



Office of National Drug Control Policy

Fiscal Year 2010 Performance Summary Report

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Fiscal Year 2010 Performance Summary Report

Executive Summary

Background

This document presents the FY 2010 Performance Summary Report (PSR) for each drug control agency. The Office of National Drug Control Policy (ONDCP) Reauthorization Act of 2006 (Public Law 109-469) included a provision (21 U.S.C. § 1702(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 from 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 2010. 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 2010 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 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*).

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. Beginning in 2011, ONDCP will also begin to implement the new requirements set forth in the Government Performance and Results Act (GPRA) Modernization Act of 2010.

ONDCP's annual assessment of agencies' Summer and Fall Performance Budgets are preceded by funding guidance for 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

Most Federal drug control agencies submitted a performance report for the FY2010 budget year. However, among agencies providing drug control submissions, two agencies were not compliant with the ONDCP circular. The Department of Defense OIG did not provide an attestation of the Department's drug control submission for reasons outlined in its memorandum dated January 31, 2011. Also, the Department of Homeland Security's Customs and Border Protection did not provide a performance measure for each decision unit as required by the ONDCP circular. In addition, the Centers for Medicare and Medicaid Services did not provide a performance report as ONDCP is working with the Department of Health and Human Services to explore the possibility of developing suitable measures. Table 1 summarizes the status of each Department's drug control submissions.

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

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

*ONDCP is working with the Department of Health and Human Services to explore the possibility of developing suitable measures.

**Under the Drug Control Accounting Circular, Section 9 entitled "Unreasonable Burden," 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.

Synopsis of Agency Performance Summary Reports

Department of Defense

The FY 2010 Performance Summary Report from the Department of Defense highlighted accomplishments in the ongoing transformation of DoD's counternarcotics program to a more result oriented program and included a signed management assessment of performance. The Department's OIG did not provide an attestation concerning the reliability of the report for reasons outlined in its memorandum dated January 31, 2011.

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 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), but did not include a performance summary report for the Centers of Medicare and Medicaid Services (CMS).

CMS: The agency has not established performance measures or targets that are specific to drug control, although it has other health related measures. ONDCP will work with the Department of Health and Human Services to explore the possibility of 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 concluded 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. Except for the fact that NIH's performance measures did not meet ONDCP's expectations to report on the full scope of its budget, nothing came to their attention that caused them to believe that NIH's report and management's assertions were not fairly stated, in all material respects. The OIG found that "the two performance measures represented drug control activities that accounted for only \$33 million" of NIDA's \$1.2 billion FY 2010 budget, which included \$125 million in Recovery Act funding. NIH concurred with these OIG findings but affirmed that consistent with extensive prior discussions about the NIH

performance reporting, they plan to continue to use a “representative” approach to this important activity. ONDCP will work with the Department of Health and Human Services to develop measures that meet the scope and complexity of NIDA’s drug control mission.

SAMHSA: The report describes the performance and data that are related to the Substance Abuse Prevention and Treatment Block Grants and to the Programs of Regional and National Significance. These grants and programs comprise SAMHSA’s drug control prevention and treatment contributions to the *Strategy*. 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), U.S. 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. Their decision units – Acquisition, Construction & Improvements (AC&I); Operating Expenses (OE); Research, Development, Testing, and Evaluation (RDT&E); and Reserve Training (RT) support multiple missions, including 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 the ONDCP circular, or that (ii) the 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 ICE Homeland Security Investigations (HSI) comprised of the Office of Intelligence, the Office of Investigative Programs, and the Office of International Affairs. 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. Nothing came to the IG’s attention in their review 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. It should be noted that ICE included statistics from HSI on monitoring drug enforcement efforts to support their management assertions.

CBP: The report reviewed the performance of the Offices of Field Operations, Border Patrol, and Air and Marine. Nothing came to the OIG’s 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. In the accompanying management’s assertions for FY 2010, management asserted that, apart from Salaries and Expenses, it has been unable to assert that U.S. Customs and Border Protection has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports as required by the ONDCP circular. CBP is currently working with the DHS Office of

Counter Narcotics Enforcement and ONDCP to identify and develop new drug-related outcome based measures and performance targets.

Department of the Interior

BIA: The Bureau of Indian Affairs (BIA) submitted an alternative report (Tab D) since its prior year obligations for drug control activities fell below the \$50 million threshold that was set by ONDCP's circular. The report documents the agency's drug control performance measures, targets, and supporting data systems. The Office of the Inspector General affirmed that BIA's management assertions conformed to the requirements of the ONDCP circular.

Department of Justice

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

DEA: The report describes the accountability system for the Salaries and Expenses decision unit and includes International Enforcement and Domestic Enforcement areas of focus. The State and Local Assistance focus area 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. The DEA's Diversion Control Fee Account was not included as its funds support the Domestic Enforcement focus area and its measures and targets. 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.

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.

NDIC: The report describes performance and data related to NDIC's strategic intelligence division, the Collection Management Group, and their Office of Policy and Interagency Affairs. Based on the review of the report, nothing came to the attention of the Office of the Inspector General that caused the office to believe that (i) the report was not presented, in all material respects, in conformity with ONDCP's circular or that (ii) management's assertions were not fairly stated in all material respects, based on the criteria in the circular.

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

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.

Small Business Administration

The Small Business Administration (SBA) submitted an alternative report (Tab F) since its drug control obligations 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 attested that full compliance with the ONDCP circular would create an unreasonable burden for SBA.

Department of State

The Department of State’s performance summary report (Tab G) outlines the accountability system for its International Narcotics Control and Law Enforcement Programs (INCLE) and U.S. Agency for International Development (USAID).

INCLE: In FY2010, the INCLE and Andean Counter Drug Program (ACP) were merged. The programs are now divided into Africa and Asia, South and Central Asia, and two for Western Hemisphere to support the market disruption objective of the National Drug Control Strategy. 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.

USAID: The performance summary report for the USAID (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 2010 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.

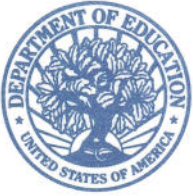
Department of the Treasury

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.

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 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, based upon the circular.

Tab A



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

January 31, 2011

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 2010*, 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 blue ink that reads "Kevin B. Jennings".

Kevin Jennings
Assistant Deputy Secretary

Enclosure #1: Department of Education Performance Summary Report for Fiscal Year 2010, January 19, 2011

Enclosure #2: Authentication letter from Keith West, Assistant Inspector General for Audit Services, January 31, 2011

cc: Keith West

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

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

Department of Education



Performance Summary Report

Fiscal Year 2010

In Support of the

National Drug Control Strategy

As required by ONDCP Circular: *Drug Control Accounting*

January 19, 2011

Department of Education

Performance Summary Report for Fiscal Year 2010

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

Kathleen S. Tighe
Inspector General
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, DC 20202-1510

Dear Ms. Tighe:

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 Drug Control Budget Decision Unit under which the 2010 budgetary resources for the Department of Education are displayed in the Fiscal Year 2011 *National Drug Control Budget Summary*.

Consistent with the instructions in the ONDCP Circular, please provide your authentication to me in writing and I will transmit it to ONDCP along with the enclosed Performance Summary Report. As you know, ONDCP requests these documents by February 1, 2011. 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, D.C. 20202
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	FY2006 Actual	FY 2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Target	FY 2010 Actual	FY2011 Target
2005	n/a	43.8	34.2	Pending	n/a	n/a	n/a
2006	n/a	66.7	66.7	66.7	80.0	pending	n/a

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 2010 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 of program implementation (for example in FY 2006 for the FY 2005 cohort). Grantees from the FY 2005 cohort generally completed no-cost extensions and provided GPRA data in their final grantee reports; aggregation of this data is currently not completed in order to report FY 2009 actual performance.

The SS/HS National Evaluation contractor (supported by HHS/SAMHSA) performs the initial review and cleaning of GPRA performance data received by SS/HS grantees. The contract was not specific about reviewing and cleaning data received in final reports. FY 2009 data for the 2005 SS/HS cohort is included in their final performance report. HHS/SAMHSA recently made a

decision to review and clean data during the project period, excluding the no-cost extension year and final report. We are currently discussing options for compiling these performance results and getting this task completed given available resources.

The FY 2006 cohort of grantees received no-cost extensions during FY 2009. Final GPRA data for this cohort was generally submitted at the end of December 2010 and final reports are currently being reviewed, with data available on grantee performance in FY 2010 available in spring 2011.

FY 2011 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, except for substituting a numeric target (of 73.4 percent) in place of "maintain a baseline" as the 2008 target for the 2006 cohort.

Our ability to establish appropriate targets for these cohorts of the 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 related to gathering performance data.

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 Strategy are included as Measures 2 and 3 in this summary report.

Both the 2005 and 2006 grant cohorts are in their close-out phases and the grants will not be operating in FY 2011. Thus, no targets were set for FY 2011.

Methodology. Data for these grant cohorts 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.

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, 2008, and 2009 cohorts)

Table 2

Cohort	FY2008 Actual	FY2009 Actual	FY2010 Target	FY2010 Actual	FY2011 Target
2007	53.8	42.9	56.5	Pending	59.9
2008	n/a	50.0	51.0	Pending	52.5
2009	n/a	n/a	Set a baseline	Pending	Baseline + 2%

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 2010 Performance Results.

FY 2010 targets for this measure were not established in last year's report as we were awaiting aggregation and analysis of FY 2008 and FY 2009 data from the FY 2007 cohort to help inform the setting of targets.

Beginning with the FY 2007 cohort, grantees are required to provide baseline data prior to implementing interventions. Generally, after the first project year grantees reported baseline data and year 1 actual performance data. Across all cohorts (2007, 2008, and 2009) some sites experienced significant delays in beginning implementation of interventions. Reasons for delays include the need to finalize partnership agreements, complete a project logic model, develop an evaluation plan, and for some, to collect baseline data. Delays in implementing interventions significantly impacted the number of grantees with comparable data to contribute to performance results.

The FY 2007 cohort provided baseline and year 1 actual [performance] data in FY 2008. This data was not available in the last report but has since been received along with actual data for FY 2009. Actual data for FY 2010 are currently being reviewed and aggregated, thus are not included in this report.

The FY 2008 cohort provided baseline and year 1 actual [performance] in FY 2009 and is included in this report. Actual data for FY 2010 are currently being reviewed and aggregated, thus are not included in this report.

The FY 2009 cohort recently submitted baseline and year 1 actual [performance] data. These data are currently being reviewed and aggregated, thus are not included in this report.

FY 2011 Performance Targets.

The setting of FY 2011 performance targets was based on an analysis of prior year performance of multiple cohorts. The FY 2007 cohort data (from FY 2008 and 2009) shows that the cohort's initial project year (FY 2008) performance results were better than second project year (FY 2009) performance results.

Staff analysis of grantee data resulted in the identification of numerous factors thought to contribute to the decline in performance results in the second year of the project that informed the setting of subsequent targets.

Based on this analysis, and considering the changes made to the GPRA measures, targets were set using an incremental increase annually of baseline plus 2, 3, 6, and 9 percent for the 2007, 2008, and 2009 cohorts. Additionally, a cap of 85 percent was set as the maximum target for the measure given ceiling effects.

For the 2009 cohort we are awaiting the final aggregation of first year performance data in order to set a baseline against which to apply the 2011 target of plus 2 percent on which the target for FY 2011 will be based.

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 and from these cohorts 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.

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, 2008, and 2009 cohorts)

Table 3

Cohort	FY2008 Actual	FY2009 Actual	FY2010 Target	FY2010 Actual	FY2011 Target
2007	71.4	47.8	75.0	pending	79.5
2008	n/a	56.0	57.1	pending	58.8
2009	n/a	n/a	Set a baseline	pending	Baseline + 2%

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 substance 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 2010 Performance Results.

FY 2010 targets for this measure were not established in last year's report as we were awaiting aggregation and analysis of FY 2008 and FY 2009 data from the FY 2007 cohort to help inform the setting of targets.

Beginning with the FY 2007 cohort, grantees are required to provide baseline data prior to implementing interventions. Generally, after the first project year grantees reported baseline data and year 1 actual performance data. Across all cohorts (2007, 2008, and 2009) some sites experienced significant delays in beginning implementation of interventions. Reasons for delays include the need to finalize partnership agreements, complete a project logic model, develop an evaluation plan, and for some, to collect baseline data. Delays in implementing interventions significantly impacted the number of grantees with comparable data to contribute to performance results.

The FY 2007 cohort provided baseline and year 1 actual [performance] data in FY 2008. This data was not available in the last report but has since been received along with actual data for FY 2009. Actual data for FY 2010 are

currently being reviewed and aggregated and, thus, are not included in this report.

The FY 2008 cohort provided baseline and year 1 actual [performance] in FY 2009 and is included in this report. Actual data for FY 2010 are currently being reviewed and aggregated, thus are not included in this report.

The FY 2009 cohort recently submitted baseline and year 1 actual [performance] data. These data are currently being reviewed and aggregated, thus are not included in this report.

FY 2011 Performance Targets.

The setting of FY 2011 performance targets was based on an analysis of prior year performance of multiple cohorts. The FY 2007 cohort data (from FY 2008 and 2009) shows that the cohort's initial project year (FY 2008) performance results were better than second project year (FY 2009) performance results. Staff analysis of grantee data resulted in the identification of numerous factors thought to contribute to the decline in performance results in the second year of the project that informed the setting of subsequent targets.

Based on this analysis, and considering the changes made to the GPRA measures, targets were set using an incremental increase annually of baseline plus 2, 3, 6, and 9 percent for the 2007, 2008, and 2009 cohorts. Additionally, a cap of 85 percent was set as the maximum target for the measure given ceiling effects.

For the 2009 cohort we are awaiting the final aggregation of first year performance data in order to set a baseline against which to apply the 2011 target of plus 2 percent on which the target for FY 2011 will be based.

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 and for these cohorts 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.

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	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Target	FY2010 Actual	FY2011 Target
2005	n/a	no valid data available	no valid data available	no valid data available	n/a	n/a	n/a
2006	n/a	n/a	66.7	12.5	70.0	57.0	n/a
2007	n/a	n/a	33.0	41.7	60.0	50.0	n/a
2008	n/a	n/a	n/a	49.0	50.0	65.0	70.0

The measure. This measure is one of two measures for the Student Drug-Testing Program grant competition. The competition provided 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 between 2003 to 2009 in different versions of the strategy as a recommended drug prevention intervention. FY 2008 was the last cohort of new grants made under the program.

FY 2010 Performance Results. FY 2010 performance data for the FY 2006, 2007, and 2008 cohorts are included in table 4 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 had 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 2010 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 came from the evaluation 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 reflect 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.

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 in FY 2010, whereas the 2008 cohort exceeded the target.

We have carefully considered program 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 who 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 was available and in others only a

handful of sites received 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.

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 FY 2010 processes for establishing targets for this measure are discussed in the FY 2011 Performance Targets section below.

FY 2011 Performance Targets. We first 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 did 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 meant that data from that cohort was not helpful in determining whether targets for the program needed to be readjusted. Challenges with data quality resulted in only a very limited proportion of grant sites that provided approximately comparable data. Conversely, for the FY 2006 cohort, because the data from the evaluation were 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.

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 modified 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 decided to establish numerical performance targets after baseline data is received for the new cohort. We entered 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 helped us better match targets to cohort performance, and reflect the unique characteristics of each cohort.

The 2008 cohort is the only cohort for which a target is established for FY 2011, and it is based on the revised target setting approach described above. Only a portion of the FY 2006 cohort, and small number of grants, will be operational in FY 2011 in a no-cost extension phase of their grants. Each have different project end dates making comparisons with prior year actual performance difficult. The FY 2007 cohort generally ended in FY 2010, with limited no-cost extension activity and therefore no FY 2011 targets are set for this cohort.

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 prior to FY 2008 cohort did not use the same survey items to collect data for this measure but, rather, self-select survey items (often from surveys already administered) in order to provide these data. Survey items may relate to different substances, but must collect information concerning current use in order to be included in the data reported for this measure. Grantees did not provide baseline data in their applications, so we had to wait until grantees provided 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 asked grantees to provide data for current (prior 30-day) use of marijuana, as a proxy for illegal drug use. Beginning with the FY 2008 cohort, we also instructed grantees to collect baseline data for this measure before beginning with implementation of their student drug testing program.

The FY 2005 cohort of grant sites 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 that were due at the end of December 2009. Significant data quality issues (including inconsistent use of survey items and changes in respondent populations) affected 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 were collected as part of an evaluation of student drug testing. Data through FY 2010 for the measures were 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 but, as discussed above, we adjusted our method of setting targets.

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	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Target	FY2010 Actual	FY2011 Target
2005	n/a	no valid data available	no valid data available	no valid data available	n/a	n/a	n/a

2006	n/a	n/a	55.5	12.5	60.0	57.0	n/a
2007	n/a	n/a	33.0	33.3	60.0	54.0	n/a
2008	n/a	n/a	n/a	58.0	60.0	58.0	65.0

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 2008 was the last cohort of new grants made under the program.

FY 2010 Performance Results.

FY 2010 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 had 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 2010 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 came from the evaluation 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 reflect 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.

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, 2007, 2008 cohorts fell slightly short of the established targets for this measure in FY 2010.

We have carefully considered program 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 who 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 was available and in others only a handful of sites received 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.

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 FY 2010 processes for establishing targets for this measure are discussed in the FY 2011 Performance Targets section below.

FY 2011 Performance Targets. We first established targets for the percentage of grantees experiencing a 5 percent reduction in past-year illegal drug use after reviewing the first two years of data for the FY 2003 cohort of grant sites. Consistent with research that suggests that changes in student behavior related to student drug testing may not be realized immediately, we assumed that we could look for an increased number of grantees to experience positive change and, using our professional judgment, set that target at 50 percent of grantees.

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 did 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 meant that data from that cohort was not helpful in determining whether targets for the program needed to be readjusted. Challenges with data quality resulted in only a very limited proportion of grant sites that provided approximately comparable data. Conversely, for the FY 2006 cohort, because the data from the evaluation were 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.

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 modified 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 decided to establish numerical performance targets after baseline data is received for the new cohort. We entered 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 helped us better match targets to cohort performance, and reflect the unique characteristics of each cohort.

The 2008 cohort is the only cohort for which a target is established for FY 2011, and it is based on the revised target setting approach described above. Only a portion of the FY 2006 cohort, and small number of grants, will be operational in FY 2011 in a no-cost extension phase of their grants. Each have different project end dates making comparisons with prior years actual performance difficult. The FY 2007 cohort generally ended in FY 2010, with limited no-cost extension activity and therefore no FY 2011 targets are set for this cohort.

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 prior to the FY 2008 cohort did not use the same survey items to collect data for this measure but, rather, self-select survey items (often from surveys already administered) in order to provide these data. Survey items may relate to different substances, but must collect information concerning current use in order to be included in the data reported for this measure. Grantees did not provide baseline data in their applications, so we had to wait until grantees provided 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 asked grantees to provide data for past-year use of marijuana, as a proxy for illegal drug use. Beginning with the FY 2008 cohort, we also instructed grantees to collect baseline data for this measure before beginning with implementation of their student drug testing program.

The FY 2005 cohort of grant sites 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 that were due at the end of December 2009. Significant data quality issues (including inconsistent use of survey items and changes in respondent populations) affected 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 were being collected as part of an evaluation of student drug testing. Data through FY 2010 for the measures were 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 but, as discussed above, we adjusted our method of setting targets.

Safe and Drug-Free Schools and Communities State Grants¹

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

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
25.4	None	22.3	None	26	22.7	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 provided 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 and 2010 Performance Results. Data for this measure were collected in 2009, but were not released by the Centers for Disease Control and Prevention until summer 2010. No target was established for this measure for FY 2010 because data is collected only every other year, in odd-numbered years and the SDFSC State Grants program was terminated in FY 2010. In the past year performance report we promised to provide FY 2009 data in the FY 2010 performance summary report, but indicated we would end reporting for the measure at that time. The percentage of students in grades 9-12 who were

¹ The FY 2009 Performance Report also included two additional measures for the SDFSC State Grant program, numbered measures 9 and 10 in that report, relating to the percentage of drug and violence prevention programs/practices supported with SDFSC State Grant funds that are research based, and the percentage of drug and violence prevention curriculum programs that are implemented with fidelity. As indicated in that report, FY 2010 targets were not set for these measures, and no additional performance data would be available for these measures due to the enacted FY 2010 appropriations statute that did not provide funding for the State Grant program.

offered, sold, or given an illegal drug on school property during the past 12 months increased from 1993 to 1995, and decreased from 1995 to 2009.

FY 2011 Performance Targets. The SDFSC State Grants program was terminated in FY 2010 and no targets are set for FY 2011.

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. 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

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
20.2	None	19.7	None	18.0	20.8	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 provided 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 and 2010 Performance Results. Data for this measure were collected in 2009, but was not released by the Centers for Disease Control and Prevention until summer 2010. No target was established for this measure for FY 2010 because data are collected only every other year, in odd-numbered years and the SDFSC State Grants program was terminated in FY 2010. In the past year performance report we promised to provide FY 2009 data in the FY 2010 performance summary report, but indicated we would end reporting for the measure at that time. The percentage of students in grades 9-12 who used marijuana one or more times during the past 30 days increased from 1991

(14.7 percent) to 1999 (26.7 percent) and has decreased since then to 20.8 percent in 2009.

FY 2011 Performance Targets. The SDFSC State Grants program was terminated in FY 2010 and no targets are set for FY 2011.

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. 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

FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target
25.5	None	26.0	None	25.0	24.2	None

The measure. This measure is one of three measures related to reducing student drug or alcohol use for SDFSC State Grants. This formula grant program provided 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 and 2010 Performance Results. Data for this measure were collected in 2009, but were not released by the Centers for Disease Control and Prevention until summer 2010. No target was established for this measure for FY 2010 because data is collected only every other year, in odd-numbered years, and the SDFSC State Grants program was terminated in FY 2010. In the past year performance report we promised to provide FY 2009 data in the FY 2010 performance summary report, but indicated we would end reporting for the measure at that time. The percentage of students in grades 9-12 who had five or

more drinks of alcohol in row in the past 30 days did not change significantly from 1991 (31.3 percent) to 1997 (33.4 percent) but has decreased over the last decade.

FY 2011 Performance Targets. The SDFSC State Grants program was terminated in FY 2010 and no targets are set for FY 2011.

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. We rely on the assertions provided about the methodology presented by CDC in using this data to report on performance of SDFSC State Grants.

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, 2008, 2009 cohorts – no new grants were awarded under this program in FY 2006.)

Table 11

Cohort	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
2005	n/a	65.0	59.3	n/a	n/a	n/a	n/a
2007	n/a	n/a	61.5	47.0	49.4	pending	n/a
2008	n/a	n/a	n/a	50.7	53.2	64.0	70.0
2009	n/a	n/a	n/a	n/a	n/a	57.1	65.0

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 2010 Performance Results

We are able to report on performance in FY 2010 for the 2008 and 2009 cohorts of grants. The 2008 cohort exceeded its target. No FY 2010 target was set for

the FY 2009 cohort but we are reporting actual FY 2010 performance. There is incomplete data for the 2007 cohort and we are unable to report at this time, but will do so in 2011.

As we have received data from across cohorts for this measure, we continue to find it difficult to discern a pattern of performance that can serve as a basis for establishing future targets. For example, it is difficult to assess why performance results for the 2007 and 2008 cohorts fell short of the established targets for this measure in the past. Intensive technical assistance (via contract) services were not available to the FY 2008 cohort for much of FY 2009 but was in FY 2010. This might be one reason the FY 2008 cohort exceeded its target in FY 2010.

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 in the past 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, in the past, 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 has become 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 in the past has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2011 Performance Targets section below.

FY 2011 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 have modified 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 generally 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.

In the case of FY 2011 targets for the 2008 and 2009 cohorts, these were set based on FY 2010 actual performance data.

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 had occurred. However, the FY 2007 and subsequent cohorts were instructed to provide baseline data in their application, or if that data was not available, to collect it before beginning project implementation. Thus, we are able to report on grantee and cohort performance at the end of year one, as is done for the FY 2009 cohort in this report.

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.

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, 2008, and 2009 cohorts – no new grants were awarded under this program in FY 2006.)

Table 12

Cohort	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
2005	n/a	70.0	59.3	n/a	n/a	n/a	n/a
2007	n/a	n/a	69.2	76.5	80.3	n/a	n/a
2008	n/a	n/a	n/a	58.6	61.5	60.0	65.0
2009	n/a	n/a	n/a	n/a	n/a	100.0	100.0

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 2010 Performance Results

We are able to report on performance in FY 2010 for the 2008 and 2009 cohorts of grants. The 2008 cohort fell slightly short of its target. No FY 2010 target was set for the FY 2009 cohort but we are reporting actual FY 2010 performance. There is incomplete data for the 2007 cohort and we are unable to report at this time, but will do so in 2011.

As we have received data from across cohorts for this measure, we continue to find it difficult to discern a pattern of performance that can serve as a basis for establishing future targets. For example, it is difficult to assess why performance results for the 2007 and 2008 cohorts fell short of the established targets for this measure in the past. Intensive technical assistance (via contract) services were not available to the FY 2008 cohort for much of FY 2009 but was in FY 2010. This might be one reason the FY 2008 cohort exceeded its FY 2009 performance, although slightly missed meeting the FY 2010 target.

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 in the past 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, in the past, 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 has become 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 in the past has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2011 Performance Targets section below.

FY 2011 Performance Targets.

We had established a 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 have modified 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 generally 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.

In the case of FY 2011 targets for the 2008 and 2009 cohorts, these were set based on FY 2010 actual performance data.

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 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 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 an increase of one percent or greater in the percentage of target students who perceive alcohol abuse is harmful to their health as having 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 an increase in perceptions of alcohol abuse harm had occurred. However, the FY 2007 and subsequent cohorts were instructed to provide baseline data in their application, or if that data was not available, to collect it before beginning project implementation. Thus, we are able to report on grantee and cohort performance at the end of year one, as is done for the FY 2009 cohort in this report.

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.

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, 2008, and 2009 cohorts – no new grants were awarded under this program in FY 2006.)

Table 13

Cohort	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
2005	n/a	71.0	74.1	n/a	n/a	n/a	n/a
2007	n/a	n/a	69.2	47.0	49.4	n/a	n/a
2008	n/a	n/a	n/a	49.3	51.8	58.3	65.0
2009	n/a	n/a	n/a	n/a	n/a	100.0	100.0

The measure. This measure examines a key outcome for the Grants to Reduce Alcohol Abuse (GRAA) program – disapproval of 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 2010 Performance Results

We are able to report on performance in FY 2010 for the 2008 and 2009 cohorts of grants. The 2008 cohort exceeded its target. No FY 2010 target was set for the FY 2009 cohort but we are reporting actual FY 2010 performance. There is incomplete data for the 2007 cohort and we are unable to report at this time, but will do so in 2011.

As we have received data from across cohorts for this measure, we continue to find it difficult to discern a pattern of performance that can serve as a basis for establishing future targets. For example, it is difficult to assess why performance results for the 2007 and 2008 cohorts fell short of the established targets for this measure in the past. Intensive technical assistance (via contract) services were not available to the FY 2008 cohort for much of FY 2009 but was in FY 2010. This might be one reason the FY 2008 cohort exceeded its target in FY 2010.

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 in the past 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, in the past, 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 has become 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 in the past has been problematic. Revised processes for establishing targets for this measure are discussed in the FY 2011 Performance Targets section below.

FY 2011 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 have modified 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 generally 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.

In the case of FY 2011 targets for the 2008 and 2009 cohorts, these were set based on FY 2010 actual performance data.

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 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 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 an increase in the percentage of students reporting disapproval of alcohol abuse 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 an increase in disapproval of alcohol abuse among target students has occurred. However, the FY 2007 and subsequent cohorts were instructed to provide baseline data in their application, or if that data was not available, to collect it before beginning project implementation. Thus, we are able to report on grantee and cohort performance and the end of year one, as is done for the FY 2009 cohort in this report.

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.

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 2010 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 2010 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 2010 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 2010 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). 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

JAN 31 2011

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 2010*, dated January 19, 2011

Attached is our authentication of management's assertions contained in the U.S. Department of Education's *Performance Summary Report for Fiscal Year 2010*, dated January 19, 2011, 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

JAN 31 2011

Office of Inspector General's Independent Report on the U.S. Department of Education's
Performance Summary Report for Fiscal Year 2010, dated January 19, 2011

We have reviewed management's assertions contained in the accompanying *Performance Summary Report Fiscal Year 2010*, dated January 19, 2011 (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 blue ink that reads "Keith West".

Keith West
Assistant Inspector General for Audit

Tab B



Washington DC 20201

JAN 28 2011

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

Dear Mr. Rice:

As required by the Office of National Drug Control Policy (ONDCP) Circular titled *Drug Control Accounting*, dated May 1, 2007, enclosed are Department of Health and Human Services (HHS) detailed accounting submissions accompanied by the HHS Office of Inspector General attestation reviews for fiscal year 2010 for the following bureaus: i) Substance Abuse and Mental Health Services Administration (SAMHSA), ii) National Institutes of Health – National Institute on Drug Abuse (NIDA), and iii) Indian Health Service (IHS).

In accordance with the agreement dated May 14, 2008, with Mr. Thomas A. Johnson of your office, this package does not include a detailed accounting submission for the Centers for Medicare and Medicaid Services (CMS) because the funding associated with the CMS program featured in the Drug Budget represents actuarial outlay estimates rather than budget authority. Therefore, we agreed that it is not appropriate to produce a detailed accounting submission containing a table of prior year obligations and corresponding assertions.

If you have any questions, please contact Mr. George Jenkins, Director, Office of Program Management and Systems Policy at (202) 690-6441 or george.jenkins@hhs.gov.

Sincerely,

Sheila O. Conley
Deputy Assistant Secretary for Finance

Enclosures:

NIDA Drug Control Accounting Report
SAMHSA Drug Control Accounting Report
IHS Drug Control Accounting Report

cc: HHS Office of Inspector General



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

JAN 10 2011

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

FROM: George M. Reeb *for Helen for*
Acting Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Indian Health Service Fiscal Year 2010
Performance Summary Report for National Drug Control Activities and
Accompanying Required Assertions (A-03-11-00356)

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) 2010.

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 by 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 2010 Performance Summary Report: National Drug Control Activities—Indian Health Services” and accompanying required assertions, dated December 6, 2010. 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 2010 and management's assertions accompanying its report were not fairly stated, in all material respects, based on the ONDCP Circular.

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 any questions or comments about this report, please do not hesitate to call me, or your staff may contact Lori S. Pilcher, Assistant Inspector General for Grants, Internal Activities, and Information Technology Audits, at (202) 619-1175 or through email at Lori.Pilcher@oig.hhs.gov. Please refer to report number A-03-11-00356 in all correspondence.

Attachment

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ATTACHMENT

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

DEC 6 2010

Indian Health Service
Rockville MD 20852

TO: Director
Office of National Drug Control Policy
Through: Richard J. Turman
Deputy Assistant Secretary, Budget

FROM: Director

SUBJECT: Response to Attestation Review: Indian Health Service Performance Summary
Report for National Drug Control Activities for Fiscal Year 2010

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.

Performance Measures Exist for All Significant Drug Control Activities

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

Yvette Roubideaux

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

Attachment: FY 2010 Performance Summary Report--National Drug Control Activities, IHS

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ATTACHMENT

FY 2010 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

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
100%	100%	91%	91%	100%	84%	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 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 FY 2010 as a result of internal infrastructure challenges with two YRTC programs, the Shiprock Youth Regional Treatment Center (Shiprock YRTC), located on the Navajo Reservation in the State of New Mexico and Wemle House/Klamath YRTC, located in the State of Oregon. Both Shiprock YRTC and Wemle

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House/Klamath YRTC are in the process of seeking accreditation from CARF. In spite of the reported infrastructure challenges experienced by Shiprock and Wemble House/Klamath Youth Regional Treatment Centers, IHS is committed to providing the necessary technical assistance needed in order to assist these two facilities in obtaining CARF accreditation and fully intend to reach the 100% accreditation target in 2011.

(3) The Agency should describe the performance target for FY 2011 and how the Agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2011.

The FY 2011 performance target for the YRTCs will remain unchanged at 100% accreditation certification status.

The Shiprock YRTC is not accredited due to facility safety deficiencies. The Shiprock YRTC was originally housed in an older facility which needed significant renovations in order to ensure the health and safety of the clients and staff. The Shiprock YRTC has relocated to a newly renovated facility which was formerly the Shiprock Indian Hospital/Shiprock Service Unit. During the summer of 2010, the Shiprock YRTC had submitted the formal intent to survey with payment to CARF; however, the facility experienced a significant problem with water leakage. Issues such as this, as well as other facility renovations and repairs were a major barrier for the Shiprock YRTC in meeting CARF standards. Despite these challenges, the Shiprock YRTC staff members continue to show significant efforts in preparing to obtain CARF accreditation by holding biweekly meetings and trainings in preparation for a CARF survey. Based on the improved facility conditions and YRTC management actions, a tentative site survey will be possible in 2011.

The Wemble House/Klamath YRTC has been licensed in the past by the State of Oregon, with an expiration of their license on August 31, 2010. The Wemble/Klamath YRTC is not currently licensed due to leadership transitions above the YRTC itself, which culminated in a new management team being put in place by Klamath Tribal Council for their overall behavioral health system on October 1, 2010. Subsequent to that, the newly appointed management staff has taken definitive steps to prepare for CARF accreditation. On October 27, 2010, the Wemble House/Klamath YRTC received technical assistance and support from the IHS Portland Area Behavioral Health Consultant to assess readiness and make recommendations to the new management team. The Klamath YRTC also had a site review conducted by the Oregon Department of Human Services and its Addiction and Mental Health Division. During the week of November 8 - 12, 2010, several of the Klamath YRTC management staff visited with Dr. Lynn Abeita (Director of Desert Visions YRTC) and her team at Desert Visions Youth Wellness Center in Sacaton, Arizona in order to gain knowledge of the necessary standards and operating procedures required in order to obtain CARF accreditation. Internally, the management staff are developing and implementing improved budgets, job descriptions, policies and procedures, as well as measuring quality, in order to prepare for CARF accreditation. Based on Wemble House/Klamath YRTC's previous obtainment of licensure, recommendations provided by IHS

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staff, and subsequent YRTC management actions, a tentative site survey will be possible in 2011 with a high probability for success; however, it remains for the new management 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 were required to submit the appropriate documentation for FY 2010 data.

Program targets and actual performance are evaluated by CARF, the Joint Commission, States, or regional Tribal behavioral health authorities and measured through CARF, the Joint Commission, States, or regional Tribal behavioral health authorities' standards for accreditation/certification.

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

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

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
28%	36%	42%	48%	53%	53%	57.3%

(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 American Indian and Alaska Native (AI/AN) women who experience domestic violence. Screening identifies women at risk for domestic

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violence and these individuals are referred for services aimed at reducing the prevalence of domestic violence. 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."

Congress appropriated \$7.5 million to the Indian Health Service (IHS) in the Omnibus Appropriations Act 2009, Public Law 111-8 to implement a nationally-coordinated Domestic Violence Prevention Initiative (DVPI). For FY 2010, Congress added an additional \$2.5M for a total of \$10M for this initiative. The purpose of the initiative is to support a national effort by the IHS to address domestic violence and sexual assault within AI/AN communities. The DVPI is focused on providing targeted domestic violence and sexual assault prevention and intervention resources to communities in Indian country with the greatest need for these programs. This initiative promotes the development of evidence-based and practice-based models that represent culturally-appropriate prevention and treatment approaches to domestic violence and sexual assault from a community-driven context. The DVPI expands outreach and increases awareness by funding programs that provide outreach, victim advocacy, intervention, policy development, community response teams, and community and school education programs. The funding may also be used for the purchase of forensic equipment and may include case coordination and coordination of Sexual Assault Nurse Examiner, Sexual Assault Forensic Examiner, and Sexual Assault Response Team activities to help victims of sexual assault by training medical personnel on how to properly conduct sexual assault forensic exams. The initiative will directly support the development and implementation of domestic violence screening policies and procedures, and develop model programs which the entire system may then utilize. Tribal engagement in the initiative has been extensive and has resulted in the support of Tribal leaders.

(2) Provide narrative that examines the FY 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 2010 performance target for this measure was met. 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 2011 and how the Agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2011.

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The performance target for FY 2011 is a 57.3% 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.

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

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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/.

Decision Unit 3: Office of Clinical and Preventive Services, Division of Behavioral Health, IHSMeasure 3: Behavioral Health: Proportion of adults ages 18 and over who are screened for depression

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
15%	24%	35%	44%	53%	52%	56.3%

(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 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 depression screening did not meet its FY 2010 performance target, which was to improve by 9 percentage points (20% relative increase) over the FY 2009 rate; the measure result was 8 percentage points (18% relative increase) above the FY 2009 rate. Although this gain is impressive, it is not quite as large as gains in previous years. The increases seem to be leveling

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off, as improvements due to increased provider awareness and better data collection have been achieved.

(3) The Agency should describe the performance target for FY 2011 and how the Agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2011.

The performance target for FY 2011 is to increase screenings by 4.3% to 56.3% over 2010 screening levels of 52%. 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 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 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/.

Decision Unit 4: Office of Clinical and Preventive Services, Division of Behavioral Health, IHSMeasure 4: Alcohol Screening (FAS Prevention): Alcohol-use screening (to prevent fetal alcohol syndrome) among appropriate female patients

Table 1: Measure 4

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
28%	41%	47%	52%	55%	53%	56.1%

(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 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

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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 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 2010 performance target for this measure was met. In FY 2010, alcohol screening improved by 3 percentage points over FY 2009 results. It reflects the ongoing commitment from the Agency and its Tribal partners to incorporate alcohol screening as a routine part of women's health care.

(3) The Agency should describe the performance target for FY 2011 and how the Agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2011.

The performance target for FY 2011 is to increase the previous year's performance by 1.1 percent from 55 percent to 56.1 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 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

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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/.

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 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
1,603	1,674	1,598	1,687	1,700	1,808	1,726

(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

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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 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 2010 target was to increase the number of suicide reporting forms by 13 actual reporting forms exported over the FY 2009 actual. This performance target was exceeded in FY 2010. The FY 2010 target was 1,700 forms. The FY 2010 actual results were 1,908 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. 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 2011 targets and actually believe we will exceed them substantially if the MSPI programs continue to perform as projected.

(3) The Agency should describe the performance target for FY 2011 and how the Agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the Agency plans to overcome prior year challenges to meet targets in FY 2011.

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The FY 2011 target performance measure is 1,726 suicide reporting forms exported. The existing target of 1,726 forms will be increased in the FY 2012 Congressional Justification budget cycle during negotiations with Health and Human Services (HHS) and Office of Management and Budget (OMB). The target increase reflects both past performance as well as the FY 2011 funding for the Mental Health budget line. 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 suicide reporting form 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.



JAN 12 2011

TO: James M. Anderson, M.D., Ph.D.
Director
Division of Program Coordination, Planning, and Strategic Initiatives
National Institutes of Health

FROM: George M. Reeb *Ge Reeb for*
Acting Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: National Institutes of Health Fiscal Year 2010 Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions (A-03-11-00354)

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) 2010.

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 by 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 NIH report entitled “FY 2010 Performance Summary Report for National Drug Control Activities” and accompanying required assertions, dated November 29, 2010 (Attachment A). 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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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 \$33 million.

NIDA's assertions concerning drug control accounting and its accompanying tables of FY 2010 Actual Obligations (A-03-11-00353) identified obligations totaling \$1.2 billion. According to NIDA and ONDCP officials, NIDA's entire \$1.1 billion budget and additional Recovery Act funding of \$125 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 \$17.1 million, to represent the \$443.1 million obligated for prevention of drug abuse and that they used the second measure, accounting for \$15.9 million, to represent the \$748.9 million obligated for treatment of drug abuse. In total, the two measures accounted for approximately 2.8 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 2010 are intended to be representative of the budget for prevention and treatment, as well as the Recovery Act funds used in FY 2010 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 by 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 2010 and management's assertions accompanying its report were not fairly stated, in all material respects, based on the ONDCP Circular.

NATIONAL INSTITUTES OF HEALTH COMMENTS

In written comments on our draft report, NIH concurred with our findings. However, NIH also said that, consistent with prior discussions with senior Office of Management and Budget, Department of Health & Human Services, and NIH staff, it plans to continue to use a representative approach to providing performance measure assertions. NIH's comments are included in their entirety as Attachment B.

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 any questions or comments about this report, please do not hesitate to call me, or your staff may contact Lori S. Pilcher, Assistant Inspector General for Grants, Internal Activities, and Information Technology Audits, at (202) 619-1175 or through email at Lori.Pilcher@oig.hhs.gov. Please refer to report number A-03-11-00354 in all correspondence.

Attachments

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DRAFT

ATTACHMENTS

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
Bethesda, Maryland 20892

DATE: November 29, 2010

TO: Director
Office of National Drug Control Policy

THROUGH: Norris Cochran
Deputy Assistant Secretary, Budget

FROM: Director
Division of Program Coordination, Planning, and
Strategic Initiatives, NIH

SUBJECT: Assertions Concerning Performance Summary Report

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

Performance Reporting System

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

Explanations for Not Meeting Performance Targets

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

Methodology to Establish Performance Targets

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

Performance Measures Exist for All Significant Drug Control Activities

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

James M. Anderson, M.D., 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 2010 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 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
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.	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.	Three studies confirmed the association of gene variants in Chrna5, Chrna3, and Chrn4, on chr15q25 with smoking frequency. Also, the first polygenic complex genetic score to significantly aid in predicting (in combination with other clinical attributes) success in smoking cessation was developed and tested.	Replicate/validate genetic markers that identify differences in treatment response and/or vulnerability to drug dependence in a minority population

(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 Strengthening Efforts to Prevent Drug Use in Our Communities (Chapter 1)*.

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 the person 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 and alcohol 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 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 2010 target was to replicate genetic markers that identify differences in treatment response and/or vulnerability to dependence. NIDA met this target.

Vulnerability to Dependence: Because the technology has become more robust, and the costs are continuing to decrease, advances have been made sooner than expected. Research on vulnerability to addiction resulted in three publications that confirmed the association of gene variants in Chma5, Chrna3,

and Chrmb4, on chr15q25 with smoking frequency. Each of the three studies contained more than 30,000 participants. Further, this association has also been found to exist in African American and Asian populations. The 15q25 region was also found to be associated with risk for multiple substance dependence phenotypes.

Predicting treatment response: Positive results were obtained from a test of the first polygenic complex genetic score for predicting (in combination with other clinical attributes) success in smoking cessation. Genome wide association (GWA) research has identified groups of genomic markers associated with successful quitting. This allowed the development of a v1.0 "quit-success" genotype score. In a smoking cessation trial four hundred seventy-nine smokers were randomized to 21 or 42 mg nicotine replacement therapy (NRT), initiated 2 wks prior to target quit dates. Self-reported abstinence and end-expired air carbon monoxide (CO) were monitored. The primary outcome was 10-wk continuous smoking abstinence. NRT dose, level of nicotine dependence and genotype scores displayed significant interactive effects on successful quitting. These results document ways in which smoking cessation strategies can be personalized based on levels of nicotine dependence, genotype scores and CO monitoring. These assessments, taken together, can help match most smokers with optimal NRT doses and help rapidly identify some who may be better treated using other methods.

This performance builds on previous performance that identified genetic markers of nicotine dependence vulnerability or outcomes of smoking cessation therapies (FY2009) and 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 haplotypes¹ 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 2011 and how the agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2011.

The FY 2011 target is to replicate/validate genetic markers that identify differences in treatment response and/or vulnerability to drug dependence in a minority population. 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. Moreover, research has shown that there are biological (including genetic) differences among various ethnic/racial populations that could contribute to differences in disease vulnerability as well as treatment response. To meet this target, NIDA will continue to support research investigating genetic differences in response to treatment as well as drug abuse vulnerability among minority populations.

(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

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

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 SNP² collections, many genes yet unidentified or without known function). Some level of data incompleteness mires all human genomic programs in which population sampling – limited by cost considerations – must be used. These obstacles, however, do not necessarily jeopardize the quality of the data, for many powerful post-hoc standard protocols are available and being deployed to clean the data sets and ensure accuracy and replicability.

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

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

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 2008 Actual	FY 2009 Actual	2010 Planned	2011 Actual	2012 Planned
Identified characteristics of facilities that predicted their use of evidence based programs (EBPs) and which EBPs they used.	12 Research Centers identified a state or local criminal justice partner in preparation for protocol development.	Develop collaborative protocols to test 2 implementation models for incorporating research-supported treatment interventions in the criminal justice system	Collaborative protocols have been developed to test 2 implementation models in CI-DATS – MATTICCE and HIV-STIC.	Field 2 studies to test 3 implementation strategies for incorporating research-supported 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. 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 Goals of: Integrating Treatment for Substance Use Disorders into Healthcare and Expanding Support for Recovery (Chapter 3)* by supporting "Seek, Test, and Treat

HIV in the Criminal Justice System”; and Breaking the Cycle of Drug Use, Crime, Delinquency, and Incarceration (Chapter 4), by supporting “Innovative Criminal Justice Research Programs.”

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 2010 actual performance results with the FY 2010 target, as well as prior year actuals. If the performance target was not achieved for FY 2010, 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 2010 target was Met. The CJ-DATS Research Centers collaborated to develop 2 implementation research protocols. These protocols (which are attached) are briefly described below.

MATICCE (Medication-Assisted Treatment Implementation in Community Correctional Environments).
This protocol will test implementation approaches aimed at improving service coordination between community correctional agencies and local treatment agencies, increasing the number of corrections clients linked with medication-assisted treatment (MAT); and improving community corrections agents' knowledge and perceptions about MAT and intent to refer appropriate clients to community-based MAT services. Interventions to be tested are:

- **KPI (Knowledge, Perception, and Information) intervention:** The KPI is intended to be similar to organizational training approaches typically used by organizations which want to adopt new technologies or treatment practices. It consists of professional training for correctional staff on use of medications in addiction treatment. It will cover the effectiveness of MAT for reducing drug use and crime, negative perceptions about MAT, and will provide information about local resources for the provision of MAT. All participating sites will receive KPI training.
- **KPI+Organizational Linkage intervention:** Sites will be randomly assigned to receive the Organizational Linkage intervention in addition to the KPI. The KPI+OL intervention is intended to improve correctional staff knowledge, perceptions, and capacity for interorganizational relationships to improve referral to and utilization of, and support for medication-assisted treatment appropriate for individuals with substance use disorders. As part of the Organizational Linkage intervention, sites will establish community partnerships (Pharmacotherapy Exchange Council; Connections Coordinator; and Strategic Planning to improve utilization of pharmacotherapies by those on parole/probation) to develop interorganizational working relationships between corrections and treatment agencies.

HIV Services And Treatment Implementation in Corrections (HIV-STIC). The HIV-STIC will test an organizational intervention strategy for more effectively implementing improvements in HIV services for preventing, detecting, and treating HIV for offenders under correctional supervision. The study will randomize correctional facilities to two conditions: a control arm that receives basic training on the fundamentals of HIV infection, prevention, testing, and treatment, as well as information about the HIV services continuum and its implications; and an experimental arm that will implement a process improvement approach that will guide a Local Change Team through a structured series of steps to improve HIV services. Such models have been found to improve health services implementation in other settings, but have not been tested in correctional settings or with HIV services. Interventions to be tested are:

- **HIV Training for corrections:** This intervention represents an often-used approach to organizational change. The training will cover an overview of HIV in corrections; an introduction to the HIV continuum of care for criminal justice-involved individuals, which will cover prevention, testing, and treatment of HIV infection; an assessment of the facility's needs in the area of HIV care; facility-specific barriers to implementation of HIV services; and instruction on action steps to find resources, get technical assistance, and obtain professional guidance as needed.
- **Local Change Team Process Improvement:** Process improvement using local change teams (LCTs) has been used with success in quality improvement projects in business and healthcare settings, but there are no known efforts to improve HIV services in correctional settings using this method. Under HIV-STIC, a structured quality improvement process will be used to improve services in the HIV continuum of care. Change leaders will be identified to lead the LCT through a series of quality

improvement techniques, including facility walk-throughs and Plan-Do-Study-Act cycles, intended to identify key change targets and to make incremental organizational changes that will improve the quality and coordination of HIV services across correctional and community agencies.

FY 2010's target and achievement builds upon previous year actuals, which established collaborative partnerships with criminal justice agencies (FY2009) and 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 2011 and how the agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2011.

The FY 2011 target is to field 2 studies to test implementation strategies for incorporating research-supported 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.

The Performance staff 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.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
Bethesda, Maryland 20892

DATE: January 6, 2011

TO: George M. Reeb
Acting Deputy Inspector General for Audit Services

FROM: Director
Division of Program Coordination, Planning, and
Strategic Initiatives, NIH

SUBJECT: Independent Attestation Review: National Institutes of Health Fiscal Year 2010
Performance Summary Report for National Drug Control Activities and
Accompanying Required Assertions (A-03-11-00354)

NIH appreciates the opportunity to review the OIG's draft report entitled, "*Independent Attestation Review: National Institutes of Health Fiscal Year 2010 Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions*" (A-03-11-00354). We concur with your findings as described in the draft report.

The NIH approach to establishing performance measures for national drug control program activities reflects the agency's overall approach to performance planning and reporting under the Government Performance and Results Act (GPRA). In 2002, OMB mandated that NIH revise its comprehensive approach to GPRA research outcome goals to bring them to a lower level of aggregation, to add greater specificity in terms of desired outcome, and to allow for a representative approach to reporting. Several meetings among senior OMB, HHS, and NIH staff occurred in 2003 and various approaches for articulating NIH research goals and reporting progress were considered. Central to the approach adopted by NIH is a framework that characterizes goals on the basis of risk (likelihood of attaining the goal) and time to completion. Consistent with extensive prior discussions about the NIH performance reporting, we plan to continue our representative approach to this important activity.



James M. Anderson, M.D., Ph.D.

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JAN 10 2011

TO: Daryl Kade
Director
Office of Financial Resources
Substance Abuse and Mental Health Services Administration

FROM: George M. Reeb *George M. Reeb for*
Acting Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Substance Abuse and Mental Health Services Administration Fiscal Year 2010 Performance Summary Report for National Drug Control Activities and Accompanying Required Assertions (A-03-11-00352)

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) 2010.

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 by 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 2010 Performance Summary Report for National Drug Control Activities” and accompanying required assertions, dated November 17, 2010. 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 for National Drug Control Program activities. The four measures were (1) percentage of clients reporting no drug use in the past month 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 adults receiving services who had no involvement with the criminal justice system (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 2010 and management's assertions accompanying its report were not fairly stated, in all material respects, based on the ONDCP Circular.

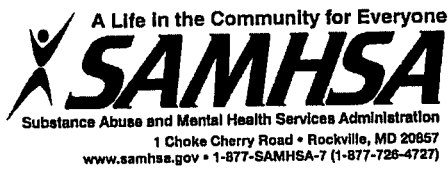
This report is intended solely for the information and use of Congress, ONDCP, and SAMHSA and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Lori S. Pilcher, Assistant Inspector General for Grants, Internal Activities, and Information Technology Audits, at (202) 619-1175 or through email at Lori.Pilcher@oig.hhs.gov. Please refer to report number A-03-11-00352 in all correspondence.

Attachment

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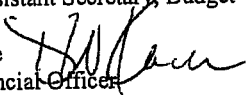
ATTACHMENT

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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: November 17, 2010

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.

Behavioral Health is Essential To Health • Prevention Works • Treatment is Effective • People Recover

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FY 2010 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 no drug use in the past month at discharge

Table 1: Measure 1

FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
73.7%	69.3%	73.7%	69.3%	75.6%	70.3%	To be reported Nov. 2011	70.3%

(1) Measure 1 is the percent of clients in public substance abuse treatment programs who are report no illegal drug use in the past month 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 2010 will not be available until November 2011. However, the target for FY 2009 was exceeded.

(3) The performance targets for FY 2010 and FY 2011 were both set at 70.3%. 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. The FY 2009 target was exceeded.

(4) The data source for this measure is the Treatment Episode Data Set (TEDS) as collected by the Center for Behavioral Health Statistics and Quality. States are responsible for reviewing the quality of their data. Each State is responsible for ensuring that each record in the data submission contains the required key fields, that all fields in the record contain valid codes, and that no duplicate records are submitted. States are also responsible for cross-checking data items for consistency across data fields. The internal control program consists of a rigorous quality control examination of the data as they are received from States. They are examined to detect values that fall out of the expected range based on the State's historical trend. If such outlier values are detected the State is contacted to validate the value or correct the error. Detailed instructions governing data collection, review, and cleaning are available at http://www.dasis.samhsa.gov/dasis2/manuals/teds_admin_manual.pdf and 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 2007 Target	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
Baseline	45.1%	45.1%	47.1%	45.1%	58.8%	45.1%	To be reported Aug 2011	Discontinued

(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.¹ 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 1993.²

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"]

¹ 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.

² 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 1, Secondary school students* (NIH Publication No. 09-7402). Bethesda, MD: National Institute on Drug Abuse, p. 340.

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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, 2009 and 2010 was 45.1%. The FY 2009 actual was 58.8% which exceeded the target. There are plans to retire this measure after the FY 2010 data are reported. A replacement measure will be proposed at a later date.

(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 2009. FY 2010 actuals will be reported in August 2011.

(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 Center for Behavioral Health Statistics and Quality, 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 adults receiving services who had no involvement with the criminal justice system (no past month arrests)

Table 3: Measure 3

FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
96%	96%	96%	94%	96%	95%	95%	95%

(1) Measure 3 is the percent of clients served by the capacity portion of the PRNS portfolio³ 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 was able to meet the target for FY 2010 at 95%.

(3) The target for FY 2011 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.

³ PRNS capacity programs: Targeted Capacity Expansion (TCE)/General, HIV/AIDS Outreach, Addiction Treatment for Homeless Persons, Assertive Adolescent and Family Treatment, Family Drug Courts, Juvenile Drug Courts, Adult 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 (age 18 and up) that rate the risk of substance abuse as moderate or great⁴

Table 4: Measure 4

FY 2007 Target	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
Baseline	94.4%	84.2%	96.5%	85.1%	95.3%	93%	To be reported Aug. 2011	Discontinued

(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 MAI Initiative. A measure from the latter is shown to represent CSAP PRNS.

Increasing 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.⁵ 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 1993.⁶

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:

⁴ Data from Minority AIDS Initiative (MAI): Substance Abuse Prevention, HIV Prevention and Hepatitis Prevention for Minorities and Minorities Re-entering Communities Post-Incarceration [HIV]

⁵ 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.

⁶ 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.

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"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. There are plans to retire this measure after the FY 2010 data are reported. A replacement measure will be proposed at a later date.

(3) The target for FY 2010 is 93%, 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 2009. FY 2009 actual was 95.3% and has greatly exceeded the target for that year. FY 2010 data will be available in August 2011.

(4) HIV data are collected by the grantees through standardized instruments. The outcome measures on these instruments 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 26 2011

MEMORANDUM FOR: Rear Admiral Keith A. Taylor
Assistant Commandant for Resources and
Chief Financial Officer
United States Coast Guard

From: Anne L. Richards 
Assistant Inspector General for Audits

Subject: *Independent Review of the U.S. Coast Guard's Reporting of FY 2010
Drug Control Performance Summary Report*

Attached for your information is our report, *Independent Review of the U.S. Coast Guard's Reporting of FY 2010 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 John McCoy, Deputy 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 2010 Drug Control Performance Summary Report





**Homeland
Security**

JAN 26 2011

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, 2010, 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, 2011, 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 blue ink that reads "Anne L. Richards".

Anne L. Richards
Assistant Inspector General for Audits



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, 2010. We have also reviewed the accompanying management's assertions for the year ended September 30, 2010. 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, 2010, 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 management of DHS and USCG, the DHS 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, 2011

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: DCO-81
Phone: (202) 372-2684
Email: morgan.h.roper@uscg.mil

7110
January 18, 2011

Department of Homeland Security
Director of Financial Management
Office of the Inspector General
Attn: Mr. John D. Shiffer, CPA
1120 Vermont Avenue, 10th 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 final FY 2010 Performance Summary Report.

If you require further assistance on this information, please contact LT Morgan Roper, 202-372-2684.

Sincerely,

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

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

Enclosure (1) FY 2010 Performance Summary Report with Final Edits Approved

Copy: DHS Budget Office

Drug Budget
United States Coast Guard
Performance Summary Report FY 2010

I. PERFORMANCE INFORMATION

Decision Units: Primary Outcome Measure

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

The Coast Guard’s drug interdiction performance is best summarized by the lead outcome measure of the program. 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 Program Assessment and 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 by the Center for Naval Analyses. The Coast Guard transitioned from the Interagency Assessment of Cocaine Movement (IACM) to the Consolidated Counter Drug Database (CCDB) as the authoritative source for estimating illicit drug flow through the transit zone. The change in methodology 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 that is shipped via non-commercial maritime means (CCDB)).

Table 1: Cocaine Removal Rate

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2010 Target	FY 2011 Target
16.9%	16.6%	13.2%	15.0%	13.5%	18.5%	15.5%

(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.¹

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

¹ Requirements 1 through 4 in this section are drawn from the Office of National Drug Control Policy Circular: Drug Control Accounting, dated May 1, 2007.

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 estimated non-commercial maritime movement of cocaine towards the United States, both of which are captured and validated in the CCDB.

The 2010 *National Drug Control Strategy* maintains the interagency, transit zone removal rate goal for cocaine at 40% by 2015; a goal originally set in the 2007 *National Drug Control Strategy*. 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 HC-144A aircraft, for example).

(2) Provide narrative that examines the FY 2010 actual performance results with the FY 2010 target, as well as prior year actual results. If the performance target was not achieved for FY 2010, 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 2010, the Coast Guard removed 91.8 Metric Tons (MT) of cocaine. Relative to the total estimated movement of non-commercial cocaine destined to the United States in FY 2010, captured in the CCDB, the Coast Guard removed 13.5% of this estimated flow, below its target of 18.5%. Comparatively, in FY 2010 the Coast Guard removed 1.5% less cocaine than from the FY 2009 total (15.0% removed). However, the number of Coast Guard interdiction and disruption events remained nearly the same for each fiscal year (123 in FY 2009 and 122 in FY 2010), indicating that the amount removed for each event dropped from a 1,301kg average per event in FY 2009 to 753kg average per event in FY 2010. The total cocaine removed by the Coast Guard in the transit zone declined from 160 MT in FY 2009 to nearly 92 MT in FY 2010. The Coast Guard may have been able to increase its number of interdiction events, however, asset/resource availability and unanticipated major response operations, diverting surface and air (detection and interdiction) assets from the counter-drug mission (earthquake in Haiti and the Deepwater Horizon oil spill in the Gulf of Mexico), hindered performance. The advancing age of the Coast Guard's cutter fleet has caused an increase in unscheduled maintenance days and casualties; this coupled with emergency response operations reduced the available deployable assets (both maritime patrol aircraft (MPA) and major cutters) operating in the drug transit zone in support to Joint Interagency Task Force South (JIATF-S). Through the

2010 Department of Homeland Security (DHS) Statement of Intent, the Coast Guard planned to provide 2,190 cutter days and 4,700 Maritime Patrol Aircraft (MPA) hours to JIATF-S, but was only able to provide 1,486 cutter days and 3,590.9 MPA hours for FY 2010 or approximately 66% of intended cutter days and 76% of intended MPA hours. Lastly, there was a reduction in the estimate of cocaine being smuggled through the transit zone in FY 2010 (1067 MT via non-commercial means in FY 2009 to 682 MT in FY 2010).

(3) The agency should describe the performance target for FY 2011 and how the agency plans to meet this target. If the target in FY 2010 was not achieved, this explanation should detail how the agency plans to overcome prior year challenges to meet targets in FY 2011.

The Coast Guard's target for FY 2011 is to remove 15.5% percent of the cocaine moving via non-commercial maritime means towards the United States. This target is reached by examining historical trends, as well as forecasting asset and resource availability along with the estimated flow of cocaine. The Coast Guard works cooperatively with other Federal agencies to carry out the National Drug Control Strategy, including support for the JIATF-S counter drug mission. To increase interdiction capability and capacity, the Coast Guard has several initiatives, which will come to fruition in FY 2011. The third National Security Cutter (Coast Guard Cutter STRATTON) will be commissioned and available for deployment to the JIATF-S Area Of Responsibility (AOR). Additionally, the Coast Guard brought online a new Counter Drug hidden compartment detection course at the Maritime Law Enforcement Academy (MLEA) in FY 2010 that will improve boarding teams' ability to investigate, search, locate, and access hidden compartments on suspect vessels. With go-fast type vessels remaining the primary means of conveyance by Drug Trafficking Organizations (DTOs) operating in and around the littorals, the Coast Guard plans to continue seeking expanded bilateral agreements, as well as providing international training programs to enhance partner nation capability and to support Theater Security Cooperation initiatives. Such engagement strengthens ties with source and transit zone partner nations and increases their maritime law enforcement competency and capability throughout the transit zone. Based on its baseline of performance, the expanded capabilities mentioned, and anticipated intelligence gains in FY 2011 to focus detection and monitoring efforts, the Coast Guard expects that it can achieve its FY 2011 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.

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. 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 kilograms, the Coast Guard converts the removal to metric tons to compute the Cocaine Removal Rate. The estimated non-

commercial maritime flow of cocaine towards the United States is extracted from the CCDB. 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 and 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 via the Department of Homeland Security's Future Year Homeland Security Program database.

The Coast Guard Office of Law Enforcement has recently updated its out-year performance targets to be reviewed and finalized January 2011. 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 MPA, Law Enforcement Detachment Team (LEDET) and Airborne Use of Force (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 Office of Management and Budget (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 are reasonable.

The Coast Guard was not within the DHS allowable deviation of 1% from its target, and the explanations offered for failing to meet the target are reasonable. The Coast Guard's FY 2011 target satisfies OMB Circular A-11's guidance for establishing targets.

(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.

Enclosure (1) to letter dated January 18, 2011

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.

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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.



Department of Homeland Security Office of Inspector General

Independent Review of the U.S. Immigration and Customs Enforcement's Reporting of FY 2010 Drug Control Performance Summary Report



Office of Inspector General

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



**Homeland
Security**

JAN 26 2011

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 (ICE) for the fiscal year ended September 30, 2010, for the Office of National Drug Control Policy (ONDCP). We contracted with the independent public accounting firm KPMG LLP to perform the review. ICE prepared the Performance Summary Report and Management Assertions to comply with requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. Based on the review, nothing came to KPMG's attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2010, is not presented, in all material respects, in conformity with the ONDCP's Circular, or that management's assertions are not fairly stated, in all material respects, based on the criteria set forth in the ONDCP's Circular. KPMG LLP is responsible for the attached independent accountants' report dated January 20, 2011, 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 blue ink that reads "Anne L. Richards".

Anne L. Richards
Assistant Inspector General for Audits



KPMG LLP
2001 M Street, NW
Washington, DC 20036-3389

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, 2010. We have also reviewed the accompanying management's assertions for the year ended September 30, 2010. ICE's management is responsible for the Performance Summary Report and the assertions.

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

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

Based on our review, nothing came to our attention that caused us to believe that (1) the Performance Summary Report for the year ended September 30, 2010, 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 management of DHS and ICE, the DHS 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, 2011

Office of Chief Financial Officer

U.S. Department of Homeland Security
500 12th Street, SW
Washington, D.C. 20536



U.S. Immigration
and Customs
Enforcement

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

Dear Mr. Shiffer

In accordance with the Office of National Drug Control Policy circular, *Drug Control Accounting*, dated May 1, 2007, enclosed is Immigration and Customs Enforcement's report of FY 2010 counter-narcotics performance measures and targets.

If you require further assistance on this information, please contact Joseph Grosodonia at (202)732-6244

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill McGraw".

Bill McGraw (Branch Chief) for
Lisa Macecevic
Immigration and Customs Enforcement
Director, Office of Budget and Program Performance

PERFORMANCE SUMMARY REPORT OFFICE OF INTERNATIONAL AFFAIRS

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

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
NA	NA	4.4%	3.8%	4.0%	4.9%	4.5%

(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 Office of National Drug Control Policy (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 resources mitigating global narcotics threats to the U.S. This includes utilizing investigative and intelligence techniques to support domestic cases and interagency cross-border initiatives. The measure was not established until FY 2008, thus there are no data for FY 2006 and FY 2007.

(2) FY 2010 actual performance results

In FY 2010, 4.9% of overseas investigative case hours were spent on drug related cases, exceeding the target of 4.0%. 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.

(3) The performance target for FY 2011

The performance target for FY 2011 is 4.5%. The 4.5% target is based upon prior year performance result, and current funding levels. 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 obtain the OIA performance data is the Treasury Enforcement Communications 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.

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
NA	NA	82	1,969	1,200	338	796

(1) Description

The 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 Information Management System (IIMS). IIMS was implemented in FY 2010 to replace the Intelligence Requirement Intake System (IRIS). Customers elaborate their requirements in IIMS which are then analyzed and assigned to the appropriate analytic components. 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. The measure was not established until FY 2008, thus there are no data for FY 2006 and FY 2007.

(2) FY 2010 actual performance results

In FY 2010, Intel accounted for 338 satisfied requests of 2,105 requests for intelligence products regarding narcotics, as reported in IIMS. The FY 2010 target of 1,200 satisfied requests was not met due to difficulty encountered in the deployment of the new system and migration of data maintained in IRIS. As ICE was unable to migrate all of the data contained in IRIS into IIMS, the satisfied requests prior to system conversion are unable to be accounted for. IIMS tracks statistics on satisfied versus unsatisfied Requests for Information (RFIs).

(3) Performance Target for FY 2011

In FY 2011, ICE’s target is 796 satisfied counter-narcotics intelligence requests, based on a three year average of actual prior year performance.

(4) Quality of Performance Data

The database used to validate Intel’s performance data is IIMS. Intel conducts quality control verification on IIMS data to ensure the performance data is accurate, complete, and unbiased in presentation and substance. The IIMS was deployed in FY 2010, and data existing in IRIS was migrated. A portion of the performance data relevant to total FY 2010 RFIs was not available after the data migration was completed. Notwithstanding the data migration problem, IIMS will improve tracking and accuracy of future reports supporting this performance measure.

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 Drug Enforcement Administration (DEA) and the Federal Bureau of Investigations (FBI) on Operation Panama Express (PANEX). PANEX is a federally approved OCDETF investigation targeting Colombian narcotics 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 DEA, the FBI, and the Internal Revenue Service.
- The performance measures and outputs are strategic in scope. The Office of Investigations (OI) does not forecast law enforcement actions or consequences. OI only provides year end data on seizures; therefore, data on seizures is included in a separate exhibit.

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

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
36.4%	35.8%	46.3%	47.7%	48.0%	48.8%	49.9%

(1) Description

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

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).

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 2010 actual performance results

Final performance results for measure one in FY 2010 was 48.8%. This exceeded the performance target by 0.8%.

(3) Performance target for FY 2011

The performance target for FY 2011 is 49.9%. The target increase is based on last year's performance. In addition, OI received supplemental funding that will enable increased drug enforcement focus on the Southwest Border.

(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 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
NA	NA	74.7%	74.3%	76.0%	72.7%	78.0%

(1) Description

OI performance measures 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 2010 actual performance results

In FY 2010, 72.7% of the drug smuggling cases closed resulted in an enforcement consequence. Thus, the FY 2010 target of 76.0% was not met. Investigations are not closed until the criminal judicial proceedings take their turn. As judicial proceedings are out of the control of ICE, their results are highly variable, and OI continually reevaluates the allocation of investigative hours to the highest risk priority investigations.

The baseline for this measure was established in FY 2008 and is tracked by quarter. The FY 2010 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).

(3) Performance target for FY 2011

The performance target for FY 2011 is 78.0%. The target increase is based upon prior year's performance results. OI has taken the proactive steps in enhancing its management practices to better allocate investigative resources. The new focus on high-risk priority investigations through the use of the Significant Case Report (SCR) Module in TECS is expected to result in improved performance.

(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 2010, 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 2011 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.

Exhibit 1: Additional Drug Enforcement Statistics

The Office of Investigations keeps track of additional statistics to monitor their drug enforcement efforts. OI does not set targets for seizures and only provides year end data. Note “high impact” as discussed in statistics 3 through 6 is defined as the weight limit for a seizure that would constitute a federal drug identification number from the El Paso Intelligence Center.

Statistic 1: Dollar value of real or other property seizures derived from/and/or used from drug operations.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
\$42.6 M	\$94.2 M	\$47.2 M

Statistic 2: Dollar value of seized currency and monetary instruments from drug operations.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
\$159.3 M	\$155.3 M	\$115.2 M

Statistic 3: Percentage of total cocaine seizures considered high impact.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
54%	62%	60%

Statistic 4: Percentage of heroin seizures considered high impact.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
72%	67%	71%

Statistic 5: Percentage of marijuana seizures considered high impact.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
62%	57%	57%

Statistic 6: Percentage of methamphetamine seizures considered high impact.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
49%	52%	56%

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Office of Inspector General


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



Homeland
Security

JAN 26 2011

MEMORANDUM FOR: Deborah J. Schilling
Chief Financial Officer
U.S. Customs and Border Protection

From: Anne L. Richards 
Assistant Inspector General or Audits

Subject: *Independent Review of the U.S. Customs and Border Protection's
Reporting of FY 2010 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 2010 Drug Control Performance Summary Report*. We contracted with the independent public accounting firm KPMG LLP to perform the review. This report contains no recommendations.

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. Based on the review, nothing came to KPMG's attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2010, is not presented, in all material respects, in conformity with the Office of National Drug Control Policy's Circular, or that management's assertions are not fairly stated, in all material respects, based on the criteria set forth in the Office of National Drug Control Policy's Circular. However, in the accompanying management's assertions for the year ended September 30, 2010, management was unable to assert that U.S. Customs and Border Protection has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports as required by section 6(a)(1)(A) of the Office of National Drug Control Policy Circular.

Should you have any questions, please call me, or your staff may contact John McCoy, Deputy 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 2010 Drug Control Performance Summary Report





**Homeland
Security**

JAN 26 2011

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 (CBP) for the fiscal year ending September 30, 2010, for the Office of National Drug Control Policy (ONDCP). We contracted with the independent public accounting firm KPMG LLP to perform the review. The CBP prepared the Performance Summary Report and management assertions to comply with requirements of ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. Based on the review, nothing came to KPMG's attention that caused them to believe that the Performance Summary Report for the year ended September 30, 2010, 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. However, in the accompanying management's assertions for the year ended September 30, 2010, management was unable to assert that CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports as required by section 6(a)(1)(A) of the ONDCP Circular. KPMG LLP is responsible for the attached independent accountants' report dated January 20, 2011, 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 blue ink that reads "Anne L. Richards".

Anne L. Richards
Assistant Inspector General for Audits



KPMG LLP
2001 M Street, NW
Washington, DC 20036-3389

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, 2010. We have also reviewed the accompanying management's assertions for the year ended September 30, 2010. CBP'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 CBP 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 (Circular).

In the accompanying management's assertions for the year ended September 30, 2010, management was unable to assert that CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports required by section 6(a)(1)(A) of the ONDCP Circular for which a significant amount of obligations were incurred in the previous fiscal year, as required by the ONDCP Circular.

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, 2010, 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 CBP, the DHS 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, 2011

JAN 20 2011



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

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

FROM: Deborah J. Schilling
Chief Financial Officer
U.S. Customs and Border Protection

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

In compliance with the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007, U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to ONDCP. The report contains the results of CBP's fiscal year (FY) 2010 performance in support of the *National Drug Control Strategy*.

The FY 2010 CBP total drug seizure numbers for cocaine, heroin, and marijuana are contained in enclosure 1 of the Performance Summary Report. This data is provided to ONDCP for its information, in order to have a comprehensive understanding of the total drug seizure data for CBP.

CBP makes the following assertions:

- (1) The 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 for Performance Measure 1 – Land Border Passengers compliant with laws, rules, and regulations (%) – is the The Enforcement Communication System.

- (2) The performance target was met for the above performance measure in FY 2010, thus no explanation is required for not meeting the performance target.
- (3) Methodology to establish performance targets is reasonable and applied.
- (4) CBP cannot make the following assertion at this time:

There is a requirement for one performance measure per Drug Control Decision Unit per the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. CBP has one performance measure for Salaries and Expenses, but does not have a performance measure for Air and Marine Operations. CBP is currently working with the Department of Homeland Security Office of Counter Narcotics Enforcement and ONDCP to identify and develop new drug-related outcome based measures with

targets that are based on sound methodology. CBP is also continuing to work internally to identify additional counterdrug performance measures that would both meet the targeting requirements set forth in the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007, as well as adequately reflects CBP's drug control activities.

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. James McNally, CBP Performance Improvement Officer (PIO), at (202) 344-1651.

A handwritten signature in blue ink that reads "Deborah J. Schilling". The signature is written in a cursive style with a large, stylized initial 'D'.

Deborah J. Schilling

Attachment

**Department of Homeland Security
U.S. Customs and Border Protection
Performance Summary Report
FY 2010**

The performance measure presented below directly links to the 2010 *National Drug Control Strategy* by evaluating U.S. Customs and Border Protection (CBP) success in disrupting domestic drug trafficking. The FY 2010 CBP total drug seizure numbers for cocaine, heroin and marijuana are attached as Enclosure 1. This data is provided to the Office of National Drug Control Policy (ONDCP) for its information.

Measure 1 – Office of Field Operations - Land border passengers compliant with laws, rules, and regulations (%).

(1) Performance Measures – This measure assists in evaluating the success that CBP has in disrupting domestic drug trafficking at the land border ports of entry, a key outcome for the 2010 National Drug Control Strategy. Since this measure is based upon CBP's Compliance Examination (COMPEX) program, it in part reflects passenger major violations (Category 1) that result in arrest and seizure. Narcotics violations comprise the majority of violations in this category. Based upon this correlation, this measure provides an indicator of the success that CBP has in disrupting domestic drug trafficking at the land borders.

The CBP Office of Field Operations (OFO) inspected over 200 million arriving passengers in FY 2010 at the land border ports of entry. These inspections included thorough entry document reviews, identity checks against law enforcement databases, radiation portal monitor screening of all vehicles, random and targeted checks of vehicles using roving canine teams, and selective targeting of passengers and their vehicles for a secondary examination. Secondary examinations are thorough physical examinations that can include canine team inspection, physical inspection of persons, packages, luggage, and vehicles (including enclosed and hidden compartments); and the use of Non-intrusive Inspection technology on vehicles and packages. The majority of secondary examinations are conducted to search for smuggled contraband, a substantial portion of which is comprised of narcotics.

This measure is calculated from data collected by the OFO COMPEX program, an extensive, statistically valid random sampling of arrivals conducted at the major land border ports of entry, which enables CBP to determine how compliant arriving passengers are with the U.S. laws, rules, and regulations enforced at the ports of entry. Although the overall percentage of non-compliant passengers is very low, this nonetheless represents a substantial number of travelers since the total volume of persons arriving into the U.S. annually is so large.

(2) Prior Years Performance Targets and Results (Five Year History)

Fiscal Year:	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Target:	99.9%	99.9%	99.9%	99.9%	99.6%
Actual:	99.9%	99.9%	99.9%	99.8%	99.6%

The target for this measure was set several years ago, prior to implementation of the improvements to and expansion of the COMPEX process in FY 2009 and the roll-out of the Western Hemisphere Travel Initiative (WHTI), which was implemented at most land border ports of entry over the period 2009 through early 2010. These improvements have resulted in an increase in the total number of violations found during primary examination and included in the sample. The slightly reduced target in FY 2010 represented an aggressive but achievable rate given these changes.

(3) Current Year Performance Targets

Fiscal Year:	FY 2011
Target:	99.6%

The roll-out of WHTI to the smaller ports of entry was largely completed in calendar year 2010. The improvements resulting from the implementation of WHTI reflect changes in inspection technology and procedures that are permanent and will have a continuing effect on operations. The FY 2011 target is expected to remain an aggressive rate for CBP to achieve going forward.

The 99.6% performance target for FY 2011 was derived from a review of five years of related historical data and calculation of the forecasted trend over this time period. The impact of the WHTI technology and processing improvements was assessed by comparing results for FY 2010 to prior years. Making similar adjustments to the forecasted FY 2011 trend data provided an estimate of the FY 2011 achievable rates. The target for FY 2011 was selected to meet the requirements of Office of Management and Budget guidelines for developing *Government Performance and Results Act of 1993* measures that require targets to be aggressive but achievable.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. CBP Officers working at the 25 largest land ports of entry gather statistically random data on the proportion of land vehicle passengers in compliance with Customs regulations. Passengers are selected in a random sample that totals 300,000 passengers annually (1,000 passengers per month at each of the 25 land border ports). This sample size was selected to obtain an overall 95% probability of finding a serious Category 1 violation. Data is entered into the The Enforcement Communication System by each Officer at the time of occurrence of the violation. Compliance rate data is extracted at Headquarters CBP, where the rate is calculated by applying a statistically valid formula (including confidence intervals on the results) to determine the rate of compliance. Verification that

the data is complete, valid, and unbiased is conducted by making extractions from CBP's Operations Management Report, the Automated Targeting System, and The Enforcement Communications System. The extracted data are reviewed against hard copy records to verify accuracy and identify anomalies.

Enclosure 1 to Performance Summary Report

Overall Drug Seizure Data for U.S. Customs and Border Protection FY 2010

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. These seizure statistics focus on the amounts of cocaine, marijuana, and 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.

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 and Operational Coordination manages the Borderstat system. Borderstat receives data from CBP systems of record at regularly scheduled intervals and through an Extract-Transform-Load (ETL) process residing in the Borderstat system. This process facilitates the integration of the various statistical databases. Borderstat is a read only system. It is not a transactional system and there is no direct data entry available. Borderstat has been fully implemented and is updated periodically. The BorderStat system has accurate data for all operational offices for FY 2010. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that the data resides 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.

Inspection Narcotics Seizures – Cocaine, in pounds

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CBP Air and Marine	101,993	188,561	129,043	63,521	183,135
Office of Border Patrol	12,885	14,242	9,268	10,907	10,459
Office of Field Operations	53,755	78,568	40,459	61,521	60,791
CBP TOTAL	168,633	281,371	178,770	135,949	254,385

The data as of October 15, 2010 reflects CBP seized a total of 254,385 pounds of cocaine for FY 2010, which is an 87% increase from FY 2009.

Inspection Narcotics Seizures – Marijuana, in pounds

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CBP Air and Marine	110,781	308,792	245,699	1,052,771	648,151
Office of Border Patrol	1,369,602	1,859,299	1,647,166	2,591,215	2,431,214
Office of Field Operations	489,434	618,046	579,066	686,341	542,854
CBP TOTAL	1,969,817	2,786,137	2,471,931	4,330,327	3,622,219

The data as of October 15, 2010 reflects CBP seized a total of 3,622,219 pounds of marijuana for FY 2010, which is a 16% decrease from FY 2009.

Inspection Narcotics Seizures – Heroin in pounds

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CBP Air and Marine	143	10	256	1	128
Office of Border Patrol	172	117	46	191	291
Office of Field Operations	2,452	2,040	1,876	1,819	3,757
CBP TOTAL	2,767	2,167	2,178	2,011	4,176

The data as of October 15, 2010 reflects CBP seized a total of 4,176 pounds of heroin, for FY 2010, which is a 108% increase from FY 2009.

The reasons for increased cocaine and heroin seizures in FY 2010 compared to FY 2009 are due to many contributing factors that include: (1) Increased seizure incidents by drug type and average seizure narcotic weight per incident; (2) A number of associated CBP enforcement and narcotics smuggling metrics can account for the increase in seizure numbers; (3) Improved detection and enforcement application by CBP Operational Offices; and (4) A greater willingness by Drug Trafficking Organizations to attempt to smuggle riskier and larger narcotics.

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Tab D



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

APR 15 2011

Memorandum

To: Vicki Forrest
Chief Financial Officer – Indian Affairs

From: *Kimberly Elmore* *Melanie A. Sorenson*
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Office of Inspector General's Independent Report on the Bureau of Indian Affairs' Fiscal Year 2010 Accounting and Performance Summary Review Reports for the Office of National Drug Control Policy
Report No. ER-IN-BIA-0004-2011

The Office of Inspector General (OIG) reviewed the Bureau of Indian Affairs' (BIA) Accounting Report dated March 23, 2011, (Attachment 1) and its Performance Summary Review Report dated February 9, 2011, (Attachment 2) prepared for the Office of National Drug Control Policy (ONDCP). BIA management is responsible for these reports.

The reports are presented in place of the Detailed Accounting Submission and Performance Summary Report required by the ONDCP Circular: Drug Control Accounting dated May 1, 2007. The Circular allows this alternative reporting method when prior year drug control obligations are less than \$50 million and full compliance with the Circular constitutes an unreasonable burden. BIA management asserted that full compliance would be an unreasonable burden and that the obligations reported constitute the statutorily required detailed accounting.

We reviewed management's assertion in accordance with the generally accepted government auditing standards applicable to attestations that incorporate the attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, which expresses an opinion on management's assertions. Accordingly, we do not express such an opinion.

We limited our review to management's assertion that full compliance with the requirements of the Circular constituted an unreasonable burden. Our review procedures were limited to inquiries and analytical procedures appropriate for a review engagement. Our objective was not to express, and we do not express, opinions or conclusions on whether the reports were fairly stated.

Based on our review, BIA management's assertion conforms to the requirements of the Circular.

Should you have any comments or questions regarding this report, please do not hesitate to contact me at 202-208-5512.

This report is intended solely for the information and use of the management of BIA, ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties. The distribution of our report, however, is not limited.

Attachments (2)




United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

MAR 23 2011

Memorandum

To: Kimberly Elmore
Assistant Inspector General for Audits, Inspections and Evaluations

From: Deputy Assistant Secretary - Management 

Subject: Office of Inspector General's Independent Report on the Office of National Drug Control Policy (ONDCP) 2010 Accounting Report – Indian Affairs

Attached for your review and response is the ONDCP 2010 Accounting Report for Indian Affairs. As required by the ONDCP Circular: Drug Control Accounting dated May 1, 2007, the report show that Indian Affairs prior-year drug control obligations are less than \$50 million and is in full compliance with the requirements of the Circular and constitutes an unreasonable burden.

If you have any questions, please contact the Office of Justice Services, David Johnson - Acting Deputy Associate Director, Drug Enforcement at 405-247-1665 or 202-208-5787.

Attachment

ONDCP 2010 Accounting Report – Indian Affairs

Resource Summary

Prior Year Drug Control Obligations		FY 2010
Function: Prevention		
J33	Special Initiatives	10,000,000
	Substance Abuse - Meth Initiative	10,000,000
	Total ALL Functions	10,000,000
	Total FTE (Direct ONLY)	35

Full compliance with this Circular constitutes an unreasonable reporting burden. Obligations reported under this section constitute the statutorily required detailed accounting.



Deputy Assistant Secretary - Management

3-23-11



United States Department of the Interior

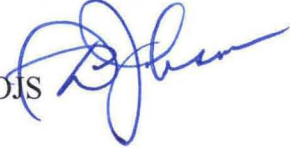
BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240

IN REPLY REFER TO:

February 22, 2011

Memorandum

To: Kimberly Elmore
Assistant Inspector General for Audits, Inspections and Evaluations

From: David Johnson
Acting Chief – Division of Drug Enforcement, BIA/OJS 

Subject: 2010 ONDCP Performance Summary Review

Attached is the 2010 ONDCP Performance Summary Review. I apologize for the delay in the report submission.

With past discrepancies in OJS reporting it was my intent to focus on providing an accurate report. When compiling the drug seizure amount totals those numbers were re-calculated several times to ensure proper calculation. Hopefully, OJS has developed a report which adequately addresses any questions you may have.

I have met with DOI-OLES reviewed their drug statistic reporting data base to determine if it would be something BIA-OJS can utilize to enhance reporting.

If you have questions please contact me at 202-273-3585.



2010

ONDCP Performance Summary Review

ONDCP Performance Summary Review

ONDCP Budget		FY 2008	FY 2009	FY 2010
Function: Prevention				
J33	Special Initiatives	6,338,000	6,338,000	10,000,000
	Substance Abuse - Meth Initiative	6,338,000	6,338,000	10,000,000
Function: Education				
J34	Indian Police Academy	505,050	505,050	505,050
TOTAL ALL Functions		6,843,050	6,843,050	10,505,050
Drug Resource Summary of Personnel				
Total FTE (Direct Only)		18	33	35

*38 Includes Administrative Staff

Performance Introduction

In 2010, the Bureau of Indian Affairs (BIA) continued to see an increase in drug activity on lands under its jurisdiction. As reflected in the number of drug cases worked and the level of drug seizures; including methamphetamine (ICE), crack cocaine and illegally diverted prescription drugs. In response, BIA has increased the number of trained officers and other service personnel to assist in investigations, arrests and drug seizures. This report includes performance measures, targets, and achievements for the latest year for which data is available. Data was gathered and verified from the Office of Justice Services (OJS) data base and the Division of Drug Enforcement (DDE) case log.

Performance Measure One: Number of Patrol Officers Receiving Drug Training

In 2009, BIA proposed training an additional 200 officers. The BIA documented the training of 240 officers in 2009, exceeding the target goal of 200 by 20%. The training conducted in 2010 resulted in a substantial increase of trained officers and other service oriented staff to support drug investigations. A total of 358 individuals were trained in 2010 a 49% increase over the previous year. Bubar & Hall Consulting was contracted by BIA-DDE to provide drug related outreach training to tribal and BIA law enforcement officers and other service oriented staff to support drug agents in investigations and arrests. Training provided in 2010 consisted of "Responding to Methamphetamine Endangered Children in Tribal Communities." Training was held at six locations; Albuquerque, NM, Phoenix, AZ, Billings, MT, Seattle, WA, Bismarck, ND, and Tulsa, OK.

2009 Proposed	2009 Achieved	2010 Achieved
200	240	358

*The preceding information was obtained from contract files at Central Office, copy of the training rosters are attached.

The DDE continues to experience challenges gathering accurate data using systems developed by the BIA IT division or its contractors. Information gathered for this report and the subsequent verification process again highlighted the need for an automated data collection system. OJS-DDE recently learned of the DOI drug data collection system and began reviewing the system to determine if it would meet OJS-DDE needs. The initial review found the system would need modifications to fully support the collection of drug related data submitted for all tribes.

Drug Enforcement Agents are responsible for managing drug 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 drug activity throughout Indian country. Recent funding increases have allowed BIA to expand the Drug Unit to 30 agents who are strategically placed within or near other task force units in order to combat the illegal drug epidemic in Indian country. Arrests documented in 2010 increased by 20% over the 2009 figures.

Percent increase in number of drug related arrests

2008 Baseline	2009 10% Proposed	2009 Achieved	2010 10% Proposed	2010 Achieved
443	487	559	615	671

**The preceding information was obtained from the Lotus Notes drug database. A copy of the database information is attached.*

Performance Measure Two: *Percent increase in drug cases worked*

The number of drug cases reported is tracked by gleaning data from monthly statistical reports provided by BIA-DDE, BIA and Tribal Police programs and entering the data into the OJS drug database system.

The following information documents the cases worked by **all Indian country law enforcement programs** (BIA-DDE, BIA and Tribal). These figures demonstrate an overall **increase** of approximately 10% in drug cases worked in Indian country in FY 2010.

2008 Baseline	2009 40% Proposed	2009 Achieved	2010 (+ 2%) Proposed	2010 Achieved
606	667	656	669	722

The following information documents the cases worked as reported by the **BIA-DDE**. These figures demonstrate an overall **increase** of approximately 57.6% in cases worked in FY 2010.

2008 Baseline	2009 40% Proposed	2009 Achieved	2010 (+3%) Proposed	2010 Achieved
90	126	267	272	421

The following information documents the cases worked as reported by **BIA and Tribal police departments**. These figures demonstrate an overall **decrease** of approximately 24.2% in cases worked in FY 2010.

2008 Baseline	2009 40% Proposed	2009 Achieved	2010 (+2%) Proposed	2010 Achieved
516	567	389	397	295

**The preceding information was obtained from the Lotus Notes drug database and DDE case logs. A copy of the database information is attached.*

Performance Measure Three: Increase in the amount of drugs seized

FY 2010 has shown a dramatic increase in the use of the Drug Database in the Lotus Notes data collection system. Individuals from both the BIA DDE and Law Enforcement Operations have been instructed in the use of the system and necessity of this data in performance reporting and for use in managing their programs in the fight on drugs. Both programs are now entering data into the system to provide a more accurate accounting of drug seizures and cases worked in Indian country.

The 2008 actual baselines are established based on the monthly statistical reports entered into the OJS drug database system by the District Law Enforcement Operations and the BIA DDE at the Central Office.

The following information documents drug seizures accomplished by the combined efforts of BIA-DDE, BIA and Tribal Police programs. These figures demonstrate an overall **decrease** of approximately 84.6% in drugs seized by Indian Country Law Enforcement Programs in FY 2010.

2010 All Submissions					
Increase in Amount of Drugs Seized	2008 Baseline	2009 Proposed	2009 Achieved	2010 (+2%) Proposed	2010 Achieved
<i>2009 achieved and 2010 totals represented in pounds:</i>	13,859	16,604 g	287,099.00 lb	292,840.98 lb	44,759.67 lb
Cocaine Powder	1,114	1,225 g	178.62 lb	182.19 lb	106.53 lb
Cocaine Crack	630	693 g	0.66 lb	0.67 lb	8.28 lb
Heroin	523	575 g	0.48 lb	0.48 lb	0.08 lb
MDMA (Ecstasy)	4	4 g	0.03 lb	0.03 lb	0.15 lb
Meth Crystal	473	520 g	13.75 lb	14.02 lb	40.87 lb
Meth Powder	86	95 g	4.55 lb	4.64 lb	0.73 lb
Processed Marijuana	5,466	6,013 g	85.49 lb	87.19 lb	4,159 lb
Prescription Drugs Seized	683	751 g	13.10 lb	13.36 lb	52.15 lb
Other drugs seized	344	378 g	0.50 lb	0.51 lb	1.88 lb
Marijuana (# Plants = lbs)	10	12,000	286,802	292,538	40,390

The total number of marijuana plants seized in 2010 is recorded as 40,390. Research conducted by various private Universities, Law Enforcement Training Programs and Law Enforcement Operations have established the average usable amount of product derived from a mature marijuana plant to be approximately one pound. Total marijuana seized (processed and eradicated) in Indian country in FY 2010 is 44,540 pounds.

The following information demonstrates drug seizures accomplished by the BIA-DDE. These numbers were derived from the DDE case investigations logs and statistical reports and subtracted from the previous charts depicting the overall Indian country seizures. These figures demonstrate an overall decrease of approximately 70.8% in drugs seized by the BIA-DDE.

2010 BIA-DDE Only					
Increase in Amount of Drugs Seized	2008 Baseline	2009 Proposed	2009 Achieved	2010 (+2%) Proposed	2010 Achieved
<i>2009 achieved and 2010 totals represented in pounds:</i>	3,179	3,651 g	149,713.47 lb	152,707.73 lb	43,762.88 lb
Cocaine Powder	495	546 g	178.62 lb	182.19 lb	105.85 lb
Cocaine Crack	188	207 g	0.38 lb	0.38 lb	8.13 lb
Heroin	261	287 g	0.38 lb	0.38 lb	0.08 lb
MDMA (Ecstasy)	0	0	0	0	0.12 lb
Meth Crystal	0	0	0	0	40.60 lb
Meth Powder	232	255 g	18.34 lb	18.70 lb	0.72 lb
Processed Marijuana	643	707 g	45.27 lb	46.17 lb	3,384.30 lb
Prescription Drugs Seized	.004	0	0.04 oz	0.04 oz	0.08 lb
Other drugs seized	0	0	0.64 lb	0.65 lb	0
Marijuana (# Plants = lbs)	3	12,000	149,467	152,456	40,223

Review of the preceding information indicates the decline in total seizures is due to a reduced number of marijuana plants seized by all Indian country programs. *Overall, there were 109,067 fewer marijuana plants seized during FY 2010.*

BIA-DDE management reports the number of marijuana eradication operations conducted in FY 2010 was comparable to the number of FY 2009 operations conducted, but the number of cultivation sites and plants discovered in Indian country was greatly reduced. ***The 2010 figures indicate a focus on investigative activity (undercover/buy operations) resulting in an increase in amount of Crack Cocaine, Methamphetamine and processed marijuana seized. These types of investigations tend to take more time (multiple buys for prosecution) and the quantity of drugs seized is less, but this type of activity result in the prosecution of drug dealers. Having agents in the communities making drug buys, and seeking prosecution of suppliers has an immediate affect and is very important to community members and tribal leaders.***

**The preceding information was obtained from the Lotus Notes drug database and DDE case logs. A copy of the database information is attached. A copy of a DDE case log summary is attached.*

Program

The BIA Office of Justice Services has been provided additional base funding for the development of a Victim Witness Program, consisting of 10 Victim Witness Specialist positions to be filled throughout Indian country. The Victim/Witness Specialists will sponsor victims and witnesses of issues related to drugs and violent crimes. Until recently crime victims did not have a BIA victim's advocate. Working with the Department of Justice-Office of Victims of Crime (OVC), has resulted in DOJ-OVC funding four victim/witness specialist positions for the BIA.

The OJS Intelligence Analyst is assigned to the southwest border intelligence workgroup located at the El Paso Intelligence Center (EPIC). OJS-DDE plans to recruit 6 additional intelligence analyst positions to be stationed throughout the country to work within task force environments. Through these placements the BIA will be able to assist in providing a solid intelligence network for tribal, Federal, state and local law enforcement to work collaboratively on information-sharing related to illegal drug activities, gang activity and other violations of law within Indian country.

The BIA Tribal Equipment Loan program was established to provide access to state of the art drug surveillance equipment for tribal law enforcement programs with specific drug problems. Currently in 2010, there are 9 tribes participating in the equipment loan program. Each of these tribes is operating under a Pub. L 93-638 contract or Self-Governance compact and has indicated a need for the equipment because of high rates of illegal drug use and crime within their communities.

With 100+ schools servicing Indian Country, the School Resource Officer (SRO) program has become an important part of the OJS drug initiative. The DDE funds 18 SRO positions throughout Indian Country. The program allows interaction of officers and students in the student's environment. SRO's provide instruction in drug awareness and gang resistance using nationally recognized and adopted curriculum. A SRO position serves as the initial contact with students and educates them on the negative aspects of illegal drug use and gang activity. These positions play a key role in providing visual deterrent and identifying potential threats of school violence. Since initiating the SRO program it has received significant attention, and school administrators have seen the positive effects of having a uniform police officer on school campuses. Those administrators are now asking for additional SRO's to support additional schools in the BIE system. A future goal of the SRO program is to develop a mentoring component using the SRO platform allowing the SRO to be available to focus on individual children with issues that place them in high risk situations.

MANAGEMENT ASSERTIONS

1. Performance reporting systems are appropriate and applied –

The DDE continues to experience challenges gathering accurate data using systems developed by the BIA IT division or its contractors. Information gathered for this report and the subsequent verification process again highlighted the need for an automated data collection system. OJS-DDE recently learned of the DOI drug data collection system and has reviewed the system to determine if it meets OJS-DDE needs. The initial review found the system would need modifications to fully support the collection of drug related data submitted for all tribes.

2. Explanations for not meeting performance targets are reasonable –

The decrease in total amount of drugs seized is due to the lack of marijuana plants seized. BIA (Direct Service) and Tribal Law Enforcement programs not opening independent drug investigations. 2010 figures indicate DDE increased focus on investigative activity targeting individuals selling illegal drugs showing substantial increases in the seizure of Cocaine (crack), Methamphetamine, and processed marijuana.

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

Due to the substantial increase in agents, targets were projected for FY 2010 based upon what the program thought the increase of 25 agents would be able to provide. Now that the program has 2 years of statistical data, projecting targets for the two measures on cases and seizures will be more realistic.

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

The agency has 3 acceptable performance measures that adequately cover each of the decision units. Each measure considers the intended purpose of the NDCP activity.



Director, Bureau of Indian Affairs

2/9/11

Date

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, Departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to Departmental or Insular Area programs and operations. You can report allegations to us in several ways.



-
- By Internet:** www.doioig.gov
- By Phone:** 24-Hour Toll Free: 800-424-5081
 Washington Metro Area: 703-487-5435
- By Fax:** 703-487-5402
- By Mail:** U.S. Department of the Interior
 Office of Inspector General
 Mail Stop 4428 MIB
 1849 C Street, NW.
 Washington, DC 20240

Tab E



U.S. Department of Justice

Office of the Inspector General

Washington, D.C. 20530

January 27, 2011

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

Dear Mr. Rice:

This letter transmits the fiscal year 2010 attestation review reports from the U.S. Department of Justice. The attestation review reports, the annual detailed accounting of funds expended by each drug control program agency, and the performance summaries are required by 21 U.S.C. § 1704(d), as implemented by the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.

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

Sincerely,

A handwritten signature in blue ink, reading "Glenn A. Fine", is positioned above the printed name.

Glenn A. Fine
Inspector General

Enclosure

cc: Lee J. Lofthus
Assistant Attorney General
for Administration
Chief Financial Officer
Justice Management Division

Mikki Atsatt
Deputy Director of Programs
and Performance
Budget Staff
Justice Management Division

Jeffrey Sutton
Assistant Director, Budget Staff
Law Enforcement and Corrections Group
Justice Management Division

Jill R. Meldon
Assistant Director, Budget Staff
Planning and Performance Group
Justice Management Division

Melinda B. Morgan
Director, Finance Staff
Justice Management Division



ANNUAL ACCOUNTING AND AUTHENTICATION OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2010

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

Audit Report 11-15
January 2011

ANNUAL ACCOUNTING AND AUTHENTICATION OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE FISCAL YEAR 2010

OFFICE OF THE INSPECTOR GENERAL COMMENTARY AND SUMMARY

This report contains the attestation review reports of the U.S. Department of Justice's Drug Enforcement Administration, Federal Bureau of Prisons, National Drug Intelligence Center, Office of Justice Programs, and Organized Crime Drug Enforcement Task Forces Program's annual accounting and authentication of drug control funds and related performance for the fiscal year ended September 30, 2010. The Office of the Inspector General (OIG) 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's Circular, *Drug Control Accounting*, dated May 1, 2007.

The OIG prepared the reports in accordance with attestation 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 and, therefore, does not result in the expression of an opinion. We reported that nothing came to our attention that caused us to believe the submissions were not presented, in all material respects, in accordance with the requirements of the Office of National Drug Control Policy's Circular.

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**ANNUAL ACCOUNTING AND AUTHENTICATION OF
DRUG CONTROL FUNDS AND RELATED PERFORMANCE
FISCAL YEAR 2010**

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**DRUG ENFORCEMENT
ADMINISTRATION**

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**Office of the Inspector General's Report on
Annual Accounting and Authentication of
Drug Control Funds and Related Performance**

Administrator
Drug Enforcement Administration
U.S. Department of Justice

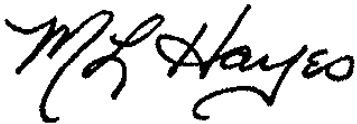
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Drug Enforcement Administration (DEA) for the fiscal year ended September 30, 2010. The DEA's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the DEA prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with 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 ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 18, 2011

**Drug Enforcement Administration
Detailed Accounting Submission**

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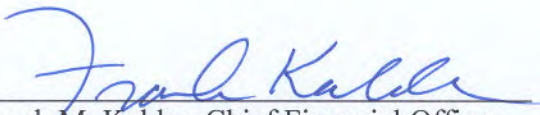
U. S. Department of Justice
Drug Enforcement Administration

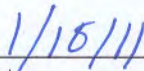
U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2010

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 2010.

We have documented the methodology used by the DEA to identify and accumulate FY 2010 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.


Frank M. Kalder, Chief Financial Officer


Date

U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2010
(Dollars in Millions)

	FY 2010 Actual Obligations
Drug Obligations by Function:	
Intelligence	\$ 199.771
International	492.002
Investigations	1,816.311
Prevention	1.599
State and Local Assistance	6.957
Total Drug Obligations by Function	\$ 2,516.640
 Drug Obligations by Account/Decision Unit:	
Diversion Control Fee Account	\$ 267.997
Construction	0.028
Salaries & Expenses	
Domestic Enforcement	1,732.369
International Enforcement	509.289
State and Local Assistance	6.957
Total Drug Obligations by Decision Unit/Account:	\$ 2,516.640 *
High-Intensity Drug Trafficking Area (HIDTA) obligations	\$16.034

* Includes obligations of carryover unobligated balances

U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2010

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 system, Unified Financial Management System (UFMS), does 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 UFMS. UFMS tracks obligation and expenditure data by a variety of attributes, including fund type, allowance center, decision unit and object class. One hundred percent of the DEA’s efforts are related to drug enforcement.

Other Estimation Methods: None.

Financial Systems: UFMS is the information system the DEA uses to track obligations and expenditures. Obligations derived from this system 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.

The DEA Account/Decision Unit	Allocation	ONDCP Function
Diversion Control Fee Account	95.9%	Investigations
	3.1%	Intelligence
	1.0%	International
Construction Account	100.0%	Investigations
Salaries & Expenses		
Domestic Enforcement	90.0%	Investigations
	9.8%	Intelligence
	0.1%	International
	0.1%	Prevention
International Enforcement	95.9%	International
	4.1%	Intelligence
State and Local Assistance	100.00%	State and Local Assistance

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 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 2010, including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 8,378 through pay period 19, ending September 25, 2010.

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 2010 obligations from three decision units to ONDCP's drug functions.

Disclosure 3: Material Weaknesses or Other Findings

No material weaknesses or significant deficiencies were noted in the FY 2010 DEA audit report on internal controls over financial reporting.

Management of the DEA is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the FMFIA. For FY 2010, DEA assessed its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control, as required by Section 2 of the FMFIA. Based on the results of this assessment, DEA can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and its compliance with applicable laws and regulations as of June 30, 2010, was operating effectively, except for one reportable condition – DEA's ability to obtain reliable estimates of drug availability in the United States. DEA also assessed whether its financial management systems conform to government-wide requirements. Based on the results of this assessment, DEA can provide reasonable assurance that there are no non-conformances that are required to be reported by Section 4 of the FMFIA.

Management of the DEA is also responsible for identifying, designing, operating, maintaining, and monitoring the existence of an appropriate system of internal control that enables DEA to report its financial information accurately to the Department of Justice and that meets the requirements of OMB Circular A-123, Appendix A. In accordance with OMB Circular A-123 Implementation Plan, the Department of Justice's Senior Assessment Team identified the business processes significant at the Departmental level and at the component level, which comprises a significant share of those processes. As required by the Department of Justice's FY 2010 Guidance for Implementation of OMB Circular A-123, DEA has documented the significant business processes and tested key

controls for those processes. The results of testing identified no material weaknesses in DEA's internal control over financial reporting as of June 30, 2010; however, the results identified three reportable conditions in the areas of procurement and sensitive payments. DEA is committed to complying with corrective action measures by training, monitoring, and tracking the related issues. The ultimate goal is the reduction of deficiencies identified.

Disclosure 4: Reprogramming and Transfers

There was no reprogramming in FY 2010.

However, the DEA had several transfers during FY 2010 (see the attached Table of FY 2010 Reprogramming and Transfers). The DEA had 14 transfers into its S&E account - one transfer from the Spectrum Relocation Fund, Executive Office of the President in the amount of \$40,976,000, five transfers from ONDCP's High Intensity Drug Trafficking Area (HIDTA) program totaling \$16,005,483, one transfer from Department of State (DOS) in the amount of \$8,500,000, one transfer from the Department of Justice (DOJ), Community Oriented Policing Services in the amount of \$10,000,000, and six internal transfers from expired FY 2005, FY 2006, FY 2007, FY 2008, and FY 2009 S&E funds to DEA's S&E No-Year fund totaling \$56,356,467. Also, the DEA had 5 transfers out of its S&E account - one transfer to the Department of Justice's Wire Management Office totaling \$2,620,120, two transfers to DOJ's Working Capital Fund totaling \$28,746, one transfer to DOS in the amount of \$33,000,000, and one return transfer to ONDCP in the amount of \$74,803.

Transfers under the Drug Resources by Function section in the Table of FY 2010 Reprogramming 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 2010.

**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Submission
Table of Reprogramming and Transfers
For Fiscal Year Ended September 30, 2010
(Dollars in Millions)**

Drug Resources by Function:	Reprogramming	Transfers In	Transfers Out	Total
Intelligence	\$ -	\$ 10.906	\$ (7.179)	\$ 3.727
International	-	8.224	(31.673)	(23.449)
Investigations	-	96.603	(53.176)	43.427
Prevention	-	0.099	(0.055)	0.044
State & Local Assistance	-	-	-	-
Total	\$ -	\$ 115.832	\$ (92.083)	\$ 23.749

Drug Resources by Account/Decision Unit:

Diversion Control Fee Account	\$ -	\$ -	\$ -	\$ -
Construction	-	-	-	-
Salaries & Expenses				
Domestic Enforcement	-	107.332	(59.083)	48.249
International Enforcement	-	8.500	(33.000)	(24.500)
State & Local Assistance	-	-	-	-
Total	\$ -	\$ 115.832	\$ (92.083)	\$ 23.749
HIDTA Transfers	\$ -	\$ 16.005	\$ -	\$ 16.005

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**Drug Enforcement Administration
Performance Summary Report**

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U. S. Department of Justice
Drug Enforcement Administration

U.S. Department of Justice
Drug Enforcement Administration
Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2010

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 2010 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

1/18/11

Date

**U.S. Department of Justice
Drug Enforcement Administration
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2010**

I. PERFORMANCE INFORMATION

Performance Measures

The Drug Enforcement Administration (DEA) is committed to bringing organizations involved in the growing, manufacturing, or distribution of controlled substances to the criminal and civil justice system of the U.S., or any other competent jurisdiction. To accomplish its mission, the DEA targets Priority Target Organizations (PTOs), which represent the major drug supply and money laundering organizations operating at the international, national, regional, and local levels that have a significant impact upon drug availability in the United States. Specifically, the DEA's PTO Program focuses on dismantling entire drug trafficking networks by targeting their leaders for arrest and prosecution, confiscating the profits that fund continuing drug operations, and eliminating international sources of supply. As entire drug trafficking networks from sources of supply to the distributors on the street are disrupted or dismantled, the availability of drugs within the United States will be reduced.

In its effort to target PTOs, the DEA is guided by key drug enforcement programs such as the Organized Crime Drug Enforcement Task Force (OCDETF) program. The DEA, through the OCDETF program, targeted the drug trafficking organizations on the DOJ's FY 2010 Consolidated Priority Organization Target (CPOT) list – the "Most Wanted" drug trafficking and money laundering organizations believed to be primarily responsible for the Nation's illicit drug supply. The disruption or dismantlement of CPOT-linked organizations is primarily accomplished through multi-agency and multi-regional investigations directed by the DEA and the Federal Bureau of Investigation. These investigations focus on the development of intelligence-driven efforts to identify and target drug trafficking organizations that play a significant role in the production, transportation, distribution, and financial support of large scale drug trafficking operations. The DEA's ultimate objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible.

Since the PTO 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. The performance measures selected include the number of active international and domestic priority targets linked to DOJ's Consolidated Priority Organization Targets (CPOTs) disrupted or dismantled and number of active international and domestic priority targets not linked to CPOT targets disrupted or dismantled. These are the same measures included in the National Drug Control Budget Summary. DEA's resources are presented in the Table of Drug Control Obligations in the international and domestic enforcement decision units. Reimbursable resources from the OCDETF program contributed to these performance measures, but are not responsible for specifically identifiable performance.

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 used to track operational progress and the resources used in the related investigations (i.e., investigative work hours and direct case-related expenses). Through PTARRS, DEA assesses and links PTOs to drug trafficking networks, which address the entire continuum of the drug conspiracy. Once an investigation meets the criteria for a PTO, the investigation can be nominated as a PTO submission through PTARRS. 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. The roles in the electronic approval chain are as follows:

In the Field

- Special Agent (SA) – The SA, Task Force Officer, or Diversion Investigator collects data on lead cases that will be proposed as PTOs. They can create, edit, update, and propose a PTO record.
- Group Supervisor (GS) – The GS/Country Attaché (CA) coordinates and plans the allocation of resources for a proposed PTO. The GS/CA can create, edit, update, propose, resubmit, and approve a PTO record.
- Assistant Special Agent in Charge (ASAC) – The ASAC/Assistant Regional Director (ARD) reviews the PTO proposed and approved by the GS/CA, ensuring that all the necessary information meets the criteria for a PTO. The ASAC/ARD can also edit, update, resubmit, or approve a proposed PTO.
- Special Agent in Charge (SAC) – The SAC/Regional Director (RD) reviews the proposed PTO from the ASAC/ARD and is the approving authority for the PTO. The SAC/RD can also edit, update, resubmit, or approve a proposed PTO.

At Headquarters

- Operations Division (OC) – The Section Chief of the Data and Operational Accountability Section (OMD), or his designee, is the PTO Program Manager, and is responsible for the review of all newly approved PTO submissions and their assignment to the applicable Office of Global Enforcement (OG) or Office of Financial Operations (FO) section. The PTO Program Manager may request that incomplete submissions be

returned to the field for correction and resubmission. OMD is also responsible for tracking and reporting information in the PTO Program through PTARRS; and is the main point-of-contact for the PTO program and PTARRS related questions.

- OMD will assign PTO's based on the nexus of the investigation to organizations located in specific geographic areas of the world, or to specific program areas. After assignment of a PTO, the appointed HQ section becomes the point-of-contact for that PTO and division/region personnel should advise appropriate HQ section personnel of all significant activities or requests for funding during the course of the investigation. The Staff Coordinator (SC) assigned to the PTO will initiate a validation process to include a review for completeness and confirmation of all related linkages (e.g., CPOTs.) In the unlikely event that the documentation submitted is insufficient to validate reported linkages the SC will coordinate with the submitting office to obtain the required information.
- All PTO cases that are reported as disrupted or dismantled must be validated by OMD or the Organized Crime Drug Enforcement Task Force – OCDETF Section (OMO). OMD will validate all non-OCDETF related PTO cases and OMO will validate all OCDETF related cases. These disruptions and dismantlements are reported to the Executive Office of OCDETF via memo by OMO.

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 PTO disruptions¹ and dismantlements². 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. While the elements of the regression have changed over time with the elimination of less correlated variables and the addition of new more highly correlated variables, the disparity between actual performance and established targets has markedly decreased. Specifically, DEA's overall FY 2010 actual PTO performance exceeded the established target by only .11%. This is a phenomenal result to date.

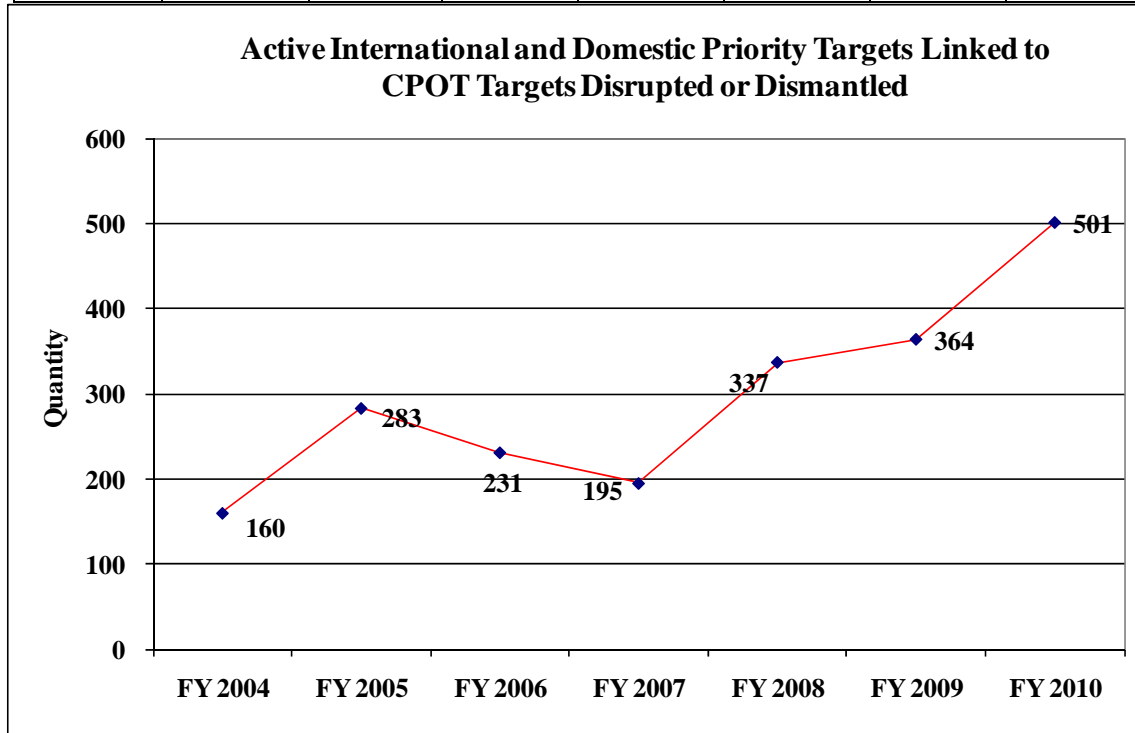
¹ A disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

² A dismantlement occurs when the organization's leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

Measure 1: Number of Active International and Domestic PTOs Linked to CPOT Targets Disrupted or Dismantled

Table 1: Measure 1

FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2010 Target	FY 2011 Target
160	283	231	195	337	364	501	385	430



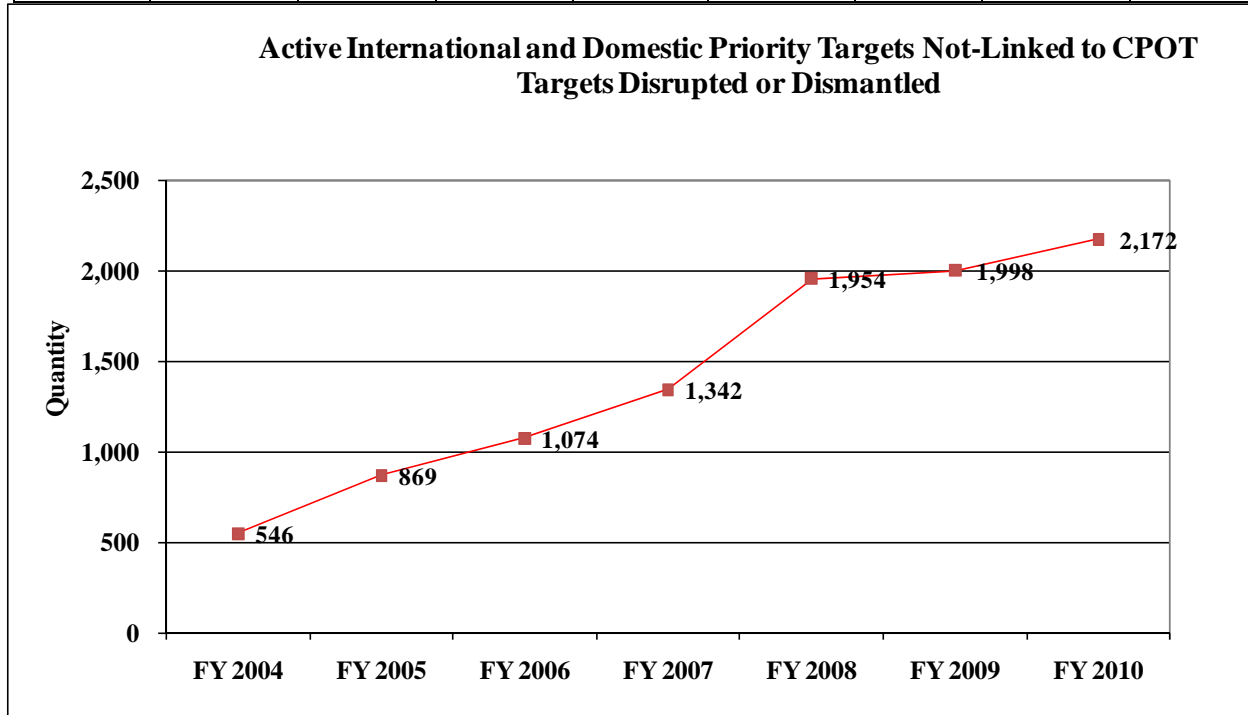
As of September 30, 2010, the DEA disrupted or dismantled 501 PTOs linked to CPOT targets, which is 30 percent above its FY 2010 target of 385. When compared with FY 2009 actual performance (364 CPOT linked PTOs disrupted or dismantled), DEA’s FY 2010 performance represents a 37.6 percent increase and further demonstrates DEA’s willingness to both set ambitious target and focus its limited resources towards achieving those goals.

Due to the implementation of enhanced internal and external (OCDETF) validation protocols, DEA mandated that its Special Agents intensify their efforts and investigate in a more collaborative manner with its financial and intelligence assets to work through the complexity of each PTO investigation to either establish and further document CPOT linkages or rule them out. The weighted distribution of the FY 2010 PTO disruptions or dismantlements (actual to target) in favor of CPOT linked PTOs bears this out. These performance results are a testament to those collaborative and better coordinated efforts by DEA leadership in the field and at Headquarters.

Measure 2: Number of Active International and Domestic 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 Actual	FY 2010 Actual	FY 2010 Target	FY 2011 Target
546	869	1,074	1,342	1,954	1,998	2,172	2,285	2,457



As of September 30, 2010, the DEA disrupted or dismantled 2,172 PTOs not linked to CPOT targets, which is 4.9 percent below its FY 2010 target of 2,285. When compared with FY 2009 actual performance (1,998 PTOs disrupted or dismantled), DEA’s FY 2010 performance represents an 8.7 percent increase. Moreover, a comparison of the FY 2009 actual performance and the FY 2010 target demonstrates DEA’s willingness to both set ambitious target and focus its limited resources toward achieving those goals. This is the first time that DEA has missed its target for the number of PTOs not linked to CPOT targets. However, this is not necessarily bad news because DEA’s primary goal is to identify and disrupt/dismantle the most insidious and dangerous trafficking organizations who pose the greatest threat to our national security and public health, also known as CPOT linked PTOs.

DEA anticipates meeting its FY 2011 targets due to the increased presence and availability of its Mobile Enforcement Teams (METs). DEA’s MET program assists State, local and tribal law enforcement by providing an immediate infusion of Special Agents and resources to penetrate and eliminate violent gangs and local drug trafficking organizations. DEA’s MET teams combat violent drug trafficking organizations in specific neighborhoods and restore safer environments

for the residents. The reconstituted MET program, which began in FY 2008, is expected to increase its contribution towards targeted efforts against PTOs not linked to CPOT. In FY 2008, FY 2009, and FY 2010, MET disrupted or dismantled 19, 29, and 33 PTOs not linked to CPOT respectively. At the end of third quarter, FY 2010, the number of METs increased from 14 to 16. The new METs were deployed in the New Orleans and Caribbean Field Divisions' areas of responsibility.

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FEDERAL BUREAU OF PRISONS

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**Office of the Inspector General's Report on
Annual Accounting and Authentication of
Drug Control Funds and Related Performance**

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

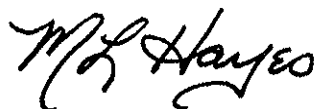
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Federal Bureau of Prisons (BOP) for the fiscal year ended September 30, 2010. The BOP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the BOP prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of BOP, 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.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive style with a large, stylized initial "M".

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 18, 2011

**Federal Bureau of Prisons
Detailed Accounting Submission**

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U.S. Department of Justice

Federal Bureau of Prisons

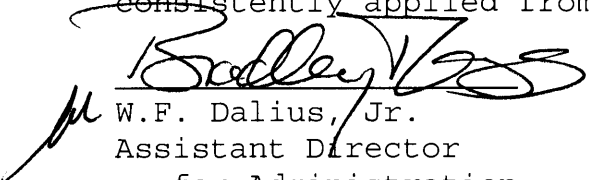
Washington, DC 20534

**U.S. Department of Justice
Bureau of Prisons
Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2010**

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 2010.

We have documented the methodology used by BOP to identify and accumulate FY 2010 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

1/18/2011
Date

U.S. Department of Justice
Bureau of Prisons
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2010
(Dollars in millions)

FY 2010 Actual Obligations

Drug Obligations by Budget Decision Unit and Function:

Decision Unit: Inmate Care and Programs

Treatment	<u>\$87.931</u>
Total, Inmate Care and Programs	<u>\$87.931</u>
Total Obligations	<u>\$87.931</u>

U.S. Department of Justice
Bureau of Prisons
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2010

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.

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. 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 2010 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 2009). 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

There were no significant deficiencies or material weaknesses identified in the Independent Auditors' Report on Internal Control over Financial Reporting and no findings in the Independent Auditors' Report on Compliance and other Matters.

Disclosure No 4. Reprogrammings or Transfers

There were no drug related reprogrammings or transfers during FY 2010.

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 2010, \$693,000 was allocated 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 2010. Therefore, the allocated obligations 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 2010.

**Federal Bureau of Prisons
Performance Summary Report**

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U.S. Department of Justice

Federal Bureau of Prisons

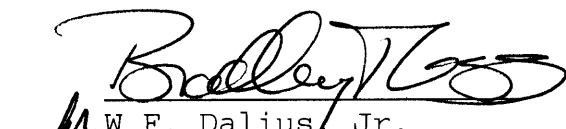
Washington, DC 20534

**U.S. Department of Justice
Bureau of Prisons
Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2010**

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 2010 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 2010 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

1/18/2011
Date

**U.S. Department of Justice
Bureau of Prisons
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2010**

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 Drug Abuse Program (RDAP) to the number of participants at the end of each fiscal year. The objective is to monitor the utilization of RDAP capacity. The BOP achieved a total capacity of 6,024 (capacity is based on number of treatment staff) that was available for the entire fiscal year and 6,238 actual participants (participants are actual inmates enrolled in the program at year end) thus exceeding the target level for FY 2010.

RDAP is 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 RDAP and subject matter experts enter and analyze the data.

For FY 2011, the capacity of BOP's RDAP is projected to be 6,024 with total participants of 5,723. 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 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 Actual	6,050	5,815	96%
FY 2010 Target	6,482	6,158	95%
FY 2010 Actual	6,024	6,238	104%
FY 2011 Target	6,024	5,723	95%

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

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**NATIONAL DRUG
INTELLIGENCE CENTER**

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**Office of the Inspector General's Report on
Annual Accounting and Authentication of
Drug Control Funds and Related Performance**

Director
National Drug Intelligence Center
U.S. Department of Justice

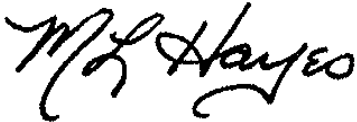
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's National Drug Intelligence Center (NDIC) for the fiscal year ended September 30, 2010. The NDIC's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the NDIC prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with 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 NDIC, 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.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 18, 2011

**National Drug Intelligence Center
Detailed Accounting Submission**

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**U.S. Department of Justice
National Drug Intelligence Center
Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2010**

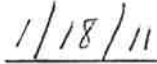
On the basis of the National Drug Intelligence Center (NDIC) management control program, we assert that the NDIC system of accounting, use of estimates, and system of internal controls provide reasonable assurance that:

1. Obligations reported by budget decision unit are NDIC's actual obligations from the Department of Justice's (DOJ) Financial Management Information System (FMIS) which is NDIC's accounting system of record for the budget decision unit.
2. The methodology used by the NDIC 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 is associated with obligations against a financial operating plan that did not require revision for reprogramming or transfers during the fiscal year.
5. NDIC did not have any Office of National Drug Control Policy (ONDCP) Fund Control Notices issued in FY 2010.

NDIC has documented the methodology used to identify and accumulate FY 2010 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.



David J. Mrozowski
Assistant Director, Intelligence Support Division



Date

**U.S. Department of Justice
National Drug Intelligence Center
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2010
(Dollars in Millions)**

FY 2010 Actual Obligations and Expenditures

Drug Obligations by Budget Decision Unit (NDIC Salaries and Expenses) and Function (Intelligence):

Decision Unit: (NDIC Salaries and Expenses)

Intelligence	<u>\$43.635</u>
Total, NDIC Salaries and Expenses	<u>\$43.635</u>
Total Obligations by Decision Unit and Function:	<u>\$43.635</u>

**U.S. Department of Justice
National Drug Intelligence Center
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2010**

Disclosure No 1. Drug Control Methodology

NDIC's mission is to provide domestic strategic drug-related intelligence support to the drug control, public health, law enforcement, and intelligence communities of the United States in order to reduce the adverse effects of drug trafficking, drug abuse, and other drug-related criminal activity.

NDIC's drug resources are dedicated to the Intelligence function. This includes strategic intelligence, document and media exploitation, external training and the Field Intelligence Officers.

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. The table represents obligations incurred by NDIC for drug control purposes. The amounts are net all reimbursable agreements. NDIC receives drug control funds solely for the purpose of Intelligence.

Data – All accounting information for the NDIC is derived from DOJ's FMIS. FY 2010 actual obligations for Intelligence function are reported as Drug Control Obligations since the entire focus is drug related.

Financial Systems – FMIS is DOJ's financial system that provides NDIC with obligation data. Obligations in this system can also be reconciled with the enacted appropriation.

Disclosure No. 2 Modifications to Drug Control Methodology

All NDIC's obligations are associated with the Intelligence function in the Table of Drug Control Obligations are reported. FY 2010 is NDIC's first year that NDIC is subject to reporting, thus there is no "prior" methodology.

Disclosure No. 3 Material Weaknesses and Other Findings

NDIC assessed its internal control over the effectiveness and efficiency of operations. Based on the results of this assessment, NDIC can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations operated effectively, and no reportable conditions or material weaknesses were found in the design or operation of the controls.

NDIC based this assertion on management's knowledge and experience gained from daily operation of NDIC programs and systems of accounting and administrative

controls, various performance reports, and the internal control review conducted during FY 2010 by the Justice Management Division Quality Control and Compliance Group (QCCG).

The results of testing did not identify any material weaknesses or reportable conditions in the NDIC internal control over financial reporting. QCCG identified isolated deficiencies in the following areas, none of which was significant enough to be considered a material weakness or reportable condition:

- Ensuring supervisors certify the accuracy of Time and Attendance Reports
- Ensuring the appropriateness of transit subsidy payments

NDIC personnel have reviewed the QCCG-identified deficiencies and taken appropriate corrective actions. Other than the deficiencies noted, the NDIC internal control was operating effectively, and the NDIC management is not aware of any material weaknesses or reportable conditions in the design or operation of the internal control over financial reporting in the business processes tested or in the processes for which the Department did not require testing.

Disclosure No. 4 Reprogramming or Transfers

NDIC did not have any reprogramming or transfer of drug related funding.

Disclosure No. 5 Other Disclosures

NDIC did not have any ONDCP Fund Control Notices in FY 2010.

**National Drug Intelligence Center
Performance Summary Report**


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**U.S. Department of Justice.
National Drug Intelligence Center
Performance Summary Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2010**

With respect to the performance information presented in the following pages, NDIC asserts:

1. DOJ's Justice Planning and Performance Reporting System is NDIC's online system to report performance information. The information inputted into the system is provided by NDIC's Intelligence Division which collects performance information relating to intelligence and document and media exploitation.
2. The FY 2010 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 NDIC to establish performance targets is reasonable given past performance and available resources.
4. The NDIC has established performance measures monitoring the number of NDIC missions and the percentage of reports produced during the fiscal year. These measures comply with the purpose of the National Drug Control Program.

NDIC has documented the methodology used to identify and accumulate FY 2010 Performance data in the Performance Summary Report in accordance with the guidance of ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.



David J. Mrozowski
Assistant Director, Intelligence Support Division



Date

**U.S. Department of Justice
National Drug Intelligence Center
Performance Summary Report
Related Performance Information
For Fiscal Year Ended September 30, 2010**

Data Validation and Verification

Strategic Intelligence

NDIC's strategic intelligence workload measures capture progress in producing annual threat assessments for senior policy- and decision-makers. These assessments include the National Drug Threat Assessment—mandated by the National Drug Control Strategy (NDCS); regional drug threat assessments—produced at the request of the Organized Crime Drug Enforcement Task Force (OCDETF); and Drug Market Analyses—produced at the request of the Office of National Drug Control Policy (ONDCP). All of these assessments are published under stringent customer-established deadlines. To meet these deadlines, NDIC developed quarterly milestones for each report. The head of the NDIC Intelligence Division tracks the progress of meeting these deadlines through weekly meetings with branch managers.

NDIC's strategic intelligence performance measures were designed to ensure that 1) assessments increase policy- and decision-makers understanding or knowledge of drug and drug-related issues, and 2) NDIC does not duplicate the intelligence efforts of other agencies. NDIC tracks its progress in meeting the first measure through supervisory and analyst meetings/telephone conversations with primary customers, which occur regularly during the year. Branch managers report information gleaned from these interactions at the weekly Intelligence Division meetings discussed above. This process enables NDIC to quickly adjust intelligence efforts to ensure that primary customers' intelligence requirements are met and facilitates the Intelligence Division's ability to track its success in meeting this measure. Further, NDIC is developing an electronic customer survey to capture this information.

NDIC analysts, in collaboration with their supervisors, deconflict all proposed intelligence products to ensure NDIC is not duplicating other agencies' intelligence efforts. If the National Drug Control Strategy or another community-wide directive mandates NDIC to complete a project, this eliminates the need for further deconfliction efforts. If no formal directive exists, the analyst reviews the most current NDIC-published Counternarcotics Publications Quarterly—an annotated bibliography of counterdrug publications from various federal, state, and local agencies—to identify whether another agency has completed or is working on a similar project. The analyst also coordinates within the Intelligence Division and with NDIC's Office of Policy and Interagency Affairs (OPIA) to deconflict projects at both the executive and working levels through appropriate interagency and working group contacts and through NDIC liaison staff located throughout the counterdrug community. Further, NDIC's Collection Management Group performs a federal “holdings” and “data-call” search and talks to

their counterparts to deconflict projects. The analyst then confirms accomplishment of these deconfliction efforts on NDIC's Terms of Reference or (TOR) form, which is completed for each NDIC strategic intelligence project.

Document and Media Exploitation (DOMEX)

NDIC's DOMEX workload measures track progress in meeting the quarterly and annual goals for number of missions performed. NDIC maintains an Excel spreadsheet to capture this and additional information. Information collected includes requesting agency and location, date received, case name, case type (e.g. drug trafficking, money laundering, etc.), case coordination (e.g., OCDETF, Consolidated Priority Organization Target or CPOT, Regional Priority Organization Target, DEA Priority Target Organization investigations, Special Operations Division or SOD investigations, Grand Jury investigations, etc.), mission start and finish dates, lead personnel assigned, digital evidence laboratory support, and project numbers. The information is sortable by quarter, calendar year, and fiscal year.

NDIC DOMEX performance measures were designed to ensure that DOMEX efforts support the National Drug Control Strategy (NDCS) and that DOMEX support is satisfying customer needs. Chapter 5 of the 2010 NDCS contains an action item that calls for federal authorities to "maximize federal support for drug law enforcement task forces." As such, NDIC tracks the number of investigations it performs for drug law enforcement task forces by collecting this information from customer request letters. NDIC also tracks the scope of each investigation (i.e., whether the investigation is regional, national, or international in scope). NDIC personnel enter, store, and retrieve this data in the Excel database referenced above.

The NDIC DOMEX performance measure that tracks customer satisfaction data is collected in various ways. Upon mission completion, NDIC surveys each customer to inquire if the customer would request DOMEX support in the future and if the customer would refer NDIC DOMEX support to others. Responses are maintained within the Intelligence Operations Section and retrieved quarterly to complete the Quarterly Status Report. NDIC also conducts after action interviews with customers to acquire data regarding how the NDIC DOMEX advanced their investigations and prosecutions (e.g., assets/associates identified, evidence of criminal activity, guilty pleas, convictions, etc.) and stores this information in a spreadsheet. Finally, NDIC personnel monitor DOJ's Consolidated Asset Tracking System (CATS) to identify assets seized or forfeited in task force investigations supported by NDIC DOMEX.

Workload and Performance Measure Projection Methodologies

Strategic Intelligence

NDIC established aggressive, achievable workload measures for the production of its annual strategic intelligence assessments. These measures reflect milestones that must be attained by the end of each quarter to ensure customer deadlines are met so as not to risk delaying their planning and policy efforts. The methodology behind the milestones is the

5-step intelligence cycle NDIC follows. The steps are Direction, Collection, Evaluation, Analysis, and Dissemination. Similarly, NDIC established strategic intelligence performance measures that are aggressive but achievable. The methodology behind the 85% targets established for increasing primary customers' understanding of drug and drug-related issues and eliminating customers' need to produce similar reports is based on analysis of the difficulty in achieving these goals given the knowledge, experience, and function of NDIC's primary customer base.

DOMEX

Workload and performance measures for NDIC's DOMEX program are challenging but realistic. The annual workload target for missions conducted is set at the maximum NDIC believes it can achieve based on analysis of the number of missions conducted in previous years and the number of employees available to perform DOMEX functions. The target established for the DOMEX performance measure reporting the number of missions conducted on behalf of OCDETF, SOD, or CPOT-associated drug investigations is based on analysis of previous years' support to these types of investigations and increasing NDIC's commitment to support such investigations. This target has increased from 55 in FY2009 to 66 in FY2010 to 75 in FY2011. The target established for the performance measure reporting the percentage of users that would request DOMEX support in the future and refer DOMEX support to others is based on customer satisfaction principles—those that are willing to request support again or refer the service to others are satisfied with the support they received. NDIC established aggressive targets of 85%, 87%, and 90% for FY2009, FY2010, and FY2011, respectively, as these percentages are at the high end of the scale and reflect continued improvement in overall customer satisfaction.

**National Drug Intelligence Center
Performance Status Report
FY 2006 - FY 2010**

DOJ Strategic Goal/Objective:
SG2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People
2.4 Reduce the threat, trafficking, use, and related violence of illegal drugs.

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2010
	Actual	Actual	Actual	Actual	Target	Actual
Percentage of reports produced during a stated quarter that increase primary customers understanding or knowledge of report subject	100%	100%	100%	100%	85%	100%
Percentage of reports produced during a stated quarter that eliminate primary customers need to produce a similar report	100%	100%	100%	100%	85%	100%
Number of DOMEX missions conducted on behalf of OCDEF, SOD, or CPOT-associated drug investigations	NA	49	48	55	66	66
Percentage of users that would request DOMEX support in the future and refer DOMEX to others	NA	NA	NA	95%	87%	98%

National Drug Intelligence Center Performance Status Report FY 2011 Targets		FY 2011 Target
Decision Unit: National Drug Intelligence Center		
Performance Report and Performance Plan Targets		
Performance Measure	Produce the National Drug Threat Assessment, High Intensity Drug Trafficking Areas (HIDTA) Drug Market Analyses and other strategic domestic drug intelligence reports, as requested by Office of National Drug Control Policy and others	30
Performance Measure	Expand NDIC's production of strategic intelligence products regarding the South west Border, gangs, and violence, and other emerging drug related issues, as well as produce nine Organized Crime Drug Enforcement Task Forces Regional Drug Threat Assessments	30
Performance Measure	Establish Document and Media Exploitation (DOMEX) satellite offices in support of various OCEETF Strike Forces to provide real-time support to law enforcement and intelligence community agencies by conducting document and media exploitation of materials associated with counterdrug investigations	75
Performance Measure	Identify the number of DOMEX missions that support DOJ's strategic goal objectives	100

Note: In March 2009, NDIC reexamined its performance measures. This was done to comply with DOJ's Implementation Plan for Executive Order 13450: Improving Government Program Performance and Performance Measure Review. These new measures were submitted in FY 2009 as part of the FY 2011 budget request. NDIC will conduct another review of its workload and performance measures, data validation and verification efforts, and performance target projection methodologies and, as appropriate, implement changes to achieve improvement in each of these areas.

OFFICE OF JUSTICE PROGRAMS

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Office of the Inspector General's Report on Annual Accounting and Authentication of Drug Control Funds and Related Performance

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

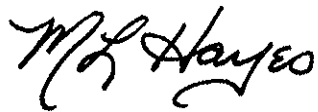
We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Office of Justice Programs (OJP) for the fiscal year ended September 30, 2010. OJP's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of OJP prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not presented, in all material respects, in conformity with ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007.

This report is intended solely for the information and use of the management of OJP, 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.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 18, 2011

**Office of Justice Programs
Detailed Accounting Submission**

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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, 2010**

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 2010.

We have documented the methodology used by OJP to identify and accumulate FY 2010 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 Formulation, Liaison, Planning and Performance Division
OJP Official Responsible for Assertion

18 Jan 2011
Date

U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Table of Drug Control Obligations
By Budget Decision Unit and Function
For Fiscal Year Ended September 30, 2010
(Dollars in Millions)

	<u>FY 2010 Actual Obligations^{1/}</u>
Drug Obligations by Budget Decision Unit and Function:	
Regional Information Sharing System	
State and Local Assistance	\$44.827
Weed and Seed Program	
State and Local Assistance	21.951
Prevention	<u>2.439</u>
Total Weed and Seed Program	24.390
Enforcing Underage Drinking Laws	
Prevention	25.334
Drug Court Program	
Treatment	46.442
Residential Substance Abuse Treatment Program	
Treatment	30.265
Prescription Drug Monitoring Program	
State and Local Assistance	7.046
Southwest Border Prosecution Initiative	
State and Local Assistance	38.038
Northern Border Prosecution Initiative	
State and Local Assistance	3.038
Second Chance Act Program^{2/}	
State and Local Assistance	<u>27.865</u>
Total	<u>\$247.245</u>
Methamphetamine Enforcement and Lab Cleanup ^{3/}	10.000

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

^{2/} Actual obligations reported for the Second Chance Act Program 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.

^{3/} 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 2010 total obligations for the program were reported to OJP by the COPS budget office. See Disclosure 1 for additional information.

**U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2010**

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 Formulation, Liaison, Planning and Performance Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP's fiscal year (FY) 2010 Table of Drug Control Obligations includes total obligations associated with 10 budget decision units identified for the National Drug Control Budget. However, funds for nine 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 2010 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 Program

- Drug Prevention Demonstration Program¹
- Methamphetamine Enforcement and Lab Cleanup (COPS Program)

In determining the level of resources used in support of the nine budget decision units (excluding Drug Prevention Demonstration Program and Methamphetamine Enforcement and Lab Cleanup), OJP used the following methodology:

Drug Program Obligations by Decision Unit: Data on obligations, as of September 30, 2010, were gathered from OJP's Financial Management Information System 2 (FMIS2). The total obligations presented for OJP are net of funds obligated under the Crime Victims Fund and Public Safety Officers' Benefit Program.

Salaries and Expenses Data. Salaries and Expenses (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 nine drug-related decision units to total S&E obligations for OJP. There were no S&E obligations associated with the Drug Prevention Demonstration Program, as this program did not have any actual obligations; and the Methamphetamine Enforcement and Lab Cleanup, as this program is not administered by OJP.

Overall, OJP program activities support all four goals of the National Drug Control Strategy: (1) Substance Abuse Prevention, (2) Substance Abuse Treatment, (3) Domestic Law Enforcement; and (4) Interdiction and International Counterdrug Support. Functionally, OJP program activities fall under the following functions: prevention, state and local assistance, and treatment. To determine the function amount, OJP used an allocation method that was derived from an analysis of each program's mission and by surveying program officials. OJP then applied that allocation percentage to each program/decision unit line item. 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 2010 obligations for nine programs, categorized by function and decision unit, which are reported by OJP. One program, the Drug Prevention Demonstration Program, did not have any actual obligations in FY 2010, and is therefore, not included in the Table of Drug Control Obligations.

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.
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¹In FY 2010, while there were prior year unobligated balances, there were no actual obligations for the Drug Prevention Demonstration Program. As such, the Drug Prevention Demonstration Program is not listed on OJP's Table of Drug Control Obligations.

Decision Unit: In accordance with the ONDCP circulars, 100 percent of the actual obligations for eight of the nine budget decision units are 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 2010, OJP is reporting 100 percent of the actual obligations related to nine of the 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 Program were deemed drug-related in nature; therefore, beginning in FY 2009, 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

Neither OJP nor the financial statement auditors found material weaknesses, significant deficiencies, or matters of non-compliance for financial reporting in FY 2010.

Disclosure 4: Reprogrammings or Transfers

In accordance with the ONDCP's Circular, *Drug Control Accounting*, dated May 1, 2007, see the attached Reprogrammings and Transfers Schedule. In FY 2010, OJP made \$1.2 million in reprogrammings, and \$9.9 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 2010 recoveries associated with the reported decision units.

Disclosure 5: Other Disclosures

- In FY 2010, OJP received no ONDCP Fund Control Notices.
- Of the total FY 2010 actual obligations amount, \$17.3 million are a result of carryover unobligated resources. See the attached Reprogrammings and Transfers Schedule.

U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Submission
Reprogrammings and Transfers Schedule
For Fiscal Year Ended September 30, 2010
(Dollars in Millions)

Table Line Item	Unobligated Balances	Enacted	Rescission	Reprogrammings ^{1/}	Transfers ^{2/}		Total Availability
	Forward	BA			In	Out	
Drug Obligations by Function:							
Regional Information Sharing System							
State and Local Assistance	0.115	45.000	0.000	(0.469)	0.000	0.000	44.646
Weed and Seed Program							
State and Local Assistance	0.815	18.000	(0.408)	(0.565)	1.393	0.000	19.235
Prevention	<u>0.091</u>	<u>2.000</u>	<u>(0.045)</u>	<u>(0.063)</u>	<u>0.155</u>	<u>0.000</u>	<u>2.138</u>
Total Weed and Seed Program	0.906	20.000	(0.453)	(0.628)	1.548	0.000	21.373
Enforcing Underage Drinking Laws							
Prevention	0.191	25.000	(0.940)	(0.260)	1.356	0.000	25.347
Drug Court Program							
Treatment	0.581	45.000	(0.959)	0.927	0.959	0.000	46.508
Residential Substance Abuse Treatment Program							
Treatment	0.114	30.000	(0.338)	(0.312)	0.338	0.000	29.802
Prescription Drug Monitoring Program							
State and Local Assistance	0.288	7.000	(0.274)	(0.073)	0.387	0.000	7.328
Southwest Border Prosecution Initiative							
State and Local Assistance	14.688	31.000	(8.011)	(0.673)	5.352	0.000	42.356
Northern Border Prosecution Initiative							
State and Local Assistance	0.205	3.000	0.000	(0.081)	0.000	0.000	3.124
Second Chance Act ^{3/}							
State and Local Assistance	0.195	30.000	0.000	0.325	0.000	0.000	30.519
Drug Prevention Demonstration Program ^{4/}							
Prevention	<u>0.027</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.027</u>
Total.....	17.310	236.000	(10.975)	(1.244)	9.940	0.000	251.030
Methamphetamine Enforcement and Lab Cleanup ^{5/}	—	10.000	—	—	—	—	10.000

^{1/} Reprogrammings reflect transfer amounts to the Salaries and Expenses account.

^{2/} Transfers In reflect FY 2010 recoveries.

^{3/} Amounts reported for the Second Chance Act reflect only 30% of total Budget Authority for this decision unit, as directed by the Office of Management and Budget and Office of National Drug Control Policy.

^{4/} The Drug Prevention Demonstration Program had \$27k in prior year unobligated balances, however, there were no obligation activities associated for this program in FY 2010.

^{5/} Funding for the Methamphetamine Lab Cleanup Program is transferred from COPS to DEA for program administration, therefore, obligations are not tracked by OJP. FY 2010 total obligations for the program were reported to OJP by the COPS budget office.

**Office of Justice Programs
Performance Summary Report**

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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, 2010**

On the basis of the Office of Justice Programs' (OJP) management control program, we assert that OJP's system of performance measurement processes provide reasonable assurance that:

1. The following 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, the Bureau of Justice Assistance utilizes the Performance Measurement Tool, an on-line data collection system, implemented in fiscal year 2009, to collect data for the Residential Substance Abuse Treatment Program; and the Community Capacity Development Office utilizes the Weed and Seed Data Center to collect Government Performance and Results Act Reports from its grantees.
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 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 fiscal year 2010 drug control performance data in compliance with the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007.



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

18 JAN 2011

Date

**U.S. Department of Justice
Office of Justice Programs
Performance Summary Report
Related Performance Measures
For Fiscal Year Ended September 30, 2010**

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 Weed and Seed Program. Performance measures which support the National Drug Control Strategy are "Number of Participants in the RSAT Program," and "Number of homicides per site (average for sites reporting)," as agreed to by the 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 2006 Actual	CY 2007 Actual	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2011 Target
27,756	26,991	28,308	20,000	39,159	25,000	28,000

- (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) 2010 data for this measure are collected on a calendar year (CY) basis and will be available in October 2011. Data are collected and reported for the RSAT Program 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 do cover a single consecutive 12-month period.

In CY 2009, the target of 20,000 was exceeded by 19,159. 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.

- (3) The CY 2010 and CY 2011 targets are 25,000 and 28,000 participants, respectively, an increase over the previous target of 20,000 participants (in effect from CY 2007 through CY 2009), since the target was exceeded each year. Targets are based on previous year actual 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: Weed and Seed Program

Measure 2: Number of homicides per site (average for sites reporting)

Table 2: Number of homicides per site (average for sites reporting)

CY 2006 Actual	CY 2007 Actual	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2011 Target
3.3	3.5	3.5	3.7	3.9	3.7	3.7

- (1) The Weed and Seed Program, administered by the Community Capacity Development Office (CCDO), provides assistance to address violent crimes and gang-related activities in adversely-impacted neighborhoods. CCDO assists over 270 communities with coordination of law enforcement efforts, while developing their capacity to implement crime prevention programs such as safe havens, after-school enrichment activities, and substance use treatment options.

During CY 2009, 92% of the reporting Weed and Seed sites included anti-drug activities as a component of their weeding strategy¹. Active participation in the Drug Education for Youth (DEFY) program, a major partnership between CCDO and the Department of the Navy, was reported by 35% of the Weed and Seed sites.

Although Weed and Seed sites may be affected by a range of criminal activities such as drugs and vandalism, the reduction of homicides as an indicator of violent crime is a major weeding objective. In its Crime Data Brief "Homicide Trends in the United States: 2000 Update," the Bureau of Justice Statistics reported that "Homicide is...considered by experts to be a fairly reliable barometer of violent crime. At a national level, no other crime is measured as accurately and precisely." The homicide statistics reported are annual totals for the preceding three calendar years for both the target area and the host jurisdiction. This allows trend comparisons for the sites alone and in relation to the surrounding jurisdictions.

- (2) "Number of homicides per site (average for sites reporting)" is derived from all sites that reported data in that year (e.g., all sites funded in 2009 would report data in 2009).

The target for CY 2009 was to reduce the average number of homicides per site to 3.7. In CY 2009, there was an average of 3.9 homicides per site. While this result missed the target, almost the entire difference can be attributed to a single site, which reported 45 homicides or almost 10 percent of the 459 homicides reported by 117 active Weed and Seed sites nationwide. Excluding this one site, the average number of homicides was 3.6, which is below the target.

¹ The Weed and Seed strategy involves a two-pronged approach: law enforcement agencies and prosecutors cooperate in "weeding out" violent criminals and drug abusers and public agencies and community-based private organizations collaborate to "seed" much-needed human services, including prevention, intervention, treatment, and neighborhood restoration programs. A community-oriented policing component bridges the weeding and seeding elements.

- (3) The Weed and Seed Program has set an annual goal that the average number of homicides not exceed 3.7 per site.
- (4) CCDO improved the automation of performance data collection and handling to better track how the program is performing. Starting in CY 2007, CCDO provided Government Performance and Results Act forms and instructions electronically to all Weed and Seed sites. As a result, in CY 2007, 66% of the GPRA forms were received through this submission method. CCDO then reassessed the process and made improvements to the form's layout and the submission process, resulting in an 88% electronic transmittal rate in CY 2008, and a 90% electronic transmittal rate in CY 2009. Further, the electronic forms' capability also improved data entry accuracy from the Weed and Seed sites.

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**ORGANIZED CRIME DRUG ENFORCEMENT
TASK FORCES PROGRAM**

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**Office of the Inspector General's Report on
Annual Accounting and Authentication of
Drug Control Funds and Related Performance**

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

We have reviewed the accompanying Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission, which includes Management's Assertion Statement, Table of Drug Control Obligations, and the related disclosures; and the Performance Summary Report, which includes Management's Assertion Statement and the related performance information, of the U.S. Department of Justice's Organized Crime Drug Enforcement Task Forces (OCDETF) Program for the fiscal year ended September 30, 2010. The OCDETF Program's management is responsible for the Detailed Accounting Submission and the Performance Summary Report.

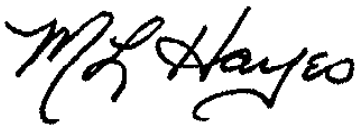
Our review was conducted in accordance with attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of the OCDETF Program prepared the Detailed Accounting Submission and the Performance Summary Report to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007.

Based on our review, nothing came to our attention that caused us to believe that the Detailed Accounting Submission and the Performance Summary Report for the fiscal year ended September 30, 2010, are not

presented, in all material respects, in conformity with 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 Program, 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.

A handwritten signature in black ink that reads "Mark L. Hayes". The signature is written in a cursive, flowing style.

Mark L. Hayes, CPA, CFE
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

January 18, 2011

**Organized Crime Drug Enforcement
Task Forces Program
Detailed Accounting Submission**

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U.S. Department of Justice

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

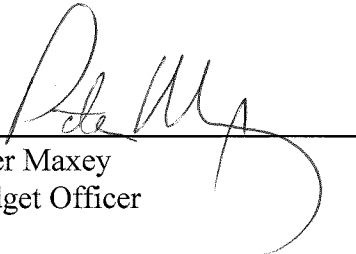
Washington, DC 20530

**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, 2010**

On the basis of OCDETF's Management Control Program, we assert that the Organized Crime Drug Enforcement Task Forces (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 the OCDETF Program 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 2010.

We have documented the methodology used by OCDETF to identify and accumulate FY 2010 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

January 18, 2011
Date

U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces (OCDETF) Program
Detailed Accounting Submission
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2010

Actual 2010 Obligations
Dollars in Millions

Decision Unit Crosswalk

	Appropriated Funds	OCDETF Executive Office	Subtotal	No-Year Reallowed Funds 2/	Total FY 2010 Actual Obligations
Drug Obligations by Decision Unit and Function					
Investigations:					
Drug Enforcement Administration (DEA)	\$199 455	\$2 327	\$201 782	\$2 474	\$204 256
Federal Bureau of Investigation (FBI)	119 539	1 345	120 884	1 129	122 013
U S Marshals Service (USMS)	8 685	0 098	8 783	0 508	9 291
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	12 627	0 139	12 766	0 512	13 278
U S Immigration and Customs Enforcement (ICE)	0 000	0 000	0 000	0 044	0 044
Subtotal Investigations	<u>340 306</u>	<u>3 909</u>	<u>344 215</u>	<u>4 667</u>	<u>348 882</u>
Drug Intelligence:					
DEA ^{1/}	11 593 3/	0 050	11 643	0 000	11 643
FBI	20 993	0 236	21 229	0 000	21 229
OCDETF Fusion Center (OFC)	11 776	0 000	11 776	0 000	11 776
Subtotal Drug Intelligence	<u>44 362</u>	<u>0 286</u>	<u>44 648</u>	<u>0 000</u>	<u>44 648</u>
TOTAL INVESTIGATIVE DECISION UNIT	<u>384.668</u>	<u>4.195</u>	<u>388 863</u>	<u>4.667</u>	<u>393.530</u>
Prosecutions:					
U S Attorneys (USAs)	155 058	1 744	156 802	2 496	159 298
Criminal Division	3 157	0 036	3 193	0 000	3 193
TOTAL PROSECUTORIAL DECISION UNIT	<u>158.215</u>	<u>1.780</u>	<u>159 995</u>	<u>2.496</u>	<u>162.491</u>
Administrative Support:					
OCDETF Executive Office	5 975 4/	(5 975)	0 000	0 000	0 000
Totals	<u>\$548 858</u>	<u>\$0 000</u>	<u>\$548 858</u>	<u>\$7 163</u>	<u>\$556 021</u>
				<u>556 021</u>	
				Recoveries	<u>0 103 5/</u>
Total Agency Obligations/Resources	<u>\$548 858</u>		<u>\$548 858</u>		<u>\$556 124</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 \$7 163 million

3/Represents collections received from the Justice Management Division to compensate OCDETF for ancillary costs associated with the International Organized Crime (IOC 2)

4/Amount includes the National Drug Intelligence Center detail, totaling \$0 076 million

5/Represents prior year recoveries

No-Year (15X0323):	Amount	DEA	FBI	USMS	ATF	ICE	USA
Boston Strike Force	\$0 044	\$0 000	0 000	\$0 000	0 000	\$0 044	\$0 000
OCDETF Executive Office Financial Investigative Training	0 500	0 205	0 129	0 008	0 012	0 000	0 146
USAs Finacial Analyst	0 350	0 000	0 000	0 000	0 000	0 000	0 350
DEA Law Enforcement	0 022	0 022	0 000	0 000	0 000	0 000	0 000
EOUSA Litigation	2 000	0 000	0 000	0 000	0 000	0 000	2 000
DEA--TIII and Operation Deliverance	2 000	2 000	0 000	0 000	0 000	0 000	0 000
FBI Law Enforcement--Individual Case Support	1 000	0 000	1 000	0 000	0 000	0 000	0 000
USMS--Operation Deliverance/Other Needs	0 500	0 000	0 000	0 500	0 000	0 000	0 000
ATF--Operation Deliverance	0 500	0 000	0 000	0 000	0 500	0 000	0 000
DEA--Revolutionary Armed Forces of Colombia (FARC)	0 247	0 247	0 000	0 000	0 000	0 000	0 000
Total	<u>\$7 163</u>	<u>\$2 474</u>	<u>\$1 129</u>	<u>\$0 508</u>	<u>\$0 512</u>	<u>\$0 044</u>	<u>\$2 496</u>



U.S. Department of Justice

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

Washington, DC 20530

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces Program
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2010**

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 the OCDETF Program'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 the OCDETF Program's non-DOJ partners was requested through direct appropriations for Treasury and DHS. Currently, only DOJ OCDETF appropriated funding comes from the ICDE account.

The OCDETF Program 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, the OCDETF Program requires that in *each* OCDETF case investigators identify and target the financial infrastructure that permits the drug organization to operate.

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 the OCDETF Program 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.

The OCDETF Program's 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 the OCDETF Program's 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 the OCDETF Program's 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 Division. The methodology applies the total of 100 percent of the OCDETF Program'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 the OCDETF Program's 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 the OCDETF Program 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, 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 2010 Independent Auditors' Report on Internal Control over Financial Reporting revealed no material weaknesses or significant deficiencies. In addition, the annual assurance statement required by the Federal Managers' Financial Integrity Act (FMFIA) concludes that the OBDs can provide reasonable assurance that its systems of management, accounting, and administrative controls, taken as a whole substantially comply with the FMFIA and with the component requirements of the Federal Financial Management Improvement Act.

Disclosure No 4. - Reprogrammings/Reallowances or Transfers

Total availability consists of enacted budget authority for FY 2010, plus unobligated balances and recoveries brought forward from prior years. The OCDETF Program's FY 2010 obligations include all re-allowed carryover funds and transfers. In FY 2010, the OCDETF Program re-allowed \$7,163,000 from its no-year account (15X0323) as follows: \$44,000 for the Boston Strike Force; \$500,000 for OCDETF Investigative Financial Training; \$350,000 for USA Financial Analysts; \$22,000 for DEA Law Enforcement; \$2,000,000 for the EOUSA law litigation costs; \$2,000,000 for DEA Title III and 'Operation Deliverance' costs; \$1,000,000 for FBI Individual case support; \$500,000 for the USMS 'Operation Deliverance' costs, as well as other needs; \$500,000 for ATF 'Operation Deliverance' costs; and \$247,000 for DEA costs associated with an ongoing FARC investigation. Finally, the OCDETF Program also transferred radio resources amounting to \$602,000 to the DOJ Wireless Law Enforcement Communications Account as required by P.L. 111-117. See the attached Reprogramming and Transfers Schedule.

Disclosure No 5. - Obligations From Carryover Funds

In FY 2010, \$8,846,000 in unobligated balances and prior year recoveries was brought forward from FY 2009 and available for new obligations. Of this amount, \$7,163,000, as reported under Disclosure No 4., was established as new obligations during FY 2010.

Disclosure No 6. - Other Disclosures

The OCDETF Program asserts that the information presented in the Table of Drug Control Obligations fairly presents the drug control obligations for the OCDETF Program. The OCDETF Program did not have any ONDCP Fund Control Notices in FY 2010.

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces (OCDEF) Program
Detailed Accounting Submission
Reprogrammings and Transfers
For the Fiscal Year Ended September 30, 2010
(Dollars in Millions)**

Line Item	Unobligated Balances and Recoveries	Enacted Budget Authority	Reprogramming Reallowances 1/	Offsetting Collections	Transfer 2/	Total Availability
Drug Resources by Decision Unit and Function						
Investigations:						
Drug Enforcement Administration (DEA)	\$0.000	\$202.440	\$2.474	\$0.000	(\$0.527)	\$204.387
Federal Bureau of Investigation (FBI)	0.000	120.885	1.129	0.000	0.000	122.014
U.S. Marshals Service (USMS)	0.000	8.783	0.508	0.000	0.000	9.291
Alcohol, Tobacco, Firearms and Explosives (ATF)	0.000	12.766	0.512	0.000	0.000	13.278
U.S. Immigration and Customs Enforcement (ICE)	0.000	0.000	0.044	0.000	0.000	0.044
Subtotal Investigations	0.000	344.874	4.667	0.000	(0.527)	349.014
Drug Intelligence:						
Drug Enforcement Administration (DEA)	0.000	11.643	0.000	0.599	(0.023)	12.219
Federal Bureau of Investigation (FBI)	0.000	21.281	0.000	0.000	(0.052)	21.229
OCDEF Fusion Center Support (OFC)	0.000	11.776	0.000	0.000	0.000	11.776
Subtotal Intelligence	0.000	44.700	0.000	0.599	(0.075)	45.224
TOTAL INVESTIGATIONS DECISION UNIT	0.000	389.574	4.667	0.599	(0.602)	394.238
Prosecutions:						
U.S. Attorneys (USAs)	0.000	156.802	2.496	0.000	0.000	159.298
Criminal Division (CRM)	0.000	3.193	0.000	0.000	0.000	3.193
TOTAL PROSECUTIONS DECISION UNIT	0.000	159.995	2.496	0.000	0.000	162.491
Total Distributed	0.000	549.569	7.163	0.599	(0.602)	556.729
Undistributed	8.846	0.000	(7.163)	0.000	0.000	1.683
Total Resources	\$8.846	\$549.569	\$0.000	\$0.599	(\$0.602)	\$558.412

^{1/}Includes realigned carryover and prior year recovery funds as follows: No-year funding of \$7.163 M (\$0.44 M for the Boston Strike Force; \$0.50 M for OCDEF Investigative Financial Training; \$0.35 M for USA Financial Analyst; \$0.22 M for DEA Law Enforcement; \$2 M for the EOUSA law litigation costs; \$2 M for DEA Title III and 'Operation Deliverance' costs; \$1 M for FBI Individual case support; \$0.50 M for the USMS 'Operation Deliverance' costs, as well as other needs; \$0.50 M for ATF 'Operation Deliverance' costs; and \$0.247 M for DEA costs associated with an ongoing FARC investigation.

^{2/}Represents radio resources transferred to the DOJ Wireless Law Enforcement Communications Account as required by the FY 2010 DOJ Appropriations Act (P.L. 111-117)

**Organized Crime Drug Enforcement
Task Forces Program
Performance Summary Report**

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U.S. Department of Justice

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

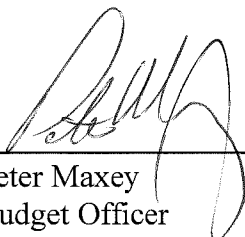
Washington, DC 20530

**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, 2010**

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. The OCDETF Program has a system to capture performance information accurately and that system was properly applied to generate the performance data;
2. The FY 2010 performance target was achieved. Therefore, an assertion related to the reasonableness of the explanations for not meeting performance targets is not applicable;
3. The methodology described to establish performance targets for the current year is reasonable given past performance and available resources; and
4. The OCDETF Program 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 the OCDETF Program to identify and accumulate FY 2010 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

January 18, 2011

Date

**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces (OCDETF) Program
Performance Summary
Related Performance Information
For the Fiscal Year Ended September 30, 2010**

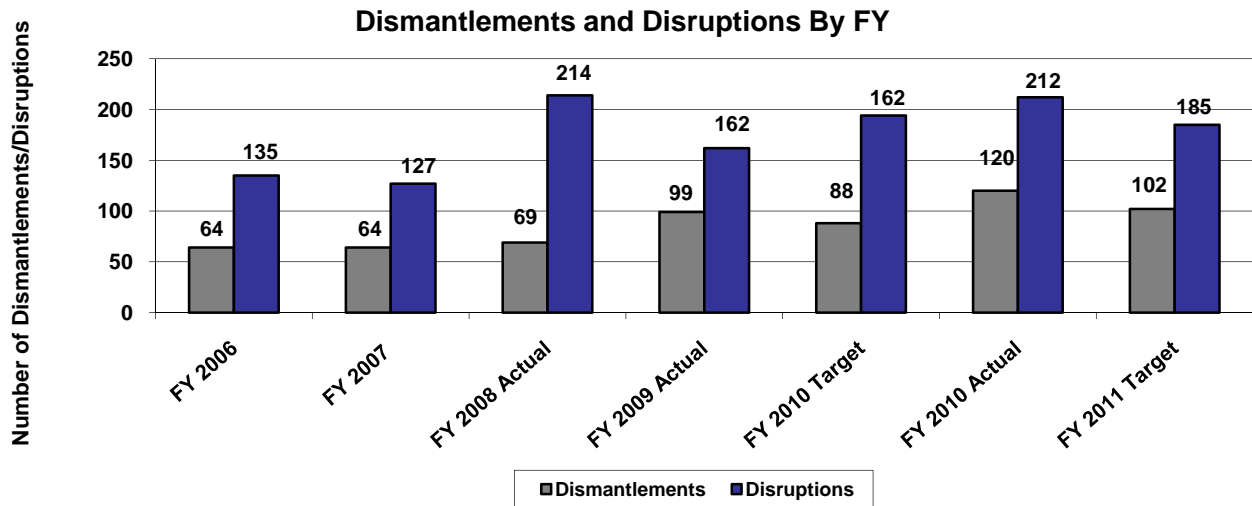
Drug Control Decision Units: Investigations and Prosecutions

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

	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual*	FY 2011 Target
Dismantlements	64	64	69	99	88	120 [*]	104
Disruptions	135	127	214	162 ^{**}	194	212 [†]	185



^{**} FY 2009 Actual Disruptions and Dismantlement numbers adjusted to include an additional 2 Federal Bureau of Investigation (FBI) disruptions.

^{*} Breakdown by agency for OCDETF is: 120 Dismantled (111 Drug Enforcement Administration (DEA) and 11 FBI)

[†] Breakdown by agency for OCDETF is: 212 Disrupted (177 DEA and 39 FBI)

^{*} The overlap of DEA and FBI in six FY 2010 Dismantlements/Disruptions results in the reduction of two dismantlements and four disruptions from the total numbers.

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 was able to dismantle 120 CPOT-linked organizations in FY 2010, exceeding its target. This is a 21 percent increase over the 99 that were dismantled in FY 2009, the highest number reported prior to FY 2010. OCDETF has disrupted 212 CPOT-linked organizations in FY 2010, exceeding its target for disruptions. This is 31% greater than the 162 reported at the end of FY 2009. The total of 332 CPOT-linked organizations that were either dismantled or disrupted during FY 2010 is over 17 percent higher than the 283 dismantled or disrupted in FY 2008, which was a record year. This achievement exceeded OCDETF's goal for disruptions and dismantlements.

During FY 2010, in addition to making important gains against CPOT-linked organizations, the Department of Justice (DOJ) continued to achieve significant successes against the CPOTs themselves. These results against CPOT targets have included the dismantlement of a dangerous Colombian drug kingpin who ruled a vast drug empire and moved millions of dollars worth of cocaine and heroin intended for the United States and Europe; and disruptions to leadership of the Sinaloa Cartel, Los Zetas, a significant global heroin drug trafficker in Afghanistan known to fund the terrorist activities of the Taliban; and a major Jamaican Narcotic trafficker. Law enforcement activity targeting these CPOTs involved complex and coordinated intelligence driven investigations, with the exceptional cooperation of U.S. law enforcement agencies and international governments.

The Department's FY 2010 successes dismantling or disrupting CPOT-linked drug trafficking organizations, as well as the significant enforcement actions against CPOTs themselves, have resulted in keeping multi-ton quantities of illegal drugs such as cocaine, heroin, marijuana and methamphetamine from ever entering the United States.

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.

APPENDIX

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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 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.¹ Such table shall present obligations by Drug Control Function and Budget Decision Unit, as these categories are displayed for the agency or bureau in the *National Drug Control Strategy Budget Summary*. Further, this table shall be accompanied by the following disclosures:

(1) **Drug Methodology** – The drug methodology shall be specified in a separate exhibit. For obligations calculated pursuant to a drug methodology, this presentation shall include sufficient detail to explain fully the derivation of all obligations data presented in the table.

(a) **Obligations by Drug Control Function** – All bureaus employ a drug methodology to report obligations by Drug Control Function.

(b) **Obligations by Budget Decision Unit** – For certain multi-mission bureaus – Customs and Border Protection (CBP), Coast Guard, Immigration and Customs Enforcement (ICE), Indian Health Service (IHS), Bureau of Indian Affairs (BIA), and the Veterans Health Administration (VHA) – obligations reported by Budget Decision Unit shall be calculated pursuant to an approved drug methodology. For

¹Consistent with reporting requirements of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007, resources received from the following accounts are excluded from obligation estimates: (1) ONDCP – High Intensity Drug Trafficking Areas (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.²
 - (3) **Material Weaknesses or Other Findings** – Any material weakness or other findings by independent sources, or other known weaknesses, including those identified in the Agency’s Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations data, shall be highlighted. This may be accomplished by either providing a brief written summary, or by referencing and attaching relevant portions of existing assurance reports. For each material weakness or other finding, corrective actions currently underway or contemplated shall be identified.
 - (4) **Reprogrammings or Transfers** – All prior year reprogrammings or transfers that affected drug-related budgetary resources shall be identified; for each such reprogramming or transfer, the effect on drug-related obligations reported in the table required by this section also shall be identified.
 - (5) **Other Disclosures** – Agencies may make such other disclosures as they feel are necessary to clarify any issues regarding the data reported under this circular.
- b. **Assertions** – At a minimum, each report shall include a narrative section where the following assertions are made regarding the obligation data presented in the table required by Section 6a:
- (1) **Obligations by Budget Decision Unit** – With the exception of the multi-mission bureaus noted in Section 6a(1)(b), reports under this section shall include an assertion that obligations reported by budget decision unit are the actual obligations from the bureau’s accounting system of record for these Budget Decision Units.
 - (2) **Drug Methodology** – An assertion shall be made regarding the reasonableness and accuracy of the drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit for the CBP, Coast Guard, ICE, IHS, BIA, and VHA. The criteria associated with this assertion are as follows:

²For changes that did not receive prior approval, the agency or bureau shall submit such changes to ONDCP for approval under separate cover.

- (a) **Data** – If workload or other statistical information supports the drug methodology, then the source of these data and the current connection to drug control obligations should be well documented. If these data are periodically collected, then the data used in the drug methodology must be clearly identified and will be the most recently available.
 - (b) **Other Estimation Methods** – If professional judgment or other estimation methods are used as part of the drug methodology, then the association between these assumptions and the drug control obligations being estimated must be thoroughly explained and documented. These assumptions should be subjected to periodic review, in order to confirm their continued validity.
 - (c) **Financial Systems** – Financial systems supporting the drug methodology should yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
- (3) **Application of Drug Methodology** – Each report shall include an assertion that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6a. Calculations must be sufficiently well documented to independently reproduce these data. Calculations should also provide a means to ensure consistency of data between reporting years.
- (4) **Reprogrammings or Transfers** – Further, each report shall include an assertion that the data presented are associated with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP’s approval of reprogrammings or transfers affecting drug-related resources in excess of \$1 million.
- (5) **Fund Control Notices** – Each report shall also include an assertion that the data presented are associated with obligations against a financial plan that fully complied with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 8 of the ONDCP Circular, *Budget Execution*.

7. Performance Summary Report. The CFO, or other accountable senior level senior executive, of each agency for which a Detailed Accounting Submission is required, shall provide a Performance Summary Report to the Director of National Drug Control Policy. Each report must include performance-related information for National Drug Control Program activities, and the official is required to make certain assertions regarding that information. The required elements of the report are detailed below.

- a. Performance Reporting-** The agency’s Performance Summary Report must include each of the following components:

- (1) **Performance Measures** – The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: reflect the purpose of the program; contribute to the National Drug Control Strategy; and are used in the management of the program. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.
 - (2) **Prior Years Performance Targets and Results** – For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recent fiscal year with the projected (target) levels of performance established in the agency’s annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency’s plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.
 - (3) **Current Year Performance Targets** – Each report must specify the performance targets established for National Drug Control Program activities in the agency’s performance budget for the current fiscal year and describe the methodology used to establish those targets.
 - (4) **Quality of Performance Data** – The agency must state the procedures used to ensure the performance data described in this report are accurate, complete, and unbiased in presentation and substance.
- (b) **Assertions** – Each report shall include a letter in which an accountable agency official makes the following assertions are made regarding the information presented in Section 7a:
- (1) **Performance reporting system is appropriate and applied** – The agency has a system to capture performance information accurately and that system was properly applied to generate the performance data.
 - (2) **Explanations for not meeting performance targets are reasonable** – An assertion shall be made regarding the reasonableness of any explanation offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets.

- (3) **Methodology to establish performance targets is reasonable and applied** – An assertion that the methodology described above to establish performance targets for the current year is reasonable given past performance and available resources.
- (4) **Adequate performance measures exist for all significant drug control activities** - Each Report shall include an assertion that the agency has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports required by section 6a(1)(A) for which a significant amount of obligations (\$1,000,000 or 50 percent of the agency drug budget, whichever is less) were incurred in the previous fiscal year. Each performance measure must consider the intended purpose of the National Drug Control Program activity.

The criteria associated with these assertions are as follows:

- (a) **Data** – If workload, participant, or other quantitative information supports these assertions, the sources of these data should be well documented. If these data are periodically collected, the data used in the report must be clearly identified and will be the most recently available.
- (b) **Other Estimation Methods** – If professional judgment or other estimation methods are used to make these assertions, the objectivity and strength of these estimation methods must be thoroughly explained and documented. These estimation methods should be subjected to periodic review to confirm their continued validity.
- (c) **Reporting Systems** – Reporting systems supporting the assertions should be current, reliable, and an integral part of the agency’s budget and management processes.

8. Inspector General Authentication. Each report defined in Sections 6 and 7 shall be provided to the agency’s Inspector General (IG) for the purpose of expressing a conclusion about the reliability of each assertion made in the report. ONDCP anticipates that this engagement will be an attestation review, consistent with the *Statements for Standards of Attestation Engagements*, promulgated by the American Institute of Certified Public Accountants.

9. Unreasonable Burden. Unless a detailed report, as specified in Section 6, is specifically requested by ONDCP, an agency or bureau included in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may submit through its CFO, or its accountable senior level executive, an alternative report to ONDCP, consisting of only the table highlighted in Section 6a., omitting all other disclosures. Such a report will be accompanied by statements from the CFO, or accountable senior level executive, and the agency IG attesting that full compliance with this Circular would constitute an unreasonable reporting burden. In those instances, obligations reported under this section will be considered as constituting the statutorily required detailed accounting, unless ONDCP notifies the agency that greater detail is required.

10. Point of Contact and Due Dates. Each agency CFO, or accountable senior level executive, shall transmit a Detailed Accounting Submission, consisting of the report(s) defined in Sections 6 and 7, along with the IG's authentication(s) defined in Section 8, to the attention of the Associate Director for Performance and Budget, Office of National Drug Control Policy, Washington, DC 20503. Detailed Accounting Submissions, with the accompanying IG authentication(s), are due to ONDCP by February 1 of each year. Agency management must submit reports to their Office of Inspector General (OIG) in sufficient time to allow for review and IG authentication under Section 8 of this Circular. ONDCP recommends a 31 December due date for agencies to provide their respective OIG with the required reports and information.

John P. Walters
Director

Tab F



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

April 7, 2011

Mr. Jon Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
750 17th St., NW
5th Floor
Washington, DC 20503

Dear Mr. Rice:

As requested, the U.S. Small Business Administration's (SBA) is providing the following response.

Drug Methodology Fiscal Year 2010

<u>Drug Function</u>	<u>Budget Decision Unit</u>
Prevention - \$1M	Education - \$1M

If you have any questions concerning this report, please contact Rachel Karton in SBA's Office of Small Business Development Centers at 202-619-1816.

We attest that full compliance with the ONDCP Circular would create an unreasonable burden on the SBA.

Antonio Doss
Associate Administrator
Small Business Development Centers

Jon Carver
Chief Financial Officer

Peg Gustafson
Inspector General



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

April 7, 2011

Mr. Jon Rice
Associate Director for Performance and Budget
Office of National Drug Control Policy
750 17th St., NW
5th 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 2010 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

PERFORMANCE INFORMATION

MEASURE 1: Number of Small Businesses Educated

Table 1¹

FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Goal	FY2010 Actual
2,731	2,280	1,550	1,500	1,332

- (a) Describe the measure. This measure reflects the number of small businesses that were educated by a Drug Free Workplace Program (DFWP) grantee. A purpose of the program is to educate as many small businesses as possible to make them aware of the benefits of implementing a DRWP for their business. If a business implements a DFWP, 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 for this program.
- (b) In 2007, the program started to collect outcome information on the following metrics from businesses that had a change in:

Employee Behaviors Improved^a	Business Costs Decreased
Absenteeism	Insurance Premiums
Tardiness	Damaged or stolen Property costs
Workplace Accidents	Productivity
Employee Turnover	

In Fiscal Year (FY) 2007 and FY 2008, the outcome information was collected and analyzed to determine the effects that the implementation of a DFWP has on small businesses. It showed that after the implementation of a DFWP 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 and FY 2010, after implementation of a DFWP, 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.

¹ While not required, ONDCP recommends agencies develop a graph to accompany information contained in the table.

- (c) 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 2²

FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Goal	FY 2010 Actual
453	363	375	170	465

- (a) Describe the measure. This measure reflects the number of small businesses that implemented a whole or partial DFWP. A purpose of the program is to encourage as many small businesses as possible to implement a DFWP for their business. If a business implements a DFWP, it is believed that there will be a decrease in absenteeism, workplace accidents, tardiness, damaged or stolen property and insurance premiums. It is also believed that productivity and moral will increase. The information is collected directly from the grantees. The grantees input their data into a database created just for this program.
- (b) The actual goal of FY 2010 was underestimated because the number of small businesses implementing a DFWP 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 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.

² While not required, ONDCP recommends agencies develop a graph to accompany information contained in the table.

II. RESOURCE SUMMARY

FY 2010 Drug Methodology	FY 2010 Final BA
Prevention and Education DFWP Grants	\$1M
Drug Resources Personnel	
Total FTEs (direct only)	0
Information	
Total Agency Budget*	\$729.4M
Drug Percentage	0.001371%

**Does not include Office of Disaster Assistance Program or the Office of the Inspector General.*

GRANTEE NAME	DATE	PO AMOUNT
Houston Council on Alcohol and Drug	9/16/10	\$250,000.00
Figment Group, Inc.	9/21/10	\$163,006.00
Advanced Behavioral Health, Inc.	9/23/10	\$176,511.00
Arkansas Occupational Health Clinic	9/16/10	\$160,000.00
Drug Free America Foundation	9/20/10	\$250,000.00
Total		\$999,517.00

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** – The goal for the number of Small Businesses Educated was not reached in FY 2010. It is difficult to predict the number of small businesses that will want education on a DFWP 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 Budget 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

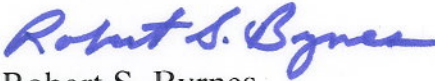
Washington, D.C. 20520

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 2010 Drug Control Funds and Related Performance Report. The Inspector General's attestation report is enclosed.

If you would like to address any questions associated with our submission, please call me on (202) 776-8750.

Sincerely,


Robert S. Byrnes

Enclosures:

- 1) Accounting and Authentication of FY 2010 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 17th Street, N.W.,
Washington, D.C. 20503



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

Independent Review of the U.S. Department of State
Accounting and Authentication of FY 2010 Drug
Control Funds and Related Performance Report
(AUD/FM-11-15)

The Office of Inspector General (OIG) has reviewed the accompanying management assertions included in the U.S. Department of State (Department) *Accounting and Authentication of FY 2010 Drug Control Funds and Related Performance Report*. This report was prepared by the Bureau of International Narcotics and Law Enforcement Affairs in accordance with the Office of National Drug Control Policy's (ONDCP) *Drug Control Accounting* circular, dated May 1, 2007. 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 OIG's review, nothing came to OIG's attention that caused it to believe that the management assertions included in the report were not fairly stated, in all material respects, based upon the ONDCP *Drug Control Accounting* circular.

This 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.

A handwritten signature in black ink, appearing to read "H. W. Geisel", written in a cursive style.

Harold W. Geisel
Deputy Inspector General

**U.S. Department of State
Bureau for International Narcotics and Law Enforcement Affairs**

**Accounting and Authentication of FY 2010 Drug Control Funds and Related
Performance Report**

Reference: ONDCP Circular: Drug Control Accounting (May 1, 2007)

SECTION 6 Reporting – Detailed Accounting Submission

The Department is providing a Detailed Accounting Submission on the drug control program obligations of the Bureau for International Narcotics and Law Enforcement Affairs (INL) in accordance with Section 6(a) of the ONDCP Circular, *Drug Control Accounting*. The Detailed Accounting Submission consists of this report which includes (a) a table highlighting prior year drug control obligations data, and (b) a narrative section making assertions regarding the prior year obligations data.

Section 6(a). Table of Prior Year Drug Control Obligations

The following table presents the obligations of the drug control budgetary resources appropriated and available in FY 2010 by Drug Control Function and Budget Decision Unit.

Bureau for International Narcotics and Law Enforcement Affairs

Drug Control Obligations (\$ in Millions):

	FY 2010 <u>Actual</u>
Drug Resources by Drug Control Function	
Interdiction	114.779
International	386.424
Total	<u>501.203</u>
Drug Resources by Decision Unit *	
International Narcotics Control and Law Enforcement (INCLE)	501.203
Andean Counterdrug Program (ACP)	0.000
Total	<u>501.203</u>
Drug Resources by Function and Decision Unit	
Interdiction: INCLE	114.779
Interdiction: ACP	0.000
International: INCLE	386.424
International: ACP	0.000
Total	<u>501.203</u>
Information	
Total Agency Budget	<u>2,778.660</u>

* Prior to FY 2010, INL reported drug control obligations under the Andean Counterdrug Program (ACP) and International Narcotics Control and Law Enforcement (INCLE) decision units. In FY 2010, the ACP appropriation was merged into the INCLE appropriation. This has resulted in only one decision unit (INCLE) in FY 2010.

Section 6(a)(1). Drug Methodology

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.

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. With the exception of Mexico, Central America, Afghanistan, and Pakistan (see *Section 6(a)(2) Methodology Modifications* below), only obligations recorded under the drug control point limitations and allotments are included in the drug control obligation figures in this report.

- (a) - **Obligations by Drug Control Function** - 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.

- (b) - **Obligations by Budget Decision Unit** - Prior to FY 2010, INL reported drug control obligations under the Andean Counterdrug Program (ACP) and International Narcotics Control and Law Enforcement (INCLE) decision units. In FY 2010, the ACP appropriation was merged into the INCLE appropriation. This has resulted in only one decision unit (INCLE) in FY 2010.

Section 6(a)(2). Methodology Modifications

In FY 2010, INL modified the drug control obligation methodology for Mexico, Central America, Afghanistan, and Pakistan. Since these programs now have a significant portion of their funding allocated to non-drug control programs (e.g. rule of law and anti-crime), using the financial data from the Department's accounting system by each program's appropriation point limitation and allotment does not distinguish how much is for drug control and how much is for non-drug control. For these programs, we reported only the obligations for the drug control projects using our project accounting ledgers and other supporting documentation as the primary data source. These obligations were reconciled with the obligation data in the accounting system.

Section 6(a)(3). Material Weaknesses or Other Findings

The Department's Independent Auditor (IA) issued an unqualified opinion for FY 2010 for all of the Department's principal financial statements, and cited no material weaknesses in internal controls. The Secretary issued an unqualified statement of assurance for internal control for the Department as a whole in the annual report submitted to OMB on November 15, 2010.

In relation to internal control over obligations, in their Report on Internal Control, the IA reported the Department's accounting and business processes to ensure budgetary transactions are properly recorded, monitored and reported as a significant deficiency. Several individual deficiencies contributed to this significant deficiency including the Department's management of unliquidated obligations (ULO), the timeliness and accuracy of recording obligations, and the existence of adequate supporting documentation for obligations. The IA found that regarding the significant deficiency over obligations, the conditions noted were not indicative of misuse or loss of funds but rather was indicative of 1) the timely deobligation of funds that will either remain available to the Department or will expire and be returned to Treasury at no loss to taxpayers, 2) the timely obligation of funds within the fiscal year, and 3) the lack of supporting documentation for low-value obligations. These conditions do not have any bearing on the classification of obligations as drug-related.

The Department will continue to work with the IA and the Office of the Inspector General to resolve these issues in FY 2011 and beyond.

Section 6(a)(4). Reprogrammings or Transfers

There were no reprogramming or transfers that affected FY 2010 drug-related budgetary resources.

Section 6(a)(5). Other Disclosures

There are no other disclosures to report.

Section 6(b) Assertions**Section 6(b)(1). Obligations by Budget Decision Unit**

I assert that obligations reported by budget decision unit are the actual obligations from the bureau's accounting system of record for these Budget Decision Units.

Section 6(b)(2). Drug Methodology

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.

Section 6(b)(3). Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6(a), that the calculations are sufficiently documented to independently reproduce these data, and the calculation provide a means to ensure consistency of data between reporting years.

Section 6(b)(4). Reprogrammings or Transfers

I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP and that there were no reprogrammings or transfers affecting drug-related resources.

Section 6(b)(5). Fund Control Notices

I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP. ONDCP did not issue any Fund Control Notices to the Department in FY 2010.

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

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 1

CY 2006 Actual	CY 2007 Actual	CY 2008 Actual	CY 2009 Actual	CY 2010 Target	CY 2010 Actual	CY 2011 Target
1,700 hectares	1,100 hectares	1,800 hectares	>1,000 hectares	<1,000 hectares	3,000 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?** It has become apparent over the past two years that this measure is a sentinel indicator of complex interrelated forces driving increased cultivation and trafficking, with the associated crime and violence.

CY 2010 Performance Results: The upcoming INCSR, still in draft, indicates troubling trends. The INCSR cites the 2010 UNODC survey (based on 2009 data), which shows increasing cultivation, estimated to be 3,000 to 4,000 hectares (survey available at <http://www.unodc.org/eastasiaandpacific/en/resources/publications.html>.) The

cultivation increases are widely thought to be due to several reasons: 1) expanding regional opium trafficking, 2) a domestic opium market shortage to meet the demand for some 16,000 remaining opium addicts, and 3) the lack of sustainable, viable income or crop alternatives to poppy cultivation in many poorer and remote parts of the north. Although this is still a reduction from historic highs, there has been a dramatic increase in regional illicit drug trafficking. During 2010, the territory of Laos continued to be used as a major “illicit drug transit” country by criminal trafficking gangs operating within Laos and from neighboring countries, particularly Burma, Thailand, Vietnam and China. In 2010, there was also a disturbing and hitherto unforeseen level of violent crime, often apparently related to drug trafficking by domestic and international networks, and apparent money laundering. In 2010, police reported a 2009 seizure of several tons of cold remedies (precursors to methamphetamine production).

CY 2011 Performance Target: Adjustment of the CY 2011 performance target will depend on a high level policy decision. However achieving less than a thousand hectares is not feasible within the confluence of economic and criminal trends.

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 Reports (PPR) for the specific countries. 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. CNC surveyed Phongsali Province in Laos, which is the main growing area in 2010 but data has not yet been released. Data also comes from the ONDCP annual survey, which is supported by the USG.
- **Methodology for Setting Targets and Reporting Results:** In order to achieve the goal of removing Laos from the Major’s List, embassy personnel have maintained the target in the Mission Performance Plan that Laos would cultivate less than 1,000 hectares of opium poppy by CY 2010. However that target will not be met. Policy makers will need to consider the

changing patterns and economics of cultivation and trafficking, as well as the continued internal demand when reviewing a target for future years.

- **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. Information is not yet available for 2010. 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.

Decision Unit 1: International Narcotics Control and Law Enforcement

Measure 2: Kilos of Illicit Narcotics Seized by Selected Host Governments in USG Assisted Areas in the Western Hemisphere

Table 2

CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2010-Actual	CY 2011 Target
63,600 kilos	97,792	72,500	incomplete CY results 80,730	76,800

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 2010 and reported results for 2009 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 a separate measure, eradication). Of these countries, Guatemala, Haiti, Nicaragua and Panama received assistance under the Merida Initiative (now Central America Regional Security Initiative for the Central American countries) in FY 2010. The current information in Department's Foreign Assistance Coordination and Tracking System (FACTS-Info) (1/13/2011) lacks seizure data for Argentina and Nicaragua. The Bahamas has been included with the Eastern Caribbean. The target for next year will include the Bahamas/Eastern Caribbean.

The Performance Plan and Report data, as available through 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. However, most host countries compile seizure data on a calendar year basis. In either case, the trends will likely remain the same. Although many of the figures are based on host-nation reporting, the 2010 International Narcotics Control Strategy Reports (INCSR) – to be released in March 2011 – 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.

CY 2010 Performance Results: The 2010 target was for seizures to reach 72,500 kilos in referenced countries representing programs in the Western Hemisphere. That total was exceeded. The total reported in the PPR is 80,730 kilos, representing incomplete totals for the calendar year, and absence of data for Argentina and Nicaragua. Complete data is not yet available.

CY 2011 Performance Target: The CY 2011 performance target is to seize 76,800 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 2010 Foreign Assistance Performance Plan and Report (PPR) (not yet available). 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 3:** Poppy Free Provinces (PFP) and Provinces Reducing Cultivation (PRC) in Afghanistan**Table 3**

CY 2008 Target	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2010 Actual	CY 2011 Target
7 PFP; 7 PRC	18 PFP; 12 PRC	8 PFP; 8 PRC	20 PFP; 7 PRC	27 total of PFP and PRC	20 PFP and 7 PRC for a total of 27	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 development 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 2010 Performance Results: The CY State and USAID long-term goal was to have 21 of Afghanistan's 34 provinces become either poppy-free or provinces reducing cultivation by 2010. Poppy cultivation remained stable in 2010, but opium production decreased due to a blight that affected high cultivation provinces. The United Nations Office on Drugs and Crime (UNODC) estimates that Afghanistan cultivated 123,000 hectares of opium poppy in 2010, the same as 2009. UNODC also estimates that Afghan opium poppy crops in 2010 yielded only 3,600 metric tons (MT) of raw opium, down 48 percent from 6,900 MT in 2009, due largely to the blight. Afghanistan maintained the levels achieved in 2009: achieving 20 poppy free provinces and 7 provinces reducing cultivation to less than 1,000 hectares. The target for CY 2011 has consequently been revised to maintain the 27 total provinces that have made progress in reducing cultivation, including both PFP and PRC.

CY 2011 Performance Target: The target for CY 2011 is to maintain the revised long term goal of having 27 of Afghanistan's 34 provinces having made progress, either becoming or maintaining PFP or PRC.

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 was 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 2010 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 1: International Narcotics Control and Law Enforcement

Measure 4: Hectares of coca eradicated in Bolivia, Colombia, and Peru. (formerly reported under the Andean Counterdrug Program decision unit)

Table 4

CY 2008 Target	CY 2008 Actual	CY 2009 Target	CY 2009 Actual	CY 2010 Target	CY 2010 partial Actual	CY 2011 Target
246,000 hectares	252,581 hectares	214,000 hectares	188,951 hectares	186,500 hectares	123,194 hectares	115,200 hectares

The "CY 2010 Achieved" data is as of late November 2010 from host-nation ports. Please note that partner countries report eradication on a calendar year basis, so totals are incomplete.

- **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 prior to 2008 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 2010 Performance Results: The three countries completed eradication for CY 2010. The long-term goal of 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 November 2010, but full results are only available after the end of the calendar year. The 2010 target was for eradication of a total of 186,500 hectares in Bolivia, Colombia, and Peru. Peru and Bolivia surpassed their targets. Aerial eradication in Colombia is reportedly on track to meet its target by the end of the year, but manual eradication has been hampered. In 2010, the Department supported efforts that eradicated over 105,078 hectares through aerial and manual eradication techniques despite a reduction in budget support. It is notable that manual eradication is a increasing as a component of the total. To a degree this reflects the success of the aerial eradication program as growers move to small scattered plots or burrow within national parks. 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.

FY 2011 Performance Target: The FY 2011 performance target is to eradicate 115,200 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

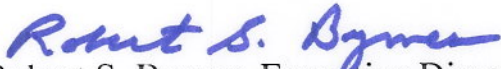
directly to the accuracy of the data. I can say that these third parties are experts in their fields and provide INL with actionable information.

I assert that 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. The two Drug Control Decision Units in INL, International Narcotics Control and Law Enforcement (INCLE) and the Andean Counter Drug Program (ACP), were merged in FY 2010. There are now four performance measures for INCLE: one for Africa and Asia, one for South and Central Asia, and two for the Western Hemisphere. 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 2010**

April 5, 2011

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, 2010. 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 2010 obligation and performance targets and results for fiscal year ended September 30, 2010 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

APR 5 2011

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

Dear Mr. Rice:

In accordance with the Office of National Drug Control Policy Circular, Drug Control Accounting, dated May 1, 2007, the United States Agency for International Development (USAID) is submitting its Accounting and Authentication of FY 2010 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) 567-5133.

Sincerely,

Cathy Collins
Acting 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 2010

Reference: ONDCP Circular: Drug Control Accounting (May 1, 2007)

6. Detailed Accounting Submission

6. a. Table of Prior Year Drug Control Obligations

Table 1 2010						
Agency for International Development						
Drug Control Obligations:						
						\$ In Millions
						FY 2010
						Actual
Drug Resources by Drug Control Function						
International						246.9
				Total		246.9
Drug Resources by Decision Unit						
Alternative Development and Alternative Livelihoods-Afghanistan						107.0
Alternative Development and Alternative Livelihoods-Andean Region						139.9
				Total		246.9
Drug Resources by Function and Decision Unit						
International-Alternative Development and Alternative Livelihoods-Afghanistan						107.0
International-Alternative Development and Alternative Livelihoods-Andean Region						139.9
				Total		246.9
Information						
Total Agency Budget*						15,855.0
Drug Related Percentage**						2%
* USAID 2010 Agency-wide Appropriations per 2010 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 2010 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 2010.

At the request of ONDCP we also report herein that during FY 2010 USAID obligated \$18.6 Million in the Andean Region from funds appropriated prior to FY 2010. 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 2010 has not been modified from the previous year, 2009.

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 2010

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 2010 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 2010.

The financial plan against which the obligations in Table 1, above, are associated is USAID's FY 2010 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 2010.

7. Performance Summary Report

Decision Unit: The Andean Region

ANDEAN PERFORMANCE SECTION OF THE FY 2010 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	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
1,166,253	1,327,598	1,572,053	1,639,142	1,423,230	1,770,112	1,512,500*

*This target may be adjusted during preparation of upcoming 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 or rehabilitated in an area, higher incomes from agricultural sales are generated, improving farmers' quality of life. Also, the amount of land available in that area for production of drug crops is reduced and successful ventures often motivate other producers to undertake similar investments in improving and/or expanding licit crops.

(2) Discuss performance results for FY 2010: Results surpassed targets in all four Andean Region countries in FY 2010. Extension of USAID/Colombia's alternative livelihoods program during the fiscal year resulted in an unexpected increase in results, particularly in hectares of coffee planted. In Ecuador, rising commodity prices led farmers to expand croplands planted in coffee and cacao. In Peru, USAID's program leveraged an opportunity to expand the number of agricultural hectares per family with existing beneficiaries, and incorporated new communities into the program during the last part of the fiscal year. In Bolivia, assistance led to increased hectares cultivated in crops including coffee, cocoa, annatto and mango.

(3) Discuss the appropriateness of the target for FY 2011: The FY 2011 target for this indicator is lower than the FY 2010 result. This reflects modest targets set for a number of Andean Region countries. For example, USAID/Colombia's current contracts for its alternative development program are coming to a close while new livelihoods activities are expected to start implementation during FY 2011. Hence, USAID/Colombia expects some degree of slowdown in results in FY 2011. At the time this report is being prepared, USAID's FY 2011 funding levels have not been established, and any funding reductions will require revision of the target.

(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, verified by implementation personnel. USAID project managers are responsible for visiting project sites to review the soundness of data collection methodologies. 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 performance data meets 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 and reports it to USAID's Office of South American Affairs in Washington. The Office of South American Affairs combines performance information from each of the four Andean countries for reporting to ONDCP. Targets are established by considering current and future estimated budgets, maintenance costs for ongoing activities, opportunities for new AD activities, and the plans of farmer groups or associations in alternative development project areas.

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	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
69,427	73,649	199,677	156,286	61,690	172,167	41,260*

*This target may be adjusted during preparation of upcoming 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 2010: Results exceeded targets in all four of the Andean Region countries in FY 2010, with results particularly higher than expected in Colombia. As noted in the narrative for Measure I, Colombia's alternative livelihood activities were extended during FY 2010, which resulted in an unexpected increase in new jobs created. In Bolivia, employment also exceeded estimated targets, mainly due to higher than anticipated sales and more than 150 infrastructure projects constructed under the program. USAID/ Ecuador's number of jobs created also substantially surpassed targets. In Ecuador, the expansion of crops such as coffee and cacao due to rising commodity prices in turn demanded more labor, as these crops are labor intensive. In Peru, the number of USG-assisted hectares was higher than expected, as described under Measure I.

(3) Discuss the appropriateness of the target for FY 2011: The FY 2011 target for this indicator reflects modest expectations relative to FY 2010 results. As explained under Measure I, USAID/Colombia's alternative development program expects reduced results based on the fact that current contracts are coming to a close while new livelihoods activities are expected to start implementation during FY 2011. USAID/Peru plans to assist a substantial area of licit crops in FY 2011; however, a large part of these hectares are perennial crops planted and assisted in previous years. Therefore the cumulative hectares for the program in Peru are expected to increase only slightly in FY 2011. In addition, at the time this report is being prepared, USAID's FY 2011 funding levels have not been established, and any funding reductions will require revision of the target.

(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. The Program Office transmits this data to USAID's Office of South American Affairs in Washington, which combines it with data from other Andean Region countries for reporting to ONDCP. 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.

Decision Unit: Afghanistan

AFGHANISTAN PERFORMANCE SECTION OF THE FY 2010 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.

Table 1: Measure I

FY2006 Actual	FY2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Planned	FY 2010 Actual	FY 2011 Planned
306,886	124,898	74,523	58,010	50,000	118,786	14,736*

*This target may be adjusted during preparation of upcoming Operational Plans.

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.

Precise Definition: Number of hectares devoted to licit agricultural and/or forest products that have been developed or expanded in areas receiving USG assistance (includes forest management and forestry plantation).

Discuss performance results for FY 2010: USAID exceeded its FY 2010 target despite decreased security and increased poppy cultivation in the South.

Discuss the appropriateness of the target for FY 2011: Given the experience of FY 2010 and continued tenuousness of the security situation in the South, a target of approximately 15,000 hectares for FY 2011 seems reasonable. Furthermore, several alternative development programs implemented by USAID are now focusing on short-term employment opportunities as alternatives to growing illicit agriculture products rather than increasing the hectares of available land (significant gains were already made in previous fiscal years). Moreover, several alternative development programs focus on developing the infrastructure, such as roads that improve access to markets, to increase income generation of local farmers.

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 issues 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 alternative development 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 alternative development 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.

Precise Definition: The number of people to whom significant knowledge or skills have been imparted through formal or informal means. This includes in-country and off-shore training, as well as knowledge or skills gained through technical assistance activities. If

the activity provided training to trainers, and if the reporting unit can make a credible estimate of follow-on training provided by those trainers, this estimate should be included. Individuals attending more than one training are counted as many times as they attend training.

FY2006 Actual	FY2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Planned	FY 2010 Actual	FY 2011 Planned
508,452	379,903	109,743	163,638	100,000	633,876	107,548*

*This target may be adjusted during preparation of upcoming Operational Plans.

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	FY 2010 Actual	FY 2011 Planned
7,900	81,805	21,179	22,077	89,702	22,077*

*This target may be adjusted during preparation of upcoming Operational Plans.

Number of families benefiting directly from U.S. Government interventions in Afghanistan.

FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Planned	FY 2010 Actual	FY 2011 Planned
NA	123,081	888,094	800,000	493,360	200,864*

*This target may be adjusted during preparation of upcoming Operational Plans.

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 2010: In FY 2010, there was a renewed emphasis on increasing the capacity of Afghan farmers and employment opportunities in the agriculture sector. Through major initiatives in FY 2010, such as AVIPA Plus, USAID greatly exceeded its FY 2010 targets because the primary focus of these initiatives was to develop the skills of Afghan farmers through short-term productivity trainings, which in turn increase the number of families benefiting from USAID alternative development activities. Furthermore, as result of these efforts and heavy USAID focus in providing alternative livelihoods in FY 2010, there was a significant increase in the number of people employed in the agriculture sector.

Discuss the appropriateness of the target for FY 2011: The sharp decline between the FY 2010 actual results and the targets for FY 2011 is due to the ending of major alternative development programs. USAID is in the process of developing and awarding

new alternative development programs to increase the livelihoods of Afghan farmers. As such, the FY 2011 targets are deemed appropriate.

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.

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 2010 DRUG CONTROL
FUNDS AND PERFORMANCE SUMMARY
REPORTING**

National Highway Traffic Safety Administration

Report Number: FI-2011-037

Date Issued: February 1, 2011



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, DC 20590

February 1, 2011

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 2010 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). Both reports are dated January 26, 2011. 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 complied with ONDCP Circular, Drug Control Accounting, requirements, dated May 1, 2007, 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. As this was a review, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on the accompanying report (Enclosure 1), NHTSA's Fiscal Year 2010 Drug Control Obligation Summary. In general, our work 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 obligations totaling approximately \$2.7 million identified in the report to the Department's accounting system. We also verified

that five major drug control obligations in the accounting system, totaling more than \$2.1 million, were supported by contracts.

During our review, no information came to our attention that the accompanying NHTSA Fiscal Year 2010 Drug Control Obligation Summary to ONDCP was not presented in conformity with the ONDCP Circular. Since NHTSA is reporting approximately \$2.7 million in drug control obligations, which is below the \$50 million threshold for full reporting required by 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 2010 Performance Summary Report, and management's assertions. NHTSA's fiscal year 2010 performance target was to design and develop procedures for a Case Control Study of the Crash Risk of Drug-Impaired Drivers. NHTSA reported that this performance target was achieved and the study implemented. For fiscal year 2011, NHTSA anticipates completing at least the first half of the study by collecting data from 1,250 crash-involved drivers and control data from another 2,500 non-crash-drivers at the same location one week later.

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 study plan, including the participant recruitment procedures and survey questionnaires; and data collection, handling, and processing procedures. In addition, we reviewed management's assertions and the contract supporting the fiscal year 2010 performance measures. During our review, no information came to our attention that the accompanying NHTSA Fiscal Year 2010 Performance Summary Report was not presented in conformity with the ONDCP Circular.

Sincerely,



Earl C. Hedges
Acting 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 26, 2011

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 2010 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:** Target met.
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) 366-0689, if further assistance is required.

Sincerely,



Gregory Walter
Senior Associate Administrator
Policy and Operations

Enclosure

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

**Performance Summary Report
Fiscal Year 2010**

(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.

In FY 2010, we completed the study design and planning, as anticipated, and implemented the study. Data collection is underway, with completion anticipated in September 2011. Response teams involving an on duty police officer and research team member are being fielded to respond to crashes 24 hours a day, seven days a week. The officer on the team handles the crash, while the research member collects breath, oral fluid and blood samples from the crash-involved driver. One week later, at the same time and location, the team stops motorists traveling in the same direction not involved in a crash to collect the same data.

(3) Current Performance Targets

<u>Selected Measures of Performance</u>	<u>FY 2008 Target</u>	<u>FY 2008 Achieved</u>
Roadside Survey of Alcohol and Drug Use Among Drivers		
Collect and analyze oral fluids and blood samples from randomly selected drivers in at least 300 locations across the U.S.	7,500 drivers	Over 9,000 drivers
<u>Selected Measures of Performance</u>	<u>FY 2009 Target</u>	<u>FY 2009 Achieved</u>
Study to Identify Methods and Technologies to Measure Drug Presence		
Develop and recommend methods for detecting the presence of major illegal drugs in drivers	Detection methods for at least 5 drugs	Technology not currently available.
<u>Selected Measures of Performance</u>	<u>FY 2010 Target</u>	<u>FY 2010 Achieved</u>
Case Control Study of the Crash Risk of Drug-Impaired Drivers		
Complete study planning	Develop study design and procedures	Study design completed and implemented

<u>Selected Measures of Performance</u>	<u>FY 2011 Target</u>	<u>FY 2011 Achieved</u>
Case Control Study of the Crash Risk of Drug-Impaired Drivers		
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 2010
Annual Accounting of Drug Control Funds
and Related Performance*

January 31, 2011

Reference Number: 2011-10-021

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.



HIGHLIGHTS

ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2010 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Highlights

Final Report issued on January 31, 2011

Highlights of Reference Number: 2011-10-021 to the Internal Revenue Service Chief Financial Officer and Chief, Criminal Investigation.

IMPACT ON TAXPAYERS

The Internal Revenue Service (IRS) reported that it expended \$61.3 million on Office of National Drug Control Policy (ONDCP)-related activities and participated in 405 ONDCP-related cases that resulted in convictions in Fiscal Year 2010. Based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report are not appropriately presented in all material respects in accordance with ONDCP-established criteria. Complete and reliable financial and performance information is critical to the IRS's ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

WHY TIGTA DID THE AUDIT

This review was conducted as required by the ONDCP and the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. The 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 (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.

WHAT TIGTA FOUND

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report are not appropriately presented in all material respects in accordance with ONDCP-established criteria. The IRS reported that it expended \$61.3 million on ONDCP-related activities and completed 788 ONDCP-related investigations in Fiscal Year 2010. The IRS also reported it participated in 405 ONDCP-related cases that resulted in convictions, with an 82.3 percent conviction rate.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations in the report. However, key IRS officials reviewed this report prior to its issuance and agreed with the facts and conclusions presented.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 31, 2011

MEMORANDUM FOR CHIEF FINANCIAL OFFICER
CHIEF, CRIMINAL INVESTIGATION

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 2010 Annual Accounting of Drug Control Funds and Related Performance (Audit # 201010021)

This report presents the results of our attestation review of the Internal Revenue Service’s Fiscal Year 2010 Office of National Drug Control Policy 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 included in our Fiscal Year 2011 Annual Audit Plan and addresses the major management challenge of Leveraging Data to Improve Program Effectiveness and Reduce Costs. The Treasury Inspector General for Tax Administration made no recommendations as a result of the work performed during this review. However, key Internal Revenue Service officials reviewed this report prior to its issuance and agreed with the facts and conclusions presented.

Copies of this report are also being sent to the Internal Revenue Service 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.



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
Drug Control Funds and Related Performance*

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 Office of National Drug Control Policy Detailed Accounting
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 Appendix II – Major Contributors to This Report Page 6

 Appendix III – Report Distribution List Page 7

 Appendix IV – Internal Revenue Service’s Fiscal Year 2010 Detailed
 Accounting Submission and Related Performance Summary Report Page 8



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
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Abbreviations

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



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
Drug Control Funds and Related Performance*

Background

The Anti-Drug Abuse Act of 1988¹ establishes as a policy goal the creation of a drug-free America. A key provision of the Act is the establishment of the Office of National Drug Control Policy (ONDCP) to set priorities, implement a national strategy, and certify Federal Government drug control budgets. The Internal Revenue Service (IRS) supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. The mission of Criminal Investigation 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 ONDCP² and the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. The National Drug Control Program agencies³ 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 were reimbursed by the Department of Justice.

This review was performed at the IRS Headquarters offices of the Chief Financial Officer and Chief, Criminal Investigation, in Washington, D.C., during the period August 2010 through January 2011. Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. In general, our review procedures were limited to inquiries and analytical procedures appropriate for an attestation review based upon

¹ Pub. L. No. 100-690, 102 Stat. 4181 (1988).

² 21 U.S.C. Section 1704(d) (1998).

³ 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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the criteria specified in the ONDCP Circular. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to this report are listed in Appendix II.



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
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Results of Review

Summary of the Attestation Review of the Fiscal Year 2010 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report

We reviewed the assertions in the IRS's ONDCP Detailed Accounting Submission and Performance Summary Report (the Report) for FY 2010, which ended September 30, 2010, (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 IRS reported that it expended \$61.3 million on ONDCP-related activities and completed 788 ONDCP-related investigations in FY 2010. For FY 2010, the IRS also reported it participated in 405 ONDCP-related cases that resulted in convictions, with an 82.3 percent conviction rate.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ONDCP Detailed Accounting Submission and Performance Summary Report. Accordingly, we do not express such an opinion.

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 any 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 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 appropriately presented in all material respects in accordance with ONDCP-established criteria.

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



*Attestation Review of the Internal Revenue Service's
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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's reporting of FY 2010 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 2010 Detailed Accounting Submission and Performance Summary Report.
 - A. Discussed the process used to record 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. Verified whether all drug-related activities are reflected in the drug methodology.
- 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 the mathematical accuracy of the obligations presented in the Table of FY 2010 Drug Control Obligations.
 - C. Traced the information contained in the Table of FY 2010 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.
 - B. Verified whether all drug-related activities are reflected in the performance information.



*Attestation Review of the Internal Revenue Service's
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- V. Performed sufficient verifications of reported performance information to support our conclusion on 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.



*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
Mary F. Herberger, Senior Auditor
Rashme Sawhney, Auditor



*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 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 SE:CI
 Chief Financial Officer OS:CFO



*Attestation Review of the Internal Revenue Service's
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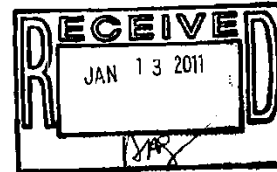
Appendix IV

*Internal Revenue Service's Fiscal Year 2010
Detailed Accounting Submission and
Related Performance Summary Report*



CHIEF FINANCIAL OFFICER

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



January 12, 2011

MEMORANDUM FOR MICHAEL PHILLIPS,
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: 
Gregory E. Kane
Acting, Chief Financial Officer

SUBJECT: Annual Accounting and Authentication of Fiscal Year (FY) 2010
Drug Control Funds, Related Performance and Assertion of
Performance Information

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 circular requires TIGTA to perform an attestation review before the IRS submits this document to the ONDCP. This resubmission reflects the changes to the report agreed upon at the January 5, 2011, conference call with the IRS Chief Financial Officer, Criminal Investigation, and TIGTA staff. 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 2010 Annual Accounting of
Drug Control Funds and Related Performance*

Attachment 1
January 7, 2011 (UPDATE)

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

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2010 Drug Control Obligations

Drug Resources by Function	(\$000)
Investigations	<u>\$61,305</u>
Total	\$61,305
Drug Resources by Decision Unit	
Narcotics Crimes	<u>\$61,305</u>
Total	\$61,305

1) Drug Methodology

- a) 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.
- b) 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 report only 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 2010 was 11.2 percent of total DIT. The OCDETF sub-component of this program was 10.4 percent of total DIT or 93 percent of the total narcotics DIT.

The methodology for computing the resources appropriated and realized for the OCDETF program is the application of the 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 FY 2006 ONDCP 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).



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
Drug Control Funds and Related Performance*

Attachment 1
January 7, 2011 (UPDATE)

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 the Criminal Investigation Management Information System (CIMIS) to the actual obligations from the CI realized 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 OCDETF sub-program area items is applied to the total resources expended for FY 2010 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.



*Attestation Review of the Internal Revenue Service's
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Attachment 1
January 7, 2011 (UPDATE)

b) Other Estimation Methods

None

c) Financial Systems

The IRS Integrated Financial System (IFS) is the final authority for the IRS resource obligations and yields data which fairly presents drug related obligation estimates.

3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the required table and 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, as applicable.

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



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
Drug Control Funds and Related Performance*

Attachment 1
January 7, 2011 (UPDATE)

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, discontinuance 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.

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 2006 through FY 2009 are shown below:

FY 2006	FY 2007	FY 2008	FY 2009
728	654	824	652

As a result of budgetary constraints, CI reduced its narcotics DIT (9 to 11 percent of total) in FY 2006 and FY 2007. 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 2010.



*Attestation Review of the Internal Revenue Service's
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January 5, 2011 (UPDATE)

FY 2009 OCDETF Targets & Performance	FY 2009 OCDETF Targets	Based on Status Date as of September 30, 2009
Investigations Completed	710	652
Convictions	460	462
Conviction Rate	85%	84.93%

c) Current Year Performance Targets and Results

Based on a recommendation from the FY 2008 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 2010 are shown below:

FY 2010 OCDETF Targets & Performance	FY 2010 OCDETF Targets	Based on Status Date as of November 02, 2010
Investigations Completed	680	788
Convictions	460	405
Conviction Rate	85%	82.3%

The conviction measure was met in the majority of CI Field Offices nationwide. Several factors impacted a few field offices resulting in the overall conviction measure being slightly under the targeted goal. The primary factor impacting convictions was an increased rate of United States Attorney charge dismissals with an initiative to clear fugitive pipeline cases being a primary contributing factor thereof.

The factors that impacted convictions and conviction rate results for FY 2010 should not affect the performance outcome for FY 2011.

d) Fiscal Year 2011 Performance Targets OCDETF Cases

Criminal Investigations Completed	680
Convictions	460
Conviction Rate	85%

e) Quality of Performance Data

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



*Attestation Review of the Internal Revenue Service's
Fiscal Year 2010 Annual Accounting of
Drug Control Funds and Related Performance*

Attachment 1
January 7, 2011 (UPDATE)

D. Annual Accounting and Authentication of Drug Control Funds and Related Performance

1) Performance Measures Assertions

a) Performance Reporting System is appropriate and applied

The IRS uses the CIMIS to capture performance information accurately and that system was properly applied to generate the performance data.

b) Explanations for not meeting performance targets are reasonable

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.

c) Methodology to establish performance targets is reasonable and applied

The methodology described in the Performance Summary Report for FY 2010 to establish performance targets for the current year is reasonable given past performance and available resources.

d) Adequate performance measures exist for all significant drug control activities

The IRS established at least one acceptable performance measure for each Drug Control Decision Unit identified in its Detailed Accounting of FY 2010 Drug Control Funds as required by section 6a(1)(A) for which a significant amount of obligations were incurred in the previous year.

2) Criteria for Assertions

a) Data

The sources of the data used are well documented and the data used in the report is clearly identified and is the most recent available.

b) Estimation Methods

Not applicable.

c) Reporting Systems

The reporting system supporting the above assertions is current, reliable, and an integral part of the agency's budget and management processes.

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Department of Veterans Affairs

*Independent Review of
VA's Fiscal Year 2010
Performance Summary*

*Report to the
Office of National
Drug Control Policy*

March 17, 2011
11-00314-123

To Report Suspected Wrongdoing in VA Programs and Operations:
Telephone: 1-800-488-8244
E-Mail: vaoighotline@va.gov
(Hotline Information: <http://www.va.gov/oig/contacts/hotline.asp>)

Tab J

**Department of
Veterans Affairs**

Memorandum

Date: March 9, 2011

From: Assistant Inspector General for Audits and Evaluations (52)

Subj: Final Report – Independent Review of VA’s Fiscal Year 2010 Performance Summary Report to the Office of National Drug Control Policy

To: Acting 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) 2010 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 reviewed whether VA has a system to capture performance information accurately and if that system was properly applied to generate the performance data reported in the Performance Summary Report. We 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. We also reviewed 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. Finally, we reviewed whether VA has established at least one acceptable performance measure for each Drug Control Decision Unit, as defined by the Circular, for which a significant amount of obligations were incurred.
3. Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination. The objective of an examination is the expression of an opinion on the matters described in paragraph two. Accordingly, we do not express such an opinion.

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 2010 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 Report 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

January 4, 2011

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

Dear Ms. Finn:

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

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

The Veterans Health Administration achieved its target performance goal for fiscal year (FY) 2010.

Sincerely,



Antonette Zeiss, PhD
Acting Deputy Chief Patient Care Services
Officer of Mental Health

Enclosure

Memorandum

Department of Veterans Affairs

Date: December 28, 2010

From: Chief Quality and Performance Officer

To: Assistant Inspector General for Audits and Evaluations (52)

Subj: Management Representation Letter for the Independent Review of the VA's
FY 2010 Performance Summary Report to the Office of National Drug
Control Policy (Project Number 2011-00314-R1-0011)

We are providing this letter in connection with your attestation review of our Performance Summary Report to the Director, Office of National Drug Control Policy (ONDCP). We confirm, to the best of our knowledge and belief, that the following representations made to you during your attestation review are accurate and pertain to the fiscal year ended September 30, 2010.

1. We confirm that we are responsible for and have made available to you the following:
 - a. The Performance Summary Report for FY 2010 required by the Circular;
 - b. All supporting records and related information and data relevant to the Continuity of Care performance measure within the FY 2010 Performance Summary Report; and
 - c. Communications, if any, from the ONDCP and other oversight bodies concerning the FY 2010 Performance Summary Report and information therein.
2. We confirm that the FY 2010 Performance Summary Report was prepared in accordance with the requirements and criteria of the Circular.
3. We understand your review was conducted in accordance with the 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 and accordingly, you will not express an opinion on the Performance Summary Report and related disclosures.

4. No events have occurred subsequent to September 30, 2010, that would have an effect on the Performance Summary Report and the information therein.



Joseph Francis, MD, MPH

**Department of Veterans Affairs
Veterans Health Administration
FY 2010 Performance Summary Report**

I. PERFORMANCE INFORMATION

Decision Unit 1: Veterans Health Administration

Measure 1: Continuity of Care

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
37%	44%	48%	52%	47%	52%	47%

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 2010, 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 semimonthly 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 2010 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 2010 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 and Performance in conjunction with the Office of Patient Care Services. The target set for FY 2011 is 47% and the reporting will continue as already established.

(4) **Adequate performance measures exist for all significant drug control activities.** VHA is measuring the identification and treatment of those having a SUD issue.

Performance

This section on FY 2010 performance is based on agency Government Performance and Results Act (GPRA) documents, an OMB assessment, and other agency information. VHA reports performance for two separate drug-related initiatives: (1) health care and (2) research and development. The table below includes target and achievement levels on performance measures for the most recent year. VHA's health care performance measure for ONDCP reporting purposes is "continuity of care" (i.e. the percent of patients who have *engaged* in SUD treatment as demonstrated by being seen for at least three visits in a month and who *persevere* in SUD treatment by being seen for at least two treatment sessions per each of the following three months.

VHA has in place a national system of performance monitoring that uses social, professional, and financial incentives to encourage facilities to provide the highest quality health care. This system has begun to incorporate performance measures related to substance use disorder treatment.

The dollars expended in VHA research help to acquire new knowledge to improve the prevention, diagnosis, and treatment of disease. These funds also generate new knowledge to improve the effectiveness, efficiency, accessibility, and quality of veterans' health care.

VHA Research currently supports a number of projects on drug and alcohol abuse. These include "Alcohol, Aging, and Brain Functions," "Alcohol Antagonists," "Impact of PTSD on Marijuana Use Treatment Outcome," and "Dysregulation of CNS Stress System in Acute Opioid Dependence/Withdrawal."

Performance Measures for Treatment and Research for FY 2010

	Target	Actual
» Percent of clients receiving appropriate continuity of care	47%	52%
Research and Development		
» Number of research studies related to substance use disorder	5	21
» Number of research studies related to alcohol abuse	5	46
» Number of research studies related to both substance use disorder and alcohol abuse	NA	14

Discussion of Current Program

In FY 2010, VHA provided services in a specialty SUD setting to 108,210 patients with a drug diagnosis. Of these, 46 percent used cocaine, 26 percent used opioids and 36 percent used cannabis. Seventy-five percent had co-existing psychiatric diagnoses. (These categories are not mutually exclusive.)

VA provides two types of 24-hour-a-day care to patients having particularly severe or acute substance use disorders. These include care in residential rehabilitation treatment programs for substance use disorders and inpatient detoxification in numerous medical and general mental health units.

Most Veterans with substance use disorders are treated in outpatient programs. Outpatient detoxification is available for patients who are medically stable and who have a sufficient social support system to monitor the patient. Intensive substance use disorder outpatient programs provide at least three hours of service per day and patients attend three or more days per week. Standard outpatient programs typically treat patients one or two hours per session and patients are generally seen once or twice a week.

VHA is steadily expanding the availability of opioid agonist treatment for opioid-dependent Veterans. VA operates methadone maintenance programs at 31 of its 139 facilities. At 23 VA facilities it maintains contractual arrangements for providing these services through community-based licensed opioid agonist treatment programs. Further, 118 VA facilities prescribed buprenorphine to VA patients in FY 2010 reflecting the growing availability of office-based opioid agonist treatment. In sum in FY 2010 121 of 139 VA facilities (87%) provided opiate agonist treatments in-house, through a contracted licensed opioid agonist treatment program or via office-based opioid agonist treatment in FY2010.

VA is also in the process of implementing initiatives to expand access to SUD treatment services. This has focused on hiring new substance use disorder specialists to work in a variety of VA health care settings. Eighty-six percent of the 406 additional SUD staff assigned to work in large community based outpatient clinics, mental health residential rehabilitation programs, intensive SUD outpatient programs and PTSD teams have now been hired or have a set date to begin work. Sixteen additional SUD specialist positions to support Health Care for Homeless Veterans program and 101 to support the VA-HUD initiative to provide housing to homeless Veterans were very recently funded and are in early stages of being filled.

VA is currently conducting a one-year demonstration study at 41 intensive outpatient substance use disorder treatment programs to anticipate and resolve issues that would surround system-wide employment of the Brief Addiction Monitor (BAM). The BAM is designed to assist SUD specialty care clinicians in monitoring the progress of patients while they are receiving care for a substance use disorder, serving as a basis for giving feedback to them to enhance their motivation for change, and informing clinical decisions, such as the intensity of care that a patient needs.

FY 2010 Q4

Volume 2

Clinical Measures

Specification Manual

Office of Quality and Performance (10Q)

June 9, 2010



Note: portions of the technical manual are FOIA protected therefore the Technical Manual is not for public distribution.

HSI 9i Substance Use Disorder – Continuity of Care

Mnemonic: sa5

Description: 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). 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. 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. 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. Available evidence supports the effectiveness of telephone follow-up for patients after they have stabilized during the initial weeks of outpatient treatment. 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, 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.

Summary of Quarterly changes

Indicator Statement/Description: 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

Eligible Population:

Catnum (#)/Cohort: Universe includes all Veterans with an SUD outpatient encounter or inpatient discharge from SUD specialty bed section in VHA.

Age (specify):

Acceptable care setting: Outpatient

Defining characteristics:

Table of relevant ICD-9/DSS codes:

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.
- All clinic visits, except those listed here are excluded from measure. Clinic visits to outpatient SUD clinic stop 513 SA-IND or 514 SA-Home or 519 SA/PTSD, 523 Opioid Substitution, 545 SA Telephone, or 547 intensive-SA TRT GRP, or 548 intensive-SA TRT IND or 560 SA GRP are included in this measure. See Table A below for discussion on the use of 545 Telephone, 514, SA HOME, 519 SA/PTSD and 523 Opioid Substitution. All other clinic visits, including non SUD clinic visits are not considered in this measure.
- Veterans seen in multiple facilities will be attributed to the facility where the last retention visit occurred in order to promote coordinated transitions between facilities.
 - If the Veteran is not seen in any substance abuse clinic in VHA during the 1st 30 days of the retention period, he fails the measure. The failure will be attributed to the facility where the ‘qualifying’ event occurred (i.e. where the 3rd visit occurred that qualified the Veteran as beginning a new episode of care or where the Veteran was discharged from inpatient SUD care).
 - If the Veteran is seen for a 1st retention visit in a substance abuse clinic during the 1st 30-day retention period but is not seen again, the patient fails the measure. The failure will be attributed to the facility where the first retention visit occurred.
 - If the patient passed the first 30-day retention interval requirement but failed to meet the 2nd 30-day retention interval requirement, the patient fails the measure and the failure is attributed to the facility where the latest retention visit occurred.

- o 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.

Methodology:

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.

Extraction: 100% from AITC database by OQP.

This table answers the question: Will these sources be used to contribute information for specified period/event

TABLE A Events / Data Source Use During Dormancy, Qualification, and Retention Determination			
	Dormant	Qualifying	Retention
SUD Clinic stops (513, 514, 519, 523, 545, 547, 548 and 560)	SUD clinic stops 513, 514, 519, 523, 545, 547, 548 and 560 are used to evaluate the dormant period. E.g. If the patient has and of these SUD clinic stops, they will be considered "NOT dormant" and do not newly qualify for the measure for at least 90 more days.	Only SUD clinic stops 513, 547, 548 and 560 will be used to qualify a Veteran. For example, if a Veteran has 3 visits in 30 days, he qualifies in the measure.	SUD clinic stops 513, 514, 519, 523, 545 [note exception during first 30 day retention period], 547, 548 and 560 will be used to determine retention compliance.
SA/Home 514	Yes. SA/Home clinic stop 514 will be used to evaluate the dormant period. For example, Pt is receiving SUD 'maintenance' care in a Grant & Per Diem program (514) so will 'show-up' in a search for 'dormant time' and 'count' as SUD visits, therefore the patient will not be 'dormant' if 514 visits are present.	No. 514 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 visits in 30 days with a 514 code. This workload will NOT be used to determine a 'qualifying' event. The patient will not be considered newly 'qualified' based on 514 workload.	Yes. 514 clinic stops will be used to determine retention compliance in all 3 retention periods
SA/PTSD 519	Yes. SA/PTSD clinic stop 519 will be used to evaluate the dormant period. For example, Pt is receiving SUD 'maintenance' care in a PTSD Outpatient clinic (519) so will 'show-up' in a search for 'dormant time' and 'count' as SUD visits, therefore the patient will not be 'dormant' if 519 visits are present.	No. 519 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 visits in 30 days with a 519 code. This workload will NOT be used to determine a 'qualifying' event. The patient will not be considered newly 'qualified' based on 519 workload.	Yes. 519 clinic stops will be used to determine retention compliance in all 3 retention periods
Opioid Substitution 523	Yes. Opioid Substitution clinic stop 523 will be used to evaluate the dormant period. For example, Pt is receiving SUD 'maintenance' care in a Opioid Substitution program (523) so will 'show-up' in a search for 'dormant time' and 'count' as SUD visits, therefore the patient will not be 'dormant' if 523 visits are present.	No. 523 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 visits in 30 days with a 523 code. This workload will NOT be used to determine a 'qualifying' event. The patient will not be considered newly 'qualified' based on 523 workload.	Yes. 523 clinic stops will be used to determine retention compliance in all 3 retention periods
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	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	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	Yes. If a patient was ADMITTED to a SUD Bed Section during the retention period, those data will be used

TABLE A Events / Data Source Use During Dormancy, Qualification, and Retention Determination			
	Dormant	Qualifying	Retention
calendar days	during the dormant period, it will not be considered 'dormant'.	previous qualifying track AND will re-qualify a patient with a new qualifying date.	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 ¹	No. SUD encounters provided on inpatients will NOT be used to evaluate for a dormant period. Therefore if a patient has received SUD consult while an inpatient (on any bed section), it will not be considered when evaluating for a dormant period. If the patient had ONLY inpatient encounters for 90 days, he will be considered as having a 'dormant' period.	No. SUD encounters provided on inpatients will NOT be used to evaluate for qualifying events	Yes. SUD encounters provided on inpatients will be used to evaluate retention compliance
Census on SUD bed section w/ LOS ≥ 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.

¹These 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](http://vaww1.va.gov/vhapublications/publications.cfm?pub=1) at <http://vaww1.va.gov/vhapublications/publications.cfm?pub=1> Attachment A

Measurement period:

Reporting: 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.

TABLE B: Substance Use Disorder Reporting Timelines and Workload Inclusion Information

EPRP Lagged Quarter	Months included in quarter = Patients completing their retention period in:	QQP 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 10	03/06/09 - 05/05/09	06/04/09 – 08/30/09	07/03/09-09/01/09	07/04/09 09/02/09	10/01/09 - 11/30/09
2	Oct, Nov, Dec, Jan, Feb	First Friday May 10	03/06/09 - 08/31/09	06/04/09 – 11/29/09	07/03/09 - 12/01/09	07/04/09– 12/02/09	10/01/09- 02/28/10
3	Oct, Nov, Dec, Jan, Feb, Mar, Apr, May	First Friday August 10	03/06/09 – 12/01/09	06/04/09- 02/28/10	07/03/09- 03/02/10	07/04/09– 03/03/10	10/01/09 - 05/31/10
4	Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug	Mid-October 10	03/06/09 - 03/02/10	06/04/09 – 05/31/10	07/03/09- 06/02/10	07/04/09- 06/03/10	10/01/09- 08/31/10

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>

Definitions (decision rule specific):

- 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 C - Events in Time

Event	Negative SUD Treatment History (Dormancy)	Qualification as New SUD Episode	Continuous Treatment Involvement (Retention Period) 90 Total Days				
Event Description	90 day period of no SUD treatment in the 90 days prior to the 1st outpatient qualifying event date	Inpatient or Outpatient Qualification Date = T	1st 30 days of retention	2nd 30 days of retention	3rd 30 days of retention		
Outpatient Qualified Events in Time	(T-90) minus 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
Inpatient Qualified Events in Time	None required for inpatient qualification	1st and only Qualifying event T = Date of any inpatient discharge or transfer from a SUD bed-section			2 SUD visits in period greater than T but not later than T+30	2 SUD visits in period greater than T+30 but not later than T+60	2 SUD visits in period greater than T+60 but not later than T+90

- Veterans beginning new SUD treatment episode: To qualify as a New SUD Outpatient Episode, two criteria must be met:
 - A 90-day Negative SUD outpatient or inpatient treatment history (no SUD outpatient visit/encounter, [513,514,519,523,545,547,548,560], 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 547 inter-SA TRT GRP, or 548 intensive-SA TRT IND or 560 SA GRP. Listed stops are included if paired with other stops as primary or secondary except when paired with smoking cessation 707. SUD Telephone visits (Stop Code 545) or 514 SA HOME or 519 SA/PTSD or 523 Opioid Substitution *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 generate 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:

- 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).
 - **Note:** Effective January 1, 2010, SARRTP beds will be assigned the new treating specialty code of #1M. The current SARRTP Treating Specialty Code # 27 will be discontinued at that time. Each SARRTP will be assigned a Domiciliary Suffix as outlined in Treating Specialty Codes Memorandum, MH RRTP Treating Specialty Code and Suffix Guidance and Suffix and Treating Specialty Code Assignments in the Technical Manual Vol. 3: References and Resources.

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:
 - LOS < 4 calendar days will have no effect on the measure.
 - LOS of 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.

**Department of
Veterans Affairs**

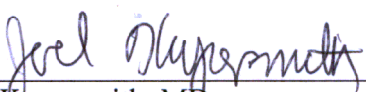
Memorandum

Date: January 7, 2011
From: Chief Research and Development Officer
Subj: Management Representation Letter for the Independent Review of the VA's FY 2010 Performance Summary Report to the Office of National Drug Control Policy (Project Number 2011-00314-R1-0011)
To: Assistant Inspector General for Audits and Evaluations (52)

We are providing this letter in connection with your attestation review of our Performance Summary Report to the Director, Office of National Drug Control Policy (ONDCP).

We confirm, to the best of our knowledge and belief, that the following representations made to you during your attestation review are accurate and pertain to the fiscal year ended September 30, 2010.

1. We confirm that we are responsible for and have made available to you the following:
 - a. The Performance Summary Report for FY 2010 required by the Circular;
 - b. All supporting records and related information and data relevant to the FY 2010 Performance Summary Report; and
 - c. Communications, if any, from the ONDCP and other oversight bodies concerning the FY 2010 Performance Summary Report and information therein.
2. We confirm that the FY 2010 Performance Summary Report was prepared in accordance with the requirements and criteria of the Circular.
3. We understand your review was conducted in accordance with the 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 and accordingly, you will not express an opinion on the Performance Summary Report and related disclosures.
4. No events have occurred subsequent to September 30, 2010, that would have an effect on the Performance Summary Report and the information therein.



Joel Kupersmith, MD
Chief Research and Development Officer

Office of Research and Development, Department of Veterans Affairs Fiscal Year 2010 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. In FY 2009, ORD funded 20 studies related to substance abuse disorder, 45 related to alcohol abuse, and 10 related to both.

Comparison of the most recent fiscal year to its target: The targets for FY 2010 were exceeded. See Table 1.

Target for the current fiscal year: Although the actual values (number of studies) exceeded the target for FY 2010, we have not increased the target for FY 2011. 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 Actual	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target
Number of ongoing research studies related to substance abuse disorder	17	20	5	21	5
Number of ongoing research studies related to alcohol abuse	38	45	5	46	5
Number of ongoing research studies related to both substance abuse disorder and alcohol abuse	14	10		14	

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. The capability to submit Career Development proposals electronically via eRA Commons was in place near the end of FY 2010, but none of the projects that were funded in FY 2010 were submitted using that mechanism. For FY 2010 these proposals were tracked via spreadsheets and uploaded into RAFT manually (HSR&D and RR&D) or electronically (BLR&D and CSR&D).

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. 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 2010, 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.² 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.³
 - (3) **Material Weaknesses or Other Findings** – Any material weakness or other findings by independent sources, or other known weaknesses, including those identified in the

² 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.

³ For changes that did not receive prior approval, the agency or bureau shall submit such changes to ONDCP for approval under separate cover.

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:
 - (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.

Appendix A 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



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

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 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.¹ Such table shall present obligations by Drug Control Function and Budget Decision Unit, as these categories are displayed for the agency or bureau in the *National Drug Control Strategy Budget Summary*. Further, this table shall be accompanied by the following disclosures:

(1) **Drug Methodology** – The drug methodology shall be specified in a separate exhibit. For obligations calculated pursuant to a drug methodology, this presentation shall include sufficient detail to explain fully the derivation of all obligations data presented in the table.

(a) **Obligations by Drug Control Function** – All bureaus employ a drug methodology to report obligations by Drug Control Function.

(b) **Obligations by Budget Decision Unit** – For certain multi-mission bureaus – Customs and Border Protection (CBP), Coast Guard, Immigration and Customs Enforcement (ICE), Indian Health Service (IHS), Bureau of Indian Affairs (BIA), and the Veterans Health Administration (VHA) – obligations reported by Budget

¹Consistent with reporting requirements of the ONDCP Circular, *Budget Formulation*, dated May 1, 2007, resources received from the following accounts are excluded from obligation estimates: (1) ONDCP – High Intensity Drug Trafficking Areas (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.

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.²
 - (3) **Material Weaknesses or Other Findings** – Any material weakness or other findings by independent sources, or other known weaknesses, including those identified in the Agency’s Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations data, shall be highlighted. This may be accomplished by either providing a brief written summary, or by referencing and attaching relevant portions of existing assurance reports. For each material weakness or other finding, corrective actions currently underway or contemplated shall be identified.
 - (4) **Reprogrammings or Transfers** – All prior year reprogrammings or transfers that affected drug-related budgetary resources shall be identified; for each such reprogramming or transfer, the effect on drug-related obligations reported in the table required by this section also shall be identified.
 - (5) **Other Disclosures** – Agencies may make such other disclosures as they feel are necessary to clarify any issues regarding the data reported under this circular.
- b. **Assertions** – At a minimum, each report shall include a narrative section where the following assertions are made regarding the obligation data presented in the table required by Section 6a:
- (1) **Obligations by Budget Decision Unit** – With the exception of the multi-mission bureaus noted in Section 6a(1)(b), reports under this section shall include an assertion that obligations reported by budget decision unit are the actual obligations from the bureau’s accounting system of record for these Budget Decision Units.
 - (2) **Drug Methodology** – An assertion shall be made regarding the reasonableness and accuracy of the drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit for the

²For changes that did not receive prior approval, the agency or bureau shall submit such changes to ONDCP for approval under separate cover.

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:

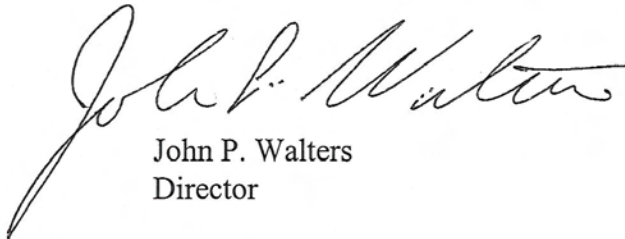
- (a) **Data** – If workload, participant, or other quantitative information supports these assertions, the sources of these data should be well documented. If these data are periodically collected, the data used in the report must be clearly identified and will be the most recently available.
- (b) **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 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