Results** - In FY 2009, CBP seized a total of 4,330,327 pounds of marijuana, which is a 75% increase from FY 2008. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2009 and will not provide drug interdiction targets for FY 2010.
- (3) **Current Year Performance Targets** - One of CBP's Strategic Goals, "Secure our Nation's borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel" has as its performance objective "Use a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States." While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered.

- (4) **Quality of Performance Data - BorderStat** is now CBP’s official statistical reporting system on all enforcement and operational statistical data across CBP’s operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager’s Dashboard, COMPStat, and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP’s operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2009. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

**Measure 3: Inspection Narcotics Seizures – Heroin in pounds**

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
CBP Air and Marine	52	143	10	256	1
Office of Border Patrol	187	172	117	46	191
Office of Field Operations	2,500	2,452	2,040	1,876	1,819
<b>CBP TOTAL</b>	<b>2,739</b>	<b>2,767</b>	<b>2,167</b>	<b>2,178</b>	<b>2,011</b>

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP’s overall mission to secure the nation’s borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP’s border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of heroin seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.
- (2) **Prior Years Performance Targets and Results** - In FY 2009, CBP seized a total of 2,011 pounds of heroin, which means there is 8% decrease from FY 2008. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2009 and will not provide drug interdiction targets for FY 2010.
- (3) **Current Year Performance Targets** - One of CBP’s Strategic Goals, “Secure our Nation’s borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel” has as its performance objective “Use a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror

into the United States.” While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP’s deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.

- (4) **Quality of Performance Data** - BorderStat is now CBP’s official statistical reporting system on all enforcement and operational statistical data across CBP’s operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager’s Dashboard, COMPStat, and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP’s operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2009. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

**JAN 19 2010**



**U.S. Customs and  
Border Protection**

MEMORANDUM FOR: Richard L. Skinner  
Inspector General  
Department of Homeland Security

FROM: Eugene H. Schied  
Assistant Commissioner  
Office of Administration

SUBJECT: Management's Assertions for U.S. Customs and Border  
Protection's Drug Seizure Data

In compliance with the Drug Control Accounting Circular (the Circular) dated May 2007, U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to the Office of National Drug Control Policy (ONDCP). The report contains the results of CBP performance in support of the National Drug Control Strategy.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied—CBP has a system to capture performance information accurately and the system was properly applied to generate the performance data. The source of the data is the CBP BorderStat data system. BorderStat pulls data from disparate sources and is the CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP's operational components. BorderStat is a live information technology system and, as a result, historical data will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizure data that was previously reported.
- (2) Explanations for not meeting performance targets are reasonable based on the following wording in the guidance: "An assertion shall be made regarding reasonableness of any explanation . . . for revising or eliminating performance targets."
- (3) Adequate performance measures exist for all significant drug control activities—CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports. Each performance measure considers the intended purpose of the National Drug Control Program Activity.
- (4) CBP is currently working with the DHS Office of Counter Narcotics Enforcement (ONCE) and ONDCP to identify and develop new drug-related outcome based measures with targets that are based on sound methodology.
- (5) To resolve past conflicts over the appropriateness of drug seizure statistics as performance indicators, and to resolve auditor-identified weaknesses, CBP reached an agreement with ONDCP to select and implement alternative drug control activity performance measures for the Fiscal Year (FY) 2010 and all future Performance Summary Reports. While the selection of alternative performance measures has not yet

While the selection of alternative performance measures has not yet been finalized, CBP has been examining the feasibility of providing counterdrug performance measures in addition to and/or other than drug seizure statistics for FY2010 that would both meet the targeting requirements set forth in the 2007 ONDCP Accounting Circular as well as adequately reflect CBP's drug control activities.

CBP cannot make the following assertion at this time:

- (1) Methodology to establish performance targets is reasonable and applied.

CBP reiterates its longstanding opposition to setting drug seizure performance targets because these targets are misleading. Such performance measures focus only on the amounts of cocaine, marijuana, and heroin seized at and between the ports of entry by or with the participation of CBP Officers, Border Patrol Agents, and Air Interdiction Agents, rather than on the efficacy of interdiction efforts to constrict the inbound flow of drugs into the United States. CBP considers a reduction in drug seizures as a positive indicator of CBP's deterrence efforts on the border. While drug seizures constitute a component of the mission, seizing drugs is not the ultimate goal. In fact, as CBP's interdictory strategy is implemented and mission effectiveness increased, the amount of seizures will actually decrease. Additionally, CBP believes that measuring success by agency seizures creates a competitive environment leading to less collaborative partnerships, team work, and sharing of information. Where partnerships do exist, the results can be mutually beneficial.

CBP believes that seizure data can be an important tool to measure results when these metrics are combined with discussion and assessment to assist with improving operations. Performance targets alone may offer an incorrect assessment of agency success, particularly if they do not focus on the correct strategic factors. Setting a target may also give importance to achieving a numerical goal and imply that agency resources should be expended toward this end, even if it is not aligned with agency strategies and goals.

Even though CBP maintains that its explanations for not setting drug seizure performance targets are reasonable, as CBP is currently seizing 100 percent of all drugs encountered, CBP will continue to work with DHS and the ODNCP to implement alternative performance measures for drug control activities agreed upon for the FY2010 Performance Summary Report.

To address any questions you have regarding this submission, please contact me at (202) 344-2300, or a member of your staff may contact Mr. Carl Sublett, Performance Improvement Officer (PIO), at (202) 344-3838.



Eugene H. Schied



## Report Distribution

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The OIG seeks to protect the identity of each writer and caller.



# Homeland Security

JAN 27 2010

MEMORANDUM FOR: The Honorable John T. Morton  
Assistant Secretary  
United States Immigration and Customs Enforcement

From: *Richard L. Skinner*  
Richard L. Skinner  
Inspector General

Subject: *Independent Review of the U.S. Immigration and Customs  
Enforcement's Reporting of FY 2009 Drug Control Performance  
Summary Report*

Attached for your information is our report, *Independent Review of the U.S. Immigration and Customs Enforcement's Reporting of FY 2009 Drug Control Performance Summary Report*. 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.

U.S. Immigration and Customs Enforcement did not provide the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* for all performance measures resulting in a deviation from the disclosure criteria required by the Office of National Drug Control Policy Circular. Apart from not providing these performance targets, nothing came to KPMG LLP's attention that caused them to believe the Performance Summary Report and management assertions are not presented, in all material respects, in conformity with the Office of National Drug Control Policy's Circular. As such, this report contains no recommendations.

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

Attachment



# Department of Homeland Security Office of Inspector General

## Independent Review of the U.S. Immigration and Customs Enforcement's Reporting of FY 2009 Drug Control Performance Summary Report





Homeland  
Security

JAN 27 2010

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. Immigration and Customs Enforcement for the fiscal year ended September 30, 2009, for the Office of National Drug Control Policy. We contracted with the independent public accounting firm KPMG LLP to perform the review. The U.S. Immigration and Customs Enforcement prepared the Performance Summary Report and Management Assertions to comply with requirements of the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.

U.S. Immigration and Customs Enforcement did not provide the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* for all performance measures resulting in a deviation from the disclosure criteria required by the Office of National Drug Control Policy Circular. Apart from not providing these performance targets, nothing came to KPMG LLP's attention that caused them to believe the Performance Summary Report and management assertions are not presented, in all material respects, in conformity with the Office of National Drug Control Policy's Circular. KPMG LLP is responsible for the attached independent accountants' report dated January 20, 2010, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report and management's assertions.

We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

*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) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2009. We have also reviewed the accompanying management assertions for the year ended September 30, 2009. 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 the management assertions. Accordingly, we do not express such an opinion.

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

Our review disclosed that ICE has not provided the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* for all performance measures resulting in a deviation from the disclosure criteria required by the ONDCP Circular.

Based on our review, except for the deviation from the criteria described in the preceding paragraph, nothing came to our attention that caused us to believe that (1) the Performance Summary Report for the year ended September 30, 2009 is not presented, in all material respects, in conformity with ONDCP's Circular or that (2) the management assertions referred to above are not fairly stated, in all material respects, based on the criteria set forth in ONDCP's Circular.

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 20, 2010



U.S. Immigration  
and Customs  
Enforcement

January 20, 2010

KPMG LLP  
2001 M St, N.W.  
Washington, D.C. 20036

Ladies and Gentlemen:

We are providing this letter in connection with your review of the Table of Drug Control Obligations and related disclosures and management's assertions of the U.S. Department of Homeland Security's Immigration and Customs Enforcement (ICE) for the fiscal year ended September 30, 2009. We understand that your review was conducted for the purpose of expressing limited assurance that there are no material modifications that should be made to the Table of Drug Control Obligations and related disclosures and management's assertions in order for them to be in conformity with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *Drug Control Accounting*, dated May 1, 2007 and ONDCP Memorandum for Budget Officers dated September 3, 2008. We acknowledge that the information in the Table of Drug Control Obligations and related disclosures and management's assertions is the responsibility of management.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Also, at your request, to supplement information obtained by you from ICE personnel and from the books and records of ICE, we confirm, to the best of our knowledge and belief, the following representations made to you during your review:

1. The Table of Drug Control Obligations and related disclosures and management's assertions present the drug control obligations, disclosures, and assertions in conformity with ONDCP's Circular: *Drug Control Accounting* (May 1, 2007).
2. ICE's overall methodology for calculating drug control obligations, and the practices and methods followed in applying them, are as disclosed in notes accompanying ICE's Table of Drug Control Obligations and there have not been changes during the year in ICE's methodology that have not been disclosed to you.

3. We have responded fully to all inquiries made to us by you during your review and have made available all records relevant to the subject matter.
4. There have been no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the Table of Drug Control Obligations and related disclosures and management's assertions.
5. There are no:
  - a. Material transactions or events that have not been properly reflected in the Table of Drug Control Obligations and related disclosures and management's assertions.
  - b. Events that have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the Table of Drug Control Obligations and related disclosures and management's assertions.
  - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
6. Except as disclosed in the notes accompanying the Table of Drug Control Obligations, there are no significant deficiencies in the design or operation of internal controls, which could adversely affect ICE's ability to record, process, summarize, and report financial data and we have identified no material weaknesses in internal controls. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit* and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.
7. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with generally accepted accounting principles.
8. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Former employees or others where the fraud could have a material effect on the Table of Drug Control Obligations and related disclosures and management's assertions.



9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulatory agencies, or others.
10. We have excluded all obligations against resources received from High Intensity Drug Trafficking Areas and Interagency Crime and Drug Enforcement Accounts from the Table of Drug Control Obligations.
11. ICE has complied with all aspects of the ONDCP appropriation that would have a material effect on the Table of Drug Control Obligations and related disclosures and management's assertions in the event of noncompliance.
12. There are no reprogrammings or transfers affecting drug-related resources in excess of \$1 million.

Further, we acknowledge that we are responsible for the presentation in the Table of Drug Control Obligations and related disclosures and management's assertions in conformity with ONDCP's Circular, *Drug Control Accounting* (May 1, 2007).

Very truly yours,

**Department of Homeland Security**  
**Immigration and Customs Enforcement**

  
\_\_\_\_\_  
Keenyn D. McFarlane  
Deputy Chief Financial Officer

## PERFORMANCE SUMMARY REPORT OFFICE OF INTERNATIONAL AFFAIRS

**Measure 1:** Percentage of overseas investigative hours spent on drug related cases.

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	N/A	N/A	4.4%	4.4%	3.8%	4.0%

### (1) Description

The mission of Immigration and Customs Enforcement (ICE), Office of International Affairs (OIA) is to protect the United States by enhancing its security through international investigations involving transnational criminal organizations responsible for the illegal movement of people, goods, and technology, and through strong and integral intelligence and removal programs. ICE OIA supports U.S. drug control policy, specifically ONDCP initiatives, by supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. OIA investigative resources are directed at organizations smuggling contraband (including narcotics) into the United States. OIA partners with domestic ICE components and with U.S. law enforcement agencies overseas, to leverage overseas sources to counter global narcotics threats to the U.S. including utilizing investigative and intelligence techniques to support domestic cases and interagency cross-border initiatives.

### (2) FY 2009 actual performance results

In FY 2009, 3.8% of overseas investigative case hours were spent on drug related cases. In FY 2009 the target was not met. Although narcotics related investigative case hours increased in FY 2009, the investigative case hours in other categories increased by a larger factor, resulting in a percentage that was a smaller portion of the entire portfolio than was anticipated when the target was established. The percentage of overseas investigative hours spent on drug related cases is derived by dividing the drug related case hours by the total investigative case hours of overseas agents.

This measure was established in FY 2008; therefore, there are no performance results reported from FY 2005 to FY 2007.

### (3) The performance target for FY 2010

The performance target for FY 2010 is 4.0%. The 4.0% target is based upon prior year's baseline performance result. In establishing this measure, OIA plans to have sufficient resources to support the same level of effort on drug related investigations.

#### **(4) Quality of Performance Data**

The database used to validate the OIA performance data is the Treasury Enforcement Communication System (TECS). The TECS system is relied upon to ensure the performance data is accurate, complete, and unbiased in presentation and substance. The Office of Investigations conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

**PERFORMANCE SUMMARY REPORT  
OFFICE OF INTELLIGENCE**

**Measure 1:** Number of counter-narcotics intelligence requests satisfied.

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
N/A	N/A	N/A	82	86	1,969	1,200

**(1) Description**

ICE Office of Intelligence (Intel) supports its customers by satisfying their intelligence requirements – providing products and services that inform customers and close existing “intelligence gaps.” Customer requirements are formally documented and captured within the Intelligence Requirement Intake System (IRIS). Customers elaborate their requirements in IRIS which are then analyzed and assigned to the appropriate units. Levied requirements are then either “satisfied” by Intel, or not. In the latter case, an intelligence gap remains. Satisfaction of customer requirements represents the “outcome” of Intel’s production in that satisfying customer requirements closes the gap in their information needs and allows customers to make informed decisions about executing law enforcement actions.

**(2) FY 2009 actual performance results**

FY 2008 was the first full year that IRIS was employed, and a baseline production measure was established for counter narcotics requirements. In FY 2009 2,669 of the counter narcotics requirements levied, Intel satisfied 1,969.

**(3) Performance Target for FY 2010**

The performance target for FY 2010 is 1,200 satisfied requirements. The sharp increase in satisfied requirements from FY 2008 to FY 2009 is due mainly to the tracking functionality provided by IRIS and familiarity with the system among its users. Intel anticipates the number of requirements to decrease as users become more sophisticated in submitting requests to the system. For example, instead of submitting the names of 10 suspects as 10 different requests, users will learn to submit the names as a single request and in so doing enable Intel to deliver more sophisticated reports and information. But despite the number of requests decreasing, this example also highlights how the resource requirements for Intel will remain constant, if not increase due to increased participation from our federal, state, tribal and local partners. As there is no expected commensurate increase in resources (largely Intelligence Analysts), the percentage of requirement satisfaction is expected to decline.

#### **(4) Quality of Performance Data**

The database used to validate Intel's performance data is the IRIS. Intel conducts quality control verification on IRIS data to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

## PERFORMANCE SUMMARY REPORT OFFICE OF INVESTIGATIONS

### I. PROGRAM SUMMARY

#### Investigative Operations

- 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.
- Money Laundering - ICE financial investigations target the systems used by international criminal organizations to launder the proceeds of their criminal activities. ICE has implemented an aggressive strategy to combat money laundering by: combining interdiction efforts with our international law enforcement counterparts, interagency coordination efforts, undercover investigations, and regulatory interventions that target those systems.
- Through its Cornerstone program, ICE builds partnerships between law enforcement and the private sector to identify and eliminate systems vulnerabilities that criminal organizations exploit to fund their illegal operations and launder illicit funds. ICE shares intelligence and typologies with financial and trade industries that manage the very systems that terrorists and drug trafficking organizations seek to exploit. In return, ICE receives information, "red flags," tips, and insights to more effectively investigate these complex and sophisticated criminal schemes.
- ICE has established Trade Transparency Units (TTU) with countries of concern for drug trafficking and related money laundering. The TTUs analyze trade data of the U.S. and cooperating foreign governments to identify anomalies that may be indicative of trade-based money laundering, such as the Black Market Peso Exchange.
- ICE conducts specialized investigative training, focusing on bulk cash smuggling (BCS), for state and local police officers and assistant U.S. attorneys. In addition, ICE conducts comprehensive financial investigations training for foreign law enforcement officers. ICE's investigations and aggressive enforcement activity against BCS stem the flow of funds that fuel drug trafficking and criminal activities worldwide.
- ICE is a primary participant in the 15 Integrated Border Enforcement Teams (IBETs) that are located across the Northern Border. IBETs are multi-agency international task forces designed to enhance border integrity and security at our shared border with Canada by

identifying, investigating, and interdicting persons and organizations that pose a threat to national security or are engaged in other organized criminal activity.

- 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.
- ICE participates jointly with the DEA and the FBI on Operation Panama Express (PANEX). PANEX is a federally approved OCDETF investigation targeting Colombian narco-trafficking organizations. These Colombian trafficking organizations are responsible for the transportation of cocaine via vessel through the Caribbean Sea to transshipment countries, which have been identified as Jamaica, Panama, Belize, Honduras and Mexico. These Colombian organizations and their associates are responsible for the importation and distribution of cocaine to and within the United States, as well as Canada.
- ICE is an active participant and partner in the Special Operations Division, a multi-agency program involving the Department of Justice, the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Internal Revenue Service.
- The performance measures and outputs are strategic in scope. OI does not forecast law enforcement actions or consequences. OI only provides year end data on seizures, therefore, no targets will be set for Measures 3-8.

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

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
37.9%	36.4%	35.8%	46.3%	47.0%	47.7%	48.0%

### **(1)Description**

The outcome measure for the Office of Investigations (OI) as a whole is the percentage of closed investigations that have an enforcement consequence defined as arrest, indictment, conviction, seizure, or penalty. Additionally, OI has constructed 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.

This measure evaluates the percent of closed cases worked by OI 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 to have been met. One percent

was chosen as the error rate on a reasonable standard versus a statistical basis for all program measures. Note that other government agencies employ a similar practice.

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 investigation is no longer viable. 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 established to prevent their illegal activity, and areas in which such safeguards are lax or do not exist.

## **(2) FY 2009 actual performance results**

Final performance results for measure one in FY 2009 was 47.7%. This exceeded the performance target by .7%.

## **(3) Performance target for FY 2010**

The performance target for FY 2010 is 48.0%. The target increase of 0.3% is based upon prior year's performance results.

## **(4) Quality of Performance Data**

The database used to validate the OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.



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

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	N/A	N/A	74.7%	75.0%	74.3%	76.0%

### **(1) Description**

In FY 2008, OI 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. This measure evaluates the percent of closed drug smuggling cases worked by OI in a selected fiscal year that produced an enforcement consequence (e.g., arrest, indictment, conviction, seizure, fine and/or penalty). This measure is a subset of the closed investigations discussed in Measure One.

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. 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 prevent their illegal activity, and areas in which such safeguards are lax.

### **(2) FY 2009 actual performance results**

In FY 2009, 74.3% of the drug smuggling cases closed in FY 2009 resulted in an enforcement consequence.

The baseline for this measure was established in FY 2008 and is tracked by quarter. The FY 2009 actual results were calculated by averaging the quarterly percentages for closed drug smuggling investigative cases which have an enforcement consequence (arrest, indictment, conviction, seizure, fine, or penalty). Thus, there are no actual results for prior fiscal years, except FY 2008.

Although the FY 2009 actual result has missed the target set for FY 2009 by .7%, ICE considers this result well within the statistical deviance (plus or minus 1%) and considers the target met.

### **(3) Performance target for FY 2010**

The performance target for FY 2010 is 76.0%. The target increase of 1.7% is based upon prior year's baseline performance results.

#### **(4) Quality of Performance Data**

The database used to validate the OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

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

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
N/A	N/A	N/A	\$42.6M	N/A	\$94.2M	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.

#### **(2) FY 2009 actual performance results**

The dollar value of real or other property seized from drug operations was \$94.2 million in FY 2009. Real property that is seized is assigned a value by a Fines Penalties and Forfeiture (FP&F) contractor, seized property specialist, or import specialist. This measure was established in FY 2008; therefore, there is no data for FY 2005 to FY 2007.

#### **(3) The performance target for FY 2010**

OI does not provide year to year targets for seizures. OI only provides year end data on seizures.

#### **(4) Quality of Performance Data**

The database used to validate the OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

**Measure 4:** Dollar value of seized currency and monetary instruments from drug operations.

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	N/A	N/A	\$159.3 M	N/A	\$ 155.3M	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.

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).

**(2) FY 2009 actual performance results**

The dollar value of seized currency and monetary instruments from drug operations was \$155.3 million in FY 2009. This measure was established in FY 2008; therefore, there is no data for FY 2005 to FY 2007.

**(3) The performance target for FY 2010**

OI does not provide year-to-year targets for seizures. OI only provides year end data on seizures.

**(4) Quality of Performance Data**

The database used to validate OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

**Measure 5:** Percentage of total cocaine seizures considered high impact.

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	N/A	N/A	54%	N/A	62%	N/A

**(1) Description**

This output measure directly evaluates the quality of drug seizures. The scope of data demonstrates the ability, in a given timeframe, of impacting the supply of cocaine narcotics within the United States.

High impact is defined as the weight limit for a drug seizure that would constitute a federal drug identification number (FDIN) from the El Paso Intelligence Center (EPIC).

**(2) FY 2009 actual performance results**

In FY 2009, 62% of OI cocaine seizures were considered to be high impact seizures. This measure was established in FY 2008; therefore, there is no data for FY 2005 to FY 2007.

The percentage of total cocaine seizures considered high impact is derived by dividing the number of cocaine seizures registered with EPIC by the total number of cocaine seizures.

**(3) The performance target for FY 2010**

OI does not provide year to year targets for seizures. OI only provides year end data on seizures.

**(4) Quality of Performance Data**

The database used to validate the OI performance data is the TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

**Measure 6:** Percentage of heroin seizures considered high impact.

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	N/A	N/A	72%	N/A	67%	N/A

**(1) Description**

This output measure directly evaluates the quality of drug seizures. The scope of data demonstrates the ability, in a given timeframe, of impacting the supply of heroin narcotics within the United States.

High impact is defined as the weight limit for a drug seizure that would constitute a FDIN from EPIC.

**(2) FY 2009 actual performance results**

In FY 2009, 67% of heroin seizures were considered to be high impact seizures. This measure was established in FY 2008; therefore, there is no data for FY 2005 to FY 2007.

The percentage of total heroin seizures considered high impact is derived by dividing the number of heroin seizures registered with EPIC by the total number of heroin seizures.

**(3) The performance target for FY 2010**

OI does not provide year to year targets for seizures. OI only provides year end data on seizures.

**(4) Quality of Performance Data**

The database used to validate the OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

**Measure 7:** Percentage of marijuana seizures considered high impact.

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
N/A	N/A	N/A	62%	N/A	57%	N/A

**(1) Description**

This output measure directly evaluates the quality of drug seizures. The scope of data demonstrates the ability, in a given timeframe, of impacting the supply of marijuana narcotics within the United States.

High impact is defined as the weight limit for a drug seizure that would constitute a FDIN from the EPIC.

**(2) FY 2009 actual performance results**

In FY 2009, 57% of marijuana seizures were considered to be high impact seizures. This measure was established in FY 2008; therefore, there is no data for FY 2005 to FY 2007.

The percentage of total marijuana seizures considered high impact is derived by dividing the number of marijuana seizures registered with EPIC by the total number of marijuana seizures.

**(3) The performance target for FY 2010**

OI does not provide year to year targets for seizures. OI only provides year end data on seizures.

**(4) Quality of Performance Data**

The database used to validate the OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

**Measure 8:** Percentage of methamphetamine seizures considered high impact.

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
N/A	N/A	N/A	49%	N/A	52%	N/A

**(1) Description**

This output measure directly evaluates the quality of drug seizures. The scope of data demonstrates the ability, in a given timeframe, of impacting the supply of methamphetamine narcotics within the United States.

High impact is defined as the weight limit for a drug seizure that would constitute a FDIN from EPIC.

**(2) FY 2009 actual performance results**

In FY 2009, 52% of methamphetamine seizures were considered to be high impact seizures. This measure was established in FY 2008; therefore, there is no data for FY 2005 to FY 2007.

The percentage of total methamphetamine seizures considered high impact is derived by dividing the number of methamphetamine seizures registered with EPIC by the total number of methamphetamine seizures.

**(3) The performance target for FY 2010**

OI does not provide year to year targets for seizures. OI only provides year end data on seizures.

**(4) Quality of Performance Data**

The database used to validate the OI performance data is TECS. OI conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

## ICE MANAGEMENT ASSERTION REPORT

### MANAGEMENT ASSERTIONS

**1. Performance reporting system is appropriate and applied.**

ICE has systems to capture performance information accurately and those systems were properly applied to generate the performance data.

**2. Explanations for not meeting performance targets are reasonable.**

In FY 2009, ICE provided reasonable explanations for established performance targets that were not met.

**3. Methodology to establish performance targets is reasonable and applied.**

The methodology described above to establish performance targets for FY 2010 is reasonable given past performance and available resources.

**4. Adequate performance measures exist for all significant drug control activities.** ICE

has established more than one acceptable performance measure for its Drug Control Decision Unit—Salaries and Expense.



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DHS Office of Inspector General/MAIL STOP 2600,  
Attention: Office of Investigations - Hotline,  
245 Murray Drive, SW, Building 410,  
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.



Homeland  
Security

January 27, 2010

MEMORANDUM FOR: The Honorable Admiral Thad W. Allen  
Commandant  
United States Coast Guard

*Richard L. Skinner*

From: Richard L. Skinner  
Inspector General

Subject: *Independent Review of the U.S. Coast Guard's Reporting of FY 2009  
Drug Control Performance Summary Report*

Attached for your information is our report, *Independent Review of the U.S. Coast Guard's Reporting of FY 2009 Drug Control Performance Summary Report*. We contracted with the independent public accounting firm KPMG LLP to perform the review. This report contains no recommendations.

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

Attachment



# Department of Homeland Security Office of Inspector General

## Independent Review of the U.S. Coast Guard's Reporting of FY 2009 Drug Control Performance Summary Report



*Office of Inspector General*

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



**Homeland  
Security**

January 27, 2010

### 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. Coast Guard for the fiscal year ended September 30, 2009, for the Office of National Drug Control Policy. We contracted with the independent public accounting firm KPMG LLP to perform the review. The U.S. Coast Guard prepared the Performance Summary Report and management assertions to comply with requirements of the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007. KPMG LLP is responsible for the attached independent accountants' report dated January 18, 2010, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report and management's assertions.

We trust this report will result in more 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) United States Coast Guard (USCG) for the year ended September 30, 2009. We have also reviewed the accompanying management's assertions for the year ended September 30, 2009. 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, 2009 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).

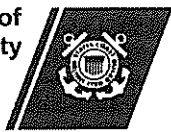
This report is intended solely for the information and use of the management of DHS and USCG, the Inspector General, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

January 18, 2010

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-5121  
Phone: (202) 372-2585  
Email: Patrick.m.hilbert@uscg.mil

7110  
January 13, 2010

Department of Homeland Security  
Director of Financial Management  
Office of the Inspector General  
Attn: Mr. John D. Shiffer, CPA  
1120 Vermont Avenue, 10<sup>th</sup> Floor, NW  
Washington, D.C. 20005

Dear Mr. Shiffer,

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 updated FY 2009 Performance Summary Report, enclosure (1). My staff addressed your KPMG auditor's request received on January 11, 2010 for additional information. Enclosures (2) through (4) provide supporting documentation for data referenced in enclosures (1) and address your auditor's inquiry. Enclosure (5) is the updated letter of assurance required by KPMG to be dated January 18, 2010.

If you require further assistance on this information, please contact LCDR Patrick Hilbert, 202-372-2585.

Sincerely,

A handwritten signature in black ink, appearing to read "C. S. Swirbliss".

C. S. SWIRBLISS

Captain, U.S. Coast Guard  
Chief, Office of Performance Management &  
Assessment

Enclosure (1) FY 2009 Performance Summary Report  
(2) KPMG auditor's comments with Coast Guard response  
(3) FY 2009 Non-Commercial Maritime U.S. Bound Cocaine Flow  
(4) Future Year Homeland Security Plan Coast Guard Drug Interdiction Snapshot  
(5) Coast Guard "Letter of Assurance" to KPMG

Copy: DHS Budget Office  
CG-82

Enclosure (1) to letter dated January 13, 2010

**Drug Budget**  
**United States Coast Guard**  
**Performance Summary Report 2009**

01/12/2010

Created by CG-512



**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, Test 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. This measure is the central focus of its 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 Office of Management and Budget (OMB) Program Assessment Rating Tool (PART) Evaluation. In FY 2009, the Coast Guard transitioned the methodology by which it calculates its primary outcome measure as recommended by the 2007 Independent Program Evaluation completed by the Center for Naval Analyses (CNA). The Coast Guard transitioned from the Interagency Assessment of Cocaine Movement (IACM) to the Consolidated Counterdrug Database (CCDB) as the authoritative source for estimating illicit drug flow through the transit zone. In part, the Coast Guard changed methodology to permit more timely performance evaluation. The CCDB is updated quarterly by interagency consensus compared to the IACM, which is published annually and not until nine months after the end of the fiscal year being evaluated. The change is consistent with ONDCP guidance and permits the Coast Guard to evaluate its performance on a quarterly basis. Historically, CCDB cocaine movement estimates are significantly higher than the IACM because it includes all confidence maritime flow (IACM does not count low confidence data), which translates to a lower perceived performance result for cocaine removal rate.

**Measure:** Cocaine Removal Rate (Removal rate for cocaine from non-commercial vessels in maritime transit zone (CCDB)).

**Table 1: Cocaine Removal Rate**

<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2010 Target</b>
<b>15.2%</b>	<b>16.9%</b>	<b>16.6%</b>	<b>13.2%</b>	<b>15.0%</b>	<b>15.7%</b>	<b>18.5%</b>

(1) Describe the measure. In doing so, provide an explanation of how the measure (a) reflects the purpose of the program, (b) contributes to the *National Drug Control Strategy*, and (c) 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.<sup>1</sup>

<sup>1</sup> Requirements 1 through 4 in this section are drawn from the ONDCP Drug Accounting Circular.

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 six million square mile transit zone of the Caribbean Sea, the Gulf of Mexico and the Eastern Pacific Ocean. The Coast Guard's primary outcome measure, the Cocaine Removal Rate, indicates how effective the program is at disrupting the flow of cocaine traveling via non-commercial maritime means toward the United States. The more cocaine bound for the United States that the Coast Guard removes, the less supply of cocaine available within the United States. The cocaine removal rate is calculated by dividing the total amount of cocaine removed by the Coast Guard by the total non-commercial maritime movement of cocaine towards the United States, both of which are captured and validated in the CCDB.

The 2007 *National Drug Control Strategy* set an interagency, transit zone removal rate goal for cocaine of 40% by 2014. With over 80% of the cocaine moving through the transit zone via non-commercial maritime means, the higher the Coast Guard's cocaine removal rate, the less cocaine that needs to be removed by our domestic and international partner agencies to achieve that 40% goal. 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 modes, 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; new or upgraded diplomatic and legal tools; and the implementation of new capabilities (National Security Cutter and Maritime Patrol Aircraft (HC-144), for example).

(2) Provide narrative that examines the FY 2009 actual performance results with the FY2009 target, as well as prior year actual results. If the performance target was not achieved for FY 2009, 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.

In FY 2009, the Coast Guard removed 352,860 pounds (160.1 Metric Tons) of cocaine; the 3<sup>rd</sup> highest year for cocaine removals in Coast Guard history. Relative to the total estimated movement of non-commercial cocaine destined to the United States in FY 2009 captured in the CCDB, the Coast Guard removed 15.0% of this estimated flow. This removal rate was slightly below its target of 15.7%. In FY 2009, the Coast Guard temporarily took two of its twelve 378' high endurance cutters (WHEC) out of service due to critical, unscheduled maintenance issues resulting in 356 lost major cutter days from these two cutters alone. The reduction in available high endurance cutters impacted Coast Guard's surface interdiction and detection & monitoring support to Joint Interagency Task Force-South (JIATF-S). The Coast Guard only provided 2036 JIATF-S major cutter days in FY 2009, 519 cutter days short of its intended 2555 FY 2009 JIATF-S major cutter days support (approximately 20% gap). WHECs are historically the Coast Guard's most effective surface asset for cocaine removals due to their greater endurance and more robust command and control suite compared to other Coast Guard surface platforms. Cutter endurance is a key contributor to countering the maritime cocaine threat in the remote, vast

Eastern Pacific transit zone vector. The reduction in WHEC available cutter days reduced the opportunity for additional cocaine removals and may have contributed to the Coast Guard missing its FY 2009 Cocaine Removal Rate target.

(3) The agency should describe the performance target for FY 2010 and how the agency plans to meet this target. If the target in FY 2009 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2009.

The Coast Guard's target for FY 2010 is to remove 18.5% percent of the cocaine moving via non-commercial maritime means towards the United States. In FY 2010, the Coast Guard anticipates having all of its 378' cutters back in service, a full operational year of United States Coast Guard Cutter BERTHOLF (the first National Security Cutter), and expanded Airborne Use of Force (AUF) capacity for both Coast Guard and U.S. Naval surface platforms to help counter the expanding go-fast threat in the littorals of Central America. Based on its baseline of performance, the expanded capabilities mentioned, and anticipated intelligence gains in FY 2010 to focus detection and monitoring efforts, the Coast Guard expects that it can achieve its FY 2010 target.

(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 actual results, as well as the data source(s) used to collect information.

As stated previously, 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 United States. The data used to calculate the Coast Guard's Cocaine Removal Rate is drawn from the interagency-validated CCDB. The amount of cocaine removed by the Coast Guard is the sum of all cocaine that is physically seized by Coast Guard personnel and all 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. The estimated non-commercial maritime flow of cocaine towards the United States and actual cocaine removals are drawn from the CCDB. Data entered into the CCDB are approved through a quarterly, 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. All data contained in the CCDB are deemed to be as accurate, complete and unbiased in presentation and substance as possible.

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, and makes adjustments as necessary. Revisions to the targets are reported to the Department of Homeland Security's Future Year Homeland Security Program database.

The Coast Guard Office of Law Enforcement last updated its out-year performance targets in August 2009. The key factors that drive the target setting process are the estimated out-year cocaine flow, the projected availability of Coast Guard resources (mainly major cutters, long range maritime patrol aircraft, Law Enforcement Detachment (LEDET) and

AUF), and any anticipated 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.

The Coast Guard performance reporting system is appropriate and applied. It was reviewed in a 2007 Independent Program Evaluation by the Center for Naval Analyses and a 2007 OMB PART Evaluation. Both reviews verified the appropriateness and application of the performance reporting system, and the Coast Guard has made all significant changes recommended to ensure continued validity.

**(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.

The Coast Guard was within the DHS allowable deviation from its target. The Coast Guard's FY 2010 target was updated in August 2009 and satisfies OMB Circular A-11's guidance for establishing targets. The FY 2010 target was lowered due to the WHEC cutter fleet availability and the lower projected baseline performance for FY 2009 based FY 2009 3<sup>rd</sup> quarter CCDB data that indicated lower than projected Coast Guard Cocaine removals.

**(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.

The Coast Guard methodology to establish performance targets is reasonable and applied. The Coast Guard uses a quantitative and qualitative process that reviews intelligence, logistics, strategic and operational policy, capability, emerging trends, past performance, and capacity variables impacting mission performance 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 database.

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

The 2007 OMB PART of the Coast Guard Drug Interdiction Program and 2007

Independent Program Evaluation by the Center for Naval Analyses validated the adequacy of Coast Guard performance measures.

- 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.

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Deputy Chiefs of Staff  
General Counsel  
Executive Secretariat  
Director, GAO/OIG Liaison Office  
Assistant Secretary for Office of Policy  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs  
Under Secretary, Management  
Chief Financial Officer  
Deputy Chief Financial Officer  
Director Office of Financial Management  
Chief Information Officer  
Chief Security Officer  
Chief Privacy Officer

### **Office of National Drug and Control Policy**

Associate Director for Planning and Budget

### **United States Coast Guard**

Commandant  
Chief Financial Officer  
Chief Information Officer

### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Program Examiner

### **Congress**

Congressional Oversight and Appropriations Committees, as appropriate



#### ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this report, please call the Office of Inspector General (OIG) at (202) 254-4100, fax your request to (202) 254-4305, or visit the OIG web site at [www.dhs.gov/oig](http://www.dhs.gov/oig).

#### OIG HOTLINE

To report alleged fraud, waste, abuse or mismanagement, or any other kind of criminal or noncriminal misconduct relative to department programs or operations:

- Call our Hotline at 1-800-323-8603;
- Fax the complaint directly to us at (202) 254-4292;
- Email us at [DHSOIGHOTLINE@dhs.gov](mailto:DHSOIGHOTLINE@dhs.gov); or
- Write to us at:  
DHS Office of Inspector General/MAIL STOP 2600,  
Attention: Office of Investigations - Hotline,  
245 Murray Drive, SW, Building 410,  
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.

# Tab D





# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

JAN 24 2010

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

Dear Mr. Rice:

Thank you for your continued interest in the Department of Interior's drug control programs.

Enclosed is the Department's submission for inclusion in the FY 2011 National Drug Control Program budget. Budget and performance data for the Bureau of Indian Affairs is provided. The BIA's effort currently represents the most significant measurable accomplishments for the Department; however other Bureaus within the Department support the objectives of the drug enforcement program. As requested, also enclosed is a summary of "Other Drug Control Funding by Agency" for the appendix.

Thank you for your support, and we look forward to working together as we begin the FY 2012 budget development process.

Sincerely,

Pamela K. Haze  
Deputy Assistant Secretary  
Budget and Business Management

Enclosures:

- 1- Performance Summary – Drug Enforcement Programs of the Bureau of Indian Affairs
- 2- Budget Summary - Drug Enforcement Programs of the Bureau of Indian Affairs
- 3- DOI Summary - Other Drug Control Funding by Agency

Enclosure 1

	<b>2008 Actual</b>	<b>2009 Proposed</b>	<b>2009 Actual</b>
Number of Patrol Officers Receiving Drug Training	206	200	270
Number of Drug Cases Worked	593	830	600
<b>Drugs Seized</b>			
Cocaine Powder (grams)	1,114*	1,225	80,734
Cocaine Crack (grams)	539*	593	273
Heroin (grams)	523*	575	180
MDMA (grams)	2*	2	12
Meth Crystal (grams)	473*	520	6,239
Meth Powder (grams)	84*	92	1,962
Processed Marijuana (grams)	5,459*	6,005	34,833
Marijuana Plants (number)	3,178*	3,496	5,134
Prescription Drugs Seized (grams)	1,028*	1,131	6,165

\*2008 actual baselines have been adjusted based upon reports of actuals that are now entered into the new drug database system and include reporting from the District Law Enforcement Programs as well as the Drug Unit to do a better job of capturing all drug related statistics in Indian Country.

In FY 2009, the BIA trained 270 patrol officers in basic drug training to prepare these officers to assist drug enforcement officers in drug-related investigations and arrests.

Drug Enforcement Officers are responsible for managing investigations and implementing the interdiction programs necessary to reduce the effects of drugs and drug-related crime in Indian country. In October 2007, there were only five (5) BIA drug agents investigating issues related to narcotics throughout Indian country. This Drug Unit increased from 5 to 30 agents, strategically placed within or near other task force units in order to combat the narcotics epidemic in Indian country. This was very beneficial to the drug enforcement unit, which led to six Title III drug investigations and six Organized Crime Drug Enforcement Task Force OCDETF cases within Indian country. This led to a 1412% increase of drug arrests.

A newly filled Victim/Witness Coordinator position is designed to sponsor victims and witnesses of issues related to drugs and violent crimes. Until recently such parties did not have a BIA victim's advocate. Working together with Interior's Office of Law Enforcement and Security and the Department of Justice-Office of Victim's of Crime (OVC), has opened the door for the funding of four victim/witness advocate positions for the BIA. This, along with additional base funding, has provided 11 positions throughout Indian country.

Also, an Intelligence Analyst position is currently assigned to the El Paso Intelligence Center. The analyst is assigned to the southwest border intelligence workgroup which will be able to identify and provide necessary intelligence threats and analytical assistance to the tribes throughout the United States. Currently, we are recruiting 6 additional intelligence analyst positions to be posted throughout the country and work within a task force environment so information can be shared freely with other federal, state and local agencies.

The BIA is now able to share resources with various other entities that gather intelligence-related information, providing a solid network for tribal, Federal, state and local law enforcement to work collaboratively on information-sharing and personnel resources related to illegal drug activities or other violations of law. This exchange of information increases knowledge on Indian communities, various governing laws, procedures and jurisdictional matters related to drug enforcement, and other related law enforcement issues on Tribal lands.

A Tribal Equipment Loan program was recently designed and established to loan expensive, updated drug enforcement equipment to Tribal law enforcement programs. This loan program provides the tribe with state of the art equipment. In exchange, the tribes are required to supply the BIA with the data gathered from using this equipment.

## Enclosure 2

<b>Budget Summary - Drug Enforcement Programs of the Bureau of Indian Affairs</b>			
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Function: Prevention</b>			
J33	6.338	10.000	10.000
	6.338	10.000	10.000
<b>Function: Education</b>			
J34	0.505	.505	.505
	6.843	10.505	10.505
<b>Drug Resource Summary of Personnel</b>			
FTE	15	51	85

### Program Summary

#### Mission

The Mission of the Bureau of Indian Affairs (BIA) is to fulfill its trust responsibilities and promote self determination on behalf of Tribal Governments, American Indians and Alaska Natives.

#### Budget

The FY 2011 Budget requests \$10.5 million for BIA, which is the same as the FY 2010 enacted level. Budget funding for the Bureau of Indian Affairs' Office of Justice Services will continue to focus resources on providing additional officers for both law enforcement agencies and detention programs, specialized drug training for existing BIA and tribal officers, continued drug public awareness campaigns for Indian country, drug investigation equipment and tools, and 18 dedicated school resource officers to address drug and gang issues with students.

#### **Substance Abuse – Drug Initiative (\$10,000,000):**

Indian country is faced with increased drug trafficking and drug crime (including the ongoing drug crisis in Indian country) which is a major contributor to violent crime and has serious health and economic impacts on Indian communities. The FY 2011 funding will continue to combat the highly visible drug crisis through the expansion of the drug program and training for Bureau and tribal officers.

In FY 2011, the program will continue to introduce training programs that will be instrumental in the fight against drugs in Indian country such as vehicle interdiction and Spanish immersion. With an increased focus on training, awareness, and the hiring of additional full-time drug enforcement agents, the program will be better prepared to do full investigations, projects, increase the number of drug seizures, and effect a substantial reduction in drug trafficking.

Border Interdiction Teams will be cooperatively engaged with Immigration and Customs Enforcement (ICE) to interdict drug trafficking coming into the United States through Indian Country. Various methods of investigation will be utilized such as human tracking, traffic/vehicle interdiction and border security. This team will be comprised of police officers and special agents trained in these methods.

The additional Drug Enforcement Officers (DEOs) will be responsible for managing investigations and implementing interdiction programs necessary to reduce the effects of drugs and drug related crime in Indian country. The DEOs will perform activities that include the eradication of marijuana cultivations, conducting complex criminal investigations, carrying out surveillance of criminals, infiltrating drug trafficking networks, developing and implementing undercover techniques, executing search warrants, confiscating illegal drug supplies, collecting and processing evidence, writing highly detailed technical reports, giving sworn testimony in court, developing evidence to seize financial assets gained from the proceeds of drug trafficking, and establishing and maintaining cooperative relationships with other Federal, state, local, and tribal law enforcement organizations in the fight on drugs.

Intelligence gathering, reporting and investigation support, which is needed in all parts of Indian country for assistance in drug investigations, will still be provided. With this component, national, regional, and local threat assessments can be established and presented to law enforcement agencies working on or near Indian country. We have not had these services in the past and investigators have had to incorporate and gather intelligence piecemeal during an investigation, validating and disseminating the information as part of their investigation. This program will allow the production of real time data on trends, threats, and analysis of drug trafficking and distribution throughout most of Indian country, thus allowing investigators to have advance information and to focus on law enforcement issues.

Victim/Witness Services (VWS) to provide needed support for drug investigations. Cooperating witnesses, victims of drug crimes, and tribal court systems are major issues when drug investigations are conducted. VWS can provide this needed attention to victim/witnesses at the local level when other resources are not available. Additionally, VWS staff will also provide guidance to tribes when developing their own VWS programs. VWS will also include an effort to assess existing victim/witness programs and expand this program to all BIA law enforcement districts.

Percent Change in the increase in the amount of grams of various drugs seized.	2006	2007	2008	2009	2010	2011
	Actual	Actual	Actual	Actual	Target	Proposed
	N/A	N/A	Baseline Established 11,372 grams seized	21500%	25%	25%
			2455069g/11372g	3068836g/2455069g	3836045g/3068836g	

Increase in the number of drug cases worked.	2006	2007	2008	2009	2010	2011
	Actual	Actual	Actual	Actual	Target	Proposed
	N/A	20 Cases worked	593 Cases	1%	15%	15%
			600/593	690/600	793/690	

**Indian Police Academy (\$505,050):**

The Academy is located in the Department of Homeland Security's Federal Law Enforcement Training Center at Artesia, New Mexico. Academy staff provides basic police, criminal investigation, and detention coursework. In addition, the academy offers numerous advanced training courses such as drug investigation, child abuse investigation procedures, community policing, use of force, firearms instruction, archeological resource protection, police management and supervision, crime scene processing, detention, and dispatcher training courses for both tribal and Bureau law enforcement officers.

This portion of the IPA budget will continue to combat the highly visible drug crisis through drug enforcement training for Bureau and tribal officers. Training efforts are allowing for 200 patrol officers to receive basic drug training annually as well as the introduction of new training programs on drug awareness. The basic training for patrol officers will allow them to be better prepared to assist the drug enforcement agents in drug related investigations and arrests. By FY 2010, the BIA expects to have provided at least 20 percent of BIA and Tribal officers with basic drug training.

Increase the percentage of certified drug officers.	2007	2008	2009	2009	2010	2011
	Actual	Actual	Target	Actual	Target	Target
	0.47%	8%	15%	17%	24%	31%
(11/2353)	(214/2805)	(414/2805)	(487/2826)	(687/2826)	(887/2826)	

# Tab E



# **ANNUAL ACCOUNTING AND AUTHENTICATION OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2009**

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

Audit Report 10-15  
January 2010





# **ANNUAL ACCOUNTING AND AUTHENTICATION OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2009**

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

This report contains the fiscal year 2009 attestation review reports of the Federal Bureau of Prisons, Drug Enforcement Administration, Organized Crime Drug Enforcement Task Forces Program, and Office of Justice Programs annual accounting and authentication of drug control funds and related performance. Under the direction of the Office of the Inspector General (OIG), KPMG LLP performed the attestation reviews. The report and annual detailed accounting of funds expended by each drug control program agency is required by 21 U.S.C. § 1704(d), as implemented by the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007.

KPMG LLP 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 101.89. An attestation review is less in scope than an examination and therefore does not result in the expression of an opinion. However, KPMG LLP reported that nothing came to its attention that caused it to believe the submissions were not presented in all material respects in accordance with the requirements of the ONDCP circular.

The OIG reviewed KPMG LLP'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 LLP is responsible for the attached accountants' reports dated January 25, 2010, and the conclusions expressed in the reports. However, our review disclosed no instances where KPMG LLP did not comply, in all material respects, with U.S. generally accepted government auditing standards.

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**ANNUAL ACCOUNTING AND AUTHENTICATION OF  
DRUG CONTROL FUNDS AND RELATED PERFORMANCE  
FISCAL YEAR 2009**

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**Independent Accountants' Reports and  
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KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

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

We have reviewed the accompanying Table of Drug Control Obligations and related disclosures of the U.S. Department of Justice's Federal Bureau of Prisons (BOP) for the year ended September 30, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. The BOP's management is responsible for the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement.

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 Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement. Accordingly, we do not express such an opinion.

Management of the BOP prepared the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement 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 Table of Drug Control Obligations and related disclosures for the year ended September 30, 2009, are 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 BOP, 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 25, 2010



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U.S. Department of Justice

Federal Bureau of Prisons

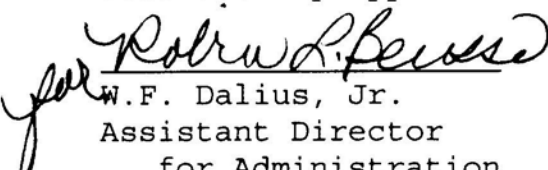
Washington, DC 20534

**U.S. Department of Justice  
Bureau of Prisons  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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

1. Obligations reported by budget decision unit are the actual obligations from the BOP's accounting system of record for these budget decision units.
2. The methodology used by the BOP to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during the fiscal year.
5. BOP did not have any Office of National Drug Control Policy (ONDCP) Fund Control Notices issued in FY 2009.

We have documented the methodology used by BOP to identify and accumulate FY 2009 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007. The BOP drug control methodology has been consistently applied from the previous year.

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

01/25/10  
Date

U.S. Department of Justice  
Bureau of Prisons  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2009  
(Dollars in millions)

FY 2009 Actual Obligations

Drug Obligations by Budget Decision Unit and Function:

Decision Unit: Inmate Care and Programs

Treatment	<u>\$79.683</u>
Total, Inmate Care and Programs	<u>\$79.683</u>
Total Obligations	<u>\$79.683</u>

## Disclosure No 1. Drug Control Methodology

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

The BOP's drug resources are dedicated one hundred percent to the Drug Treatment Program. The Drug Treatment Program includes: Drug Program Screening and Assessment; Drug Abuse Education; Non-Residential Drug Abuse Treatment; Residential Drug Abuse Treatment; and Community Transitional Drug Abuse Treatment. All drug-related resources support the National Drug Control Strategy, policy goal of "Improve the public health and public safety of the American people by reducing the consequences of drug use".

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) circular, *Drug Control Accounting*, dated May 1, 2007 and ONDCP's memorandum, *Current Budget Issues*, dated September 3, 2008. The table represents obligations incurred by the BOP for drug control purposes. The amounts are net of all reimbursable agreements. The BOP receives drug control funds solely for the purpose of drug treatment.

Data - All accounting information for the BOP is derived from the Department of Justice (DOJ) Financial Management Information System (FMIS). FY 2009 actual obligations for Drug Treatment Programs are reported as Drug Control Obligations since the entire focus is drug related.

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

## Disclosure No 2. Modifications to Drug Control Methodology

The overall methodology to calculate drug control obligations has not been changed from the prior year (FY 2008). Only direct obligations associated with Drug Treatment Programs in the Table of Drug Control Obligations are reported.

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

The independent audit of BOP's FY 2009 financial statements resulted in an unqualified or "clean" audit opinion with no material weaknesses in the Independent Auditors' Report on Internal Control over Financial Reporting and no findings in the Independent Auditors' Report on Compliance and Other Matters. However, in the Independent Auditors' Report on Internal Control Over Financial Reporting the auditors identified certain deficiencies in internal control over financial reporting that the auditors considered to be a significant deficiency. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During the FY 2009 audit, auditors evaluated the general control environment. General controls are the structure, policies, and procedures that apply to the BOP's overall computer operations. They also performed a review of the DOJ consolidated information systems general controls environment that provides general control support for several DOJ components' financial applications, one of which is the BOP. The evaluation was performed using the U.S. Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM) and National Institute of Standards and Technology (NIST), Special Publication (SP) 800-53, *Recommended Security Controls for Federal Information Systems*; and as established by Office of Management and Budget Circular A-130, *Management of Federal Information Resources*.

The auditors noted weaknesses in the following FISCAM general control areas: access controls and configuration management. The BOP has implemented corrective action plans to specifically address each recommendation found in the Independent Auditors' Report on Internal Control over Financial Reporting. The corrective action plans are reviewed and updated quarterly, at a minimum, and provided to the auditors for review and discussion.

Sources reviewed include: (a) the FY 2009 Independent Auditors' Report on Financial Statements, Independent Auditors' Report on Internal Control over Financial Reporting, and the Independent Auditors' Report on Compliance and Other Matters; and (b) the DOJ Performance and Accountability Report.

Disclosure No 4. Reprogrammings or Transfers

There were no drug related reprogrammings or transfers during FY 2009.

Disclosure No 5. Public Health Service (PHS) Funding

The BOP allocates funds to the PHS. The PHS provides a portion of the drug treatment for federal inmates. In FY 2009, \$650,000 was transferred from the BOP to PHS, and was designated and expended for current year obligations of PHS staff salaries, benefits, and applicable relocation expenses relating to six PHS FTEs related to drug treatment during FY 2009. Therefore, the transferred obligations and PHS Full Time Equivalent positions (FTEs) were included in BOP's Table of Drug Control Obligations.

Disclosure No 6. Other Disclosures

The BOP did not have any ONDCP Fund Control Notices issued in FY 2009.

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KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

Acting Administrator  
Drug Enforcement Administration  
U.S. Department of Justice

We have reviewed the accompanying Table of Drug Control Obligations and related disclosures of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the year ended September 30, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. The DEA's management is responsible for the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement.

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 Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement. Accordingly, we do not express such an opinion.

Management of the DEA prepared the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement 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 Table of Drug Control Obligations and related disclosures for the year ended September 30, 2009, are 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 DEA, 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 25, 2010



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**U.S. Department of Justice  
Drug Enforcement Administration  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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

1. Obligations reported by budget decision unit are the actual obligations from the DEA's accounting system of record for these budget decision units.
2. The methodology used by the DEA to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including Office of National Drug Control Policy's (ONDCP) approval of reprogrammings and transfers in excess of \$1 million, affecting drug-related resources.
5. DEA did not have any ONDCP Fund Control Notices issued in FY 2009.

We have documented the methodology used by the DEA to identify and accumulate FY 2009 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007. The DEA drug control methodology has been consistently applied from the previous year.

A handwritten signature in blue ink that reads "Frank Kalder".

Frank M. Kalder, Chief Financial Officer

A handwritten date in blue ink that reads "1/25/2010".

Date

U.S. Department of Justice  
Drug Enforcement Administration  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2009  
(Dollars in Millions)

	FY 2009 Actual Obligations
<b>Drug Obligations by Account/Budget Decision Unit and Function:</b>	
<b>Diversion Control Fee Account</b>	
Investigations	\$ 216.246
<b>Total Diversion Control Fee Account</b>	<b>\$ 216.246</b>
<b>Domestic Enforcement</b>	
Investigations	\$ 1,519.544
Intelligence: Domestic Law Enforcement	118.546
Prevention	1.280
<b>Total Domestic Enforcement</b>	<b>\$ 1,639.370</b>
<b>International Enforcement</b>	
Investigations	\$ 409.168
Intelligence	19.321
<b>Total International Enforcement</b>	<b>\$ 428.489</b>
<b>State and Local Assistance</b>	
State and Local Assistance	\$ 4.539
<b>Total State and Local Assistance</b>	<b>\$ 4.539</b>
<b>Total Obligations</b>	<b>\$ 2,288.644 *</b>
High-Intensity Drug Trafficking Area (HIDTA) obligations	\$15.868

\* Includes obligations of carryover unobligated balances

## Disclosure 1: Drug Control Methodology

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

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

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

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

Data: All accounting data for the DEA are maintained in FFS and UFMS. FFS and UFMS track obligation and expenditure data by a variety of attributes, including fund type, allowance center, decision unit and object class. In the first quarter of FY 2009, FFS was phased out and UFMS was implemented. One hundred percent of the DEA's efforts are related to drug enforcement.

Other Estimation Methods: None.

Financial Systems: FFS and UFMS are the information systems the DEA uses to track obligations and expenditures. Obligations derived from these systems can also be reconciled against enacted appropriations and carryover balances.

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

<b>The DEA Account/Decision Unit</b>	<b>Allocation</b>	<b>ONDCP Function</b>
Diversion Control Fee Account	100.00%	<b>Investigations</b>
Domestic Enforcement	92.69%	
Domestic Enforcement	7.23%	<b>Intelligence: Domestic Law Enforcement</b>
International Enforcement	4.51%	
International Enforcement	95.49%	<b>International</b>
State and Local Assistance	100.00%	<b>State and Local Assistance</b>
Domestic Enforcement	0.08%	<b>Prevention</b>

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

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

Full Time Equivalents (FTE): One hundred percent of the DEA FTEs are dedicated to drug enforcement efforts. The DEA's Direct FTE total for FY 2009, including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 7,936 through pay period 19, ending September 26, 2009.

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

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

The DEA's method for tracking drug enforcement resources has not been modified from the method approved in FY 2005. The DEA uses current MCA data to allocate FY 2009 obligations from three decision units to ONDCP's drug functions.

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

The results of the DEA's FY 2009 financial statement audit revealed no material weaknesses that affect the presentation of drug related obligations data. However, there was a significant deficiency identified during FY 2009 noting improvements were needed to strengthen the financial management controls to ensure the timely deobligation of funds that are no longer needed. In conjunction with the implementation of a new financial system, the Unified Financial Management System (UFMS), DEA has taken/will be taking actions to strengthen the control over fiscal and operational processes, including manager and senior executive manager training; the monitoring and validating of undelivered orders; regular communication with program offices regarding financial management policies and procedures; and communication of the FY 2009 audit results to DEA personnel, together with the development of a Corrective Action Plan (CAP) to address all issues identified during the course of the audit.

#### Disclosure 4: Reprogrammings and Transfers

There was no reprogramming in FY 2009.

However, the DEA had several transfers during FY 2009 (see the attached Table of FY 2009 Reprogrammings and Transfers). The DEA had 14 transfers into its S&E account - one transfer from the Spectrum Relocation Fund, Executive Office of the President totaling \$55,687,000, four transfers from ONDCP's High Intensity Drug Trafficking Area (HIDTA) program totaling \$15,612,353, one transfer from Department of State totaling \$91,590,000, and eight internal transfers from expired FY 2005/FY 2006/FY 2007/FY 2008 S&E funds of \$45,160,489. Also, the DEA had 17 transfers out of its S&E account - one transfer to the Department of Justice's Wire Management Office totaling \$1,458,166, seven transfers to DOJ's Working Capital Fund totaling \$2,664,277, one transfer to ONDCP's (HIDTA) program totaling \$300,384, and eight internal transfers from expired FY 2005/FY 2006/FY 2007/FY 2008 S&E funds of \$45,160,489 to the DEA's S&E No-Year funds.

Transfers under the Drug Resources by Function section in the Table of FY 2009 Reprogrammings and Transfers are based on the same MCA allocation percentages as the Table of Drug Control Obligations.

Disclosure 5: Other Disclosures

The DEA did not have any ONDCP Fund Control Notices issued in FY 2009.

Department of Justice  
Drug Enforcement Administration  
Table of Reprogrammings and Transfers  
For Fiscal Year Ended September 30, 2009  
(Dollars in Millions)

	Reprogrammings	Transfers In	Transfers Out	Total
<b>Drug Resources by Account/Budget Decision Units and Function:</b>				
<b>Diversion Control Fee Account</b>				
Investigations	-	-	-	-
<b>Diversion Control Fee Account</b>				
<b>Domestic Enforcement</b>				
Investigations	-	93,476 \$	(45,681) \$	47,795
Intelligence	-	7,292	(3,564)	3,728
Prevention	-	0,079	(0,038)	0,041
<b>Domestic Total</b>	-	<b>100,847</b>	<b>(49,283)</b>	<b>51,564</b>
<b>International Enforcement</b>				
International	-	87,460	-	87,460
Intelligence	-	4,130	-	4,130
<b>International Total</b>	-	<b>91,590</b>	-	<b>91,590</b>
<b>State &amp; Local Assistance</b>				
State & Local Assistance	-	-	-	-
<b>State &amp; Local Assistance Total</b>	-	-	-	-
<b>Total</b>	<b>-</b>	<b>\$ 192,437 \$</b>	<b>(49,283) \$</b>	<b>143,154</b>
<b>HIDTA Transfers</b>				
		15,612	(0,300)	15,312



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## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

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

We have reviewed the accompanying Table of Drug Control Obligations and related disclosures of the U.S. Department of Justice's Organized Crime Drug Enforcement Task Forces (OCDETF) Program for the year ended September 30, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. The OCDETF Program's management is responsible for the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement.

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 Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement. Accordingly, we do not express such an opinion.

Management of the OCDETF Program prepared the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement 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 Table of Drug Control Obligations and related disclosures for the year ended September 30, 2009, are 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 OCDETF, 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 25, 2010

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**U.S. Department of Justice**

Criminal Division

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

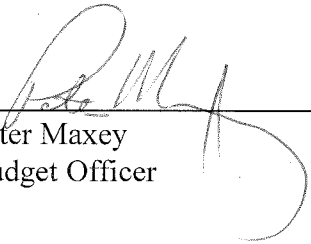
*Washington, DC 20530*

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDETF) Program  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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

1. Obligations reported by budget decision units are the actual obligations from the OCDETF Program's accounting system of record;
2. The methodology used by OCDETF to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects;
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations;
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes including the Office of National Drug Control Policy's (ONDCP) approval of reprogramming and transfers in excess of \$1 million affecting drug-related resources; and
5. The OCDETF Program did not have any ONDCP Fund Control Notices issued in FY 2009.

We have documented the methodology used by OCDETF to identify and accumulate FY 2009 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures in accordance with the guidance of ONDCP's Circular *Drug Control Accounting*, dated May 1, 2007. The OCDETF Program's drug control methodology has been consistently applied from the previous year.

  
\_\_\_\_\_  
Peter Maxey  
Budget Officer

1/25/10  
Date

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDETF) Program  
Table of Drug Control Obligations  
For Fiscal Year Ended September 30, 2009**

**Actual 2009 Obligations  
Dollars in Millions  
Decision Unit Crosswalk**

	Appropriated Funds	OCDETF Executive Office	Subtotal	No-Year Reallowed Funds 2/	Total FY 2009 Actual Obligations
<b>Drug Obligations by Decision Unit and Function</b>					
<b>Investigations:</b>					
Drug Enforcement Administration (DEA)	\$185.809	\$1.053	\$186.862	\$2.826	\$189.688
Federal Bureau of Investigation (FBI)	116.844	0.662	117.506	0.000	117.506
U.S. Marshals Service (USMS)	8.338	0.047	8.385	2.308	10.693
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	11.436	0.065	11.501	0.000	11.501
United States Coast Guard (USCG)	0.000	0.000	0.000	0.300	0.300
Subtotal Investigations	<u>322.427</u>	<u>1.827</u>	<u>324.254</u>	<u>5.434</u>	<u>329.688</u>
<b>Drug Intelligence:</b>					
DEA1/	8.594	0.049	8.643	0.000	8.643
FBI	20.624	0.117	20.741	0.000	20.741
OCDETF Fusion Center (OFC)	11.776	0.000	11.776	0.000	11.776
Subtotal Drug Intelligence	<u>40.994</u>	<u>0.166</u>	<u>41.160</u>	<u>0.000</u>	<u>41.160</u>
<b>TOTAL INVESTIGATIVE DECISION UNIT</b>	<b><u>363.421</u></b>	<b><u>1.993</u></b>	<b><u>365.414</u></b>	<b><u>5.434</u></b>	<b><u>370.848</u></b>
<b>Prosecutions:</b>					
U.S. Attorneys (USA)	139.439	3.450	142.889	0.555	143.444
Criminal Division	2.808	0.049	2.857	0.000	2.857
Tax Division	0.327	0.005	0.332	0.000	0.332
<b>TOTAL PROSECUTORIAL DECISION UNIT</b>	<b><u>142.574</u></b>	<b><u>3.504</u></b>	<b><u>146.078</u></b>	<b><u>0.555</u></b>	<b><u>146.633</u></b>
<b>Administrative Support:</b>					
OCDETF Executive Office	5.498 4/	(5.498)	0.000	0.000	0.000
Total Obligations	<u>\$511.492</u>	<u>\$0.000</u>	<u>\$511.492</u>	<u>\$5.989</u>	<u>\$517.481</u>
					<u>517.481</u>
				Reimbursable	0.150 3/
Total Agency Obligations	<u>\$511.492</u>		<u>\$511.492</u>		<u>\$517.631</u>
Drug Percentage	100%		100%		100%

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

2/Total obligated balance available includes reprogrammed/reallowances of carryover funds in the amount of \$5.989.

3/Represents collections received from U.S. Immigration and Customs Enforcement (ICE) to outfit the new Boston Strike Force.

4/Amount includes the National Drug Intelligence Center detail, totalling \$0.083 million.

No-Year (15X0323):	Amount	DEA	USMS	USA	USCG
Boston Strike Force Build out	\$2.250	\$0.000	\$2.250	\$0.000	\$0.000
Financial Training	0.500	0.000	0.000	0.500	0.000
United States Coast Guard Travel	0.300	0.000	0.000	0.000	0.300
USMS Conference Security	0.058	0.000	0.058	0.000	0.000
El Paso Strike Force	0.344	0.344	0.000	0.000	0.000
PanEx Strike Force	0.400	0.400	0.000	0.000	0.000
Atlanta Strike Force	0.277	0.222	0.000	0.055	0.000
Caribbean Corridor Initiative Strike Force	0.248	0.248	0.000	0.000	0.000
Houston Strike Force	0.300	0.300	0.000	0.000	0.000
New York Strike Force	0.400	0.400	0.000	0.000	0.000
Phoenix Strike Force	0.429	0.429	0.000	0.000	0.000
San Diego Strike Force	0.300	0.300	0.000	0.000	0.000
Boston Strike Force	0.183	0.183	0.000	0.000	0.000
Total	<u>\$5.989</u>	<u>\$2.826</u>	<u>\$2.308</u>	<u>\$0.555</u>	<u>\$0.300</u>



## U.S. Department of Justice

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

*Washington, DC 20530*

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### **U.S. Department of Justice Organized Crime Drug Enforcement Task Forces Program Management's Disclosure Statement For Fiscal Year Ended September 30, 2009**

#### Disclosure No 1. - Drug Control Methodology

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

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

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

OCDETF is directly charged with carrying out the DOJ drug supply reduction strategy, and all of its activities are aimed at achieving a measurable reduction in the availability of drugs in this country. The disruption and dismantlement of drug trafficking networks operating regionally, nationally, and internationally is a critical component of the supply reduction effort. In particular, OCDETF requires that in *each* OCDETF case investigators identify and target the financial infrastructure that permits the drug organization to operate. As such, all of OCDETF's efforts support Priority III of the President's National Drug Control Strategy: "Disrupting the Market – Attacking the Economic Base of the Drug Trade" and all of the Program's ICDE resources are

considered to be 100 percent drug-related.

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

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

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

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

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

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

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

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

The DOJ Offices, Boards and Divisions (OBDs) FY 2009 Independent Auditors' Report on Internal Control over Financial Reporting revealed no material weaknesses.

Although no material weaknesses were noted in the FY 2009 OBDs audit report on internal controls, one significant deficiency was reported. The deficiency was identified in the failure to update the Audited Financial Statements (AFS) funding analysis journal entry related to the misuse of earmarked funding between appropriated and reimbursable sources to reflect the significant reduction in reimbursable revenue received; thus the financial statements submitted for external audit contained an error. This finding, while not a material weakness, nor specifically directed to OCDETF, is being reported by OCDETF as an "other finding" because it has an undetermined impact on the presentation of drug related obligations.

The DOJ Justice Management Division (JMD) Finance Director, Quality Control and Compliance Group (QCCG) and component program managers as well as their respective Budget Officers who are affected, will develop a proactive corrective action plan to address the significant deficiency. The DOJ JMD Finance Director will validate this plan. In addition, the DOJ's JMD Finance Director and program managers will ensure that all weaknesses identified in prior year audits are addressed and that enhancements in policies, processes, and workflow are implemented to provide the best possible support for financial reporting.

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

Total availability consists of enacted budget authority for FY 2009, plus unobligated balances and recoveries brought forward from prior years. OCDETF's FY 2009 obligations include all reallocated carryover funds and transfers. In FY 2009, OCDETF re-allowed \$5,989,000 from its no-year account (15X0323) as follows: \$2,250,000 for the Boston Strike Force Build out; \$300,000 for United States Coast Guard; \$58,000 for USMS Conference Security; \$500,000 for Financial Investigative Training; \$344,000 for the El Paso Strike Force; \$400,000 for the Panama Express Strike Force; \$277,000 for the Atlanta Strike Force; \$248,000 for the Caribbean Corridor Initiative Strike Force; \$300,000 for the Houston Strike Force; \$400,000 for the New York Strike Force; \$429,000 for the Phoenix Strike Force; \$300,000 for the San Diego Strike Force; and \$183,000 for the Boston Strike. Finally, OCDETF also transferred radio resources amounting to \$555,624 to the DOJ Wireless Law Enforcement Communications Account as required by P.L. 111-8. See the attached Reprogramming and Transfers Schedule.



Disclosure No 5. - Obligations From Carryover Funds

In FY 2009, \$11,905,176 in unobligated balances and prior year recoveries was brought forward from FY 2008 and available for new obligations. Of this amount, \$5,989,000, as reported under Disclosure No 4., was established as new obligations during FY 2009.

Disclosure No 6. - Other Disclosures

OCDETF asserts that the information presented in the Table of Drug Control Obligations fairly presents the drug control obligations for OCDETF. OCDETF did not have any ONDCP Fund Control Notices in FY 2009.

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDEF) Program  
Reprogrammings and Transfers  
For the Fiscal Year Ended September 30, 2009  
(Dollars in Millions)**

Line Item	Unobligated Balances and Recoveries	Enacted Budget Authority	Reprogramming Reallowances 1/	Offsetting Collections 2/	Transfer 3/	Total Availability
<b>Drug Resources by Decision Unit and Function</b>						
<b>Investigations:</b>						
Drug Enforcement Administration (DEA)	\$0.000	\$187.871	\$2.826	\$0.000	-\$0.555	\$190.142
Federal Bureau of Investigation (FBI)	0.000	117.498	0.000	0.000	0.000	117.498
U.S. Marshals Service (USMS)	0.000	8.542	2.308	0.150	0.000	11.000
Alcohol, Tobacco, Firearms and Explosives (ATF)	0.000	11.500	0.000	0.000	0.000	11.500
U.S. Coast Guard (USCG)	0.000	0.000	0.300	0.000	0.000	0.300
Subtotal Investigations	0.000	325.411	5.434	0.150	(0.555)	330.440
<b>Drug Intelligence:</b>						
Drug Enforcement Administration (DEA)	0.000	11.421	0.000	0.000	0.000	11.421
Federal Bureau of Investigation (FBI)	0.000	20.739	0.000	0.000	0.000	20.739
OCDEF Fusion Center Support (OFC)	0.000	11.776	0.000	0.000	0.000	11.776
Subtotal Intelligence	0.000	43.936	0.000	0.000	0.000	43.936
<b>TOTAL INVESTIGATIONS DECISION UNIT</b>	<b>0.000</b>	<b>369.347</b>	<b>5.434</b>	<b>0.150</b>	<b>(0.555)</b>	<b>374.376</b>
<b>Prosecutions:</b>						
U.S. Attorneys (USAs)	0.000	142.446	0.555	0.000	0.000	143.001
Criminal Division (CRM)	0.000	2.877	0.000	0.000	0.000	2.877
Tax Division (TAX)	0.000	0.330	0.000	0.000	0.000	0.330
<b>TOTAL PROSECUTIONS DECISION UNIT</b>	<b>0.000</b>	<b>145.653</b>	<b>0.555</b>	<b>0.000</b>	<b>0.000</b>	<b>146.208</b>
Total Distributed	0.000	515.000	5.989	0.150	(0.555)	520.584
Undistributed	11.905	0.000	(5.989)	0.000	0.000	5.916
Total Obligations	<b>\$11.905</b>	<b>\$515.000</b>	<b>\$0.000</b>	<b>\$0.150</b>	<b>(\$0.555)</b>	<b>\$526.500</b>

<sup>1/</sup>Includes realigned carryover funds as follows: No-year funding of \$5.989 M (\$2.250 M for the Boston Strike Force Build out; \$.300 M for United States Coast Guard; \$.058 M for United States Marshals Service Conference Security; \$.500 M for Financial Investigative Training; \$.344 M for the El Paso Strike Force; \$.400 M for the Panama Express Strike Force; \$.277 for the Atlanta Strike Force; \$.248 M for the Caribbean Corridor Initiative Strike Force; \$.300 M for the Houston Strike Force; \$.400 M for the New York Strike Force; \$.429 M for the Phoenix Strike Force; \$.300 M for the San Diego Strike Force; and \$.183 M for the Boston Strike Force.

<sup>2/</sup>Represents funds collected from Immigration and Customs Enforcement (ICE) to outfit the Boston Strike Force Build out

<sup>3/</sup>Represents radio resources transferred to the DOJ Wireless Law Enforcement Communications Account as required by the FY 2009 DOJ Appropriations Act (P.L. 111-8)

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## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

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

We have reviewed the accompanying Table of Drug Control Obligations and related disclosures of the U.S. Department of Justice's Office of Justice Programs (OJP) for the year ended September 30, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. OJP's management is responsible for the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement.

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 Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement. Accordingly, we do not express such an opinion.

Management of the OJP prepared the Table of Drug Control Obligations, related disclosures, and Management's Assertion Statement 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 Table of Drug Control Obligations and related disclosures for the year ended September 30, 2009, are 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 OJP, 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 25, 2010

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**U.S. Department of Justice  
Office of Justice Programs  
Detailed Accounting Submission  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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

1. Obligations reported by budget decision unit are the actual obligations from OJP's accounting system of record for these budget decision units.
2. The methodology used by OJP to calculate obligations of budgetary resources by function is reasonable and accurate in all material aspects.
3. The methodology disclosed in this statement was the actual methodology used to generate the Table of Drug Control Obligations.
4. The data presented are associated with obligations against a financial plan that was revised during the fiscal year (FY) to properly reflect transfers which affected drug-related resources.
5. OJP did not have any Office of National Drug Control Policy (ONDCP) Fund Control Notices issued in FY 2009.

We have documented the methodology used by OJP to identify and accumulate FY 2009 drug control obligations in the Table of Drug Control Obligations and accompanying disclosures, in accordance with the guidance of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. OJP's drug control methodology has been consistently applied from the previous year.



---

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

1/23/10  
Date

U.S. Department of Justice  
Office of Justice Programs  
Table of Drug Control Obligations  
By Budget Decision Unit and Function  
For Fiscal Year Ended September 30, 2009  
(Dollars in Millions)

	<b>FY 2009 Actual Obligations<sup>1/</sup></b>
<b>Drug Obligations by Budget Decision Unit and Function:</b>	
<b>Regional Information Sharing System</b>	
State and Local Assistance	\$45.082
<b>Weed and Seed Program</b>	
State and Local Assistance	27.790
Prevention	<u>3.088</u>
Total Weed and Seed Program	30.878
<b>Enforcing Underage Drinking Laws</b>	
Prevention	25.353
<b>Drug Court Program</b>	
Treatment	41.423
<b>Residential Substance Abuse Treatment Program</b>	
Treatment	10.987
<b>Prescription Drug Monitoring Program</b>	
State and Local Assistance	6.637
<b>Southwest Border Prosecution Initiative</b>	
State and Local Assistance	30.030
<b>Northern Border Prosecution Initiative</b>	
State and Local Assistance	5.444
<b>Second Chance Act<sup>2/</sup></b>	
State and Local Assistance	7.375
<b>Drug Prevention Demonstration Program</b>	
Prevention	<u>0.242</u>
<b>Total</b>	<b><u>\$203.451</u></b>
<b>Methamphetamine Enforcement and Lab Cleanup<sup>3/</sup></b>	<b>5.000</b>

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

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

<sup>3/</sup> Funding for the Methamphetamine Enforcement and Lab Cleanup Program is transferred from the Office of Community Oriented Policing Services (COPS) to the Drug Enforcement Administration for program administration; therefore, obligations are not tracked by the Office of Justice Programs (OJP). FY 2009 total obligations for the program were reported to OJP by the COPS budget office. See Disclosure 1 for additional information.

## **Disclosure 1: Drug Control Methodology**

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

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

OJP's Office of the Chief Financial Officer, Budget Planning and Performance Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP fiscal year (FY) 2009 Table of Drug Control Obligations includes total obligations associated with 11 budget decision units identified for the National Drug Control Budget. However, funds for 10 of these decision units are directly appropriated to OJP. Funding for the Methamphetamine Enforcement and Lab Cleanup Program is appropriated to the Office of Community Oriented Policing Services (COPS), an office within the Department of Justice's (DOJ's) Offices, Boards, and Divisions (OBDs), and transferred to the Drug Enforcement Administration (DEA) for administration. Because the obligations related to the COPS program are reported in the financial statements of the OBDs, they are not included in the FY 2009 actual obligations total on OJP's Table of Drug Control Obligations. Decision units include the following:

- Regional Information Sharing System
- Weed and Seed Program
- Enforcing Underage Drinking Laws
- Drug Court Program
- Residential Substance Abuse Treatment Program
- Prescription Drug Monitoring Program
- Southwest Border Prosecution Initiative
- Northern Border Prosecution Initiative
- Second Chance Act
- Drug Prevention Demonstration Program
- Methamphetamine Enforcement and Lab Cleanup (COPS Program)

In determining the level of resources used in support of 10 of these budget decision units (excluding Methamphetamine Enforcement and Lab Cleanup), OJP used the following methodology:



Drug Program Obligations by Decision Unit: Data on obligations, as of September 30, 2009, were gathered from OJP's Financial Management Information System 2 (FMIS2). The total obligations presented for OJP are net of reimbursements and funds obligated under the Crime Victims Fund, Public Safety Officers Benefit Program, and the Office on Violence Against Women.

Salaries and Expenses Data. In FY 2009, Congress established a new Salaries and Expenses (S&E) account for OJP. S&E obligations were gathered from OJP's FMIS2. The obligation amounts were allocated by applying the relative percentage of Full-Time Equivalent (FTE) assigned to 10 drug-related decision units to total S&E obligations for OJP. There were no S&E obligations associated with the Methamphetamine Enforcement and Lab Cleanup program, as this program is not administered by OJP.

Overall, OJP program activities support all three goals of the National Drug Control Strategy: (1) Stopping Use Before it Starts; (2) Intervening and Healing America's Drug Users; and (3) Disrupting the Market. Functionally, OJP program activities fall under the following categories: prevention, state and local assistance, and treatment. The method used to allocate OJP funds to ONDCP functions was derived through an analysis of individual program missions and by surveying program staff. A deliberate effort was made to accurately account for program activities, which resulted in one program's (Weed and Seed) obligations falling under multiple functions. The Table of Drug Control Obligations shows FY 2009 obligations for the 10 programs, categorized by function and decision unit, which are reported by OJP.

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

- |                       |                                                                                                                                                                                                                                                                                                         |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Function:             | The appropriate drug-related percentage was applied to each program/decision unit line item and totaled by function.                                                                                                                                                                                    |
| Decision Unit:        | In accordance with the ONDCP circulars, 100 percent of the actual obligations for 10 of the 11 budget decision units is included, with the exception of the Second Chance Act program. Thirty percent of the actual obligations for the Second Chance Act program are reflected for this decision unit. |
| Full-Time Equivalent: | FTE data originates from the U.S. Department of Agriculture's National Finance Center, and is obtained by OJP through the DOJ, Justice Management Division Data Center. The same percentage that is applied to calculate FTE, was also applied to the S&E obligations.                                  |

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

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

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

The FY 2009 Independent Auditors' Report on Internal Control Over Financial Reporting cited no material weaknesses. However, one significant deficiency was identified during the audit and is noted below, along with the recommendation and OJP management response.

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### **IMPROVEMENTS ARE NEEDED IN THE SYSTEM AND CONTROLS OVER BUDGETARY UPWARD AND DOWNWARD ADJUSTMENTS**

---

OJP's Financial Management Information System 2 (FMIS2) is not configured to immediately record upward and downward adjustments when changes are made to prior year obligations. As a result, OJP developed a process to record its upward and downward adjustments at a program level. Quarterly, OJP runs a system query to identify those transactions that are potentially upward and downward adjustments to undelivered orders (UDO). The transactions are then downloaded into an Access database and OJP performs a review to determine the valid upward and downward adjustments. OJP then prepares a journal entry to record the upward and downward adjustments to UDOs in the general ledger. OJP's "Recoveries of Prior Year Obligations Unpaid" line item on the Statement of Budgetary Resources was tested and identified recording errors that totaled approximately \$71 million. Of the \$71 million, \$52 million was related to correcting transactions that were misclassified as upward and downward adjustments. The remaining \$19 million was related to re-postings of grant activity from one program to another or from direct to reimbursable funding. The upward and downward adjustments for these items should have been eliminated. Additionally, these errors were not detected during supervisory review.

U.S. Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (GAO/AIMD-00-21.3.1) states, "Control activities occur at all levels and functions of the entity. They include a wide range of diverse activities such as approvals, authorizations, verifications, reconciliations, performance reviews, maintenance of security, and the creation and maintenance of related records which provide evidence of execution of these activities as well as appropriate documentation. Control activities may be applied in a computerized information system environment or through manual processes."GAO's *Standards for Internal Control in the*

*Federal Government* also provides examples of control activities, which include “reviews by management at the functional or activity level.”

As a result of these errors, “Recoveries of Prior Year Obligations Unpaid” and the “Obligations Incurred” line items on the FY 2009 Statement of Budgetary Resources were each potentially overstated by approximately \$71 million. OJP confirmed and recorded an adjusting journal entry to correct \$52 million of the overstatement and the remaining \$19 million was recorded as an immaterial unadjusted audit difference.

**Recommendation:**

1. Enhance the review of upward and downward adjustment transactions in the Access database and related journal entries to ensure only valid recoveries and de-obligations are recorded, as defined by OMB.

**Management Response:**

OJP concurs with the recommendation. While OJP has internal controls in place to verify entries into the accounting system are accurate, in FY 2010, OJP will strengthen its controls over the upward and downward review process. It should be noted that the errors illustrated in the auditor’s report are limited in scope and duration.

**Disclosure 4: Reprogrammings or Transfers**

In accordance with the ONDCP’s Circular, *Drug Control Accounting*, dated May 1, 2007, in FY 2009, OJP made \$3.0 million in reprogrammings and \$5.7 million in drug-related transfers-in. The reprogramming amount reflects reallocations of funding from the decision units to the Salaries and Expenses account. The transfers-in amount reflects OJP FY 2009 recoveries associated with the reported decision units. See the attached Reprogrammings and Transfers Schedule.

**Disclosure 5: Other Disclosures**

- In FY 2009, OJP received no ONDCP Fund Control Notices.
- Of the total FY 2009 actual obligations amount, \$41.3 million are a result of carryover unobligated resources. See the attached Reprogrammings and Transfers Schedule.

**U.S. Department of Justice  
Office of Justice Programs  
Reprogrammings and Transfers Schedule  
For the Fiscal Year Ended September 30, 2009  
(Dollars in Millions)**

Table Line Item	Unobligated Balances Forward	Enacted BA	Rescission	Reprogrammings <sup>1/</sup>	Transfers <sup>2/</sup>		Total Availability
					In	Out	
<b>Drug Obligations by Function:</b>							
Regional Information Sharing System							
State and Local Assistance	0.000	45.000	0.000	(0.119)	0	0.000	44.881
Weed and Seed Program							
State and Local Assistance	2.261	22.500	(0.459)	(0.068)	0.486	0.000	24.720
Prevention	<u>0.251</u>	<u>2.500</u>	<u>(0.051)</u>	<u>(0.008)</u>	<u>0.054</u>	<u>0.000</u>	<u>2.746</u>
Total Weed and Seed Program	2.512	25.000	(0.510)	(0.076)	0.540	0.000	27.466
Enforcing Underage Drinking Laws							
Prevention	0.891	25.000	(0.858)	(0.057)	---	0.000	24.976
Drug Court Program							
Treatment	4.457	42.500	(8.598)	(0.539)	3.500	0.000	41.320
Residential Substance Abuse Treatment Program							
Treatment	1.032	10.000	(1.415)	(0.056)	0.858	0.000	10.419
Prescription Drug Monitoring Program							
State and Local Assistance	1.613	7.000	(1.954)	(0.145)	0.296	0.000	6.810
Southwest Border Prosecution Initiative							
State and Local Assistance	27.857	31.000	(13.196)	(1.769)	0.485	0.000	44.377
Northern Border Prosecution Initiative							
State and Local Assistance	2.656	3.000	---	(0.122)	0.000	0.000	5.534
Second Chance Act <sup>3/</sup>							
State and Local Assistance	---	7.500	---	(0.158)	0.000	0.000	7.343
Drug Prevention Demonstration Program							
Prevention	<u>0.291</u>	<u>0.000</u>	<u>(0.108)</u>	<u>0.000</u>	<u>0.000</u>	<u>(0.055)</u>	<u>0.128</u>
<b>Total.....</b>	<b>41.309</b>	<b>196.000</b>	<b>(26.639)</b>	<b>(3.041)</b>	<b>5.679</b>	<b>(0.055)</b>	<b>213.254</b>
Methamphetamine Enforcement and Lab Cleanup <sup>4/</sup>	---	5.000	---	---	---	---	5.000

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

<sup>2/</sup> Transfers In reflect FY 2009 recoveries.

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

<sup>4/</sup> Funding for the Methamphetamine Lab Cleanup Program is transferred from COPS to DEA for program administration; therefore, obligations are not tracked by OJP. FY 2009 total obligations for the program were reported to OJP by the COPS budget office.

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

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KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

Director  
Federal Bureau of Prisons  
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, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. The BOP's management is responsible for the Performance Summary Report and Management's Assertion Statement.

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 Statement. Accordingly, we do not express such an opinion.

Management of the BOP prepared the Performance Summary Report and Management's Assertion Statement 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, 2009, 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 BOP, 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 25, 2010



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U.S. Department of Justice

Federal Bureau of Prisons

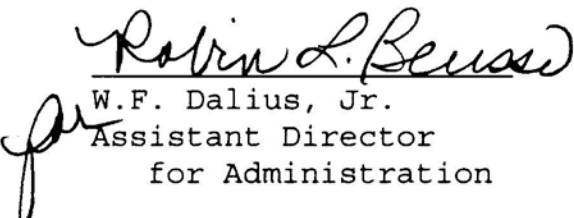
Washington, DC 20534

**U.S. Department of Justice  
Bureau of Prisons  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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

1. The SENTRY is Bureau of Prison's (BOP) online system to capture performance information. The SENTRY was utilized to gather performance information. The methodology described in the performance summary report was the actual methodology used to generate the performance information.
2. The FY 2009 performance target was achieved. Therefore, an assertion related to the reasonableness of explanations for not meeting performance targets is not applicable.
3. The methodology used by the BOP to establish performance targets is reasonable given past performance and available resources.
4. The BOP has established a performance measurement of monitoring the utilization of residential drug treatment program capacity as a performance indicator to measure effective usage of Drug Treatment Programs. This measure complies with the purpose of National Drug Control Program activity.

We have documented the methodology used by the BOP to identify and accumulate FY 2009 Performance data in the Performance Summary Report in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

  
W.F. Dalius, Jr.

Assistant Director  
for Administration

01/25/10

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 2009, the performance target was a total capacity of 6,050 and 5,748 participants. The BOP achieved a total capacity of 6,050 that was available for the entire fiscal year and 5,815 actual participants thus exceeding the target level for FY 2009.

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

For FY 2010, the capacity of BOP's residential drug treatment is projected to be increased from FY 2009 to 6,482 with total participants of 6,158. To ensure the reliability of the data, the capacity of the program and the utilization rate is monitored by subject matter experts at the end of each quarter using Key Indicator Reports generated from SENTRY.

Measure:

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

Fiscal Year	Capacity	Participants*	Utilization
FY 2005 Actual	5,642	5,889	104%
FY 2006 Actual	5,994	6,101	102%
FY 2007 Actual	6,066	5,892	97%
FY 2008 Actual	6,050	5,783	96%
FY 2009 Target	6,050	5,748	95%
FY 2009 Actual	6,050	5,815	96%
FY 2010 Target	6,482	6,158	95%

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

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KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

Acting Administrator  
Drug Enforcement Administration  
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, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. The DEA's management is responsible for the Performance Summary Report and Management's Assertion Statement.

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 Statement. Accordingly, we do not express such an opinion.

Management of the DEA prepared the Performance Summary Report and Management's Assertion Statement 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, 2009, 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 DEA, 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 25, 2010

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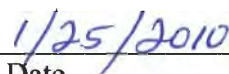
**U.S. Department of Justice  
Drug Enforcement Administration  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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

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

We have documented the methodology used by DEA for the associated National Drug Control Program activities for FY 2009 in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007. The DEA drug control methodology has been consistently applied from the previous year.

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

  
\_\_\_\_\_  
Date



# The Drug Enforcement Administration's FY 2009 Performance Summary Report

## I. PERFORMANCE INFORMATION

### Performance Measures

Department of Justice (DOJ) initiated discussions with the Office of National Drug Control Policy (ONDCP) to determine the performance measures that most clearly reflect the Drug Enforcement Administration's (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 Consolidated Priority Organization Target (CPOT) targets and active international and domestic priority target organizations linked to CPOT targets. These measures correspond to the 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 Drug Enforcement Task Force (OCDETF) program contribute to these performance measures, but are not responsible for specifically identifiable performance. Since the Priority Targeting Program is the DEA's flagship initiative for meeting its enforcement goals, the performance measures associated with this program are the most appropriate for assessing the DEA's National Drug Control Program activities.

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

### Data Validation and Verification

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

Once an investigation meets the criteria for a Priority Target Organization (PTO), the investigation can be nominated as a PTO submission through PTARRS. In PTARRS, users electronically propose, nominate, assign, decline, and track PTO investigations. PTARRS provides a means of electronically validating, verifying and approving PTOs through the chain of

command, beginning with the case agent in the field and ending with the headquarters' Operations Division.

### *PTO Projection Methodology*

The DEA sets annual and long-term targets that are challenging, but realistic. In the first few years of the DEA's Priority Targeting Program, the DEA repeatedly exceeded its annual targets for disruptions<sup>1</sup> and dismantlements<sup>2</sup>. In response, the DEA refined its projection methodology by using regression analysis to determine the relative weight of many independent variables and their ability to forecast the number of PTOs disrupted and dismantled. Specifically, regression allows DEA to incorporate, test and evaluate a number of independent variables, including but not limited to arrests, investigative work hours, drug seizures, PTOs opened, and asset seizures. This refined methodology was used to set the DEA's long-term targets for inclusion in DOJ's FY 2007 - FY 2012 Strategic Plan. To establish targets for active PTOs, the DEA uses a Microsoft Excel algorithm, which compiles and computes a linear trend based on actual data and predicts data estimates for subsequent fiscal years.

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

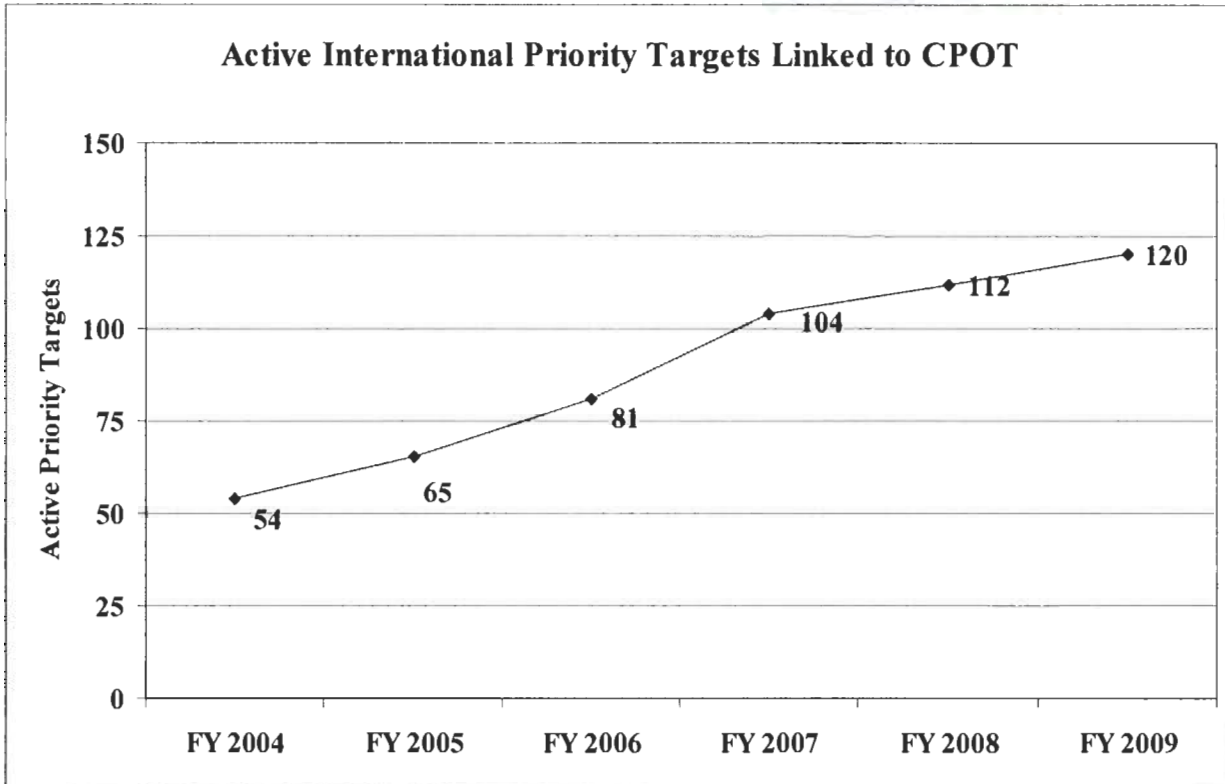
<sup>2</sup> A dismantlement occurs when the organization's leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

**Decision Unit:** International Enforcement

Measure 1: Number of Active International PTOs Linked to CPOT

**Table 1:** Measure 1

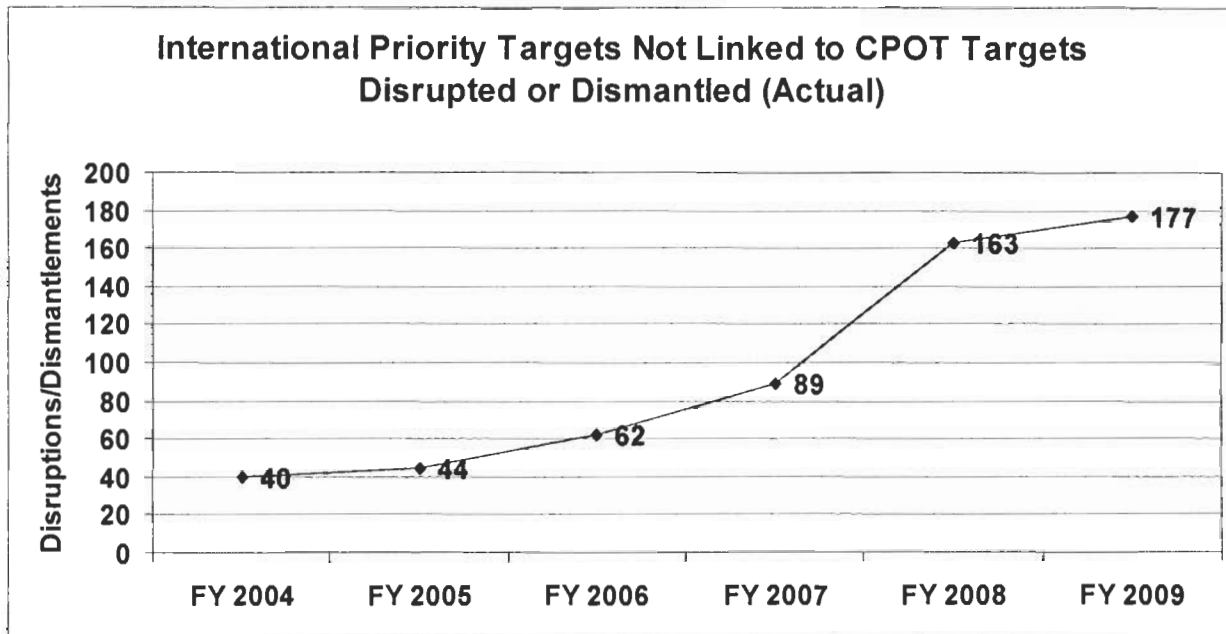
<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
54	65	81	104	112	130	120	120



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

Table 2: Measure 2

FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
40	44	62	89	163	170	177	185



The main focus of the DEA’s International Enforcement program is the disruption or dismantlement of drug trafficking organizations identified as the most significant international drug and chemical trafficking organizations, also known as PTOs. The DEA’s PTOs 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 and distributors, are disrupted or dismantled, the availability of drugs within the United States is impacted.

The DEA’s foreign offices focus their investigative efforts on PTOs with a direct connection to the Attorney General’s CPOTs, as well as other PTOs 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 OCDETF member agencies. All current CPOT targets represent foreign targets based abroad. Efforts to disrupt and dismantle CPOT targets are primarily accomplished through multi-agency investigations, most of which are directed by the DEA. Consistent with the *President’s National Drug Control Strategy*, the DEA focuses on finding and exploiting strategic vulnerabilities in the drug market. The 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 the DEA foreign country offices.

One measure of the effectiveness used by management to assess the DEA's international enforcement efforts is the number of active PTOs linked to CPOTs. As of September 30, 2009, the DEA did not meet its target of 130 active PTOs linked to CPOTs by ten. Since the 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.

Due to the DEA's focus on PTOs linked to CPOT, International Enforcement's FY 2009 targets were increased by 16% for active PTOs linked to CPOTs over FY 2008 actuals. Unfortunately, the anticipated increase in performance was not realized. Based on an analysis of FY 2009 performance, a majority of the foreign offices performed at the same level as FY 2008. External and uncontrollable variables in the "foreign arena" can lead to fluctuations in the DEA's overall performance despite the DEA's efforts to reallocate resources to regions where they are needed most.

The current FY 2010 targets are 120 active international PTOs linked to CPOTs. The FY 2010 target is based on a Microsoft Excel algorithm that is updated annually based on the most recent performance data, which includes case data from DEA's foreign country offices.

Another measure of effectiveness used by management to assess the DEA's international enforcement efforts is the number of disruptions or dismantlements of PTOs not linked to CPOTs. The FY 2009 target for the disruption or dismantlement of International PTOs not linked to CPOT targets was 170. As of September 30, 2009, DEA disrupted or dismantled 177 International PTOs, exceeding the target by 4%. The DEA exceeded its annual target because of the emphasis the DEA places on its ultimate objective – the dismantlement of the most significant drug trafficking and money laundering organizations so that the reestablishment of the same organization is impossible.

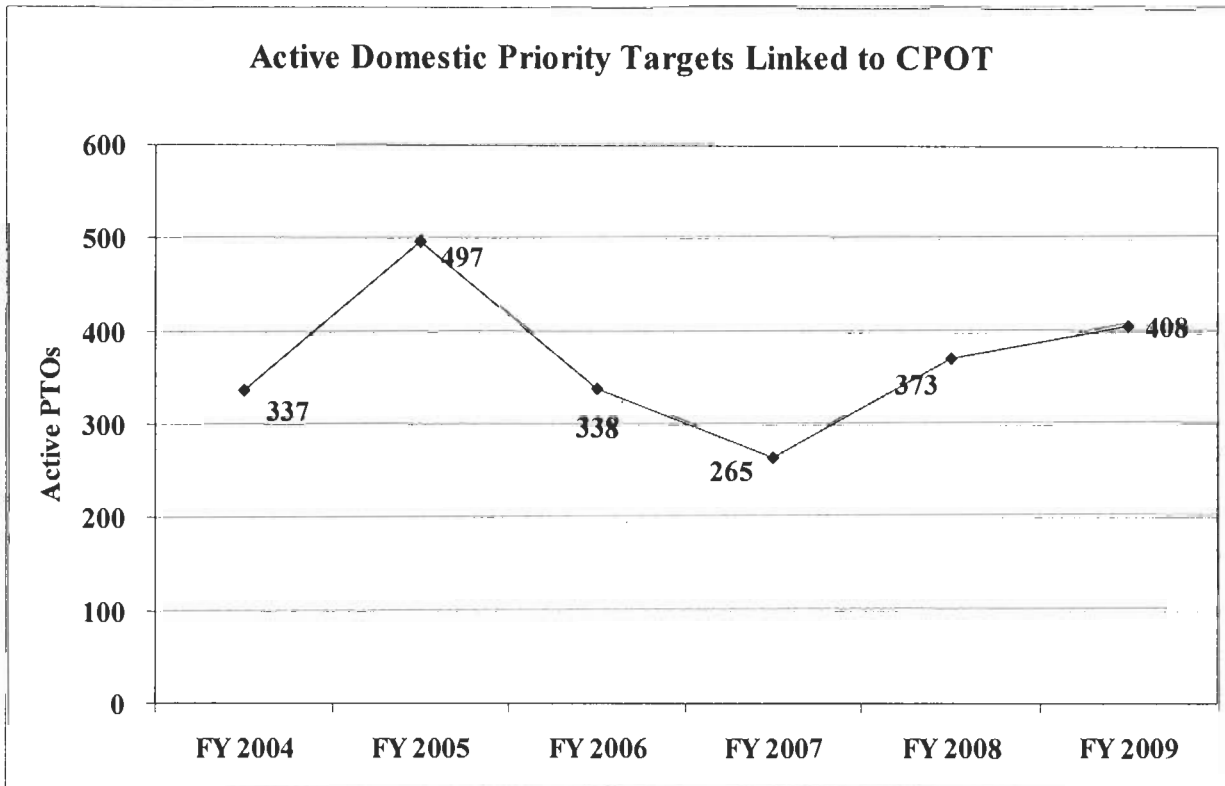
The current FY 2010 targets are 185 disruptions or dismantlements of international PTOs not linked to CPOTs. The FY 2010 target is based on a regression analysis that is updated annually based on the most recent performance data, which includes case data from DEA's foreign country offices.

**Decision Unit: Domestic Enforcement**

Measure 1: Number of Active Domestic PTOs Linked to CPOT

**Table 3: Measure 1**

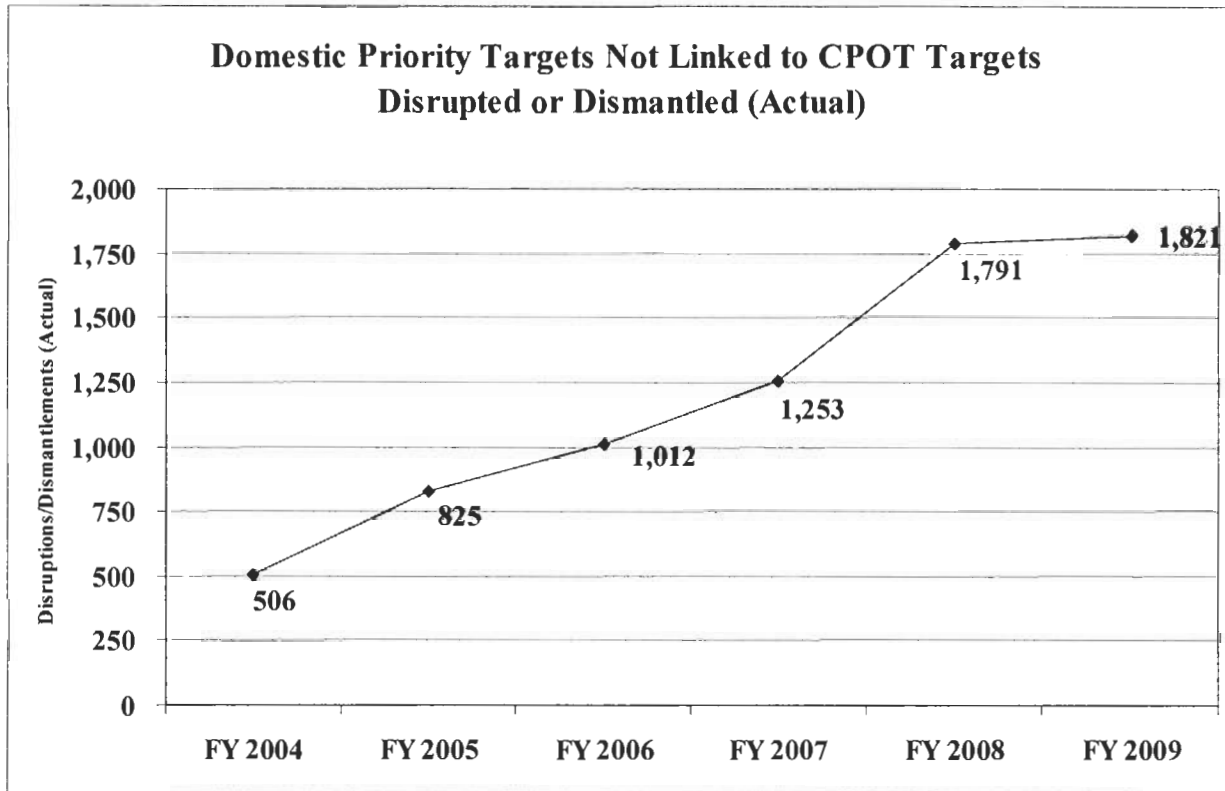
<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
337	497	338	265	373	400	408	420



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

**Table 4: Measure 2**

FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
506	825	1,012	1,253	1,791	1,850	1,821	2,100



The DEA's Domestic Enforcement program comprises the majority of the DEA's investigative and support resources. These resources, in conjunction with the DEA's foreign offices, create a seamless intelligence and investigative web to pursue drug trafficking organizations, from multinational and poly-drug conglomerates, to independent specialty one-function cells. Specifically, the 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*, the DEA focuses on finding and exploiting strategic vulnerabilities in the drug market. The 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 the 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. The 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. The 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 an effort to evaluate the DEA's impact on drug availability, the DEA continues to pilot the *Significant Investigation Impact Measurement System* (SIIMS) to assess the impact that selected disruptions and dismantlements of major drug trafficking organizations have on a wide range of variables such as drug availability, crime statistics and other quality of life factors.

In addition, the DEA is working to develop proxies for the DEA's impact on drug availability. Currently, the DEA is analyzing the average price per pure gram of cocaine purchased domestically. From January 2007 through March 2009, the average price per pure gram of all domestic cocaine purchases recorded in the DEA's System to Retrieve Information on Drug Evidence (STRIDE) increased 75.6 percent, while purity fell 28.6 percent.

The DEA has also analyzed the average price per pure gram of methamphetamine purchased domestically. From January 2007 through March 2009, the average price per pure gram of all domestic methamphetamine purchases recorded in STRIDE increased 30.5 percent, while purity rose 10.3 percent. The DEA is continuing to monitor these measures and expand them to include heroin and marijuana. In addition, the DEA is analyzing other positive law enforcement outputs to identify meaningful trends to measure its impact on the drug market.

One measure of effectiveness used by management to assess its domestic enforcement efforts is the number of Active PTOs linked to CPOTs. As of September 30, 2009, the DEA exceeded its FY 2009 target of 400 by two percent. The current FY 2010 targets are 420 active domestic PTOs linked to CPOTs. The FY 2010 target is based on a Microsoft Excel algorithm that is updated annually based on the most recent performance data, which includes case data from DEA's 21 domestic field divisions.

Another measure of the effectiveness used by management to assess its domestic enforcement efforts is the number of PTOs Not Linked to CPOT Targets disrupted or dismantled. The DEA fell short of its FY 2009 target of 1,850 by 1.6 percent with 1,821 PTO investigations disrupted or dismantled. The increased complexity of PTOs has resulted in an increase in the amount of time it takes to disrupt them. Law enforcement is pursuing more complex investigative techniques to achieve a significant impact against these organizations. This inherently takes more time. Utilizing such techniques as electronic surveillance and in-depth financial



investigations has permitted the DEA to improve upon its success in permanently dismantling major drug trafficking organizations. However, these sophisticated techniques are more time intensive, and as a result, investigations can last for several years.

The DEA's PTO program was established in FY 2001 and has been growing since that time. Based on the DEA's current staffing levels, the program has almost reached its capacity. In addition, as investigations become more complex, the number of disruptions and dismantlements will plateau. Therefore, the current FY 2010 targets are 2,100 disruptions or dismantlements of domestic PTOs not linked to CPOT. The FY 2010 target is based on a regression analysis that is updated annually based on the most recent performance data, which includes case data from DEA's 21 domestic field divisions.



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## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

Director  
Executive Office for the Organized Crime  
Drug Enforcement Task Forces  
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, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. The OCDETF Program's management is responsible for the Performance Summary Report and Management's Assertion Statement.

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 Statement. Accordingly, we do not express such an opinion.

Management of the OCDETF Program prepared the Performance Summary Report and Management's Assertion Statement 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, 2009, 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 OCDETF, 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 25, 2010

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**U.S. Department of Justice**

Criminal Division

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

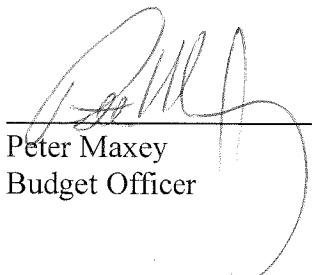
*Washington, DC 20530*

**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, 2009**

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; and
4. OCDETF has established acceptable performance measures for its Drug Control Decision Units, as agreed to by the Office of National Drug Control Policy (ONDCP), for which a significant amount of obligations (\$1,000,000 or 50 percent of the OCDETF drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure considers the intended purpose of the National Drug Control Program activity.

We have documented the methodology used by OCDETF to identify and accumulate FY 2009 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

1/25/10  
Date

**U.S. Department of Justice  
Organized Crime Drug Enforcement Task Forces (OCDETF) Program  
Performance Summary  
For the Fiscal Year Ended September 30, 2009**

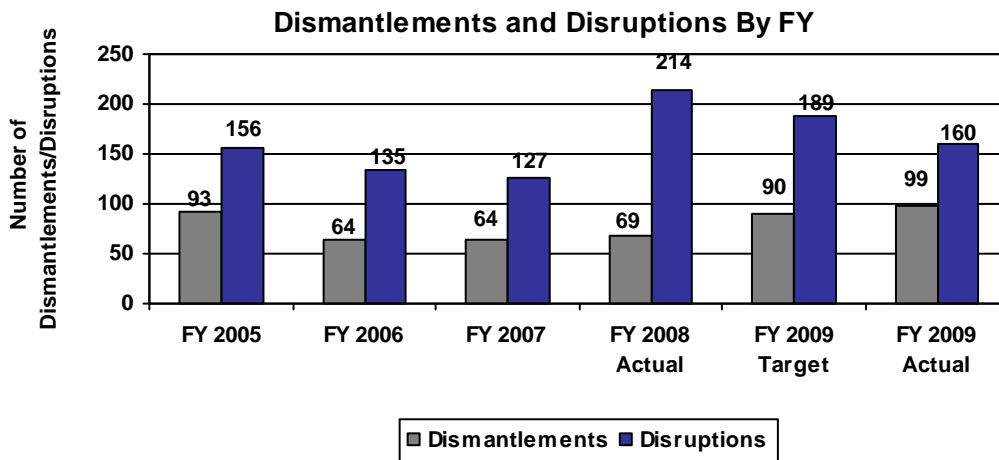
**Drug Control Decision Units: Investigations and Prosecutions**

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

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

**Table 1: Measure**

	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
Dismantlements	93	64	64	69*	90	99†	88
Disruptions	156	135	127	214*	189	160‡	194



\* FY 2008 Actual Disruptions and Dismantlement numbers adjusted to include an additional 2 Federal Bureau of Investigation (FBI) disruptions and 6 FBI dismantlements.

† Breakdown by agency for OCDETF is: 99 Dismantled (81 Drug Enforcement Administration (DEA) and 18 FBI).

‡ Breakdown by agency for OCDETF is: 160 Disrupted (130 DEA and 30 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 illicit drug supply in the United States. By dismantling and disrupting trafficking organizations that are CPOT-linked, OCDETF is focusing enforcement efforts against organizations that include heads of narcotic and/or money laundering organizations, poly-drug traffickers, clandestine manufacturers and producers, and major drug transporters, all of whom are believed to be primarily responsible for the domestic illicit drug supply. Additionally, the financial investigations conducted by OCDETF are focused on eliminating the entire infrastructure of CPOT-linked organizations and permanently removing the profits enjoyed by these most significant drug traffickers. Reducing the nation's illicit drug supply and permanently destroying the infrastructure of significant drug trafficking organizations are critical pieces of the Attorney General's Drug Strategy as well as the National Drug Control Strategy. By reporting on the number of CPOT-linked organizations being disrupted or dismantled, OCDETF clearly indicates the number of significant drug organizations that have been impacted by law enforcement efforts.

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

OCDETF has dismantled 99 CPOT-linked organizations in FY 2009, exceeding its target. This is a 43 percent increase over the 69 that were dismantled in FY 2008 and a 6 percent increase over the 93 dismantled in FY 2005, the highest number reported prior to FY 2009. OCDETF has disrupted 160 CPOT-linked organizations in FY 2009, falling short of its sub-target for disruptions. The total of 259 CPOT-linked organizations that were either dismantled or disrupted during FY 2009 is over 9 percent lower than the 283 dismantled or disrupted in FY 2008, which was a record year.

During FY 2009, in addition to making important gains against CPOT-linked organizations, the Department of Justice (DOJ) continued to achieve successes against the CPOTs themselves. Nine CPOT targets were dismantled in FY 2009, also the highest number ever during a fiscal year. Additionally, two CPOT targets were disrupted. Significant impact was made during the year against leaders of organizations such as the Autodefensas Unidas de Colombia/The United Self-Defense Groups of Colombia, the Norte Valle Cartel, and the Tijuana Cartel, a violent and feared Mexican organization.

The DOJ was able to meet its overall FY 2009 targets for disruptions and dismantlements of CPOT-linked organizations. This DOJ accomplishment aggregates both OCDETF and non-OCDETF disruptions and dismantlements. Although the DOJ was able to meet its overall targets in this area, resource reductions to the OCDETF Program in FY 2009 caused the OCDETF Program to fall short of its subtarget for disruptions of CPOT-linked organizations, as noted in the table above. Disruptions achieved by the law enforcement agencies in non-OCDETF cases allowed the DOJ to overcome the shortfall in OCDETF disruptions. Despite the DOJ's ability to meet the overall target, the decline in OCDETF disruptions is a troubling sign, making it clear that as OCDETF resources are reduced, Departmental components are incentivized to pursue

non-coordinated investigations of CPOT-level organizations, rather than conducting them in a coordinated fashion by means of the multi-agency, prosecutor-led OCDETF Task Forces that are the centerpiece of DOJ's strategy in combating the CPOTs. DOJ has requested additional funding for the OCDETF Program in future years to allow the Program to achieve future performance targets.

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

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



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Washington, DC 20036

## Independent Accountants' Report

Inspector General  
U.S. Department of Justice

Assistant Attorney General  
Office of Justice Programs  
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, 2009. We have also reviewed the accompanying Management's Assertion Statement for the year ended September 30, 2009. OJP's management is responsible for the Performance Summary Report and Management's Assertion Statement.

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 Statement. Accordingly, we do not express such an opinion.

Management of the OJP prepared the Performance Summary Report and Management's Assertion Statement 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, 2009, 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 OJP, 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 25, 2010



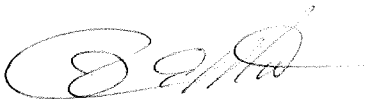
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**U.S. Department of Justice  
Office of Justice Programs  
Performance Summary Report  
Management's Assertion Statement  
For Fiscal Year Ended September 30, 2009**

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. Two systems were used to accurately capture performance information reported in this document. The Grants Management System (GMS) is OJP's online system that captures performance information and was utilized for the purposes of this report. In addition to GMS, on January 1, 2009, the Bureau of Justice Assistance implemented the Performance Measurement Tool, an on-line data collection system, to collect data for the Residential Substance Abuse Treatment and Drug Court Programs, and data from this system were also used for this report.
2. Explanations for not meeting performance targets are reasonable.
3. The methodology to establish performance targets is reasonable given past performance and available resources.
4. OJP established acceptable performance measures for its Drug Control Decision Units, as agreed to by ONDCP, for which a significant amount of obligations (\$1,000,000 or 50 percent of the OJP 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 OJP to identify and accumulate FY 2009 drug control performance data in compliance with the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.



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

1/25/10  
Date

## I. PERFORMANCE INFORMATION

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

### Decision Unit: RSAT Program

Measure 1: Number of participants in the RSAT Program

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

CY 2005 Actual	CY 2006 Actual	CY 2007 Actual	CY 2008 Target	CY 2008 Actual	CY 2009 Target	CY 2010 Target
31,740	27,756	26,991	20,000	28,308	20,000	25,000

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

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

The four types of programs are: 1) residential substance abuse treatment programs which provide individual and group treatment activities for offenders in residential facilities that are operated by state correctional agencies; 2) jail-based substance abuse programs which provide individual and group treatment activities for offenders in jails and local correctional facilities; 3) post release treatment component which provides treatment following an individual's release from custody; and 4) an aftercare component which requires states to give preference to subgrant applicants who will provide aftercare services to program participants. Aftercare services must involve coordination between the correctional treatment

program and other human service and rehabilitation programs, such as education and job training, parole supervision, halfway houses, self-help, and peer group programs that may aid in rehabilitation.

The number of offenders who participate in the RSAT Program is a measure of the program's goal to help offenders become drug-free and learn the skills needed to sustain themselves upon return to the community.

- (2) 2009 data for this measure is collected on a calendar year basis and will be available in October 2010. Data collected and reported for the RSAT Program is according to the grantee's fiscal year, which is not the same year for all grantees (i.e., grantee could have a fiscal year end of June 30 or September 30), however, data reported does cover a single consecutive 12-month period.

In calendar year 2008, the target of 20,000 was exceeded by 8,308. There are many contributing factors that determine the number of people who participate in the RSAT Program including eligible offenders, available staff and treatment providers, security issues, and the state's ability to provide the required 25% matching funds. The target of 20,000 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 2009 target is 20,000 participants, and the 2010 target is 25,000 participants. Targets are estimated from previous year counts provided by grantees.
- (4) BJA implemented the Performance Measurement Tool (PMT) on January 1, 2009, to support grantees' ability to identify, collect, and report performance measurement data online for activities funded under their award. RSAT grantees are able to report data in PMT and create a report which is uploaded to the Grants Management System (GMS).

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

**Decision Unit: Drug Court Program**

Measure 2: Graduation Rate of Program Participants in the Drug Court Program  
(Note: This measure was originally developed in FY 2005 and significantly revised in FY 2007. As a result of the major revisions to the calculation methodology, data from FY 2005 and FY 2006 are not included.)

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

<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
65.0%	63.2%	69.0%	57.3%	71.0%

- (1) According to data from the National Crime Victimization Survey published in 2008, there were 4.9 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 27% of the victims of violence reported that the offender was using drugs or drugs in combination with alcohol. These facts demonstrate the necessity for drug treatment services. 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. OJP's Drug Court Program, administered by BJA, 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 2,300 drug courts (adult, juvenile and tribal) have been established serving over 1,000 jurisdictions. Currently, every state has a drug court in operation.

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) by the total number of participants exiting the program, whether successfully or unsuccessfully, during the reporting period (denominator).

- (2) The FY 2009 target of 69% was established as a result of revising the methodology for this measure for the 2008 Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) reassessment of the Drug Court

Program. Revised to “Percent of Drug Court Participants who Graduate from the Drug Court Program,” the new methodology excludes participants who are not eligible to graduate (e.g., have not been enrolled in the program long enough to even be considered in the graduation pool). BJA feels that this approach (dividing the number graduating by the total number exiting the program, whether successfully or unsuccessfully) provides a more accurate reflection of the success or failure of participants exiting the program.

The FY 2009 target was missed by 11.7% because BJA established targets for this measure with only one year of actual data available. BJA will revise the targets for FY 2011 and future years using actual data (including those compiled during FY 2007, FY 2008, and FY 2009).

- (3) The FY 2010 target of 71% reflects an annual increase of 2% established for this measure as a result of the 2008 OMB PART reassessment of the Drug Court Program.
- (4) End of year performance data for the Drug Court Program are provided semi-annually by progress reports via GMS in June and January. BJA implemented PMT on January 1, 2009, to support grantees’ ability to identify, collect, and report performance measurement data online for activities funded under their award. Drug Court grantees are able to report data in PMT and create a report which is uploaded to GMS.

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

Beginning with 2007, data have been collected annually between July 1 and June 30.

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**APPENDIX**



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# ONDCP Circular: Drug Control Accounting

May 1, 2007

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## TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The criteria associated with these assertions are as follows:

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

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

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

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

John P. Walters  
Director



# Tab F



U.S. SMALL BUSINESS ADMINISTRATION  
OFFICE OF INSPECTOR GENERAL  
WASHINGTON, D.C. 20416

February 26, 2010

Jon E. Rice  
Associate Director for Performance and Budget  
Office Of National Drug Control  
750 17<sup>th</sup> St., NW  
5<sup>th</sup> Floor  
Washington, DC 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular (ONDCP), *Drug Control Accounting*, we reviewed the Small Business Administration's (SBA) *fiscal year (FY) 2009 Annual Accounting of Drug Control Funds and Related Performance Report* and supporting documentation. A report summarizing the results of our review is attached. 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 2009 alternative report to accounting and performance data submissions from the grant recipients of SBA's Drug-Free Workplace Program, and determined that the information provided in SBA's report matched the data reported by grantees.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peggy E. Gustafson".

Peggy E. Gustafson  
Inspector General

Attachment

**REVIEW OF SBA'S ACCOUNTING OF FY 2009 DRUG  
CONTROL FUNDS AND PERFORMANCE SUMMARY REPORT**

*Report Number: 10-09*  
*Date Issued: February 26, 2010*



U.S. Small Business Administration  
Office Inspector General

# Memorandum

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To: Antonio Doss  
Office of Small Business Development Centers

Date: February 26, 2010

From: *Debra S. Ritt*  
Debra S. Ritt  
Assistant Inspector General for Auditing

Subject: Review of SBA's *Accounting of Drug Control Funds and Performance Summary Report*

This report presents the results of our review of the Small Business Administration's (SBA) *Accounting of Drug Control Funds and Performance Summary Report* for the year ended September 30, 2009, as required by 21 U.S.C §1704(d). As directed by the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*,<sup>1</sup> agencies are required annually to provide a detailed accounting of all funds expended on National Drug Control Program activities and the results associated with those activities. However, when drug-related obligations are less than \$50 million and a detailed accounting would constitute an unreasonable burden, ONDCP permits agencies to submit an alternative report, as long as it is accompanied by Agency and Office of Inspector General statements that full compliance with the circular would constitute an unreasonable burden.

Because SBA's fiscal year (FY) 2009 drug-related obligations were less than \$50 million, SBA submitted an alternative report for FY 2009. We (1) assessed whether providing a detailed accounting of funds expended on National Drug Control Program activities would constitute an unreasonable burden, and (2) reviewed SBA's report and related management assertions to determine the reliability of management assertions made in SBA's *Annual Accounting of Drug Control Funds Report*.

We reviewed accounting entries for the Drug-Free Work Place (DFWP) made by the Chief Financial Officer, FY 2009 DFWP grant documents, and grantee self-reported performance data used to support SBA's *Accounting of Drug Control*

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<sup>1</sup> Issued May 1, 2007.

*Funds and Performance Summary Report.* We wish to note that the FY 2009 performance data reported by SBA is based on information submitted by grantees that was not verified by SBA to determine whether it was accurate, complete and unbiased. However, the Agency properly 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. We conducted our review 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. Because a review is substantially less in scope than an examination, and does not provide an adequate basis from which to express an opinion on SBA's *Accounting of Drug Control Funds and Performance Summary Report*, accordingly, we do not express such an opinion.

Based on our review, we believe that full compliance with the ONDCP circular would constitute an unreasonable burden for SBA. Also, nothing came to our attention that caused us to believe that SBA's alternative report for the year ended September 30, 2009 is not presented, in all material respects, in conformity with ONDCP's Circular, or that management's assertions are not fairly stated, in all material respects, based on the criteria set forth in ONDCP's Circular, *Drug Control Accounting*.

A copy of SBA's *Accounting of Drug Control Funds and Performance Summary Report* is attached. Should you or your staff have any questions, please contact Jeffrey R. Brindle, Director, Information Technology and Financial Management Group at (202) 205-7490.

Attachment



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

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FEB 25 2010

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Mr. Jon Rice  
Associate Director for Performance and Budget  
Office of National Drug Control Policy  
750 17<sup>th</sup> St., NW  
5<sup>th</sup> Floor  
Washington, DC 20503

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy's Drug Control Accounting Circular, the Small Business Administration submits its Accounting of FY 2009 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,

Antonio Doss  
Director, Office of Small Business Development Centers

Enclosure

## I. PERFORMANCE INFORMATION

### MEASURE 1: Number of Small Businesses Educated

**Table 1<sup>1</sup>**

FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual
2,731	2,280	1,450	1,550

- (a) Describe the measure. This measure reflects the number of small businesses that were educated by a Drug Free Workplace 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 2007, the program started to collect outcome information on the following metrics from businesses that had a change in:

<b>Employee Behaviors Improved:</b>	<b>Business Costs Decreased:</b>
Absenteeism	Insurance Premiums
Tardiness	Damaged or stolen Property costs
Workplace Accidents	Productivity
Employee Turnover	

<sup>1</sup> While not required, ONDCP recommends agencies develop a graph to accompany information contained in the table.

In Fiscal Year 2007 and 2008, the outcome information was collected and analyzed to determine the effects that the implementation of a Drug Free Workplace program has on small businesses. It showed that after the implementation of a Drug Free Workplace program a small business saw a decrease in absenteeism, workplace accidents, employee turnover, damaged or stolen property and insurance premiums. Also, the small business saw an increase in productivity. Since this information was the first ever collected, it is possible that the results will not yield the expected outcomes long term.

In FY 2009, after implementation of a drug free workplace program, the small businesses reported no increases in insurance premiums and damaged or stolen property. Additionally, there was a decrease in the categories of employee turnover, absenteeism, insurance premiums, damaged or stolen property and workplace accidents. Further, the results show that productivity increased as we expected.

- (c) The goal for FY 2009 is lower because we have three new grantees who will need time to implement the program. The agency determines the goals based on the number of grantees and whether previous goals were reached.
- (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 2<sup>2</sup>**

FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual
453	363	165	375

- (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 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.

<sup>2</sup> While not required, ONDCP recommends agencies develop a graph to accompany information contained in the table.



- (b) The actual goal of 2009 was underestimated because the number of small businesses implementing a drug free workplace program varies widely from year to year due to the fact that the grantees cannot 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 2010 is 200 which is slightly higher than in FY 2009 in hope that more small businesses will see the benefits of implementing a drug-free workplace program. The agency determines the goals based on the number of grantees and whether previous goals were reached.
- (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

	FY2009 <u>Final BA</u>
Prevention and Education Drug Free Workplace Grants	<b>\$1M</b>
<b>Drug Resources Personnel Summary</b>	
Total FTEs (direct only)	<b>0</b>
<b>Information</b>	
Total Agency Budget*	<b>\$598,493</b>
Drug Percentage	<b>0.17%</b>

*\*Does not include Disaster Assistance Program or the Office of the Inspector General.*

GRANTEE	DATE	PO AMOUNT
Peer Assistance Services, Inc.	9/24/09	250,000.00
Premier Integrity Solutions, Inc.	8/12/09	250,000.00
Drug Free Idaho	9/22/09	186,576.00
River Region Human Services, Inc.	9/30/09	250,000.00
Worker's Assistance Program	9/24/09	60,000.00
<b>Total</b>		<b>996,576.00</b>

### 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 2009. However, it is difficult to predict the number of small business that will implement a DFWP program and the number of small businesses that will want education on a DFWP program since there is no legally binding rule requiring them to do so.
- (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 G



**United States Department of State**

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

*Washington, D.C. 20520*

February 23, 2010

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 2009 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 Bob Byrnes on (202) 776-8720.

Sincerely,

A handwritten signature in blue ink, appearing to read "David T. Johnson", with a long horizontal flourish extending to the right.

David T. Johnson

Enclosures:

1. Accounting and Authentication of FY 2009 Drug Control Funds and Related Performance Report
2. Department of State Office of Inspector General Attestation Report

Mr. Jon E. Rice

Associate Director for Performance and Budget,  
Office of National Drug Control Policy,  
750 17<sup>th</sup> Street, N.W.,  
Washington, D.C. 20503.



Independent Review of the U.S. Department of State's  
Accounting and Authentication of FY 2009 Drug  
Control Funds and Related Performance Report  
(AUD/FM-10-17)

The Office of Inspector General (OIG) has reviewed the accompanying management assertions included in the Bureau of International Narcotics and Law Enforcement Affairs *Accounting and Authentication of FY 2009 Drug Control Funds and Related Performance Report*. This report was prepared in accordance with the Office of National Drug Control Policy's (ONDCP) *Drug Control Accounting* circular, dated May 1, 2007. Department of State (Department) management is responsible for the assertions included in the report.

OIG's 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.

Based on our review, OIG cannot attest to the reliability of the following assertions made by Department management in the accompanying report:

- [T]he drug methodology used to calculate obligations of prior year budgetary resources is 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.
- [A]ll the information presented for the Bureau for International Narcotics and Law Enforcement Affairs is true and correct.

The obligation information included in the report is obtained from the Department's accounting system. During the audit of the Department's FY 2009 financial statements, an independent public accountant identified a material weakness related to the Department's financial reporting processes. For instance, the auditor reported that the Department lacked a budgetary financial reporting system that is integrated with the financial management system, which forces the Department to use a manual, labor-intensive process to develop the statement of budgetary resources. During the compilation process, multiple manual

adjustments are required to be posted. The auditor also identified a significant deficiency related to controls over unliquidated obligations. Specifically, the auditor reported that the Department's internal controls were not sufficient to ensure that unliquidated obligations are consistently and systematically evaluated for validity.

Except for the issues noted above, nothing came to OIG's attention that caused it to believe that the other management assertions included in the report were not fairly stated, in all material respects, based upon the ONDCP *Drug Control Accounting* circular.

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



Harold W. Geisel  
Deputy Inspector General

**U.S. Department of State  
Bureau for International Narcotics and Law Enforcement Affairs**

**Accounting and Authentication of FY 2009 Drug Control Funds and Related  
Performance Report**

*Reference: ONDCP Circular: Drug Control Accounting (May 1, 2007)*

**SECTION 6a Reporting – Drug Control Obligations**

**DISCLOSURES**

**Obligations, Reprogramming, and Transfers**

The Department is providing detailed financial information on the drug control program obligations of the Bureau for International Narcotics and Law Enforcement Affairs (INL) in accordance with Section 6a of the ONDCP Circular, *Drug Control Accounting*. The obligation information is provided in a comparative format to show Department's performance on the INL drug control program for FY 2008 and FY 2009. There were no reprogramming or transfers that affected FY 2009 drug-related budgetary resources.

Table 1:

<b>Bureau for International Narcotics and Law Enforcement Affairs</b>			
<b>Drug Control Obligations (\$ in Millions):</b>			
		<b>FY 2008</b>	<b>FY 2009</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Drug Resources by Drug Control Function</b>			
Interdiction		12.053	125.914
International		501.150	345.235
	Total	<u>513.203</u>	<u>471.149</u>
<b>Drug Resources by Decision Unit</b>			
International Narcotics Control and Law Enforcement (INCLE)		299.315	412.721
Andean Counterdrug Program (ACP) *		213.888	58.428
	Total	<u>513.203</u>	<u>471.149</u>
<b>Drug Resources by Function and Decision Unit</b>			
Interdiction: INCLE		11.197	125.914
Interdiction: ACP		0.856	0.000
International: INCLE		288.117	286.807
International: ACP		213.033	58.428
	Total	<u>513.203</u>	<u>471.149</u>
<b>Drug Resources Personnel Summary</b>			
Drug-Related FTEs (Direct Only)		161	164
Total FTEs (Direct Only)		258	283
<b>Information</b>			
Total Agency Budget **		<u>1,276.553</u>	<u>1,876.500</u>

\* ACP obligations in FY 2009 are significantly lower than in FY 2008 due to delays the Department experienced in finalizing the ACP spending plan. As a result of these delays, the spending plan was not submitted to the Congress until September 15, 2009.

\*\* Total Agency Budget includes all funding appropriated for INCLE and ACP programs in FY 2008 and FY 2009, including FY 2008 Supplemental INCLE funding of \$215.5M for Mexico (Merida Initiative), \$24.8M for Central America (Merida Initiative), \$2.5M for the Dominican Republic, \$2.5M for Haiti, \$85M for Iraq, \$35M for Afghanistan, \$25M for West Bank/Gaza, and \$10M for Sudan; and FY 2009 Bridge Supplemental funding of \$50M for West Bank/Gaza, \$101M for Afghanistan, and \$48M for Mexico; and FY 2009 Spring Supplemental funding of \$20M for Iraq, \$109M for West Bank/Gaza, \$133M for Afghanistan, \$65.5M for Pakistan, and \$160M for Mexico.



## **Reprogramming and Transfers**

There were no reprogramming or transfers that affected FY 2009 drug-related budgetary resources.

## **Drug Methodology and Other Disclosures**

The mission of the Bureau for International Narcotics and Law Enforcement Affairs (INL) is to develop, implement and monitor U.S. international counternarcotics strategies and foreign assistance programs in support of the President's National Drug Control Strategy.

To help achieve this goal, INL targets drugs at the source and in transit. Bureau goals include reducing drug cultivation through enforcement, eradication, and alternative development programs; strengthening the capacity of law enforcement institutions to investigate and prosecute major drug trafficking organizations and to block and seize their assets; improving the capacity of host national police and military forces to attack narcotics production and trafficking centers; and fostering regional and global cooperation against drug trafficking. INL functions include foreign policy formulation and coordination, program management and diplomatic initiatives.

All obligations presented in the INL table of drug control obligations are 100 percent drug-related. Obligations for program funding for the Caribbean, Central America, and Mexico directed at interdiction, intelligence and law enforcement activities are reported under the Interdiction drug control function. All other drug control obligations are reported under the International drug control function. Funding under the Andean Counterdrug Program (ACP) appropriation started in FY 2002. This addition resulted in INL funding being divided between the ACP and International Narcotics Control and Law Enforcement (INCLE) decision units. There were no changes in the drug methodology between FY 2008 and FY 2009.

## **ASSERTIONS**

### **Drug Control Obligations**

I assert that the drug methodology used to calculate obligations of prior year budgetary resources is 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.

I assert that all Department of State INL programs, except those appropriated for international anticrime activities, are scored as 100 percent drug-related. The Department's accounting system tracks the international anticrime obligations separately from those of drug control programs through a combination of the appropriation point limitation and the allotment. This arrangement separates all the drug control obligations being reported from other funds managed by INL. Only obligations recorded under the drug control point limitations and allotments are included in the drug control obligation figures in this report.

### **Application of Methodology**

I assert that the drug methodology for the Department of State INL drug control program has not been modified over the past year. The underlying decision criteria, information sources, and management processes for managing drug programs and reporting obligation amounts remain unchanged.

I assert that the methodology disclosed in this report was the actual methodology used to generate the tables included here.

### **FY 2009 CFO Audit**

I believe the information for the Department of State (Department) in this submission is reliable and accurate. The Department's Independent Auditor (IA) issued an unqualified opinion for FY 2008 for all of the Department's principal financial statements, and cited no material weaknesses in internal controls. During FY 2009, the Department engaged a new audit firm to conduct our annual audit. The new IA issued an unqualified opinion on the Consolidated Statement of Net Cost and qualified opinions on the Consolidated Balance Sheet and Consolidated Statement of Changes in Net Position. The qualified opinions were based on their inability to satisfy themselves that property and equipment was free of material misstatement as of September 30, 2009.

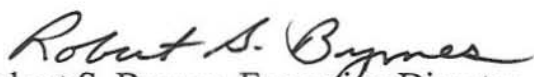
Because the Department was not able to provide timely and competent evidential material, the new IA could not complete their audit procedures, or perform other auditing procedures to satisfy itself, as to whether the FY 2009 Statement of Budgetary Resources was free of material misstatement in time to meet the December 15, 2009 deadline imposed by OMB for issuing the report. Therefore, since the scope of their work was not sufficient to enable them to express an opinion, the IA issued a disclaimer of opinion on the Statement of Budgetary Resources as of, and for the year ended, September 30, 2009. In

addition, the new IA identified issues related to the systems, processes, and internal controls supporting financial reporting and related process, as well as key account balances.

In their Report on Internal Control, both the previous and new IA reported the validity and accuracy of unliquidated obligations (ULO) as a significant deficiency. The new IA found that the Department's internal controls are not sufficient to ensure that unliquidated obligations are consistently and systematically evaluated for validity and deobligation. The current internal control structure is not operating effectively to comply with internal policies or to facilitate the accurate reporting of ULO balances recorded in the financial statements. The current process is not systematically and timely identifying open obligations that require deobligation. The FY 2009 and FY 2008 audit processes identified adjustments outside of the operation of the internal control structure of approximately \$171 million and \$198 million, respectively, related to ULOs for all Department accounts that required deobligation. The Department recorded these audit adjustments in the financial statements.

The Department appreciates that the IA reported material weaknesses related to the accounting for property and financial reporting. The Department, in our assessments and evaluations of internal controls, identified similar weaknesses but classified them as significant deficiencies versus material weaknesses. Management did complete review procedures over the property balances and the Statement of Budgetary Resources and supporting schedules and believe they were materially correct. As such, the Secretary issued an unqualified statement of assurance on internal controls for the Department as a whole in the annual report submitted to OMB on December 15, 2009. The Department will continue to work with the new IA and the Office of the Inspector General to resolve these issues in FY 2010 and beyond.

For purposes of Section 6a reporting, I certify 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.



Robert S. Byrnes, Executive Director

Bureau for International Narcotics and Law Enforcement Affairs

**Financial Plan**

I assert that the obligation amounts presented in the drug control obligation table is 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.

## 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**

<b>CY 2005 Actual</b>	<b>CY 2006 Actual</b>	<b>CY 2007 Actual</b>	<b>CY 2008 Target</b>	<b>CY 2008 Actual</b>	<b>CY 2009 Target</b>	<b>CY 2009 Actual</b>
5,600 hectares	1,700 hectares	1,100 hectares	< 1,000 hectares	1,800 hectares	< 1,000 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 slowly achieving success and should be sustained.

**CY 2009 Performance Results:** Laos made progress in reducing the number of hectares of opium poppy cultivation in 2007. There was a slight increase in 2008. On December 18, 2009, CNC released a survey of Phongsali Province, the most important growing area and home to over 60 per cent of the crop in 2008. Cultivation was down slightly to 1,000 ha from 1,200 in 2008. This suggests a slight overall decline, but that more than 1,000 ha remain in the country.

The situation remains precarious and the Department continues to focus on alternative development programs, law enforcement development, and demand reduction programs to support Lao efforts to reduce opium cultivation. This is especially important as the INCSR reports that high prices for basic foodstuffs induce farmers to take advantage of the high prices and demand for opium.

**CY 2010 Performance Target:** In CY 2010 the performance target continues to be less than 1,000 hectares of cultivation. The USG continues with a crop control strategy that includes crop reduction assistance and support to law enforcement and alternative livelihoods.

**Data Collection and Validation:**

- **Data Source:** Annual results are reported in the International Narcotics Control Strategy Report (INCSR). Performance targets are set in DOS Office of Foreign Assistance's Performance Plan and Report (PPR). The data for the INCSR and the PPR is provided by post and 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. For 2009 CNC provided information on the primary poppy growing area, but not for the entire country.
- **Methodology for Setting Targets and Reporting Results:** In order to achieve the goal of removing Laos from the Major's List, embassy personnel continue with their ambitious target in the Mission Performance Plan that Laos would cultivate less than 1,000 hectares of opium poppy by CY 2010. 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 has been produced by CNC and reported through the International Narcotics Control Strategy Report (INCSR). In 2009, for the first time, CNC only surveyed Phongsali, which had 60 percent of total Laos poppy cultivation in previous surveys.
- 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. The "actual 2008" figure produced by the two organizations differ by 100 hectares. The slight difference is likely an

artifact of the surveys being conducted at different times, with the CNC higher. However both reports show that cultivation is over the target.

**Decision Unit 1:** International Narcotics Control and Law Enforcement

**Measure 2:** Percent of MEM Recommended Reforms Implemented

(Note that this measure was discontinued due to lack certainty of data availability in 2008. It is now confirmed that data will only be available every third year, so the measure will no longer be reported on an annual basis.)

**Table 3**

<b>CY 2000/1 Actual</b>	<b>CY 2002/3 Actual</b>	<b>CY 2004/5 Actual</b>	<b>CY 2006/7 Target</b>	<b>CY 2006/7 Actual</b>	<b>CY 2008/9 Target</b>
18% complete; 58% in progress	23% complete; 62% in progress	27% complete; 54% in progress	35% complete; 55% in progress	No data available	Discontinued

**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, but reports are only presented every three years. This measure was discontinued in FY 2008. INL will continue to track reports and include anecdotal accounts as appropriate, but will not continue the indicator on an annual basis.

- **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, strengthening national capacities, and crafting a common legal framework to facilitate international cooperation in the fight against illicit drug trafficking and transnational organized crime.
- **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.

**Decision Unit 1:** International Narcotics Control and Law Enforcement

**Measure 3:** Kilos of Illicit Narcotics Seized by Selected Host Governments in USG Assisted Areas in the Western Hemisphere

**Table 4**

<b>FY 2008 Target</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Target</b>
72,350 kilos	67,597 kilos	63,600 kilos	97,792	72,500

**Measure Description:** This performance measure tracks the amount, in kilos, of illicit narcotics (cocaine, heroin, methamphetamine, cannabis) that is seized by selected host government law enforcement agencies that are receiving USG foreign assistance for interdiction operations and capacity building. The countries in the Western Hemisphere that set targets through 2009 and reported results for 2008 are: Argentina, Guatemala, Haiti, Nicaragua, Panama, the Bahamas, and Trinidad and Tobago. (The Andean Countries were not included in this metric since their performance information is included under a separate decision unit). Of these countries, Guatemala, Haiti, Nicaragua and Panama received assistance under the Merida Initiative in FY 2009. A marked decline in seizures starting with the 2008 targets is due to the removal of Barbados, Honduras, Jamaica, Mexico, and Paraguay from the seizure pool. These countries were removed because embassies either did not set 2008 and/or 2009 goals or did not report on seizures. The remaining countries give a sample of South America, Central America and the Caribbean.

The Performance Plan and Report data, as available through the Department's Foreign Assistance Coordination and Tracking System (FACTS-Info), is the basis for this report and is reported on a Fiscal Year (FY) basis. It is important to note that FACTS-Info reflects information provided by posts; data may not be consistently reported and composite data combines drug seizures. Please note that this table has been changed to reflect the reporting information (previously listed



as Calendar Year). Most host countries compile seizure data on a calendar year basis. However, the trends will likely remain the same. Although many of the figures are based on host-nation reporting, the 2009 International Narcotics Control Strategy Reports (INCSR) – to be released in March 2010 – will provide a more accurate picture of actual seizures, eradication, and coca cultivation in the Western Hemisphere and around the world.

- **Purpose of the program:** The long-term goal of the INCLE Western Hemisphere program is to limit the flow of illicit narcotics and reduce the supply of those narcotics that reaches the United States. The program accomplishes this through a strategy of capacity building and operational support to host government law enforcement personnel in order to complement the USG's own law enforcement efforts. The amount of illicit narcotics seized is seen as a reflection of the USG capacity building and operational support foreign assistance efforts and serves as a critical component of the U.S. government's counternarcotics strategy in the Western Hemisphere.
- **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. Furthermore, the measure conforms to Department policy regarding standardized performance metrics for Foreign Assistance programs.

**FY 2009 Performance Results:** The 2009 target was for seizures to reach 63,600 kilos in referenced countries representing programs in the Western Hemisphere. That goal was exceeded by the reported seizure of 97,792 kilos of drugs in the selected countries.

**FY 2010 Performance Target:** The CY 2010 performance target is to seize 72,500 kilos of illicit narcotics in the selected Western Hemisphere countries.

**Data Collection and Validation:**

- **Data Source:** Annual results are reported in each country's FY 2009 Foreign Assistance Performance Plan and Report (PPR). Performance targets are set by each embassy, aggregated in and included as a global performance metric in support of the Congressional Budget Justification.

However most host countries report results on a calendar year basis, meaning that the embassy reports for the PPR will include information up to November. To complement this, full calendar year totals and information by kind of drug are made available in the INCSRs. INL utilizes host country law enforcement, implementing partner information, and USG intelligence sources for the purposes of the Department of State's annual performance reporting

- **Methodology for Setting Targets and Reporting Results:** The embassy country teams 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 and results are reported for each country in the Foreign Assistance Performance Plan and Report. The results are also reported in INCSR and are aggregated in Washington for the purposes of performance reporting to other stakeholders.

**Process for Validating Performance Information:** The seizure 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, posts 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 posts with guidance and assistance regarding the DQAs.

**Decision Unit 1:** International Narcotics Control and Law Enforcement

**Measure 4:** Poppy Free Provinces (PFP) and Provinces Reducing Cultivation (PRC) in Afghanistan

**Table 5**

CY 2006 Actual	CY 2007 Actual	CY 2008 Target	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target
6 PFP; 9 PRC	13 PFP; 13 PRC	7 PFP; 7 PRC	18 PFP; 12 PRC	8 PFP; 8 PRC	20 PFP; 7 PRC	27 total of PFP and 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), defined as provinces with declining year-on-year cultivation figures that do not reach zero cultivation, among Afghanistan's 34 provinces.

- **Purpose of the program:** The purpose of the program is to reduce opium poppy cultivation in Afghanistan, in order to create stability in Afghanistan. The Good Performers Initiative (GPI) is an incentive-based supply reduction program, which provides high-impact assistance projects to provinces eliminating or reducing cultivation. GPI projects build infrastructure, employ local citizens, and recognize governors who demonstrate leadership in reducing the impact of opium in their provinces. The goal of the program is to have a combination of 27 of Afghanistan's 34 provinces to have made progress (adding together provinces that are poppy free (PFP) and provinces reducing cultivation (PRC)) by 2010.
- **Contribution to National Drug Control Strategy:** The program, through implementation of the USG's counternarcotics strategy 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 on reducing cultivation throughout Afghanistan.

**CY 2009 Performance Results:** The CY 2009 target was to have eight poppy free provinces and eight provinces reducing cultivation. This target was set during CY 2007 by State and USAID as part of the long term goal of having 21 of Afghanistan's 34 provinces become poppy-free or provinces reducing cultivation by 2010. In CY 2009, Afghanistan exceeded its targets, achieving 20 poppy free provinces and 7 provinces reducing cultivation to less than 1,000 hectares. The target for CY 2010 has consequently been revised to 27 total provinces that have made progress in reducing cultivation, including both PFP and PRC.

**CY 2010 Performance Target:** The target for CY 2010 is the revised long term goal of having 27 of Afghanistan's 34 provinces having made progress, either becoming or maintaining PFP or PRC by 2010.

**Data Collection and Validation:**

- **Data Source:** Annual results are reported in the Afghanistan Annual Opium Cultivation Survey produced by the United Nations Office on Drugs and

Crime (UNODC). The State Department targets are part of the Foreign Assistance Performance Plan and Report. INL utilizes the UNODC Annual Opium Cultivation 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 target for CY 2010 has been revised to a total of 27 provinces that are either poppy free or that have shown progress in reducing cultivation (27 total of PFP and PRC). The 2007 (6 PFP; 6 PRC) and 2008 (7 PFP; 7 PRC) targets were set 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 2009 Opium Cultivation Survey prepared by UNODC.
- **Process for Validating Performance Information:** The UNODC Opium Cultivation 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. 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 the USG's Crime and Narcotics Center (CNC) provide multiple viewpoints to produce a more accurate, complete, and unbiased picture of the counternarcotics situation in Afghanistan.

**Decision Unit 2:** Andean Counterdrug Program (note: this is the last year that ACP will be separate funding)

**Measure 1:** Hectares of coca eradicated in Bolivia, Colombia, and Peru.

Table 6

FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
173,946 hectares	176,572 hectares	246,000 hectares	252,581 hectares	214,000 hectares	188,951 hectares	186,500 hectares

The “FY 2009 Achieved” data is as of December 9, 2009 from host-nation reports. Please note that partner countries report eradication on a calendar year basis.

- **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. The coca cultivation metric that was reported in previous years is replaced by reporting the number of hectares eradicated.
- **Purpose of the program:** The long-term goal of the Andean Counterdrug Program 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 2009 Performance Results: The ACP countries have not yet met their eradication targets for CY 2009. The long-term goal of the ACP and International Narcotics Control and Law Enforcement (INCLE) appropriations is to reduce the flow of drugs to the United States, addressing instability in the Andean region and strengthening the ability of both source and transit countries to investigate and prosecute major drug trafficking organizations and their leaders and to block and seize their assets. Among other efforts, INL accomplishes this through aerial eradication, forced and voluntary manual eradication, increasing capabilities for drug interdiction, reducing demand, strengthening rule of law, and supporting alternative livelihood efforts. Eradication is a critical component of the U.S. government's counternarcotics strategy in the Andean region but is not the only metric used in determining success. Eradication is measured by calendar year

rather than fiscal year (October-September). Thus, eradication results available are as of December 9, 2009. The 2009 target was for eradication of a total of 214,000 hectares in Bolivia, Colombia, and Peru. In 2009, the Department supported efforts that eradicated over 169,000 hectares through aerial and manual eradication techniques despite a reduction in budget support (figures as of December 1).

Colombia is assuming greater responsibility for several U.S.-funded programs, enabling the USG to target critical areas through a more coordinated approach with security and alternative development programs. As of December 2009, Colombia eradicated 153,000 hectares of illicit crops – over 100,000 hectares through aerial eradication and over 53,000 hectares by manual eradication efforts. The amount of hectares eradicated declined in 2009 because of Colombian budget constraints affecting manual eradication. Peru exceeded its coca eradication goal of 8,000 hectares for the second year in a row, eradicating over 10,000 hectares in the Upper Huallaga Valley during 2009. Bolivia eradicated over 6,200 hectares of coca nationwide, about 95 percent of which took place in the Cochabamba tropics (Chapare) and Yacapani region.

**FY 2010 Performance Target:** The FY 2010 performance target is to eradicate 186,500 hectares of coca in Colombia, Bolivia, and Peru.

**Data Collection and Validation:**

- **Data Source:** The measure uses information reported by country programs on a calendar year basis. The target is from the most recent Foreign Assistance Performance Plan and Report. Performance targets are set by each embassy, aggregated in and included as a global performance metric in support of the Congressional Budget Justification.
- **Methodology for Setting Targets and Reporting Results:** The embassy country teams 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 and results are reported for each country in the Foreign Assistance Performance Plan and Report. The results are also reported in the International Narcotics Control Strategy Report and 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 posts 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 targets for which data are currently available were exceeded in two cases. In the third case (opium poppy cultivation in Laos), complete country data is not available, but a survey of the primary growing area indicates that the target was not met, due to world economic forces that raised the price of opium and of basic food stuffs (requiring farmers to have for cash for survival). For the fifth measure (eradication in Andean countries) the target was not met in one of the countries, Colombia, because Colombian budget cuts reduced manual eradication. The fifth measure was dropped last year as the data source is only available every three years. For two of the measures, seizures and eradication, FY data from the Performance Plan and Report may lag, as countries report on a calendar year basis. Full calendar year results will be updated in the INCSRs.*

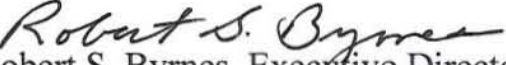
*I assert that the explanations for not meeting performance targets are reasonable and the recommendations for meeting future targets or for revising or eliminating performance targets are also reasonable.*

*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 Program (ACP). In FY 2010 those two units will be merged. After dropping the measure that does not have data each year, three performance measures remain for INCLE, one for each of the following areas: one for Africa and Asia, one for South and Central Asia, and one for the Western Hemisphere. There is one performance measure for ACP. 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





*Office of Inspector General*

Attestation Review of  
Annual Accounting of Drug Control Funds  
and Performance Summary by  
U.S. Agency for International Development  
for FY 2009

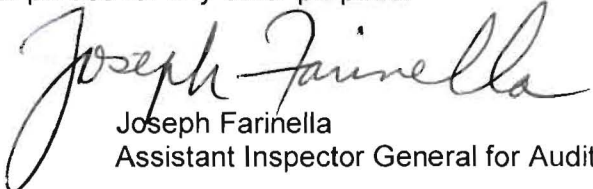
April 5, 2010

The Office of Inspector General (OIG) reviewed the accompanying Accounting and Authentication of Drug Control Funds and Related Performance Report (the submission) of the U.S. Agency for International Development (USAID) for the fiscal year ended September 30, 2009. This submission is the responsibility of USAID. Management of USAID prepared the submission and management's assertions to comply with the requirements of the Office of National Drug Control Program (ONDCP) Circular, Drug Control Accounting, dated May 1, 2007.

OIG's review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountant, 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.

Based on our review, nothing came to our attention that caused us to believe that USAID's submission did not, in all material respects, reliably represent its FY 2009 obligation and performance targets and results for fiscal year ended September 30, 2009 and comply with ONDCP criteria.

This review is intended solely for the information and 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 other parties for any other purpose.

  
Joseph Farinella  
Assistant Inspector General for Audit



**USAID**  
FROM THE AMERICAN PEOPLE

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

MAR 29 2010

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular, Drug Control Accounting, dated May 1, 2007, the United States Agency for International Development (USAID) is submitting its Accounting and Authentication of FY 2009 Drug Control Funds and Related Performance Report. The Inspector General's attestation report is enclosed.

For the purposes of Section 6 financial disclosures and assertions in the attached report, I certify that all the information presented for the USAID is true and correct and I concur with all assertions associated with USAID in Section 6. For the purposes of Section 7 program performance disclosures and assertions, I cannot certify to them, but they seem reasonable to me and I have no reason to object to the certifications given by others.

If you would like to address any questions associated with our submission, please call me on (202) 712- 0988.

Sincerely,

David Ostermeyer  
Chief Financial Officer

Enclosures:

- 1) Accounting and Authentication of Drug Control Funds and Related Performance Report
- 2) USAID Inspector General Attestation Report

**Agency for International Development**

**Accounting and Authentication of Drug Control Funds and Related Performance  
Report for 2009**

*Reference: ONDCP Circular: Drug Control Accounting (May 1, 2007)*

**6. Detailed Accounting Submission**

**6. a. Table of Prior Year Drug Control Obligations**

**Table 1 2009  
Agency for International Development**

**Drug Control Obligations:**

		\$ In Millions FY 2009 Actual
<b>Drug Resources by Drug Control Function</b>		
International		259.8
	Total	<u>259.8</u>
<b>Drug Resources by Decision Unit</b>		
Alternative Development and Alternative Livelihoods-Afghanistan		105.8
Alternative Development and Alternative Livelihoods-Andean Region		154.0
	Total	<u>259.8</u>
<b>Drug Resources by Function and Decision Unit</b>		
International-Alternative Development and Alternative Livelihoods-Afghanistan		105.8
International-Alternative Development and Alternative Livelihoods-Andean Region		154.0
	Total	<u>259.8</u>
<b>Information</b>		
Total Agency Budget*		12,264.9
Drug Related Percentage**		2%

\* USAID 2009 Agency-wide Appropriations per 2009 Statement of Budgetary Resources

\*\* Total Drug Control Obligations divided by Total Agency Budget

**6. a. (1) Drug Methodology**

All obligations provided in Table 1 were made from funds appropriated in FY 2009 and are classified in USAID's accounting system of record in program area 1.4.2 - "Alternative Development and Alternative Livelihood". USAID incurred these obligations during FY 2009.

At the request of ONDCP we also report herein that during FY 2009 USAID obligated \$0.5 Million in the Andean Region from funds appropriated prior to FY 2009. This amount is not included in Table 1, above.

#### **6. a. (1) (a) Obligations by Drug Control Function**

Table 1 shows Obligations by Drug Control Function. All of the reported obligations supported programs whose function is best described as “International” as defined in the 2008 version of Attachment D of the ONDCP Circular: Budget Formulation, May 1, 2007.

#### **6. a. (1) (b) Obligations by Budget Decision Unit**

Table 1 shows Obligations by Decision Unit. All of the reported obligations supported programs in the decision units as defined for USAID in the 2008 version of Attachment B of the ONDCP Circular: Budget Formulation, May 1, 2007.

#### **6. a. (2) Methodology Modifications**

The drug methodology for 2009 has not been modified from the previous year, 2008.

#### **6. a. (3) Material Weaknesses or Other Findings**

CFO does not know of any material weakness or other finding by independent sources or other known weaknesses, including those identified in the Agency’s Annual Statement of Assurance, which affects the presentation of prior year drug related obligations data.

#### **6. a. (4) Reprogrammings or Transfers**

USAID did not submit any reprogrammings or transfers to ONDCP in FY 2009

#### **6. a. (5) Other Disclosures**

None.

#### **6. b. Assertions**

##### **6. b. (1) Obligations by Budget Decision Unit**

The Obligations reported by budget decision unit are the actual obligations from USAID’s accounting system of record for the stated Budget Decision Units.

##### **6. b. (2) Drug Methodology**

The drug methodology used to calculate obligations of prior year budgetary resources by function and by budget decision unit is reasonable and accurate based on criterion (c) Financial Systems. The financial systems at USAID that support the drug methodology

yield data that fairly presents, in all material respects, aggregate obligations from which the drug-related obligation amounts were derived.

**6. b. (3) Application of Drug Methodology**

The drug methodology disclosed in section 6 a. (1) Drug Methodology, above, was the actual methodology used to generate Table 1, above.

**6. b. (4) Reprogrammings or Transfers**

The data presented in Table 1, above, are associated with 2009 obligations against a financial plan. Also, as stated above in section 6. a. (4) **Reprogrammings or Transfers** USAID did not submit any reprogrammings or transfers to ONDCP in FY 2009.

The financial plan against which the obligations in Table 1, above, are associated is USAID’s FY 2009 Operational Plan. USAID Drug Related activities in that plan are identified as part of Strategic Objective 1.4.2 (Alternative Development and Alternative Livelihoods). Funds in Program Area 1.4.2 are posted in USAID’s accounting system at the Activity level using Program Element A016 (Alternative Development and Alternative Livelihoods).

**6. b. (5) Fund Control Notices**

Not applicable. ONDCP did not issue any Fund Control Notices to USAID in FY 2009.

**7. Performance Summary Report**

**Decision Unit: The Andean Region**

**ANDEAN PERFORMANCE SECTION OF THE FY 2009 ACCOUNTING REPORT**

**Measure I:** Hectares devoted to licit agricultural, forestry plantation and/or natural forest management activities that are developed or expanded in areas receiving USAID assistance (Measured cumulatively).

**Table 1: Measure I**

FY 2006 Actual	FY2007 Actual	FY2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
1,166,253*	1,327,598	1,283,712	1,572,053	1,368,768	1,639,142	1,797,998**

\* This result was entered incorrectly in last year’s report as 394,247 which only included agricultural lands. The current report includes all lands that received AD assistance.

\*\* This target may be adjusted during preparation of the FY 2010 operational plans.

**(1) Describe the measure:** This measure tracks the land area used to produce licit agricultural or forest products as a result of USAID-supported alternative development programs in the Andean Region (Bolivia, Colombia, Ecuador, and Peru). As sustainable, licit agricultural or forestry activities are expanded in an area, the amount of land available in that area for production of drug crops is reduced and narco-traffickers are driven into more remote, less productive and inaccessible areas.

**(2) Discuss performance results for FY 2009:** Implementation activities continued to go well in FY 2009. Several projects were implemented faster than was anticipated and the 2009 target for hectares of land devoted to AD activities was surpassed by more than 67,000 hectares (4.3%). The cumulative land area used to produce legal agricultural and forestry products increased to more than 1.6 million hectares which was 67,000 more hectares than had been produced in FY 2008, and was 270,324 hectares (or 20%) more than had been targeted for FY09. Farmer acceptance of alternative crops continued to be strong during the last year, because farmers and producer associations have accepted the value chain methodology<sup>1</sup> used to implement alternative development projects. They are willing to cooperate with programs that eradicate illegal crops as they gain experience with licit crops and achieve reasonable family income levels from licit alternatives. As producers became more confident this year of their ability to produce and sell alternative development crops, they expanded production beyond the amounts that were originally projected.

**(3) Discuss the appropriateness of the target for FY 2010:** Measure I: The FY 2010 target for Measure I is nearly 1.8 million hectares, an increase of 9.7% over the level achieved in FY 2009. This target is based on the assumptions that economic conditions will improve as the world recovers from the global recession and that alternative development funding and host government support for AD activities will be continued throughout FY 2010. This is a reasonable target if the assumptions are met. The target for Measure I will be reviewed when Missions finalize their 2010 operational plans and new targets may be established by one or more of USAID's Andean Missions. Reduced funding for AD programs in Bolivia during FY 2010 may limit the number of additional hectares devoted to licit activities in 2010 and cause the Mission to set a more modest incremental target for 2011.

**(4) Discuss the procedures for collection of valid data and targets:** Data on hectares of land devoted to licit activities is collected by the program implementers (usually contractors or grantees) who provide technical or marketing support to farmers, producer associations or communities that receive alternative development support in exchange for their agreement to eradicate and not replant drug crops. Estimates of the land area supported by alternative development activities are provided by the farmers, but are verified by implementation personnel.

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<sup>1</sup> The value chain (or crop cluster) methodology has been very successful with many alternative (and rural) development projects because it examines and analyzes all the steps in the production and marketing process for higher value crops to ensure that products will be acceptable to consumers and that groups or associations of small farmers can successfully produce and market alternative development products.

USAID project managers are responsible for visiting project sites to review methodologies for collecting data to ensure conceptual soundness of processes undertaken. USAID Missions are also required to carry out data quality assessments for all of their strategic objectives at least once every three years to ensure that all performance data meets data quality standards for validity, integrity, precision, reliability, and timeliness.

Project managers review data submitted by implementers to assess the general accuracy and clarity of quarterly performance reports. If this review results in questions or concerns, the project manager resolves these in discussions with implementation personnel. Data are then submitted to the USAID Mission’s Program Office which combines data from all of the projects into one Mission Report that is submitted to the South America Office in USAID/Washington. The South America Office combines performance information from each of the four Andean countries into an Andean Quarterly Alternative Development Report.

Targets are established by considering current and future estimated budgets, maintenance costs for on-going activities, opportunities for new AD activities, and the plans of farmer groups or associations in alternative development areas that are willing to eradicate drug crops or cooperate with eradication programs in exchange for AD assistance.

**Measure II:** The number of new, direct, full-time equivalent jobs (agricultural and non-agricultural) in USAID assisted areas, measured annually.

**Table 1: Measure II**

FY 2006 Actual	FY2007 Actual	FY2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
69,427	73,649	66,859	199,677	144,663	156,286	208,682*

\* This target may be adjusted during preparation of the FY 2010 operational plans.

**(1) Describe the measure:** This measure identifies the number of jobs that are created by alternative development (AD) projects each year. Creation of legal jobs is important for controlling production of drug crops, because it provides licit employment alternatives, reduces the pool of labor available for drug production activities, and thereby constrains narco-trafficking operations.

**(2) Discuss performance results for FY 2009:** AD activities contributed to the creation of 156,286 jobs in the Andean Region during FY 2009 which was 8% higher than the FY 2009 target of 144,663 jobs, but was 22% fewer jobs than had been created in FY 2008. The principal factors that contributed to this decline were the global recession, a slow down in Colombia’s alternative development program as the Mission neared the end of its principal AD contracts with Associates in Rural Development, a negative political environment in Bolivia after President Morales threatened to close the USAID Mission, and limited AD resources for Bolivia, Ecuador and Peru. These negative factors were partially neutralized in many areas by improving security conditions, continued strong private sector support for AD activities and the decision to support employment in market

towns and cities adjacent to coca production areas. The net result of the interplay between positive and negative influences on job creation targets was positive overall as regional job creation surpassed the FY 2009 target of 144,663 jobs and exceeded individual country targets throughout the Andean Region.

**(3) Discuss the appropriateness of the target for FY 2010:** The 2010 target for Measure II is a 44% increase over the number of Andean jobs created in FY 2009. This is a relatively large increase given that the Andean economy is still recovering from the global recession and that alternative development funding in FY 2010 for Bolivia and Ecuador are at quite low levels. It should nevertheless be achievable if economic growth in the Andean region continues at current rates and alternative development budgets are not reduced. Private sector, community and farmer support for alternative crops and licit employment opportunities are still strong and the demands for alternative development assistance continue to exceed the supply of AD assistance in many areas where drug crops are produced. The targets for job creation in FY 2010 will be reviewed when Missions finalize their operational plans and new targets may be established by one or more of USAID's Andean Missions.

**(4) Discuss the procedures for collection of valid data and targets:** Data on creation of licit jobs is collected by project implementers who are providing technical assistance or other support to private firms, cooperatives, producer associations and other groups that are hiring additional workers. These jobs are usually associated with the creation of a new enterprise, the expansion of an existing enterprise or the production of a new crop, commodity, or product.

As with Measure I above, project managers are responsible for visiting project sites to ensure that data collection methodologies and procedures are sound and for conducting periodic data quality assessments. Project managers review data from implementers to assess its general accuracy and reliability and submit this information to the Mission Program Office which prepares a Mission AD Performance Report that is sent to the South America Office in Washington where this information is combined into an Andean AD Quarterly Report.

As with Measure I, targets are based upon the projected level of AD resources, the implementer's estimates of opportunities for production and marketing of AD crops, and the willingness of farmer groups or associations to eradicate drug crops or cooperate with eradication programs in exchange for AD assistance.

ACI\ONDCP\AD Reporting\100330 Draft Andean Performance Section of the FY 2010 Accounting Report.doc

## **7. Performance Summary Report**

**Decision Unit: Afghanistan**



**Measure I:** Hectares devoted to licit agricultural, forestry plantation and/or natural forest management activities that are developed or expanded in areas receiving USAID assistance.

**Table 1: Measure I**

FY 2004 Actual	FY 2005 Actual	FY2006 Actual	FY2007 Target	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Panned
NA	NA	306,886	118,000	124,898	74,523	58,010	50,000

**Describe the measure:** This measure tracks the land area used to produce licit agricultural or forest products as a result of alternative development programs in Afghanistan. As sustainable, licit agricultural or forestry activities are expanded in an area, the amount of land available for production of drug crops is reduced.

**Discuss performance results for FY 2009:** The target for FY 2009 was not achieved as a result of decreased security and increased poppy cultivation in the South.

**Discuss the appropriateness of the target for FY 2010:** Given the experience of FY 2009 and continued tenuousness of the security situation in the South, a target of 50,000 ha for FY 2010 seems reasonable. These increases will be achieved primarily in the North and East regions of the country.

**Discuss the procedures for collection of valid data and targets:** Data on hectares of land devoted to licit activities is collected by the program implementers (usually contractors or grantees) who provide technical or marketing support to farmers, producer associations and communities that receive alternative development support in exchange for their agreement not to grow poppy.

USAID project managers are responsible for visiting project sites to review methodologies for collecting data to ensure that the methodologies are conceptually sound and are actually being used to collect data. USAID Missions are also required to carry out data quality assessments for all of their strategic objectives at least once every three years to ensure that all performance data meets data quality standards for validity, integrity, precision, reliability, and timeliness.

Project managers review data submitted by implementers to assess the general accuracy and presentation of quarterly performance reports. If this review results in questions or concerns, the project manager resolves these in discussions with implementation personnel.

Targets are established by considering current and future estimated budgets, maintenance costs for on-going activities, consulting with technical assistance personnel on opportunities for new AD activities, and carrying out visits with groups or associations of farmers in alternative development areas to establish whether people are willing to eradicate drug crops in exchange for AD assistance.

**Measure II: The number of stakeholders assisted.**

**Table 1: Measure II**

Number of individuals who have received USG supported short-term agricultural sector productivity training.

FY 2004 Actual	FY 2005 Actual	FY2006 Actual	FY2007 Target	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Planned
NA		508,452	307,805	379,903	109,743	163,638	100,000

Number of full-time equivalent jobs (FTEs) created by USG sponsored alternative development or alternative livelihood activities.

FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Planned
7,900	81,805	21,179	22,077

Number of families benefiting directly from U.S. Government interventions in Afghanistan.

FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Planned
NA	123,081	888,094	800,000

**Describe the measure:** The above performance indicators measure the number of people that have been trained under agriculture and alternative development programs, the number of jobs that are created by alternative development projects each year and the number of rural households benefiting directly from U.S. Government interventions in Afghanistan. Creation of legal jobs is important for controlling production of drug crops, because it reduces the pool of labor available for drug production activities and thereby constrains narco-trafficking operations.

**Discuss performance results for FY 2009:** The target for number of individuals to be trained in FY 2009 (183,355) fell a bit short due to the security situation, which restricts travel, particularly by women. The target for full-time equivalent jobs created (46,875) proved overambitious due to erroneous calculations made from current data sets. Target have been adjusted downward to reflect our recalculations. The target for the number of families benefiting for AD or alternative livelihood activities in USG-assisted areas (130,000) as vastly exceeded due to the onset of the IDEA NEW and ASAP programs

**Discuss the appropriateness of the target for FY 2010:** The targets for FY 2010 are deemed appropriate in light of the discussion presented above.

**Discuss the procedures for collection of valid data and targets:** Data on creation of licit jobs is collected from project implementers who are providing technical assistance or other support to private firms, cooperatives, producer associations and other groups that are hiring additional workers. These jobs are usually associated with the creation of a

new enterprise, the expansion of an existing enterprise or the production of a new crop, commodity, or product. This number also includes cash-for-work programs.

Project managers are responsible for visiting project sites to ensure that data collection methodologies and procedures are sound and for conducting periodic data quality assessments.

Targets are established by considering current and future planned activities, budget levels, cost estimates for implementation, and consultations with groups or associations of farmers in targeted areas.

February 17, 2010

TO WHOM IT MAY CONCERN

We certify that the USAID Missions in the Andean Region and Afghanistan conduct periodic Data Quality Assessments for the Strategic Objectives that implement alternative development projects and that these Data Quality Assessments provide information that complies with the following four required assertions:

- **The Performance reporting systems are appropriate and applied to generate the performance data.**
- **Explanations in the reporting system for not meeting performance targets or for revising or eliminating performance targets are reasonable.**
- **The methodology used to establish performance targets are reasonable given past performance information and available resources.**
- **Adequate performance measures exist for all significant drug control activities and that these performance measures are linked in a reasonable way to the intended purpose of the National Drug Control activity.**

The four assertions above are based upon our understanding of USAID's Data Quality Assessment procedures and requirements as well as our knowledge of the methodologies, data, and reporting systems that are used to compile alternative development targets and results information for the Andean Region and Afghanistan.

Sincerely,



T. David Johnston  
Alt. Dev. Coordinator  
SA/LAC/USAID

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Incumbent  
Alt. Dev. Officer  
Kabul/ADAG

25 March 2010

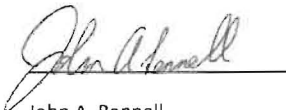
TO WHOM IT MAY CONCERN:

I certify that the USAID Mission in Afghanistan conducts periodic Data Quality Assessments for the Strategic Objectives that implement alternative development projects and that these Data Quality Assessments provide information that complies with the following four required assertions:

- The Performance reporting systems are appropriate and applied to generate the performance data.
- Explanations in the reporting system for not meeting performance targets or for revising or eliminating performance targets are reasonable.
- The methodology used to establish performance targets are reasonable given past performance information and available resources.
- Adequate performance measures exist for all significant drug control activities and that these performance measures are linked in a reasonable way to the intended purpose of the National Drug Control activity.

The four assertions above are based on my understanding of USAID's Data Quality Assessment procedures and requirements as well as my knowledge of the methodologies, data, and reporting systems that are used to compile alternative development targets and results information for Afghanistan.

Sincerely,

A handwritten signature in cursive script, reading "John A. Pennell", is written over a horizontal line.

John A. Pennell  
Director, Office of Agriculture  
(Formerly known as Office of  
Alternative Development and Agriculture)  
USAID/Afghanistan

## **8. Inspector General Authentication**

See OIG Report, attached.

## **9. Unreasonable Burden**

Not applicable. USAID's obligations exceed the \$50 million threshold level for simplified reporting.

# Tab H

**INSPECTOR GENERAL REVIEW OF  
FISCAL YEAR 2009 DRUG CONTROL  
FUNDS AND PERFORMANCE SUMMARY  
REPORTING**

*National Highway Traffic Safety Administration*

*Report Number: FI-2010-040*

*Date Issued: February 01, 2010*





**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General  
Washington, DC 20590

February 1, 2010

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

Dear Mr. Rice:

This report presents the results of our independent review of the U.S. Department of Transportation, National Highway Traffic Safety Administration's (NHTSA) fiscal year 2009 Drug Control Obligation Summary and Performance Summary reports, both dated January 21, 2010, to the Office of National Drug Control Policy (ONDCP). The reports and our review are required by 21 U.S.C. §1704 (d).

The objective of our review is to provide assurance that no information came to our attention that would reverse management's assertions that the reports presented complied with ONDCP Circular, Drug Control Accounting, requirements,<sup>1</sup> in all material respects. 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. A review is substantially more limited in scope than an examination; the objective of an examination is to express an opinion on the accuracy of NHTSA's Drug Control Obligation Summary and Performance Summary reports 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 was limited to inquiries and analytical procedures appropriate for an attestation review based upon criteria specified in the ONDCP Circular. Specifically, we tested the procedures described in the Internal Control Questionnaire to ensure drug control funds are properly identified in the accounting system. We traced the \$2.7 million identified in the report to the

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<sup>1</sup> May 1, 2007.

Department's accounting system. We also verified that four major drug control obligations in the accounting system were supported by contracts.

During our review, no information came to our attention that the accompanying NHTSA's fiscal year 2009 Drug Control Obligation Summary to ONDCP was not presented in conformity with the ONDCP Circular. Since NHTSA is reporting \$2.7 million in drug control obligations, which is below the \$50 million threshold for full reporting in accordance with the ONDCP Circular, we attest 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), NHTSA's fiscal year 2009 Performance Summary Report, and management's assertions. NHTSA's fiscal year 2009 performance target was to develop roadside detection methods for at least five illegal drugs. NHTSA reported that this performance target was not achieved. The report further stated that an expert group outside of DOT concluded that the roadside detection technology was not feasible for use in the near future. Therefore, new performance targets for fiscal years 2010 and 2011 were developed, including (1) completing a study design of the crash risk of drug-impaired drivers and (2) collecting data from 1,250 crashes.

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. Specifically, we reviewed the expert group meeting notes to support the conclusions stated in the Performance Summary Report. In addition, we reviewed major drug control contracts to support the performance measure for significant drug control activities. During our review, no information came to our attention that the accompanying NHTSA fiscal year 2009 Performance Summary Report is not presented in conformity with the ONDCP Circular.

Sincerely,



Rebecca C. 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**

1200 New Jersey Avenue SE.  
Washington, DC 20590

January 21, 2010

Mr. Jon E. Rice  
Associate Director for Performance and Budget  
Office of 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 2009 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 yours,

A handwritten signature in black ink, appearing to read "G. Walter".

Gregory A. Walter  
Senior Associate Administrator  
Office of Policy and Operations

Enclosure

**NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION  
FISCAL YEAR 2009 DRUG CONTROL OBLIGATIONS SUMMARY  
(\$MILLIONS)**

FY 2009

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	\$2.7
Total	\$2.7

**Drug Resources by Budget Unit:**

Highway Safety Program-Drug Recognition Expert Program	\$1.5
SAFETEA-LU	\$1.2
Total	\$2.7

**Note:** Full compliance with circular: Please see our responses to the Review of NHTSA's Controls for Drug Control Funds that were submitted on January 4, 2010 to the Internal Control Questionnaire.



U.S. Department  
of Transportation

**National Highway  
Traffic Safety  
Administration**

1200 New Jersey Avenue SE.  
Washington, DC 20590

January 21, 2010

Mr. Jon E. Rice  
Associate Director for Performance and Budget  
Office of 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 2009 Performance Summary Report is enclosed. As specified by the Circular, the agency selected a performance measure for 2007 to assess its success in reducing drug impaired driving, followed by complementary measures in 2008 through 2011. 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).
4. Complete study design and procedures for a landmark Case Control Study of the Crash Risk of Drug-Impaired Drivers (2010)
5. Collect data from 1250 crashes for the Case Control Study of the Crash Risk of Drug-Impaired Drivers (FY 2011).

### **Assertions**

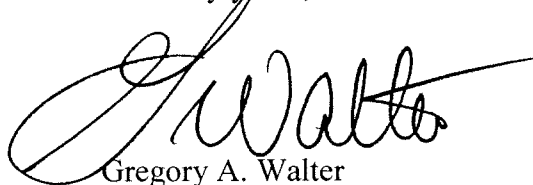
1. **Performance reporting system is appropriate and applied:** Performance information for the first and second measures relies on data captured through the execution of the National Roadside Survey of Alcohol and Drugged Driving. Similarly, the performance information for the third measure was based on a study to identify methods and technologies to measure drug presence. The measures for 2010 and 2011 are based on a

Case Control Study of Crash Risk of Drug Impaired Drivers. 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:** The FY 2009 target was not achieved due to a change in research strategy. Expert panels were convened during FY 2008 and FY 2009 to develop and recommend methods for detecting the presence of major illegal drugs in drivers. The expert panels provided deliberative information indicating that such technology was not available for roadside use in the near future. With this information, the research effort was re-directed to developing methods for identifying drugs that impair driving. The change in research direction was a reasonable and valid response to the finding from the expert panel and reflects the inherent unpredictability of research findings.
3. **Methodology to establish performance targets is reasonable and applied:** Data collection for the National Roadside Survey of Alcohol and Drugged Driving was based on a probabilistic design, using traffic volume and demographic variables to ensure a statistically representative sample. Details of the methodology and findings are included in the research note DOT HS 811 175 ([http://www.nhtsa.gov/portal/nhtsa\\_static\\_file\\_downloader.jsp?file=/staticfiles/DOT/NHTSA/Traffic Injury Control/Articles/Associated Files/811175.pdf](http://www.nhtsa.gov/portal/nhtsa_static_file_downloader.jsp?file=/staticfiles/DOT/NHTSA/Traffic%20Injury%20Control/Articles/Associated%20Files/811175.pdf)). Methodology for the 2010 and 2011 performance measures is based on records and documentation of successful achievement of study objectives.
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 yours,



Gregory A. Walter  
Senior Associate Administrator  
Office of Policy and Operations

Enclosure

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

**Performance Summary Report  
Fiscal Year 2009**

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**(1) Performance Measures**

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 adopt two new measures in FY 2010 and 2011. 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.

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

- a. Complete study design and procedures for a landmark Case Control Study of the Crash Risk of Drug-Impaired Drivers (2010)

The Case Control Study of the Crash Risk of Drug-Impaired Drivers will be the first in-depth analysis comparing the crash risk of drivers who test positive for impairing drugs with those who do not test positive. Together with information from the recently-completed Roadside Survey of Drug and Alcohol Use by Drivers, evidence from this study on the association of drug use and crash risk will be an essential part of efforts to develop effective countermeasures.

- b. Collect data from 1250 crashes for the Case Control Study of the Crash Risk of Drug-Impaired Drivers (FY 2011).

This milestone will mark 50 percent completion of the data collection phase of the Case Control Study of the Crash Risk of Drug-Impaired Drivers. The study will consist of in-depth investigations of approximately 2,500 crashes. Each crash will be accompanied by non-crash control cases to allow analysts to identify the extent to which factors such as drug use are associated with crashes.

**(2) Prior Years Performance Targets and Results**

Prior performance targets for FY 2007 and FY 2008 were fully achieved. In FY 2007, 300 survey sites were identified for the Roadside Survey of Alcohol and Drug Use by Drivers. In FY 2008, over 9,000 drivers were sampled in locations across the country for the Roadside Survey study.

The FY 2009 target was not achieved due to a change in research strategy. An expert group was convened during 2009 to develop and recommend methods for detecting the presence of major illegal drugs in drivers. The expert group concluded that such technology was not feasible for roadside use in the near future. With this information, the research effort was re-directed to developing methods for identifying drugs that impair driving.

**(3) Current Performance Targets**

<u>Selected Measures of Performance</u>	<u>FY 2009 Target</u>	<u>FY 2009 Achieved</u>
<b>Study to Identify Methods and Technologies to Measure Drug Presence</b>		
Develop and recommend methods for detecting the presence of major illegal drugs in drivers	Detection methods for at least 5 drugs	Technology not currently available.
<u>Selected Measures of Performance</u>	<u>FY 2010 Target</u>	<u>FY 2010 Achieved</u>
<b>Case Control Study of the Crash Risk of Drug-Impaired Drivers</b>		
Complete study planning	Develop study design and procedures	
<u>Selected Measures of Performance</u>	<u>FY 2011 Target</u>	<u>FY 2011 Achieved</u>
<b>Case Control Study of the Crash Risk of Drug-Impaired Drivers</b>		
Complete 50 percent of data collection	Collect data from 1250 crashes	

**(4) Quality of Performance Data**

Data collection for the National Roadside Survey of Alcohol and Drugged Driving was based on a probabilistic design, using traffic volume and demographic variables to ensure a statistically representative sample. Details of the methodology and findings are included in the research note DOT HS 811 175 ([http://www.nhtsa.gov/portal/nhtsa\\_static\\_file\\_downloader.jsp?file=/staticfiles/DOT/NHTSA/Traffic Injury Control/Articles/Associated Files/811175.pdf](http://www.nhtsa.gov/portal/nhtsa_static_file_downloader.jsp?file=/staticfiles/DOT/NHTSA/Traffic%20Injury%20Control/Articles/Associated%20Files/811175.pdf)). Methodology for the 2010 and 2011 performance measures is based on records and documentation of successful achievement of study objectives. The established measures provide a meaningful assessment of progress toward the development of reliable and accurate measures of the drugged driving problem in the United States.



# Tab I



*Attestation Review of the Internal Revenue  
Service's Fiscal Year 2009 Annual  
Accounting of Drug Control Funds and  
Related Performance*

**January 29, 2010**

**Reference Number: 2010-10-022**

This report remains the property of the Treasury Inspector General for Tax Administration (TIGTA) and may not be disseminated beyond the Internal Revenue Service without the permission of the TIGTA.



TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

January 29, 2010

**MEMORANDUM FOR** CHIEF FINANCIAL OFFICER  
CHIEF, CRIMINAL INVESTIGATION DIVISION

*Michael R. Phillips*

**FROM:** Michael R. Phillips  
Deputy Inspector General for Audit

**SUBJECT:** Final Audit Report – Attestation Review of the Internal Revenue Service’s Fiscal Year 2009 Annual Accounting of Drug Control Funds and Related Performance (Audit # 200910025)

This report presents the results of our attestation review of the Internal Revenue Service’s (IRS) Fiscal Year (FY) 2009 Office of National Drug Control Policy (ONDCP) 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. This review was part of our FY 2010 Annual Audit Plan and addressed the major management challenge regarding Leveraging Data to Improve Program Effectiveness and Reduce Costs.

### *Impact on the Taxpayer*

The IRS reported that it expended \$60.6 million on ONDCP-related activities and participated in 462 ONDCP-related cases that resulted in convictions in FY 2009. Based on our review, nothing came to our attention that caused us to believe that the assertions in the Report are not presented in all material respects in accordance with ONDCP-established criteria. 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*

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Report are not presented in all material respects in accordance with ONDCP-established criteria. The IRS reported that it expended \$60.6 million on ONDCP-related activities and



*Attestation Review of the Internal Revenue Service's  
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completed 652 ONDCP-related investigations in FY 2009. For FY 2009, the IRS also reported it participated in 462 ONDCP-related cases that resulted in convictions.

In addition, based on a recommendation in our FY 2008 attestation report,<sup>1</sup> the IRS informed us that it adjusted its year-end performance information for FY 2009 to include only cases that occurred in FY 2009. Our review of the IRS' Performance Summary Report for FY 2009 did not identify any cases reported that did not occur in FY 2009.

### *Management's Response*

We made no recommendations in this report as a result of our work performed during this review. IRS management agreed with the facts and conclusions presented in this report. Management's complete response to the draft report is included as Appendix V.

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

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<sup>1</sup> *Attestation Review of the Internal Revenue Service's Fiscal Year 2008 Annual Accounting of Drug Control Funds and Related Performance* (Reference Number 2009-10-040, dated January 30, 2009).



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*Attestation Review of the Internal Revenue Service's  
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*Attestation Review of the Internal Revenue Service's  
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*Abbreviations*

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



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*Attestation Review of the Internal Revenue Service's  
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## *Background*

The Anti-Drug Abuse Act of 1988<sup>1</sup> 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) supports the National Drug Control Strategy through continued support of the Organized Crime Drug Enforcement Task Force. The mission of the Criminal Investigation Division in Federal law enforcement's anti-drug efforts is to reduce or eliminate the financial gains (profits) of major narcotics trafficking and money laundering organizations through the use of its unique financial investigative expertise and statutory jurisdiction.

***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 during the previous fiscal year.***

This review was conducted as required by the ONDCP<sup>2</sup> and the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. The National Drug Control Program agencies<sup>3</sup> 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. The Chief Financial Officer, or another accountable senior level executive, of each agency for which a Detailed Accounting Submission is required, shall provide a Performance Summary Report to the Director of the ONDCP. 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.

We conducted our fieldwork in the IRS Headquarters offices of the Chief Financial Officer and Chief, Criminal Investigation Division, in Washington, D.C., during the period September 2009 through January 2010. 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

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<sup>1</sup> Pub. L. No. 100-690, 102 Stat. 4181 (1988).

<sup>2</sup> 21 U.S.C. Section 1704 (d) (1998).

<sup>3</sup> 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  
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opinion on the ONDCP Detailed Accounting Submission and Performance Summary 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 this report are listed in Appendix II.





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*Attestation Review of the Internal Revenue Service's  
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## *Results of Review*

### ***Summary of the Attestation Review of the Fiscal Year 2009 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report***

We reviewed the IRS' ONDCP Detailed Accounting Submission and Performance Summary Report (the Report) for FY 2009, which ended September 30, 2009 (see Appendix IV). This Report was prepared pursuant to 21 U.S.C. Section 1704(d) and the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. The IRS is responsible for preparing the report.

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, also 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. ONDCP-established criteria require well-documented sources of data, documented and explained calculations, and complete and fair presentation of data from financial systems.

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Report are not presented in all material respects in accordance with ONDCP-established criteria. The IRS reported that it expended \$60.6 million on ONDCP-related activities and completed 652 ONDCP-related investigations in FY 2009. For FY 2009, the IRS also reported it participated in 462 ONDCP-related cases that resulted in convictions.

### ***Corrective Actions Were Implemented to Adjust Year-End Performance Information***

In our prior review<sup>4</sup> of the FY 2008 Report, we found that 18 of the 478 convictions reported actually occurred prior to FY 2008. We similarly found that 3 of the 827 ONDCP-related investigations reported as completed were actually completed prior to FY 2008. In addition, we identified 18 cases among the cases the IRS reported as recommended for prosecution but

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<sup>4</sup> *Attestation Review of the Internal Revenue Service's Fiscal Year 2008 Annual Accounting of Drug Control Funds and Related Performance* (Reference Number 2009-10-040, dated January 30, 2009).



*Attestation Review of the Internal Revenue Service's  
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ultimately resulted in acquittal or dismissal that occurred prior to FY 2008. We recommended that the IRS adjust its year-end performance information to reflect timing differences caused by late case postings.

Based on the recommendation in our FY 2008 attestation report, the IRS informed us that it adjusted its year-end performance information for FY 2009 to include only cases that occurred in FY 2009. Our review of the IRS' Performance Summary Report for FY 2009 did not identify any cases reported that did not occur in FY 2009.

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.



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*Attestation Review of the Internal Revenue Service's  
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## **Appendix I**

### *Detailed Objective, Scope, and Methodology*

The overall objective of this review was to perform an attestation review of the IRS' reporting of Fiscal Year 2009 ONDCP expenditures and related performance for the purpose of expressing a conclusion about the reliability of each assertion made in the Detailed Accounting Submission and Performance Summary Report. To accomplish our objective, we:

- I. Obtained an understanding of the process used to prepare the FY 2009 Detailed Accounting Submission and Performance Summary Report.
  - A. Discussed the process used to record and report ONDCP expenditures and performance information with responsible IRS personnel.
  - B. Obtained documents such as written procedures and supporting worksheets that evidence the methodology used.
- II. Evaluated the reasonableness of the drug methodology process for detailed accounting submissions.
  - A. Reviewed data supporting the Detailed Accounting Submission to establish its relationship to the amounts being reported.
  - B. Reviewed the estimation methods for consistency with reported amounts.
- III. Performed sufficient verifications of reported obligations for detailed accounting submissions to support our conclusion on the reliability of the assertions.
  - A. Verified that the Detailed Accounting Submission included all of the elements specified in Section 6 of the ONDCP Circular: *Drug Control Accounting*.
  - B. Verified that the drug control budget submitted to the ONDCP was consistent with the Detailed Accounting Submission.
  - C. Verified the mathematical accuracy of the obligations presented in the Table of FY 2009 Drug Control Obligations.
  - D. Traced the information contained in the Table of FY 2009 Drug Control Obligations to the supporting documentation.
- IV. Evaluated the reasonableness of the methodology used to report performance information for National Drug Control Program activities.
  - A. Reviewed data supporting the Performance Summary Report to establish its relationship to the National Drug Control program activities being reported.



*Attestation Review of the Internal Revenue Service's  
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- V. Performed sufficient verifications of reported performance information to support our conclusion of the reliability of the assertions.
  - A. Verified that the Performance Summary Report included all of the elements specified in Section 7 of the ONDCP Circular: *Drug Control Accounting*.
  - 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.
- VI. Evaluated any corrective actions implemented by the IRS in response to the FY 2008 audit finding regarding the ONDCP reporting process.



*Attestation Review of the Internal Revenue Service's  
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**Appendix II**

*Major Contributors to This Report*

Nancy A. Nakamura, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Jeffrey M. Jones, Director

Anthony J. Choma, Audit Manager

Angela Garner, Lead Auditor

Joseph P. Smith, Senior Auditor

Rashme Sawhney, Auditor



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*Attestation Review of the Internal Revenue Service's  
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**Appendix III**

*Report Distribution List*

Commissioner C  
Office of the Commissioner – Attn: Chief of Staff C  
Deputy Commissioner for Operations Support OS  
Deputy Commissioner for Services and Enforcement SE  
Deputy Chief, Criminal Investigation Division SE:CI  
Deputy Chief Financial Officer OS:CFO  
Chief Counsel CC  
National Taxpayer Advocate TA  
Director, Office of Legislative Affairs CL:LA  
Director, Office of Program Evaluation and Risk Analysis RAS:O  
Office of Internal Control OS:CFO:CPIC:IC  
Audit Liaisons:  
    Chief, Criminal Investigation Division SE:CI  
    Chief Financial Officer OS:CFO



Attestation Review of the Internal Revenue Service's  
Fiscal Year 2009 Annual Accounting of  
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Appendix IV

Internal Revenue Service Fiscal Year 2009  
Detailed Accounting Submission and  
Related Performance Summary Report



CHIEF FINANCIAL OFFICER

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

RECEIVED  
DEC 28 2009

BY: *ALS*

December 28, 2009

MEMORANDUM FOR MICHAEL PHILLIPS  
DEPUTY INSPECTOR GENERAL FOR AUDIT  
FROM: *Alison L. Doorfe*  
Alison L. Doorfe  
Chief Financial Officer  
SUBJECT: Internal Revenue Service (IRS) Fiscal Year (FY) 2009  
Detailed Accounting Submission of Drug Control Funds

The IRS is resubmitting its Detailed Accounting Submission of Drug Control Funds 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 resubmission reflects the minor changes to the report agreed upon at the December 22, 2009 meeting by the IRS Chief Financial Officer, Criminal Investigation, and TIGTA staff. This circular requires TIGTA to perform an attestation review before the IRS submits this document to the ONDCP. After the IRS receives TIGTA's conclusion as to the reliability of each assertion, 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 Ursula Gillis, Acting Associate Chief Financial Officer for Corporate Budget, at (202) 622-8770.

Attachments



*Attestation Review of the Internal Revenue Service's  
Fiscal Year 2009 Annual Accounting of  
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Attachment 1

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

**DETAILED ACCOUNTING SUBMISSION**

**A. Table of FY 2009 Drug Control Obligations**

<b>Drug Resources by Function</b>	<b>(\$000)</b>
Investigations	<u>\$60,627</u>
Total	\$60,627
<b>Drug Resources by Decision Unit</b>	
Narcotics Crimes	<u>\$60,627</u>
Total	\$60,627

**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 (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. CI's overall Direct Investigative Time (DIT) applied to narcotics cases for FY 2009 was 11.5 percent of total DIT. The OCDETF sub-component of this program was 10.6 percent of total DIT or 92 percent of the total narcotics DIT.
- The methodology for computing the resources appropriated and realized for the OCDETF program is the application of the 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 Chief Financial Officer, and the Treasury Inspector General for Tax Administration (TIGTA) during the





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*Attestation Review of the Internal Revenue Service's  
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Attachment 1

FY 2006 ONDCP attestation 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

**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 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 calculated monthly with a final annual percentage determined after the close of the fiscal year. The annual percentage of DIT relating to



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*Attestation Review of the Internal Revenue Service's  
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Attachment 1

OCDETF sub-program area items is applied to the total resources expended for FY 2009 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 IRS 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**

CI 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.



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*Attestation Review of the Internal Revenue Service's  
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Drug Control Funds and Related Performance*

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Attachment 1

**C. Performance Summary Report**

**1) Performance Reporting**

**(a) Performance Measures**

The IRS reviewed performance measures used by other agencies that support the National Drug Control Strategy as well as budget level performance measures that are already used to address the effectiveness of CI activities. As a result of the review, the IRS determined that, in addition to the number of subject criminal investigations completed, the most appropriate performance measures to evaluate its contribution to the National Drug Control Strategy were number of convictions and conviction rate. These are both budget level performance measures already used by CI to evaluate its performance as a whole. 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 DOJ or discontinued due to lack of evidence or a finding that the allegation was false (or other reasons). Convictions are defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty. Conviction rate is defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty divided by these status codes and nolle prosequi, judge dismissed, and jury acquittal.

These measures assess 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.

CI'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. CI has participated in 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.



*Attestation Review of the Internal Revenue Service's  
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Attachment 1

**(b) Prior Years Performance Targets and Results**

Before FY 2008, CI did not set performance targets for the OCDETF Program. However, CI projected for completed investigations which were used as benchmarks. The OCDETF resources became a part of the IRS budget in FY 2006. Previously, the IRS portion of the OCDETF resources was included in the DOJ appropriation and was reported as part of the DOJ budget submission. The completed investigations for FY 2005 through FY 2008 are shown below:

<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>938</b>	<b>728</b>	<b>654</b>	<b>824</b>

As a result of budgetary constraints, CI reduced its narcotics DIT (9 to 11 percent of total) in FY 2005, FY 2006 and FY 2007. FY 2005 results are higher than subsequent years because they include completions from cases started in FY 2004. This resulted in a decline in the number of completed OCDETF investigations in years subsequent to FY 2005. In response to the Attorney General's request for the commitment of additional CI resources to OCDETF cases, CI agreed to increase the amount of DIT devoted to narcotics investigations in FY 2008 to between 11 and 13 percent of total DIT. CI maintained this same level through FY 2009.

**(c) Current Year Performance Targets and Results**

Based on a recommendation from last year's audit and attestation, to evaluate the cause of the delayed case postings identified and evaluate the feasibility of either improving the timeliness of case postings and/or adjusting its year-end performance information to reflect timing differences caused by late postings of case information, CI calculated its year-end performance using the status date of investigations. The results for FY 2009 are shown below:

<b>FY 2009 OCDETF Targets &amp; Performance</b>	<b>FY 2009 OCDETF Targets</b>	<b>Based on Status Date as of September 30, 2009</b>
<b>Investigations Completed<sup>1</sup></b>	710	652
<b>Convictions</b>	460	462
<b>Conviction Rate</b>	85.00%	84.93%

<sup>1</sup> It should be noted that while the number of OCDETF Investigations Completed are slightly down 8.2% at 652 from the target range of 710, there was an 11.6% drop in our OCDETF pipeline inventory from 873 (FY08) to 772 (FY09). We exceeded the fiscal year focus to reduce pipeline by 5%; however, the processes to reduce pipeline inventory did cause a significant amount of resources to be utilized to assist the United States Attorney's Office for the prosecution and final adjudication of these cases. Also, in FY08, we completed 824 investigations that although they are considered completed still require resources to push them through the pipeline. Additionally, the emphasis to work large complex and sophisticated OCDETF investigations increases cycle time.



*Attestation Review of the Internal Revenue Service's  
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**Appendix V**

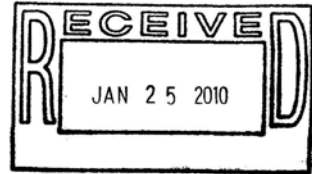
*Management's Response to the Draft Report*



CHIEF FINANCIAL OFFICER

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

January 22, 2010



MEMORANDUM FOR MICHAEL PHILLIPS  
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:   
Alison L. Doone  
Chief Financial Officer

SUBJECT: Response to Draft Audit Report – Attestation Review of the  
Internal Revenue Service's (IRS) Fiscal Year (FY) 2009  
Annual Accounting of Drug Control Funds and Related  
Performance Summary Report (Audit #200910025)

Thank you for the opportunity to comment on the Treasury Inspector General for Tax Administration's (TIGTA) discussion draft report titled "Attestation Review of the Internal Revenue Service's Fiscal Year 2009 Annual Accounting of Drug Control Funds".

I am pleased there were no findings in FY 2009. We appreciate the recognition of our adjustment to year-end performance information based on TIGTA's FY 2008 Attestation Report recommendation.

If you have any questions, please contact me at (202) 622-6400, or have a member of your staff contact Ursula Gillis, Acting Associate Chief Financial Officer for Corporate Budget, at (202) 622-8770.

# Tab J

VA Office of Inspector General

OFFICE OF AUDITS & EVALUATIONS



# Department of Veterans Affairs

*Independent Review of  
VA's Fiscal Year 2009  
Performance Summary*

*Report to the  
Office of National  
Drug Control Policy*

March 9, 2010  
10-01105-96

**To Report Suspected Wrongdoing in VA Programs and Operations:**  
Telephone: 1-800-488-8244  
E-Mail: [Hvaoi hotline@va.gov](mailto:Hvaoi hotline@va.gov)  
(Hotline Information: [Hhttp://www.va.gov/oig/contacts/hotline.asp](http://www.va.gov/oig/contacts/hotline.asp)<sup>H</sup>)





DEPARTMENT OF VETERANS AFFAIRS  
Veterans Health Administration  
Washington DC 20420

In Reply Refer To:

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

Dear Ms. Finn:

As required by Section 7 of the Office of the National Drug 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 fiscal year (FY) 2009.

Sincerely,

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

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

Enclosure



**DEPARTMENT OF VETERANS AFFAIRS**  
**Veterans Health Administration**  
**Washington DC 20420**

In Reply Refer To: 12

Belinda J. Finn  
Assistant Inspector General for Audits and Evaluations (52)  
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 Office of Research and Development, Veterans Health Administration for your authentication in accordance with the guidelines in Section 8 of the Circular.

We certify that the Office of Research and Development has established a performance measure for substance use disorder research, the methodology to generate this measure is appropriate and accurate, and the target for the performance measure is reasonable.

The Office of Research and Development achieved the performance measure target for FY 2009.

Sincerely,

A handwritten signature in black ink that reads "Joel Kupersmith".

Joel Kupersmith, MD  
Chief Research & Development Officer

Enclosure

**Department of  
Veteran Affairs**

**Memorandum**

**Date:** March 4, 2010

**From:** Assistant Inspector General for Audits and Evaluations (52)

**Subj:** Final Report – Independent Review of VA’s Fiscal Year 2009 Performance  
Summary Report to the Office of National Drug Control Policy

**To:** Deputy Chief Patient Care Services, Veterans Health Administration (116)  
Chief Research and Development Officer, Veterans Health Administration (12)

1. The Office of Inspector General is required to review the Department of Veterans Affairs’ (VA) Fiscal Year (FY) 2009 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)(7). The Performance Summary Report is the responsibility of VA’s management and is included in this report as Attachment A (Patient Care) and Attachment B (Research and Development). The Circular is included as Attachment C.

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 have also 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 and used 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,

4. Based upon our review and the criteria of the Circular:

- Nothing came to our attention that caused us to believe that VA does not have a system to capture performance information accurately and 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 2009 target for the “Continuity of Care” performance measure (Patient Care) and the substance abuse disorder on-going studies performance measure (Research and Development), in all material respects. As a result, VA is not 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;
- Nothing came to our attention that caused us to believe that the methodology described in the Performance Summary Reports establishing 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.

5. We provided you our draft report for review. You concurred with our report without further comments.

6. 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.

*(original signed by:)*

Belinda J. Finn

Attachments

**Department of Veterans Affairs  
Veterans Health Administration  
FY 2009 Performance Summary Report**

**I. PERFORMANCE INFORMATION**

**Decision Unit 1: Veterans Health Administration**

**Measure 1: Continuity of Care**

Table 1

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
35%	37%	44%	48%	47%	52%	47%

(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 2009, 52% of VA patients in a specialized SUD program successfully met the measure, exceeding the target of 47%.

(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 several 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 Austin Information Technology 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 Austin PTF files and is maintained by the Office of Quality and Performance. A copy of the FY 2009 Office of Quality and Performance, 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 Austin 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 Austin PTF files and is maintained by the Office of Quality and Performance. The system was properly applied to generate the performance data.

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

In FY 2009 the target of 47% was exceeded with an actual rate of 52%.

**(3) Methodology to establish performance targets is reasonable and applied.** The target measures are set by the VHA Office of Quality Performance in conjunction with the Office of Patient Care Services and for FY10 the target will remain at 47%.

**(4) Adequate performance measures exist for all significant drug control activities** VHA is measuring the identification and treatment of those having a SUD issue.

Attachment

**FY 2009, Q4v1**  
**TECHNICAL MANUAL**  
for the  
**VHA**  
**Performance Measurement**  
**System**

Office of Quality and Performance (10Q)

July 15, 2009



## Performance Measure 19: Mental Health Measure

### 19a Substance Use Disorder – Continuity of Care

VHA Performance Measure (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 08 through August 09. 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<sup>1,2,3,4</sup>. 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.

Various patient, provider and program level interventions have been associated with improved treatment retention<sup>5,6,7</sup>. 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<sup>8,9</sup>. Available evidence supports the effectiveness of telephone follow-up for patients after they have stabilized during the initial weeks of outpatient treatment<sup>10,11</sup>. 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 Disorder<sup>12</sup>, 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:

<sup>1</sup>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.

<sup>2</sup>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.

<sup>3</sup>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.



- <sup>4</sup>Zhang, Z., Friedmann, P.D., Gerstein, D.R. (2003). Does retention matter? Treatment duration and improvement in drug use. *Addiction*, 98, 673-684.
- <sup>5</sup>Lash, S.J., Stephens, R.S., Burden, J.L., et al. (2007). Contracting, prompting, and reinforcing substance use disorder continuing care: A randomized clinical trial. *Psychology of Addictive Behaviors*. 21, 387-97.
- <sup>6</sup>Schaefer, J.A., Ingudomnukul, E., Harris, A.H.S., & Cronkite, R.C. (2005). Continuity of care practices and substance use disorder patients' engagement in continuing care. *Medical Care*, 43, 1234-1241.
- <sup>7</sup>Shepard, D.S., Calabro, J.A.B., Love, C.T., McKay, J.R., Tetreault, J., & Yeom, H.S. (2006). Counselor incentives to improve client retention in an outpatient substance abuse aftercare program. *Administration and Policy in Mental Health*, 33, 629-635.
- <sup>8</sup>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.
- <sup>9</sup>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.
- <sup>10</sup>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.
- <sup>11</sup>McKay, J.R. (2005). Is there a case for extended interventions for alcohol and drug use disorders? *Addiction*, 100, 1594-1610
- <sup>12</sup>The VHA/DoD SUD Guideline (especially Module R Annotation H)  
[http://www.oqp.med.va.gov/cpg/SUD/SUD\\_Base.htm](http://www.oqp.med.va.gov/cpg/SUD/SUD_Base.htm)
- 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
- Principles of Drug Addiction Treatment A Research-Based Guide  
<http://www.nida.nih.gov/PODAT/PODAT5.html#FAQ5>

**Indicator Statement:** 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 AITC 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,

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to the Office of National Drug Control Policy**

**Attachment A**

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) 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	Qualification as New SUD Episode Inpatient or Outpatient Qualification Date = T	Episode			Continuous Treatment Involvement (Retention Period) 90 Total Days		
Event Description			1st	2nd	3rd	1st 30 days of retention	2nd 30 days of retention	3rd 30 days of retention
<b>Outpatient Qualified Events in Time</b>	1st total days from 1st to 3rd outpatient qualifying event	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	
<b>Inpatient Qualified Events in Time</b>	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).

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- 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 09	03/06/08 - 05/05/08	06/04/08 - 08/30/08	07/03/08 - 09/01/08	07/04/08 - 09/02/08	10/01/08 - 11/30/08
2	Oct, Nov, Dec, Jan, Feb	First Friday May 09	03/06/08 - 08/31/08	06/04/08 - 11/29/08	07/03/08 - 12/01/08	07/04/08 - 12/02/08	10/01/08 - 02/29/09
3	Oct, Nov, Dec, Jan, Feb, Mar, Apr, May	First Friday August 09	03/06/08 - 12/01/08	06/04/08 - 02/29/09	07/03/08 - 03/02/09	07/04/08 - 03/03/09	10/01/08 - 05/31/09
4	Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug	Mid-October 09	03/06/08 - 03/02/09	06/04/08 - 05/31/09	07/03/08 - 06/02/09	07/04/08 - 06/03/09	10/01/08 - 08/31/09

**Data**

- Origin: Workload generated in VistA and sent to AITC. 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 AITC 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. See VSSC Web <http://vssc.med.va.gov/PM/SUD.asp>

Will these sources be used to contribute information for specified period/event?

	<b>Dormant</b>	<b>Qualifying</b>	<b>Retention</b>
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.

**Independent Review of VA's Fiscal Year 2009 Performance Summary Report  
to the Office of National Drug Control Policy**

**Attachment A**

<b>TABLE C Events / Data Source Use During Dormancy, Qualification, and Retention Determination</b>			
	<b>Dormant</b>	<b>Qualifying</b>	<b>Retention</b>
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 on 545 workload.	Yes. 545 clinic stops will be used to determine retention compliance in the 2nd & 3rd period only
Inpatient SUD Dischg w/ LOS ≥ 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'.	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 Encounters <sup>1</sup>	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 ≥ 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.

<sup>1</sup> 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 Austin Automation Center. In 2005, VHA removed this block and allows encounters for professional workload provided to inpatients to be sent to Austin. See [Directive 2006-026 at http://vaww1.va.gov/vhapublications/publications.cfm?pub=1](http://vaww1.va.gov/vhapublications/publications.cfm?pub=1) Attachment A

**Office of Research and Development,  
Department of Veterans Affairs  
Fiscal Year 2009 Performance Summary Report  
To the Office of National Drug Control Policy**

**1. Performance Information**

**Performance Measure:** Each fiscal year the Office of Research and Development (ORD) will have at least 10 ongoing studies directly related to substance abuse disorder: 5 ongoing studies related to alcohol abuse and 5 ongoing studies related to other substance abuse.

**How the measure is used in the program:** Most ORD-funded studies are investigator-initiated. Many clinicians who treat patients also perform research, so their research is targeted at diseases and disorders that they treat. Investigators will be encouraged to undertake research in this important area.

**Performance results for the previous fiscal years:** In fiscal year (FY) 2008, ORD funded 17 studies related to substance abuse disorder, 38 related to alcohol abuse, and 14 that were related to both substance abuse disorder and alcohol abuse.

**Comparison of the most recent fiscal year to its target:** The targets for FY 2009 were exceeded. See Table 1.

**Target for the current fiscal year:** Although the actual values (number of studies) exceeded the target for FY 2009, we have not increased the target for FY 2010. This is because there is wide variation in the amount of funding per project. The more expensive studies are usually multisite clinical trials. Leaving the target at its present level would allow flexibility in the types of studies that are funded.

**Procedures used to ensure that the performance data is accurate, complete, and unbiased.** The data is obtained from the Office of Research and Development's (ORD's) database that lists all of its funded projects. A report is produced that lists all funds sent to the VA medical centers for projects on drug and alcohol dependence for the four ORD services for a given fiscal year. The number of projects in the list is counted.

Table 1

Measure	FY 2008	FY 2009	FY 2009	FY 2010
	Actual	Target	Actual	Target
Number of ongoing research studies related to substance abuse disorder	17	5	20	5
Number of ongoing research studies related to alcohol abuse	38	5	45	5
Number of ongoing research studies related to both substance abuse disorder and alcohol abuse	14		10	

## 2. Management Assertions

### Performance reporting system is appropriate and applied.

The VA Office of Research and Development (ORD) consists of four main divisions:

**Biomedical Laboratory:** Supports preclinical research to understand life processes from the molecular, genomic, and physiological level in regard to diseases affecting Veterans.

**Clinical Science:** Administers investigations, including human subject research, to determine feasibility or effectiveness of new treatments (e.g., drugs, therapy, or devices) in small clinical trials or multi-center cooperative studies, aimed at learning more about the causes of disease and developing more effective clinical care.

The Cooperative Studies Program (CSP) is a major division within Clinical Science R&D that specializes in designing, conducting, and managing national and international multi-site clinical trials and epidemiological research.

**Health Services:** Supports studies to identify and promote effective and efficient strategies to improve the organization, cost-effectiveness, and delivery of quality healthcare to Veterans.

**Rehabilitation:** Develops novel approaches to restore Veterans with traumatic amputation, central nervous system injuries, loss of sight and/or hearing, or other physical and cognitive impairments to full and productive lives.

**In order for funds to be allocated to a project, they must be entered into the Research Analysis Forecasting Tool (RAFT) database.**

Starting in FY 2009, all Merit Review proposals (our major funding mechanism) were submitted electronically via the eRA Commons system, and projects that were approved for funding were identified. Funding data for these projects were transferred electronically to RAFT. A few Career Development proposals are included in the list of projects. These proposals are not yet submitted via the eRA Commons system, so they are tracked via spreadsheets and uploaded into RAFT manually (HSR&D and RR&D) or electronically (BLR&D and CSR&D). The capability to submit Career Development proposals electronically via eRA Commons is expected to be in place near the end of FY 2010.

**Preparation of the list of projects:**

The BLR&D/CSR&D administrative officer extracted all funded projects for the fiscal year from RAFT and exported the data into an Excel spreadsheet. The alcohol and drug abuse projects were identified by reviewing the title. Any questionable projects were verified as relevant or not relevant upon review of the abstract. In some cases, the title listed was the type of investigator award. For those, the title was obtained from the abstract. There were multiple rows in the spreadsheet for some projects (for example, if there were multiple researchers on the same project). When that occurred, the rows were combined so that there was just one entry (dollars allocated were summed) per project. Project start and end dates were included in the spreadsheet. If there were multiple researchers or a researcher with multiple funds for the same project (e.g., salary award plus Merit Review award), then the earliest start date and latest end date were used. Although great care is taken to provide an inclusive list of projects, our database management system does not have robust reporting capabilities, so some projects may have been omitted.

For FY 2009, no RR&D projects related to drug or alcohol abuse were identified.

**Explanations for not meeting performance targets are reasonable.**

Not applicable. The targets were met.

**Methodology to establish performance targets is reasonable and applied.**

VA Research and Development focuses on research on the special healthcare needs of Veterans and strives to balance the discovery of new knowledge and the application of these discoveries to Veterans' healthcare. VA Research and Development's mission is to "discover knowledge and create innovations that advance the health and care of Veterans and the Nation." ORD supports preclinical, clinical, health services, and rehabilitation research. This research ranges from studies relevant to our aging Veterans (e.g., cancer, heart disease, Alzheimer's disease) to those relevant to younger Veterans returning from



the current conflicts (e.g., PTSD, spinal cord injury). The targets were set at that level to allow flexibility in the projects funded in terms of both subject (e.g., cancer, addiction, heart disease) and type (e.g., preclinical, clinical trials).

**Adequate performance measures exist for all significant drug control activities.**

Since many of the projects do not involve direct interaction with patients, the measure looks at the number of projects rather than specific activities.

**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.<sup>2</sup> Such table shall present obligations by Drug Control Function and Budget Decision Unit, as these categories are displayed for the agency or bureau in the *National Drug Control Strategy Budget Summary*. Further, this table shall be accompanied by the following disclosures:
  - (1) **Drug Methodology** – The drug methodology shall be specified in a separate exhibit. For obligations calculated pursuant to a drug methodology, this presentation shall include sufficient detail to explain fully the derivation of all obligations data presented in the table.
    - (a) **Obligations by Drug Control Function** – All bureaus employ a drug methodology to report obligations by Drug Control Function.
    - (b) **Obligations by Budget Decision Unit** – For certain multi-mission bureaus – Customs and Border Protection (CBP), Coast Guard, Immigration and Customs Enforcement (ICE), Indian Health Service (IHS), Bureau of Indian Affairs (BIA), and the Veterans Health Administration (VHA) – obligations reported by Budget Decision Unit shall be calculated pursuant to an approved drug methodology. For all other bureaus, drug control obligations reported by Budget Decision Unit shall represent 100 percent of the actual obligations of the bureau for those Budget Decision Units, as they are defined for the National Drug Control Budget. (See Attachment B of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007.)
  - (2) **Methodology Modifications** – Consistent with ONDCP's prior approval, if the drug methodology has been modified from the previous year, then the changes, their purpose, and the quantitative differences in the amount(s) reported using the new method versus the amount(s) that would have been reported under the old method shall be disclosed.<sup>3</sup>
  - (3) **Material Weaknesses or Other Findings** – Any material weakness or other findings by independent sources, or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance, which may affect the presentation of prior

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<sup>2</sup> Consistent with reporting requirements of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007, resources received from the following accounts are excluded from obligation estimates: (1) ONDCP – High Intensity Drug Trafficking Areas (HIDTA) and (2) DOJ – Organized Crime Drug Enforcement Task Force Program. Obligations against these resources shall be excluded from 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.

<sup>3</sup> For changes that did not receive prior approval, the agency or bureau shall submit such changes to ONDCP for approval under separate cover.

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:

(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

**Independent Review of VA's Fiscal Year 2009 Performance Summary Report  
to the Office of National Drug Control Policy**

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**Attachment C**

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.

## Report Distribution

### VA Distribution

Office of the Secretary  
Veterans Health Administration  
Office of General Counsel  
Chief Patient Care Services Officer, Veterans Health Administration  
Chief Quality and Performance Officer, Veteran Health Administration  
Chief Research and Development Officer, Veterans Health Administration  
Chief Financial Officer, Veterans Health Administration  
Deputy Chief, Patient Care Services Officer for Mental Health, Veterans Health Administration  
Director, Management Review Service, Veterans Health Administration  
Director of Performance Management, Veterans Health Administration

### Non-VA Distribution

House Committee on Veterans' Affairs  
House Appropriations Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
House Committee on Oversight and Government Reform  
Senate Committee on Veterans' Affairs  
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
Senate Committee on Homeland Security and Governmental Affairs  
Office of National Drug Control Policy



# **Tab K**

# ONDCP Circular: Budget Formulation

May 1, 2007

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**TO: THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS**

**SUBJECT:** Budget Formulation

1. **Purpose.** This circular provides instructions for use by National Drug Control Program agencies when preparing drug control budgets to be submitted to the Office of National Drug Control Policy (ONDCP) for review, certification, and inclusion in the consolidated National Drug Control Budget.

2. **Rescission.** This circular rescinds and replaces the ONDCP Circular, *Budget Formulation*, dated May 13, 2004.

3. **Authority.** *The Office of National Drug Control Policy Reauthorization Act of 1998* (P.L. 105-277, dated October 21, 1998), as amended by Public Law 109-469 (December 29, 2006), provides the authority for review and certification of budget requests of National Drug Control Program agencies and for preparation and submission of an annual consolidated National Drug Control Budget. In relevant part, this law has been codified at 21 U.S.C. § 1701, *et seq.*

4. **Definitions.** As used in this circular –

- a. **National Drug Control Program** means, pursuant to 21 U.S.C. § 1701(6), “... programs, policies, and activities undertaken by National Drug Control Program agencies pursuant to the responsibilities of such agencies under the National Drug Control Strategy, including any activities involving supply reduction, demand reduction, or State, local, and tribal affairs.”
- b. **National Drug Control Program agency** (hereinafter also referred to as agency) means, consistent with 21 U.S.C. § 1701(7), any agency that is responsible for implementing any integral aspect of the National Drug Control Strategy, including any agency that receives federal funds to implement any such aspect of the *Strategy*, but does not include any agency that receives funds for drug control activities solely under the National Intelligence Program, the Joint Military Intelligence Program or Tactical Intelligence and Related Activities or (for the purposes of 21 U.S.C. §704(d)) an agency that is described in 28 U.S.C. §530C(a), unless such agency has been designated by the President or jointly by the Director of National Drug Control Policy and the head of the agency. Attachment A enumerates the National Drug Control Program agencies.

- c. **Other Related Drug Control Program Agency** refers to any agency that receives federal funds for drug control activities that are not integral to the actions prescribed in the *Strategy*. Typically, these are agencies whose primary mission does not include drug control, nor have readily identifiable drug control line items in the Budget of the President. Other Related Drug Control Program agency resources are included in the *Budget Summary* as an addendum but are not a part of the Consolidated National Drug Control Budget.
- d. **Bureau** means any component of an agency.
- d. **Drug Methodology** means the process by which drug-related financial statistics identified for certain agencies or bureaus are calculated. The following utilize a drug methodology for calculating their aggregate portion of the National Drug Control Budget: Immigration and Customs Enforcement, Customs and Border Protection, U.S. Coast Guard, Veterans Health Administration, Indian Health Service, and Bureau of Indian Affairs. All agencies utilize a drug methodology for presenting their National Drug Control Budget by drug control function.

Principal criteria for any agency or bureau's drug methodology are: (1) that it provide a reasonable basis for consistent estimation, and (2) that financial statistics derived through the application of this methodology fairly quantify the agency's involvement in drug control activities. Reporting entities may use any of a variety of reasonably described methods, relying on workload data, grants data, statistical data, or professional judgment to estimate the drug-related portion of their programs. Once initially established, any material modification to a drug methodology must be submitted to ONDCP for review and approval before it can be implemented.

- e. **Drug Control Functions** correspond to the nine specific program areas that encompass all possible drug control activities. A complete list of drug control functions, as well as the associated definitions of these functions, is presented at Attachment D.
- f. **Budget Decision Units** correspond to discrete program categories that are identifiable components of budget accounts enumerated in the Budget of the President.

5. **Coverage.** The provisions of this circular apply to all National Drug Control Program agencies and their bureaus, as well as Other Related Drug Control Program agencies.

6. **Drug Budget Review and Certification Process.** Pursuant to 21 U.S.C. § 1703(c)(1), agencies are required to submit National Drug Control Budget requests to the Director for review and certification. This is a two-tier process, consisting of a summer review of bureau submissions and a fall review/certification of agency submissions. This requirement applies to the list of bureaus and agencies in Attachment A. (Also see, Sections 9 and 10 of this circular.) Bureau heads will transmit their drug control budget proposals to ONDCP at the same time their budget requests are sent to their respective agency heads. For this purpose, the submission by a bureau head of a budget proposal to the agency's Chief Financial Officer, Budget Director, or

other senior level financial executive, triggers the same requirement under the statute to submit this budget material to ONDCP.

In the fall, the agencies prepare their drug budget submissions to ONDCP, consisting of the individual budget proposals of each agency bureau. These agency submissions will be transmitted to ONDCP before they are sent to the Office of Management and Budget (OMB).

In addition to the two-tier budget review process, the Director may elect to require specified bureau components to submit program budgets for review under the authority of 21 U.S.C. § 1703(c)(1)(A). Program budgets reviewed under this authority would be requested by separate correspondence, and submissions would be reviewed by ONDCP using the Summer Review process (see Section 9).

**7. Structure of the National Drug Control Budget.** To the maximum extent possible, resources included in the drug budget will tie directly to identifiable line items in the Budget of the President or agency budget justifications for Congress, accompanying the budget.

- a. **Account Structure:** The drug budget is defined by the account structure presented in Attachment B. Agencies and bureaus with responsibilities under the National Drug Control Strategy are listed in Column A. For each bureau, Column B displays the budget accounts in the Budget of the President that are associated with drug control activities. Column C identifies the specific budget decision units for accounts that are included in the drug budget. Unless otherwise noted, 100 percent of the funding for each budget decision unit listed is part of the National Drug Control Budget. Budgets for the following multi-mission bureaus are an exception to this general principle: the Immigration and Customs Enforcement, the Customs and Border Protection, the U.S. Coast Guard, the Veterans Health Administration, the Indian Health Services and the Bureau of Indian Affairs. For each of these bureaus, the drug control budget is defined by an established drug methodology.
- b. **Amendments to Account Structure:** The National Drug Control Budget defined in Attachment B is consistent with the account structure presented in the Budget of the President. If subsequent appropriations substantively modify this account structure by adding or eliminating programs with a drug control nexus, then the Associate Director for Performance and Budget, ONDCP, shall notify the senior budget officials of affected agencies and bureaus of the changes by decision unit that would define the revised National Drug Control Budget.
- c. **Other Priority Initiatives:** In order to simplify the display of the National Drug Control Budget in *Strategy* documents, certain initiatives shall be consolidated into one line item – Other Priority Initiatives. Initiatives included in this line item may change each year, depending on final funding decisions for the President’s Budget.

- d. **Financial Plans for Multi-Mission Bureaus:** To ensure that all drug control funding under the revised budget structure closely links with the President's Budget, the multi-mission bureaus identified in Section 7a. shall establish a draft detailed financial plan for the budget year under formulation. This draft plan shall identify how drug funding calculated by a bureau's drug methodology will support in the year of execution each budget decision unit and the major programs, projects, offices, and activities under those decision units. At a minimum, the draft plan shall array an agency's base resources by the various categories as defined above, and where practical, program enhancements. If it is not practical to array program enhancements by the various categories identified above, then a separate line-item shall be added for each enhancement that does not further distribute these resources by lower levels of detail. The ONDCP Circular, *Budget Execution*, dated April 30, 2007, provides guidance on these financial plans. A draft of this financial plan shall be included as part of the following documents: (1) bureau budget proposals to agency heads, (2) agency head budget proposals to OMB, and (3) Congressional budget justification documents accompanying the President's Budget.

**8. Drug Budget Submission Elements.** Drug Budget submissions shall include the following components:

- a. **Transmittal Letter:** A cover letter shall be included to transmit each drug control budget submission, addressed from the responsible budget official to the Associate Director for Performance and Budget, ONDCP. The cover letter shall summarize the budget request, including major changes to base funding and key funding initiatives.
- b. **Resource Summary Table:** Attachment C provides an example of a resource summary table highlighting budget authority (net of offsetting collections) by function and budget decision unit. Transfers and reimbursements from the Organized Crime Drug Enforcement Task Forces Program and the High Intensity Drug Trafficking Areas Program shall not be included in the agency's or bureau's total budget authority but shall be shown as separate line entries. Agencies and bureaus shall report decision units as those reflected in their Congressional budget submissions.
- c. **Copy of Budget Submission:** In the summer, the budget submission to ONDCP shall include a copy of the relevant sections of the bureau head's budget proposal that was transmitted to the agency head. In the fall, the budget submission to ONDCP shall include a copy of the relevant sections of the agency head's budget proposal that has been prepared for OMB. Relevant sections of the budget are those components that justify spending for budget decision units related to drug control and are identified in Attachment B of this circular. As an alternative to extracting this information from these budget documents, agencies and bureaus may provide ONDCP with a copy of their entire bureau-level submission to the agency or agency-level submission to OMB. For multi-mission bureaus, budget submissions to ONDCP shall also include a copy of the draft financial plans referenced in section 7d. of this circular.
- d. **Ranking of Priorities:** Budget submissions to ONDCP shall include an exhibit that disaggregates both base funding and funding for new initiatives into discrete program

elements. These program elements for base funding and proposed new funding then shall be ranked to identify high priorities and low priorities. In preparing this exhibit, all programs need not be ranked – only the several high and low priorities, as defined by the agency or bureau.

- e. **Strategic Plan, Performance Plan, and Performance Report:** Budget submissions shall include the portions that relate to drug control of the current Strategic Plan, as well as the Annual Performance Plan and Annual Performance Report submitted to OMB pursuant to the *Government Performance and Results Act* (GRPA). For a bureau-level submission to ONDCP, this information should include the bureau's input to the agency for these key GPRA documents. Agencies should send ONDCP their updated GPRA Performance Plan to reflect the OMB decisions. Agencies also should send ONDCP final versions of their Performance Reports.

**9. Review of Summer Drug Budget Submissions.** The Director of National Drug Control Policy will review bureau summer drug control budget submissions to determine if they are adequate to implement the *Strategy*. Requests will be evaluated on the basis of how closely proposed funding corresponds to priorities identified by ONDCP pursuant to 21 U.S.C. §1703(b)(8). (See Section 11 of this circular.) This review and evaluation will result in one of the following actions:

- a. **Adequate Requests** – The Director will issue a written notice to the agency head, with a copy to the bureau head, confirming the adequacy of the bureau's budget request to implement the *Strategy* (21 U.S.C. §1703(c)(3)(B)(ii)); or
- b. **Inadequate Requests** – The Director will issue a written notice to the bureau head that the bureau's budget request is not adequate to implement the *Strategy*. This correspondence will outline funding levels and specific initiatives that would make the request adequate (21 U.S.C. §1703(c)(3)(B)(i)). In addition, the Director will notify the agency head with responsibility for the bureau of the specific requirements for additional funding. The Director's certification under Section 10a will depend on the inclusion of these changes in the agency's fall budget.

**10. Review and Certification of Fall Budget Submissions.** Pursuant to 21 U.S.C. §1703(c)(3)(E), the Director shall review and certify each agency's fall drug control budget submission. (As highlighted in Section 6, agency budget submissions consist of the individual drug budget proposals of each agency bureau.) As with the summer process, the Director will review agency fall drug control budgets prepared in accord with Section 8 of this circular to determine if they are adequate to implement the *Strategy*. Requests will be evaluated based on how closely proposed funding corresponds to priorities identified by ONDCP (see Section 11) and whether requests address enhancements identified in Section 9b of this circular. This fall review and evaluation will result in one of the following actions:

- a. **Adequate Requests: Certification** – The Director will issue a written notice to the agency head certifying as to the adequacy of their fall budget submission to implement the *Strategy* (21 U.S.C. § 1703(c)(3)(E)); or

b. **Inadequate Requests: Decertification** – The Director will issue a written notice to the agency head that their fall budget submission is not adequate to implement the *Strategy* and is decertified (21 U.S.C. § 1703(c)(3)(E)(ii)(II)). As a consequence of the Director’s decertification, the following additional actions shall be taken by the agency and ONDCP:

- (1) **Amended OMB Budget Request** – The Director shall submit to the agency head a written description of the funding levels and specific initiatives that would make the fall budget request adequate to implement the *Strategy*, and the agency head shall include the funding levels and initiatives described by the Director in the budget submission for that agency to OMB (21 U.S.C. § 1703(c)(3)(D)(i)).
- (2) **Impact Statement** – The head of an agency that has altered a budget submission under Section 10b(1) shall include as an appendix to the OMB budget submission an impact statement that summarizes the changes made to the budget and the impact of those changes on the ability of that agency to perform its other responsibilities, including any impact on specific missions or programs of the agency (21 U.S.C. § 1703(c)(3)(D)(ii)). Further, the agency head shall submit a copy of any impact statement prepared under this section to the Senate and the House of Representatives at the same time the budget for the agency is submitted to Congress under section 1105(a) of title 31, United States Code (21 U.S.C. § 1703(c)(3)(D)(iii)).
- (3) **ONDCP Congressional Notification** – In addition to the agency Congressional notification required under Section 10b(2), the Director shall transmit to the Senate and the House of Representatives a copy of the decertification and new funding requirements identified under Section 10b(1), along with a copy of the ONDCP funding priorities issued pursuant to 21 U.S.C. § 1703(b)(8) (see Section 11 of this circular) that support the Director’s requirement for additional funding (21 U.S.C. § 1703(c)(3)(E)(ii)).

11. **Funding Priorities.** In formulating drug control budgets, each agency and bureau should consider resource needs to support the *Strategy’s* funding priorities. Funding guidance will be issued each year prior to July 1, pursuant to 21 U.S.C. § 1703(b)(8). Until updated guidance is issued, prior guidance issued under 21 U.S.C. § 1703(b)(8) remains in effect for agency and bureau budget formulation purposes.

12. **Coordination with Office of Management and Budget.** To the maximum extent possible, ONDCP will closely coordinate with OMB. Consistent with the requirements of 21 U.S.C. § 1703(c)(2) to prepare a consolidated budget proposal to implement the *Strategy*, ONDCP shall provide OMB with specific drug funding recommendations by agency, bureau, and account, prior to preliminary decisions on the President’s Budget in November.

13. **Preparation of Budget Summary.** In the fall, ONDCP will issue separate guidance for the preparation of the *National Drug Control Strategy Budget Summary*. The *Budget Summary* guidance will specify format requirements for this document, which, at a minimum, will include detail by function and budget decision unit at the same level of detail as presented in

Attachment C. The resource summary data displayed in the *Budget Summary* shall include final budget authority enacted in the prior year, current year enacted budget authority, and requested budget authority for the budget year under formulation. The *Budget Summary* will present resource information for both National Drug Control Program and Other Related Drug Control Program agencies.

**14. Congressional Budget Justification Documents.** All National Drug Control Program agencies shall provide ONDCP with the sections of their Congressional budget justification documents that relate to drug control for review and approval prior to transmitting them to Congress.

**15. Other Related Drug Control Program Reporting Requirements.**

Consistent with the requirements of 21 U.S.C. § 1703(c)(2)(A) to inform Congress and the public about the total amount proposed to be spent on all drug control activities of the Federal government, ONDCP publishes an appendix to the *Budget Summary* that details drug-related resource levels associated with Other Related Drug Control Program agencies. These resources will not be included in the consolidated National Drug Control Budget as they are not integral to the *Strategy*.

The first reporting requirements for Other Related Drug Control Program agencies will be in the fall at the same time budgets are due to OMB. At this time, Other Related Drug Control Program agencies shall submit a table that arrays the agency's drug-related resources by function and an explanation of the methodology used to derive estimates. ONDCP will work with agencies to ensure that information provided accurately reflects drug control activities. As Other Related Drug Control Program agency resources will not be included in the consolidated National Drug Control Budget, nor the Budget of the President, budget materials will not be subject to certification requirements; however, this resource information will be included in the appendix of the *Budget Summary*. This requirement applies to the list of agency bureaus in Attachment E.

**16. ONDCP Point of Contact.** Agencies and bureaus shall provide their drug control budget submissions to the following address:

Associate Director for Performance and Budget  
Office of National Drug Control Policy  
750 17<sup>th</sup> Street, N.W.  
Washington, DC 20503

John P. Walters  
Director



## NATIONAL DRUG CONTROL PROGRAM AGENCIES

### (A) Drug Control Program Agency (fall budget submissions)

### (B) Bureau(s) Submitting Budgets (summer budget submissions)

Department of Defense

Office of the Assistant Secretary of  
Defense – Counternarcotics,  
Counterproliferation, and Global Threats

Department of Education

Office of Safe & Drug-Free Schools

Department of Health and Human Services

Centers for Medicare and Medicaid  
Services

Substance Abuse and Mental Health  
Services Administration

National Institutes of Health – National  
Institute on Drug Abuse

Indian Health Service

Department of Homeland Security

Customs and Border Protection

Immigration and Customs Enforcement

United States Coast Guard

Office of Counternarcotics Enforcement

Department of the Interior

Bureau of Indian Affairs

Department of Justice

Bureau of Prisons

Drug Enforcement Administration

Organized Crime Drug Enforcement  
Task Force Program

Office of Justice Programs

Executive Office of the President

Office of National Drug Control Policy

**NATIONAL DRUG CONTROL PROGRAM AGENCIES (Cont.)**

**(A) Drug Control Program Agency**

(fall budget submissions)

Department of State (including United States Agency for International Development)

Department of Transportation

Department of the Treasury

Department of Veterans Affairs

Small Business Administration

**(B) Bureau(s) Submitting Budgets**

(summer budget submissions)

Bureau of International Narcotics and Law Enforcement Affairs

Regional Bureau's with Alternative livelihood programming

National Highway Traffic Safety Administration

Internal Revenue Service

Veterans Health Administration

Bureau level submission not applicable

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Note: In addition to these agencies, the Office of National Drug Control Policy is also a National Drug Control Program agency, as defined by 21 U.S.C. § 1701(7).

## DEFINITION OF NATIONAL DRUG CONTROL BUDGET

<b>(A)</b> <b><u>National Drug Control Program Agency</u></b>	<b>(B)</b> <b><u>Account Name – President’s Budget</u></b>	<b>(C)</b> <b><u>Applicable Budget Decision Units</u></b>
<b>1. Department of Defense</b>		
Office of the Assistant Secretary of Defense – Counternarcotics, Counter proliferation, and Global Threats	<i>Drug Interdiction and Counter-drug Activities</i>	All
<b>2. Department of Education</b>		
Office of Safe & Drug-Free Schools	<i>Safe Schools &amp; Citizenship Education</i>	* Safe and Drug-Free Schools and Communities (With the exception Of those National Programs, which By statute have no clear drug control Nexus – e.g., Community Service Grant Program, Mentoring Program, Project SERV)
<b>3. Department of Health and Human Services (HHS)</b>		
Substance Abuse and Mental Health Services Administration	<i>Substance Abuse and Mental Health Services</i>	* Programs of Regional and National Significance -- Prevention -- Treatment * Substance Abuse Block Grant * Program Management
National Institutes of Health – National Institute on Drug Abuse	<i>National Institute on Drug Abuse</i>	All
Indian Health Service	<i>Indian Health Services</i>	For each Indian Health Service account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.

<b>(A)</b> <b><u>National Drug Control Program Agency</u></b>	<b>(B)</b> <b><u>Account Name – President’s Budget</u></b>	<b>(C)</b> <b><u>Applicable Budget Decision Units</u></b>
<b>4. Department of Homeland Security (DHS)</b>		
Customs and Border Protection (CBP)	<i>Salaries and Expenses</i>	For each CBP account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
	<i>Air and Marine Operations</i>	
Immigration and Customs Enforcement (ICE)	<i>Salaries and Expenses</i>	For each ICE account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
United States Coast Guard	<i>Operating Expenses</i>	For each Coast Guard account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
	<i>Acquisition, Construction, and Improvements Research, Development, Test, and Evaluation Reserve Training</i>	
<b>5. Department of the Interior</b>		
Bureau of Indian Affairs	Operation and Indian	For each Interior account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.

<b>(A)</b> <b><u>National Drug Control Program Agency</u></b>	<b>(B)</b> <b><u>Account Name – President’s Budget</u></b>	<b>(C)</b> <b><u>Applicable Budget Decision Units</u></b>
<b>6. Department of Justice</b>		
Bureau of Prisons	<i>Salaries and Expenses</i>	* Inmate Care and Programs – Drug Treatment
Drug Enforcement Administration	<i>Salaries and Expenses</i>	All
	<i>Diversion Control Fee Account</i>	All
<b>6. Department of Justice (cont.)</b>		
Organized Crime Drug Enforcement Task Force	<i>Interagency Crime and Drug Enforcement</i>	All
Office of Justice Programs	<i>Justice Assistance</i>	* Regional Information Sharing System
	<i>State and Local Law Enforcement Assistance</i>	* Drug Courts * Residential Substance Abuse Treatment * Prescription Drug Monitoring
	<i>Juvenile Justice Programs</i>	* Incentive Grants to Prevent Juvenile Crime – Enforcing Underage Drinking Laws
	<i>Weed and Seed Program Fund</i>	All
	<i>Community Oriented Policy Services</i>	* Southwest Border Prosecutors * Methamphetamine Enforcement and Lab Cleanup
<b>7. Office of National Drug Control Policy</b>		
<i>Executive Office of the President</i>	* Office of National Drug Control Policy (Salaries and Expenses)	
<i>Other Federal Drug Control Programs</i>	All	
<i>Counterdrug Technology Assessment Center</i>	All	
<i>High Intensity Drug Trafficking Areas</i>	All	

<b>(A)</b> <b><u>National Drug Control Program Agency</u></b>	<b>(B)</b> <b><u>Account Name – President’s Budget</u></b>	<b>(C)</b> <b><u>Applicable Budget Decision Units</u></b>
<b>8. Department of State</b>		
Bureau of International Narcotics and Law Enforcement Affairs (INL)	<i>International Narcotics and Law Enforcement</i>	International Narcotics Crime and Law Enforcement (INCLE). All but international crime decision
	<i>Andean Counterdrug Initiativ</i>	All
<b>8. Department of State (cont.)</b>		
United States Agency for International Development (USAID)	<i>Economic Support Fund</i>	Alternative Livelihoods
	<i>Developmental Assistance</i>	Drug related only
<b>9. Department of Veterans Affairs</b>		
Veterans Health Administration	<i>Medical Care</i>	For each VHA account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
	<i>Medical and Prosthetic Research</i>	
<b>10. Department of Transportation</b>		
National Highway Traffic Safety Administration	<i>Operations &amp; Research (Highway Trust Funds)</i>	Highway Safety Program – Drug Recognition Expert Program
<b>11. Department of the Treasury</b>		
	<i>Internal Revenue Service</i>	Criminal Investigations—all Interagency Crime and Drug Enforcement resources
<b>12. Small Business Administration</b>		
	<i>Salaries and Expenses</i>	* Non-Credit Programs – Drug-Free Workplace Grants

**FORMAT – DRUG CONTROL BUDGET RESOURCE SUMMARY**

	CY BA	RY BA	BY BA
<b>Drug Resources by Drug Control Function:</b>			
Intelligence	\$x.xxx	\$x.xxx	\$x.xxx
Interdiction	\$x.xxx	\$x.xxx	\$x.xxx
International	\$x.xxx	\$x.xxx	\$x.xxx
Investigations	\$x.xxx	\$x.xxx	\$x.xxx
Prevention	\$x.xxx	\$x.xxx	\$x.xxx
Prosecution	\$x.xxx	\$x.xxx	\$x.xxx
Research & Development	\$x.xxx	\$x.xxx	\$x.xxx
State & Local Assistance	\$x.xxx	\$x.xxx	\$x.xxx
Treatment	<u>\$x.xxx</u>	<u>\$x.xxx</u>	<u>\$x.xxx</u>
<b>Total</b>	<b>\$xx.xxx</b>	<b>\$xx.xxx</b>	<b>\$xx.xxx</b>
<b>Drug Resources by Budget Decision Unit:</b>			
XXXXXXXXXXXX	\$x.xxx	\$x.xxx	\$x.xxx
XXXXXXXXXXXX	\$x.xxx	\$x.xxx	\$x.xxx
XXXXXXXXXXXX	<u>\$xx.xxx</u>	<u>\$xx.xxx</u>	<u>\$xx.xxx</u>
<b>Total</b>	<b>\$xx.xxx</b>	<b>\$xx.xxx</b>	<b>\$xx.xxx</b>
<b>HIDTA Transfer</b>	\$x.xxx	\$x.xxx	\$x.xxx
<b>ICDE Resources</b>	\$x.xxx	\$x.xxx	\$x.xxx

BA = Budget Authority  
CY = Current fiscal year  
RY = Request fiscal year  
BY = Budget fiscal year under formulation

Note: Funding for the Interagency Crime and Drug Enforcement Accounts (ICDE) and HIDTA should be included in this display only on the lines shown. This funding should not be displayed by function or decision unit, and this funding should not be included as part of agency totals in these categories.

**DEFINITIONS OF DRUG CONTROL BUDGET FUNCTIONS**

<b>FUNCTION</b>	<b>DESCRIPTION</b>
Intelligence	Activities or programs with a primary focus to provide guarded information for use by national policy makers, strategic planners, or operational/tactical elements, primarily in the areas of national security and law enforcement. Activities include collecting, processing, analyzing, and disseminating information related to drug production and trafficking organizations and their activities (including production, transportation, distribution, and finance/money laundering) and the willingness and ability of foreign governments to carry out effective drug control programs. (Amounts allocated for drug interdiction, international, and domestic law enforcement should be separately identified.)
Interdiction	Activities designed to interrupt the trafficking of illicit drugs into the United States by targeting the transportation link. Specifically, interdiction encompasses intercepting and ultimately disrupting shipments of illegal drugs, their precursors and the fruits of drug distribution.
International	Activities primarily focused on or conducted in areas outside of the United States, including a wide range of drug control programs to eradicate crops, seize drugs (except air and riverine interdiction seizures), arrest and prosecute major traffickers, destroy processing capabilities, develop and promote alternative crops to replace drug crops, reduce the demand for drugs, investigate money laundering and financial crime activities, and promote the involvement of other nations in efforts to control the supply of and demand for drugs.
Investigations	Federal domestic law enforcement activities engaged in preparing drug cases for the arrest and prosecution of leaders and traffickers of illegal drug organizations, seizing drugs and assets, and ensuring that federal laws and regulations governing the legitimate handling, manufacturing, distribution, etc. of controlled substances are properly followed.
Prevention	Activities focused on discouraging the first-time use of controlled substances and outreach efforts to encourage those who have begun to use illicit drugs to cease their use.
Prosecution	Federal activities related to the conduct of criminal proceedings against drug trafficking and money laundering organizations, with the aim of bringing a civil or criminal judgment against their members, forfeiting their assets, divesting leaders of their power, and, as appropriate, extraditing, deporting and excluding their members.
Research & Development	Activities intended to improve the capacity, efficiency, or quality of drug control activities. (Amounts allocated for drug interdiction, international, treatment, prevention and domestic law enforcement research should be separately identified.)
State & Local Assistance	Federal drug control assistance to help state and local law enforcement entities to reduce drug related violent crime and the availability of illegal drugs.
Treatment	Activities focused on assisting regular users of controlled substances to become drug-free through such means as counseling services, in-patient and out-patient care, and the demonstration and provision of effective treatment modalities, etc.



**OTHER RELATED DRUG CONTROL PROGRAM AGENCIES**

<b><u>Agency</u></b>	<b><u>Bureau(s)</u></b>
Department of Agriculture	Agricultural Research Service U.S. Forest Service Women Infants & Children
Corporation for National & Community Service	Not Applicable
DC Court Services and Offender Supervision	Not Applicable
Intelligence Community Management Account	National Drug Intelligence Center
Department of Health and Human Services	Administration for Children and Families Centers for Disease Control and Prevention Health Resources and Services Administration National Institutes of Health – National Institute on Alcohol Abuse and Alcoholism
Department of Homeland Security	U.S. Secret Service Federal Law Enforcement Training Center
Department of Housing and Urban Development	Not applicable
Department of the Interior	Bureau of Land Management U.S. Fish and Wildlife Service National Park Service
The Federal Judiciary	Administrative Office of the U.S. Courts

Attachment E

Department of Justice

Bureau of Alcohol, Tobacco, and  
Firearms

Asset Forfeiture Fund

U.S. Attorneys

Bureau of Prisons (excluding Inmate  
Services)

Community Policing

Criminal Division

Federal Bureau of Investigation

Office of Federal Detention Trustee

INTERPOL

U.S. Marshals Service

Tax Division

Department of Labor

Employment and Training  
Administration

Department of State

Emergencies in the Diplomatic and  
Consular Service

Public Diplomacy

Department of Transportation

Federal Aviation Administration

Environmental Protection Agency

Not applicable