



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, DC 20240

NOV 10 2009

## Memorandum

To: Grayford Payne  
Chief Financial Officer — Indian Affairs

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

Subject: Office of Inspector General's Independent Report on the "ONDCP [Office of National Drug Control Policy] Performance Summary Report — BIA" (Report No. ER-IN-BIA-0014-2009)

The Office of Inspector General (OIG) reviewed the assertions in the subject report (attachment) dated August 17, 2009 (Report). The ONDCP Circular: Drug Control Accounting dated May 1, 2007 requires the Report. Bureau of Indian Affairs (BIA) management is responsible for the Report and the assertions made within it. We provided a draft of this report to BIA management on September 8, 2009. BIA did not provide a response to the draft report; consequently, we are issuing the report in final without management comments.

We performed our review in accordance with generally accepted government auditing standards applicable to attestations that incorporate American Institute of Certified Public Accountants attestation standards. Our procedures were limited to inquiries and analysis appropriate for a review engagement, which is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we have reservations regarding management's assertions that "performance reporting systems are appropriate and applied" and that the "methodology to establish performance targets is reasonable and applied." We do not have reservations regarding management assertions that "explanations for not meeting performance targets are reasonable" and "adequate performance measures exist for all significant drug control activities." We found that BIA did not have sufficient controls to provide reasonable assurance that the reported performance information is complete and accurate. Without accurate current and past performance information, it is not possible to set future performance targets that are reasonable.

Specifically, we found problems with all three performance measures in the Report. Performance measure 1, percentage increase of certified drug officers, is based upon information on 1) the number of officers trained provided by the Indian Police Academy and

2) statistics on the number of officers employed provided by tribal and agency police units. We found problems with both components of the measure in that BIA:

- could not identify the source of the original number of officers employed and had to change the denominator from 3,139 to 2,805 after we asked for support, and
- included individuals scheduled to attend a class who had not actually attended, which overstated by four the number of officers trained.

Further, BIA's calculation of the percentage of certified drug officers did not take into account officers who were trained and are no longer with the tribe or agency, or officers trained more than once. These two factors could lead to overstatement of the percentage; they would have little, if any, impact, however, on the FY 2008 numbers because the drug training program is fairly new.

Performance measures 2 and 3 are new for fiscal year (FY) 2008 and are based upon information entered by tribes and agencies into the Office of Law Enforcement Crime Statistic Reporting Application. In analyzing the supporting detail for grams of drugs seized (measure 2) and number of drug cases opened (measure 3) by month and agency or tribe, we found that no data were reported for these measures for the first quarter of FY 2008. BIA officials explained that information might not have been reported for the first quarter because these were new measures. In addition, they stated that they have had difficulties getting tribes to report complete and timely information. Past OIG reviews have also identified problems with complete and timely reporting. While BIA has existing controls on verification of entered data, no controls are in place to ensure complete and timely submission of that data.

In addition, BIA may be overstating the degree of review of the performance data system. BIA states in the Report that "this data system has undergone 2 years of extensive review by the KPMG auditors and was found to be a sound system that provides for the validation and verification of data from the field with certification by headquarters associate directors for accuracy." According to the manager involved, the KPMG review was limited, especially for the last 2 years. As previously stated, it is impossible to establish reasonable performance targets without reliable current performance information.

We also noted differences between the targets reported in the Report and those reported elsewhere that raise questions about target establishment. Specifically, the performance targets for FY 2009 in the Report do not agree with those in BIA's FY 2010 Budget Justification. BIA attributed the disparity to timing differences but was unable to provide specific explanations for significant differences. For example, the target increase in grams of drugs seized was 54 percent in the Budget Justification but only 10 percent in the Performance Summary Report.

Finally, BIA did not provide us with either the Performance Summary Report (PSR) or supporting information in time to meet the reporting deadline of February 1<sup>st</sup>. In order to meet this deadline in the future, BIA should provide us with the information by December 31<sup>st</sup> of each year or earlier, as the Circular recommends.

Except for the matters discussed above relating to management's assertions that performance reporting systems are appropriate and applied" and that the "methodology to establish performance targets is reasonable and applied," nothing caused us to believe that the other management assertions, contained in the accompanying Performance Summary Report, are not fairly stated in all material respects, based upon the ONDCP Circular: Drug Control Accounting dated May 1, 2007.

## **Recommendations**

To improve the quality and timeliness of future Performance Summary Reports, we recommend that the BIA Director ensure that the Office of Justice Services (OJS):

1. Implements proper procedures to accurately track and report training information;
2. Provides the PSR and supporting information to the OIG in sufficient time (Dec. 31 of each year or earlier) to meet the reporting deadline; and
3. Continues to work with tribes and agencies to improve the reliability and timeliness of reporting performance information. In conjunction with this, OJS should:
  - a. have tribes and agencies complete a report for each month whether or not they have related activity;
  - b. monitor whether tribes and agencies are reporting in a timely manner; and
  - c. provide training and instruction on use of the reporting system.
4. Reviews on a test basis the accuracy of support for reported information.

Please provide this office a written response to this report within thirty days. Your response should state concurrence or nonconcurrence with the findings and recommendations, including specific reasons for any nonconcurrence.

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

Attachment (1)



## ONDCP Performance Summary Report -- BIA

### Measure 1: Increase the percentage of certified drug officers.

2005	2006	2007	2008	2008	2009
Actual	Actual	Actual	Target	Actual	Target
UNK	.003% (8/2353)	0.47% (11/2353)	6% (200/2805)	8% (217/2805)	15% (417/2805)

This measure tracks the Bureau's efforts to train patrol officers to allow them to be better prepared to assist the drug enforcement officers in drug related investigations and arrests. In FY 2008, the BIA exceeded it's goal target and trained 217 patrol officers in basic drug training and in FY 2009 BIA expects to expand that training to an additional 200 officers. Of those 217 officers that received basic training in FY 2008, those that show an interest and dedication in the area of drug investigations will be provided the opportunity in FY 2009 to further enhance their education and investigative capabilities through Advanced Drug training as well as Field Training Agent (FTA) training.

Official training records are maintained at the Indian Police Academy and summarized within an Excel spreadsheet and reported to the Drug Enforcement Division on an annual basis. Submissions are reviewed and verified by the Chief, Indian Police Academy and forwarded to the National Drug Coordinator for validation, who then forwards to the Strategic Planning Officer, Central Office OJS for inclusion in the quarterly performance report.

### Measure 2: Increase in the amount of grams of various drugs seized.

2005	2006	2007	2008	2008	2009
Actual	Actual	Actual	Target	Actual	Target
N/A	N/A	N/A	Establish Baseline	Baseline Established 1,994 grams seized	10% 199g/1994g

This measure was developed in FY 2008 to track the increase in drugs seized as compared to the number of increased drug agents and drug trained patrol officers. A baseline of 1,994 grams of various drugs seized in FY 2008 was established and the Bureau expects to be able to increase the amount seized by 10% with the continued hiring of drug agents, trained officers, and implementation of the new Drug Enforcement Division within the Office of Justice Services.

The Office of Justice Services (OJS) uses an automated data database to gather monthly drug statistics, including the amount of drugs seized. Data is entered at the field level by drug agents and law enforcement agencies. Additionally, tribal programs that are involved in the equipment loan program provide monthly statistics to the Central Drug Enforcement Office for input in to the system. Information submitted within the system is first entered and verified by the Deputy Drug Officers and then is reviewed a second time by the Associate Director for Drug Enforcement where it receives final approval before use at the Headquarters Office for quarterly reporting.



### Measure 3: Percent increase in the number of drug cases worked.

2005 Actual	2006 Actual	2007 Actual	2008 Target	2008 Actual	2009 Target
N/A	N/A	20 Cases worked	New measure No target	425% 105/20	40% 42/105

This measure was developed in FY 2008 to track the increase in the number of cases worked in FY 2007 as compared to the number of cases worked in FY 2008 with the development and implementation of the new Drug Enforcement Division. In FY 2008, the Bureau realized a 425% increase in the number of cases worked with the initial influx of 12 agents. The Bureau expects to be able to further increase this amount in FY 2009 with full staffing of 30 agents and the additional trained patrol officers.

The Office of Justice Services (OJS) uses an automated data database to gather monthly drug statistics, including the number of drug cases worked. Data is entered at the field level by drug agents and law enforcement agencies. Additionally, tribal programs that are involved in the equipment loan program provide monthly statistics to the Central Drug Enforcement Office for input in to the system. Information submitted within the system is first entered and verified by the Deputy Drug Officers and then is reviewed a second time by the Associate Director for Drug Enforcement where it receives final approval before use at the Headquarters Office for quarterly reporting.

### III. MANAGEMENT ASSERTIONS

1. **Performance reporting systems are appropriate and applied** – The agency has a system to capture performance information accurately. This data system has undergone 2 years of extensive review by the KPMG auditors and was found to be a sound system that provides for the validation and verification of data from the field with certification by headquarters associate directors for accuracy. FY 2008 was the first year of capturing data for these measures and the Lotus Notes System was modified in October 2008 to capture the drug information. This system will be used for 2009 and out year reporting and is properly applied to generate the performance data. The records on drug training are maintained by the Indian Police Academy and reported at year end.
2. **Explanations for not meeting performance targets are reasonable** – With the exception of the measure on certified drug officers which exceeded it's target, the other drug goals were newly established in FY 2008 to allow for better tracking of drug funding. Each of these measures achieved reasonable performance levels in FY 2008.
3. **Methodology to establish performance targets is reasonable and applied** – The performance targets for the current year are reasonable and were established based upon past performance and what can be achieved within available resources.
4. **Adequate performance measures exist for all significant drug control activities** – The agency has established two additional, acceptable performance measures to adequately cover each of the decision units. Each measure considers the intended purpose of the NDCP activity.

  
Director, Bureau of Indian Affairs

8/17/09  
Date