

2024 COMPLIANCE REVIEW REPORT

APRIL 2024

THE WHITE HOUSE
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY





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Introduction

Background

This Summary presents for Congress the *2024 Compliance Review Report*. This report consists of Detailed Accounting Reports (DAR) and Budget Formulation Compliance Reports (BFCR) prepared by the National Drug Control Program agencies (NDCPA).

The DAR is required pursuant to 21 U.S.C. § 1704(d)(1)-(2)¹:

(d) Accounting of funds expended

(1) In general: Not later than February 1 of each year, in accordance with guidance issued by the Director, the head of each National Drug Control Program agency shall submit to the Director a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous fiscal year and shall ensure such detailed accounting is authenticated for the previous fiscal year by the Inspector General for such agency prior to the submission to the Director as frequently as determined by the Inspector General but not less frequently than every 3 years.

(2) Submission to Congress: The Director shall submit to Congress not later than April 1 of each year the information submitted to the Director under paragraph (1).

In assessing reliability, ONDCP anticipates each Office of Inspector General (OIG) will conduct an attestation review consistent with the *Statements for Standards of Attestation Engagements*, promulgated by the American Institute of Certified Public Accountants.² An attestation review is more limited in scope than a standard financial 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 financial reporting and to provide negative assurance. Negative assurance, based on the criteria established by ONDCP guidance, 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. Table 1 provides the years in which OIG conducted authentication reviews of National Drug Control Program agency reports.

ONDCP guidance³ permits an agency to request an "Unreasonable Burden Exception," if the drug-related obligation is less than \$50 million. 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 DAR and BFCR. An agency or bureau submitting an Alternative DAR shall provide the drug control funding obligations information required under Section 7.a. and

1 The full text of the law is available at <https://www.law.cornell.edu/uscode/text/21/1704>

2 Consistent with the requirements of 21 U.S.C. § 1704(d)(1), the Inspector General shall determine the frequency with which to conduct an attestation review of accounting reports, but such reviews shall be conducted not less frequently than every 3 years.

3 *ONDCP Circular: National Drug Control Program Agency Compliance Reviews*. September 9, 2021.



the assertions required under Section 7.b of the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews*.

For this reporting period, and consistent with 21 U.S.C. § 1704(d)(1), the OIGs from the Department of Defense (DoD), Department of Health and Human Services (HHS), Department of Homeland Security (DHS), and the Department of Justice (DoJ) elected to conduct an attestation review for the fiscal year ending September 30, 2023.

Department Compliance and Attestation Reviews

Provided below is Inspector General Authentication Review Conducted table (Table 1) and a Summary Table of Agency Compliance (Table 2) for each agency's report. This section describes each agency's compliance with 21 U.S.C. § 1704(d)(1). Where there were compliance issues or material weaknesses identified, ONDCP will work as noted with the agency to address prior to the submission of next year's reports.



Table 1: Inspector General Authentication Review Conducted¹

	2022 Compliance Report	2023 Compliance Report	2024 Compliance Report
Department of Agriculture			
Office of Rural Development	No ²	No ²	No ²
US Forest Service	No ²	No ²	No ²
AmeriCorps			
	No ²	No ²	No ²
Appalachian Regional Commission			
	--- ³	No	No ²
Court Services and Offender Supervision Agency			
	No ²	No ²	No ²
Department of Defense			
UnderSecretary for Defense (USD) (Policy)/DASD (CN&SP)	No	Yes	No
USD (Policy)/Defense Security Cooperation Agency	No	Yes	No
USD(Personnel and Readiness)/Defense Health	No	Yes	No
Department of Education			
Office of Elementary and Secondary Education	Yes	No ²	No ²
Department of Health and Human Services			
Administration for Children and Families	No ²	No ²	No ²
Centers for Disease Control and Prevention	No	Yes	No
Centers of Medicare and Medicaid Services	Yes	Yes	No
Food and Drug Administration	Yes	Yes	No
Health Resources and Service Administration	No	No	No
Indian Health Service	No	No	No
National Institutes of Health - NIDA/NIAAA	No	Yes	No
Substance Abuse and Mental Health Services Administration	No	No	Yes
Department of Housing and Urban Development			
Community Planning and Development	No ²	No ²	No ²
Department of Homeland Security			
Customs and Border Protection	Yes	No	Yes
Federal Emergency Management Agency	No ²	No ²	No ²
Federal Law Enforcement Training Center	Yes	No	Yes
Immigration and Customs Enforcement	Yes	Yes	Yes
United States Coast Guard	Yes	No	No
Science and Technology Directorate	No	No	No
Department of the Interior			
Bureau of Indian Affairs	No ²	No ²	No ²
Bureau of Land Management	No ²	No ²	No ²
National Park Service	No ²	No ²	No ²



	2022 Compliance Report	2023 Compliance Report	2024 Compliance Report
Department of Justice			
Asset Forfeiture Fund	Yes	Yes	Yes
Bureau of Prisons	Yes	Yes	Yes
Criminal Division	Yes	Yes	Yes
Drug Enforcement Administration	Yes	Yes	Yes
Organized Crime Drug Enforcement Task Forces	Yes	Yes	Yes
Office of Justice Programs	Yes	Yes	Yes
U.S. Attorneys	Yes	Yes	Yes
U.S. Marshals Service	Yes	Yes	Yes
Federal Bureau of Investigation	Yes	Yes	Yes
Bureau of Alcohol, Tobacco, Firearms and Explosives	Yes	Yes	Yes
Department of Labor			
Employment and Training Administration	No ²	No ²	No ²
Office of Workers' Compensation Programs	No ²	No ²	No ²
Office of Disability Employment Policy	No ²	No ²	No ²
Employee Benefits Security Administration	No ²	No ²	No ²
Office of Inspector General	No ²	No ²	No ²
Department of State			
Bureau of International Narcotics and Law Enforcement Affairs	Yes	Yes	Yes
United States Agency for International Development	Yes	Yes	Yes
Department of Transportation			
National Highway Traffic Safety Administration	No ²	No ²	No ²
Federal Aviation Administration	No ²	No ²	No ²
Department of the Treasury			
Internal Revenue Service	Yes	No	No
FinCEN	No ²	No ²	No ²
OFAC	No ²	No ²	No ²
Department of Veterans Affairs	No	Yes	No
United States Postal Inspection Service	No	No	No
¹ Calendar year the Compliance Report is submitted in compliance with 21 U.S.C. § 1704(d). ² Unreasonable Burden Exception granted consistent with ONDCP Circular: National Drug Control Program Agency Compliance Reviews Section 8.d. ³ Not a National Drug Control Program Agency. ⁴ Agency does not have an Office of Inspector General or function to review and express a conclusion on the reliability of compliance report assertions made in its report.			



Table 2: Summary Table of Agency Compliance

	Budget Formulation Compliance		Detailed Accounting Report		OIG Authentication		
	Budget Information	Management Assertions	Accounting Information	Management Assertions	OIG Review of Compliance Reports	OIG Determination of BFR Assertions	OIG Determination of DAR Assertions
Department of Agriculture							
Office of Rural Development	Full	Full	Full	Full	No	Not Required	Not Required
US Forest Service	Full	Full	Full	Full	No	Not Required	Not Required
AmeriCorps	Full	Full	Full	Full	No	Not Required	Not Required
Appalachian Regional Commission	Full	Full	Full	Full	No	Not Required	Not Required
Court Services and Offender Supervision Agency	Full	Full	Full	Full	No	Not Required	Not Required
Department of Defense							
UnderSecretary for Defense (USD) (Policy)/DASD (CN&SP)	Not Required	Full	Full	Full	No	Not Required	Reasonable
USD (Policy)/Defense Security Cooperation Agency	Not Required	Full	Full	Full	No	Not Required	Reasonable
USD(Personnel and Readiness)/Defense Health	Not Required	Full	Full	Full	No	Not Required	Reasonable
Department of Education							
Office of Elementary and Secondary Education	Full	Full	Full	Full	No	Not Required	Not Required
Department of Health and Human Services							
Administration for Children and Families	Full	Full	Full	Full	No	Not Required	Not Required
Centers for Disease Control and Prevention	Full	Full	Medium	Full	No	Not Required	Not Required
Centers of Medicare and Medicaid Services	Medium	Full	Full	Full	No	Not Required	Not Required
Food and Drug Administration	Full	Full	Full	Full	No	Not Required	Not Required
Health Resources and Service Administration	Full	Full	Full	Full	No	Not Required	Not Required
Indian Health Service	Low	Noncompliant	Full	Full	No	Not Required	Not Required
National Institutes of Health - NIDA/NIAAA	Full	Full	Full	Full	No	Not Required	Reasonable
Administration	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Department of Housing and Urban Development							
Community Planning and Development	Full	Full	Full	Full	No	Reasonable	Reasonable
Department of Homeland Security							
Customs and Border Protection	Full	Full	Full	Full	Yes	Reasonable	Can't Determine
Federal Emergency Management Agency	Full	Full	Full	Full	No	Not Required	Not Required
Federal Law Enforcement Training Center	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Immigration and Customs Enforcement	Full	Full	Full	Full	Yes	Reasonable	Reasonable
United States Coast Guard	Full	Full	Full	Full	No	Not Required	Not Required
Science and Technology Directorate	Medium	Full	Full	Full	No	No	No
Department of the Interior							
Bureau of Indian Affairs	Full	Full	Full	Full	No	Not Required	Not Required
Bureau of Land Management	Full	Full	Full	Full	No	Not Required	Not Required
National Park Service	Full	Full	Full	Full	No	Not Required	Not Required
Department of Justice							
Asset Forfeiture Fund	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Bureau of Prisons	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Criminal Division	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Drug Enforcement Administration	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Organized Crime Drug Enforcement Task Forces	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Office of Justice Programs	Full	Full	Full	Full	Yes	Reasonable	Reasonable
U.S. Attorneys	Full	Full	Full	Full	Yes	Reasonable	Reasonable
U.S. Marshals Service	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Federal Bureau of Investigation	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Bureau of Alcohol, Tobacco, Firearms and Explosives	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Department of Labor							
Employment and Training Administration	Full	Full	Full	Full	No	Not Required	Not Required
Office of Workers' Compensation Programs	Full	Full	Full	Full	No	Not Required	Not Required
Office of Disability Employment Policy	Full	Full	Full	Full	No	Not Required	Not Required
Employee Benefits Security Administration	Full	Full	Full	Full	No	Not Required	Not Required
Office of Inspector General	Full	Full	Full	Full	No	Not Required	Not Required



	Budget Formulation Compliance		Detailed Accounting Report		OIG Authentication		
	Budget Information	Management Assertions	Accounting Information	Management Assertions	OIG Review of Compliance Reports	OIG Determination of BFR Assertions	OIG Determination of DAR Assertions
Department of State							
Bureau of Int'l Narcotics and Law Enforcement Affairs	Full	Full	Full	Full	Yes	Reasonable	Reasonable
United States Agency for International Development	Full	Full	Full	Full	Yes	Reasonable	Reasonable
Department of Transportation							
National Highway Traffic Safety Administration	Full	Full	Full	Full	No	Not Required	Not Required
Federal Aviation Administration	Full	Full	Full	Full	No	Not Required	Not Required
Department of the Treasury							
Internal Revenue Service	Medium	No Assertion	Full	Full	No	Not Required	Not Required
FinCEN	Medium	No Assertion	Full	Full	No	Not Required	Not Required
OFAC	Noncompliant	No Assertion	Full	Full	No	Not Required	Not Required
Department of Veterans Affairs							
Veterans Health Administration	Full	Full	Full	Full	No	Not Required	Not Required
United States Postal Inspection Service	Full	Full	Full	Full	No	No	No



Summary of Agency Reports

Department of Agriculture – Full Compliance (P. 15)

- **Forest Service (FS)** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Office of Rural Development (RD)** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

AmeriCorps – Full Compliance (P. 31)

- **AmeriCorps** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Appalachian Regional Commission – Full Compliance (P. 38)

- **Appalachian Regional Commission** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Court Services and Offender Supervision Agency – Full Compliance (P.41)

- **Court Services and Offender Supervision Agency** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Defense – Full Compliance (P.52)

- **Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Stabilization Policy** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Defense Security Cooperation Agency** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Defense Health Agency** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).



Department of Education – Full Compliance (P. 73)

- **Department of Education** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Health and Human Services – Partial Compliance (P. 81)

- **Administration for Children and Families** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Center for Disease Control and Prevention (CDC)** was assessed as being full compliance for the BFCR data requirements and meeting medium compliance for the DAR data regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1). ONDCP will work with CDC to achieve full compliance as it relates to the DAR data for the FY 2025 Compliance Review Report.
- **Center for Medicaid and Medicare Services (CMS)** was assessed as being in medium compliance for the BFCR data requirements and full compliance for the DAR and Inspector General Authentication regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1). Because CMS reports actuarial outlay estimates for their mandatory spending program rather than budget authority, expenditures are calculated under a different time schedule than discretionary funding.
- **Food and Drug Administration (FDA)** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Health Resources Services Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Indian Health Service (IHS)** was assessed as low compliance for the BFCR, noncompliant for Management Assertions and Inspector General Authentication and full compliance for the DAR regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1). The last OIG Authentication Review was performed in FY 2021 for FY 2019 detailed accounting data. ONDCP plans to work with IHS to achieve in full compliance in all areas for the FY 2025 Compliance Review Report.
- **National Institutes of Health’s National Institute on Alcohol Effects and Alcohol Associated Disorders** satisfied all requirements regarding ONDCP Circular, *National*



Drug Control Program Agency Compliance Reviews as established by 21 U.S.C. § 1704(d)(1).

National Institutes of Health’s National Institute on Drugs and Addiction satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

- **Substance Use and Mental Health Services Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Housing and Urban Development – Full Compliance (P. 146)

- **Community Planning and Development** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Homeland Security – Partial Compliance (P. 151)

- **Customs and Border Protection (CBP)** met most of the requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1). CBP satisfied all requirements of the BFCR and DAR, but DHS OIG was unable to assess the reasonableness and accuracy of CBP’s DAR. DHS OIG stated, “However, CBP management was unable to provide supporting documentation for the methodology used in estimating the percentages of drug control activity obligations allocated between interdiction and intelligence. These percentages are used to derive the dollar-value of obligations reported as Total Resources by Budget Drug Control Unit and Drug Control Function in the Table presented in the DAR. As a result, we were not able to assess the reasonableness and accuracy of the methodologies used and Drug Methodology assertion.” ONDCP will work with CBP to review the content and application of its methodology.
- **Federal Emergency Management Agency** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Federal Law Enforcement Training Center** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Immigration and Customs Enforcement** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).



United States Coast Guard satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

- **Science and Technology Directorate (S&T)** was assessed as being in medium compliance for the BFCR and full compliance for DAR regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1). Because S&T's funding levels fell below the \$50 million threshold, S&T qualifies for exemption under Inspection General Authentication requirements. In future fiscal years, S&T can request an exemption or forward the report to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report.

Department of the Interior – Full Compliance (P. 248)

- **Bureau of Indian Affairs** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Bureau of Land Management** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **National Park Service** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Justice – Full Compliance – (P. 272)

- **Assets Forfeiture Fund** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Bureau of Prisons** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Criminal Division** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Drug Enforcement Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Organized Crime Drug Enforcement Task Forces** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).



- **Office of Justice Programs** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Offices of the United States Attorneys** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **United States Marshals Service** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Federal Bureau of Investigation** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Bureau of Alcohol, Tobacco, Firearms and Explosives** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Labor – Full Compliance (P.354)

- **Employment and Training Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Office of Workers’ Compensation Programs** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Office of Disability Employment Policy** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Employee Benefits Security Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Office of Inspector General** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).



Department of State and Other International Programs – Partial Compliance (P. 371)

- **The State Department (State) Bureau of International Narcotics and Law Enforcement Affairs (INL)** did not provide ONDCP a fiscal year (FY) 2025 summer drug budget on time. INL informed ONDCP that it was unclear based on the guidance when it should have submitted its summer drug budget. ONDCP has clarified to INL and the State Office of Foreign Assistance (F) that INL's summer drug budget is due to ONDCP at the same time INL submits its bureau resource request to F. ONDCP is already working with INL and F to ensure that INL's FY 2026 summer drug budget is submitted on time.
- **United States Agency for International Development** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of Transportation – Full Compliance (P.422)

- **National Highway Traffic Safety Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Federal Aviation Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

Department of the Treasury – Partially Compliant (P. 449)

- **Internal Revenue Service Criminal Investigation** was assessed as being in partial compliance for the BFCR and full compliance for the DAR regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Financial Crimes Enforcement Network** was assessed as being in partial compliance for the BFCR and full compliance for the DAR regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).
- **Office of Foreign Assets Control** was assessed as being noncompliant for the BFCR and in full compliance for the DAR regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).



Department of Veterans Affairs – Full Compliance (P. 467)

- **Department of Veterans Affairs’ Veterans Health Administration** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1).

United States Postal Inspection Service – Full Compliance (P. 497)

- **United States Postal Inspection Service** satisfied all requirements regarding ONDCP Circular, *National Drug Control Program Agency Compliance Reviews* as established by 21 U.S.C. § 1704(d)(1). Consistent with the requirements of 21 U.S.C. § 1704(d)(1), ONDCP will work with the USPIS Inspector General to ensure that an Inspector General Authentication review is conducted not less frequently than every three years.



Agency Reports



Department of Agriculture (USDA)

Office of Rural Development

DEPARTMENT OF AGRICULTURE Rural Development Mission Area

Section I

Program Summary

MISSION

The Department of Agriculture's Rural Development (RD) is committed to helping improve the economy and quality of life in rural America. They help rural Americans in many ways, including:

- Offering loans, grants, and loan guarantees to help create jobs and support economic development and essential services such as housing, health care, first responder services and equipment, and water, electric and communications infrastructure.
- Promoting economic development by supporting loans to businesses through banks, credit unions and community-managed lending pools.
- Offering technical assistance and information to help agricultural producers and cooperatives get started and improve the effectiveness of their operations.
- Providing technical assistance to help communities undertake community empowerment programs, including by helping rural residents buy or rent safe, affordable housing and make health and safety repairs to their homes.

The RD Mission area Fiscal Year (FY) 2025 budget request aligns with ONDCP treatment functions as RD Mission area programs provide funding for health-related operations.

RD will be reaching out to ONDCP to discuss any other potential grant programs that may be able to contribute to this effort.

BACKGROUND

The Department has been called upon by the Administration to help carry out its efforts to reduce the abuse and misuse of opioids in rural America, to expand the availability of quality treatment services, and to bring rural partners together to tackle the Nation's opioid epidemic. The Department's Rural Development mission area has been and continues to be a partner in this effort by using five of its programs to fund opioid-related projects in rural areas of America. Those programs are:

1. RHS: Community Facilities (CF) Program: Provides funding to construct, expand, or improve essential community facilities such as, but not limited to: hospitals, medical clinics, fire and rescue stations, public buildings, and other community-based initiatives.
2. RUS: Distance Learning and Telemedicine (DLT) Program: Funds are provided to help rural communities overcome the effects of remoteness and low population density by linking teachers and medical service providers in one area to students and patients in another.
3. RUS: DLT Opioid Epidemic: Funds are provided to help strengthen local capacity to address opioid prevention, treatment, and recovery. In the Consolidated Appropriations Act of 2018, (Pub. L. 115-141, §775), Congress appropriated \$20 million "...to remain available until



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

expended, for an additional amount telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C 950aaa et seq., to help address the opioid epidemic in rural America...”

4. RUS: Solid Waste Management Grant Program (SWMGP): This program reduces or eliminates pollution of water resources by providing funding for organizations that provide technical assistance or training to improve the planning and management of solid waste sites.

5. RHS/CF: Tribal College Initiative Grants: This program provides funding to 1994 Land Grant Institutions (Tribal Colleges) for infrastructure improvements, development of essential community facilities, and to purchase equipment. Eligible projects include, but are not limited to, education and cultural projects and education equipment. The RD Mission Area may fund opioid/substance abuse projects with funding from other programs.

RD will be reaching out to ONDCP to discuss any other potential grant programs that may be able to contribute to this effort.

METHODOLOGY

Section 6101(a)(1)(A) of the Agriculture Improvement Act of 2018 (“2018 FB”, P.L. 115-334) requires the Secretary to use at least 20 percent of the funding provided for the DLT program to support substance use disorder treatment services, unless there are not sufficient qualified applicants to reach the 20 percent requirement. In addition, section 6101(a)(1)(B) of the 2018 FB authorized prioritizing the selection of projects for Community Facilities (CF) direct loans or grants that will allow states, counties, tribes, and other applicants to prevent and treat opioid abuse and to support people in recovery. However, the FB prioritization authority does not extend to the Community Facilities Technical Assistance and Training (CF TAT) Grant Program. Under the CF TAT Grant Program, successful applicants can provide technical assistance and training to identify and plan for community facility needs in their area and to identify public and private resources to finance those identified community needs. A community facility need identified under the CF TAT grant program could relate to substance use prevention, treatment, and recovery, but the grant program itself would fund the technical assistance and training to identify that need and resources to support meeting the need, not the actual substance use project. The Notice of Funding Availability/Notice of Solicitation of Applications may provide priority points for administration priorities.

RD could assign priority points in certain programs to administration priorities that can include SUD-related projects. SUD/Opioid Epidemic remains a critical issue facing rural communities. RD does not have a statutory mandate to set-aside or prioritize funds for the purpose of SUD/Opioids beyond DLT and CF direct loans and grants as authorized by the 2018 FB.



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

BUDGET SUMMARY

	Budget Authority (Dollars in Millions)		
	FY 2022 Enacted	FY 2023 Enacted	FY 2024 CR
Drug Resources by Function			
Treatment/prevention	\$11.40	\$11.40	\$11.40
Total Drug Resources by Function	\$11.40	\$11.40	\$11.40
Drug Resources by Decision Unit			
Distance Learning and Telemedicine Program	\$11.40	\$11.40	\$11.40
Total Drug Resources by Decision Unit	\$11.40	\$11.40	\$11.40
Drug Resources Personnel Summary			
Total FTEs (direct only)	NA	NA	NA
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$49.71	\$49.95	\$50.16
Drug Resources Percentage	0.02%	0.02%	0.02%

RD is committed to addressing the SUD/Opioid crisis. RD's suite of programs has a positive effect on every aspect of rural life, and we support these efforts by setting aside funds and giving priority points for applications that address substance abuse prevention and treatment related projects for those programs where the FB has authorized it.



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

[Redacted]

[Redacted]

Budget Formulation Compliance Report: Assertions

Timeliness of Summer Budget Submission – The FY 2025 agency request was submitted to the Office of Budget and Program Analysis (OBPA) on September 11, 2023, and OBPA submitted to ONDCP on September 11, 2023. The FY 2025 Rural Development Budget and Performance submission requested funding to support this effort in the FY 2025 President’s budget. Rural Development affirms the accuracy of the information contained in the submission.

Funding Levels Represent Bureau-Level Request – The funding request in this represents the funding levels by unit in the budget submission made by the agency to the Department without alteration or adjustment by any official at the Department.

Kristen Landwehr

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Kristen Landwehr
Acting Associate CFO – Budget and Policy

Relevant PRS Performance Measure

Goal 1: Illicit substance use is reduced in the United States.

- Objective 1: The number of drug overdose deaths is reduced by 13 percent by 2025.
- Objective 2: The percentage of people meeting criteria for cocaine, opioid, and methamphetamine use disorders are each respectively reduced by 25 percent by 2025.



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

The 2018 FB authorizes the Secretary to use 20 percent of the funding provided for the DLT program to support substance use disorder treatment services. The FB authorizes priority points from Community Facilities direct loans and grants to applicants who intend to provide substance use disorder prevention services, treatment services, and/or recovery services with their projects and employ staff that have appropriate expertise and training in how to identify and treat individuals with substance use disorders.

Evaluation Plan and Performance Measures

Information regarding the performance of the drug control efforts of RD is based on agency GPRMA documents and other information that measure the agency’s contribution to the Strategy. FY 2018 was the first year that RD received appropriations in support of the Opioids crisis and that was only for the DLT grant program. RD has not developed at this time any performance indicators related to drug control. The table below is showing the approved performance for this program. With respect to DLT-Opioid projects, the number of projects obligated will be measured on a yearly basis.

Selected Measures of Performance	FY 2022	FY 2023	FY 2023	FY 2024
	Actual	Target	Actual	Target
DLT-Funded projects that supported treatment /prevention of Substance use disorder	1	25	33	21

Discussion of Results

A funding notice for the DLT Grant program was published on December 1, 2022. The notice included carryover funds from prior years as well as the FY 2023 appropriations. RUS obligated approximately \$19 million for 33 projects under the Farm Bill-directed set-aside for the DLT Program. An additional \$5.6M for 11 projects were funded through the regular DLT Program that address Substance Use Disorder/opioids. The performance target for FY 2023 was set based on an estimate of the number of projects that can be funded using the DLT Substance Use Treatment set-aside and accounting for the use of both FY 2022 and FY 2023 appropriations to fund projects in FY 2023. RD was able to fund more projects than estimated for the set-aside dollars. In addition, RD funded 11 more projects that successfully competed for funds under the regular program. The FY 2024 target is revised to 21 based on past per project averages and estimated FY 2024 funding for the DLT set-aside.

Performance Summary Report: Assertions

- (1) **Performance reporting system is appropriate and applied** – Rural Development uses its financial system for reporting obligations. Information regarding the number of grants



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

provided as they related to the drug control RD efforts is based on agency GPRMA documents and other information that measure the agency's contribution to the *Strategy*. FY 2018 was the first year that Rural Development received appropriations with a set-aside in support of the Opioids crisis and that was only for the DLT grant program. RD has not developed performance specifically for drug control efforts. Targets are set based on the estimated number of projects that could be funded with the FB 20 percent set-aside for the DLT program based on the prior year appropriation and the estimated available funding for the upcoming year.

(2) **Explanations for not meeting performance targets are reasonable** – RD met the target for the DLT program, the only RD program with a statutory set aside for substance use disorder.

(3) **Methodology to establish performance targets is reasonable and consistently applied** – Setting the target is consistently applied for the DLT program.

(4) **Adequate performance measures exist for all significant drug control activities:** The RD DLT program is its only program with a statutory set aside to support this effort. Targets are established based on prior set-aside obligations and anticipated funding availability. The 2018 FB established the statutory set aside in support of substance use disorder of 20 percent of the discretionary funding made available for the DLT program through the annual appropriations. Beyond those funds the annual appropriations have not provided direct funding for this effort.

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Kristen Landwehr
Acting Associate CFO – Budget and Policy



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

Substance Use Disorder Obligations

	Budget Authority (Dollars in Millions)				
	FY 2022 Actual Obligations	FY 2023 Budget	FY 2023 Carryover	FY 2023 Available	FY 2023 Actual Obligations
Drug Resources by Function					
Treatment	\$0.23	\$11.40	\$12.31	\$23.71	\$18.97
Total Drug Resources by Function	\$0.23	11.40	12.31	23.71	\$18.97
Drug Resources by Decision Unit					
Distance Learning and Telemedicine Program, Substance Use Disorder	\$0.23	\$11.40	\$12.31	\$23.71	\$18.97
Total Drug Resources by Decision Unit	\$0.23	\$11.40	\$12.31	\$23.71	\$18.97

Detailed Accounting Report: Assertions

- (1) **Obligations by Budget Decision Unit** – The account information has been collected through the Rural Development Financial system. The 2018 FB requires the Secretary to set aside at least 20 percent from the discretionary appropriations for the DLT grant account funding for Substance Use Disorder, unless the Secretary determines there are not sufficient qualified applicants to reach the 20 percent requirement. To ensure compliance, the required funding is set aside in the RD financial system. Other than the DLT funding, Rural Development did not receive any direct funding for this purpose in the FY 2023 annual appropriations.

- (2) **Drug Methodology** –Rural Development asserts that the drug methodology agreed with ONDCP was applied. The FB requires the Secretary to use 20 percent of the funding provided for the Distance Learning and Telemedicine program to support substance use disorder treatment services unless it is determined there are not sufficient qualified applicants to reach the 20 percent requirement. In addition, the FB authorized prioritizing the selection of projects for CF direct loans or grants that will allow states, counties, tribes, and other applicants to prevent and treat opioid abuse and to support people in recovery. The FB provides authority for setting priority points for Community Facilities direct loans or grants to applicants who intend to provide substance use disorder prevention services, treatment services, and/or recovery services with their projects and employ staff that have appropriate expertise and training in how to identify and treat individuals with substance use disorders. However, in FY 2023, Rural Development did not set priority points for CF



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

direct loans and grants for substance use disorder prevention, treatment, or recovery. The methodology used to report on obligations under the budget authority is therefore a reasonable and accurate picture of the performance of the budgeted funding for substance use disorder for USDA Rural Development because the only program with funds budgeted for substance use disorder is the Substance Use Disorder Treatment Set-Aside for the DLT Program. While Rural Development may fund projects under other programs to support substance use disorder prevention, treatment or recovery, those programs do not have explicit budget authority requiring a set aside exclusively for these projects or prioritization of these projects.

- (a) **Data** – Rural Development asserts that the methodology relies on reliable data provided by Rural Development’s accounting system that uses funding control codes assigned by Rural Development’s Financial Office to the DLT Substance Use Set-Aside funding and used by program staff to obligate funding to projects funded using the Set-Aside. The methodology described is based on these funding codes defining the nature of the funding set aside and the obligations incurred against it. Obligations reported here are based on the control code assigned to the funding that is being requested and that represents the Substance Use Disorder Set-Aside for the DLT program. This information is recorded in the financial systems, and it is used for reporting obligations to ONDCP.
- (b) **Financial Systems** – The methodology described above describes the relationship of decision units reported to ONDCP and the programs/activities as reported in the financial system. The data represent the obligations related to the 2018 FB 20 percent set aside.
- (3) **Application of Drug Methodology**- Rural Development asserts that the data provided in table 7.a.(1). was generated using the methodology described in Section 7.a.(2). and agreed upon with ONDCP. Calculations are well documented to independently reproduce these data. Also, calculations provide a means to ensure consistency of data between reporting years.
- (4) **Material Weaknesses or Other Findings** – There are no material weakness or other findings. Rural Development has not completed A-123 or internal compliance review on this specific program, but the budget and obligations would be included in the overall testing of the budget authority and obligations if the program(s) were sampled.
- (5) **Methodology Modifications** – There was no modification of the methodology from prior year.
- (6) **Reprogramming or Transfers** – There were no reprogramming or transfers affecting the 2018 FB 20 percent set-aside funding.



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

(7) **Fund Control Notices:** RD asserts that the data presented are associated with obligations against a financial plan that complies with all Fund Control Notices issued by the Director under 21 U.S.C. §1703(f) and Section 9 of the ONDCP Circular, Budget Execution. The funding estimates and expenditures are consistent with the approved drug methodology and budget formulation.

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Kristen Landwehr
Acting Associate CFO – Budget and Policy

UNREASONABLE BURDEN EXCEPTION

The Rural Development Chief Financial Officer is requesting an unreasonable burden exception. Rural Development does not receive an annual appropriation for Drug Control programs. RD is attesting that full compliance with this ONDCP Circular; National Drug Control Program Agency Compliance Reviews would constitute an unreasonable reporting burden. RD prior year obligations are less than \$50 million.

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Kirsten Landwehr
Acting Associate CFO – Budget and Policy

EQUITY

Rural Development is currently undertaking or will undertake the following five actions to advance equity in the mission area:

1) Creating Opportunities Through Rural Engagement

The Creating Opportunities Through Rural Engagement initiative is a framework that will help RD implement long-term measures to increase investments in vulnerable and underserved communities.

2) Rural Partners Network

Rural Partners Network is an effort to support underserved communities in better connecting to federal resources and strengthening their efforts to be effective development actors.

3) Priority Points Framework

RD has created a framework for giving funding priority to projects that address some of the top challenges in rural America.



DEPARTMENT OF AGRICULTURE
Rural Development Mission Area

4) Internal Equity Work

In RD, we are taking steps to advance equity within the mission area through climate assessments, workshops for senior leadership, and training for RD staff.

5) RD Modernization Project

The RD Modernization effort aims to make the case for why investment in staffing, IT modernization, and more program flexibility is critical for us to meet our commitment to Rural America.

6) Strengthen Tribal Trust Responsibility

USDA maintains a trust responsibility to administer programs flexibly for the benefit of tribal nations and citizens.

7) Regulatory Review

RD is actively reviewing ongoing regulatory actions as well as future rulemakings to determine how processes and procedures may advance equity.



Forest Service



Forest Service
Washington Office

1400 Independence Avenue, SW
Washington, D.C. 20250

File Code: 5300
Date: January 30, 2024

Mr. Scott Chronister
Director, Interagency Budget Division
Office of Performance and Budget
Office of National Drug Council Policy
Washington, DC 20500

Dear Mr. Chronister:

The United States Department of Agriculture's Forest Service requests an exemption under the Office of National Drug Control Policy (ONDCP) Circular: National Drug Compliance Control Program Agency Compliance Review dated September 9, 2021. Under Section 8(d) of this Circular, the Unreasonable Burden Exception states that "An agency or bureau in the National Drug Control Budget with prior year drug related obligations of less than \$50 million may request an exemption from the Inspector General Authentication review required by Section 8." During the FY 2023, Office of Inspector General review, the U.S. Forest Service reported drug-related actual obligations of \$13 million, which is below the \$50 million threshold for exemption.

The Forest Service understands that it will still be required to report under Section 6 and 7 of the Circular (enclosed), as well as provide budget formulation information to ONDCP.

Should you have any questions of concerns, please contact Bree Moore-Williams at bree.moore@usda.gov.

Sincerely,

TRACY PERRY
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Date: 2024.01.30 15:30:42 -05'00'

TRACY S. PERRY
Director, Law Enforcement and Investigations

ERICA NEVINS
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Date: 2024.01.30 12:56:59 -08'00'

ERICA NEVINS
Assistant Director, Strategic Planning, Budget and Analysis

Enclosures



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DEPARTMENT OF AGRICULTURE
U.S. Forest Service

Budget Formulation Compliance Report

Summer Budget Formulation Information

Summer Drug Budget Transmittal

The 2025 summer budget was submitted to ONDCP on July 21, 2023 after the budget request was submitted to U.S. Department of Agriculture (USDA) leadership on June 15, 2023, which is not in compliance with 21 U.S.C. §1703(c)(1)(A).

Summer Drug Budget Resource Summary Table

Drug Resources by Decision Unit and Function		Budget Authority (in millions)	
Decision Unit- LE Agency Support			
	FY 2022	FY 2023	
Intelligence: Domestic Law Enforcement ^a	\$0.000	\$0.000	
Investigations	12.000	12.000	
Prosecution	0.200	0.200	
State, Local, and Tribal Law Enforcement Assistance ^b	0.600	0.600	
Research: Domestic Law Enforcement	0.200	0.200	
Total Drug Resources by Unit/Function	\$13.000	\$13.000	
Drug Resources Personnel Summary			
Total FTEs (direct only)	56	56	
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$5.7	\$6.1 ^c	
Drug Resources Percentage	0.23%	0.21%	

^a Correction from the Summer Budget submission, the dollar amounts listed for Intelligence: Domestic Law Enforcement should be \$0.00 and all associated dollar amounts should actually be listed under Research: Domestic Law Enforcement.

^b Correction from the Summer Budget submission, updating State and Local Assistance title to include Tribal Law Enforcement Assistance activities.

^c Total Agency Budget includes supplemental funding for the Forest Service's Wildland Fire Management account. In fiscal year 2023, Congress partially funded Wildland Fire Management in the Consolidated Appropriations Act, 2023 (P.L. 117-328), but also provided supplemental funding in the Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328, Division N) to fully fund the Preparedness and Suppression discretionary programs.

Management Assertions

Timeliness of Summer Budget Submission

The 2025 summer drug budget was submitted to the Office of National Drug Control Policy on July 21, 2023 by the USDA on behalf of the Forest Service, after the budget request was submitted to USDA leadership on June 15, 2023, which is not in compliance with 21 U.S.C. §1703(c)(1)(A).

Funding Levels Represent Bureau Level Request

The funding request for law enforcement operations in the 2025 summer drug budget submittal was



the same level as the agency’s budget request. Law enforcement operations have increased in alignment with the growth of the agency’s overall organization. The law enforcement related salaries and expenses portion of the request is the same level as requested and has remained flat which encompasses the 5.2% cost of living adjustment.

Detailed Accounting Report

Drug Control Budget Summary Table

Drug Resources by Decision Unit and Function ¹	Budget Authority (in millions)		
	FY 2023 Final	FY 2023 Obligations	FY 2024 CR
Investigations	\$12.000	\$7.800	\$12.480
Prosecution	0.200	0.080	0.208
State, Local, and Tribal Law Enforcement Assistance	0.600	0.650	0.624
Research: Domestic Law Enforcement	0.200	0.500	0.208
Total Drug Resources by Unit/Function	\$13.000	\$9.030	\$13.520
Drug Resources Personnel Summary			
Total FTEs (direct only)	56	56	56
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$6.1	\$6.1	\$6.1
Drug Resources Percentage	0.2%	0.2%	0.2%

¹Data is sourced from the Law Enforcement Investigation Management Attainment Reporting System, the new Law Enforcement Investigations Reporting System, and the Financial Management Modern Initiative (FMMI) tool.

Program Summary

MISSION

The mission of the Forest Service is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations. In support of this mission, the Forest Service’s Law Enforcement and Investigations (LEI) program’s primary role is to provide public and employee safety, resource protection, enforcement of U.S. Criminal Law, and enforcement expertise to other agency managers. The Forest Service manages 193 million acres in 43 States, the Virgin Islands, and Puerto Rico, encompassing 154 national forests and 20 national grasslands. Most of this land is in rural areas of the United States.

Three drug enforcement issues are of specific concern to the Forest Service LEI program: marijuana cultivation, methamphetamine production, and smuggling across international borders. These activities increase health and safety risks to the visiting public, employees, and the continued viability of the Nation’s natural resources.



METHODOLOGY

The Forest Service budget structure includes two budget line items within the National Forest System (NFS) appropriation that provide discretionary funding for Forest LEI's operations. Program funding comes from the Law Enforcement Operations budget line item within the National Forest System treasury symbol. All base salaries for law enforcement officers, criminal investigators, special agents, and law enforcement support staff are funded by the National Forest System's Salaries and Expenses (NFSE) account. The Law Enforcement Operations funding and the NFS Salary and Expenses funding identified for law enforcement staff in combination serve as the total LEI budget allocation. Within the total LEI budget allocation, funds identified for drug enforcement activities are estimated based on an analysis of the total workload. The analysis derives a percentage of the work LEI staff perform on drug related activities in proportion to total work on all law enforcement duties and responsibilities related to the mission of the Forest Service. The resulting drug percentage then derives drug funding as a portion of total LEI funding and serves as the LEI drug control funding level. For future year budget allocation projections, the drug percentage used will be a rolling average of the five previous full performance years Fiscal Year's (FY)2019 – FY 2023 where complete data is available.

Material Weakness of Findings

There were no material weaknesses or findings. The funding and spending estimates are consistent with the drug/funding methodology established.

Reprogramming or Transfers

Law Enforcement Operations is a budget line item within the National Forest System appropriation. Funds allocated for drug enforcement activities are allotted on an as needed basis based on an evolving analysis of the program of work. No reprogramming or transfers were made.

Other Disclosures

LEI is a small directorate within a larger complex land management agency that is approximately 0.3 percent of the agency's overall budget. The Forest Service commits approximately \$13.52 million for drug control and enforcement activities. LEI currently has approximately 511 personnel actively engaged in drug control, eradication, investigation, and interdiction in addition to other mission-related activities and any further required financial accounting would be overly burdensome on our limited resources.





Additionally, LEI continues to partner with the Office of National Drug Control Policy and various High Intensity Drug Trafficking Area programs to efficiently combat illicit drug production on National Forest System lands and participates in Organized Crime Drug Enforcement Task Force investigations through assigned personnel. The Forest Service also continues to work with our Federal partners to reduce cross-border smuggling activities on National Forest System lands to ensure the safety and security of the visiting public and employees on those lands contiguous with the international border.

Since 2014, an alarming trend has developed in TCO marijuana cultivation operations. These organizations are smuggling into the United States banned and or restricted pesticides for use in their marijuana growing operations. As these hazardous materials became more prevalent in marijuana growing operations, LEI began a concentrated effort to rehabilitate and recover these sites. LEI will further concentrate on the reclamation of these sites by engaging in targeted reclamation and rehabilitation based on resource availability.

Management Assertions

Obligations by Budget Decision Unit

LEI believes, based on a review of the data submitted in this report, that obligations reported by the budget decision unit are the actual obligations and expenditures depicted in the table on page two. The obligations are consistent with the approved drug methodology on budget formulation and represent best estimates of planned and actual expenditures.

Drug Methodology

The approved methodology utilized to create this report is reasonable and believed to be as accurate as is possible based on the following:

Data: The Forest Service relies on the most accurate and comprehensive statistical data from two systems: the legacy Law Enforcement Investigation Management Attainment Reporting System (LEIMARS) and the new Law Enforcement Investigations Reporting System (LEIRS). These systems are verified and updated regularly to ensure data quality and integrity. To track and monitor the execution of ONDCP efforts, the Forest Service also uses the Financial Management Modernization Initiative (FMMI), which works in tandem with LEIMARS and LEIRS. The FMMI Reports Dashboard provides a clear and timely overview of the obligations and expenditures for each activity.

Data derived from these systems along with field reporting is utilized to assess and distribute law enforcement resources as efficiently as is practical. Law enforcement activity, including drug control and enforcement, is a constantly evolving situation requiring significant flexibility.

Financial Systems: LEI tracks as accurately as possible expenditures and believes that the appropriations and expenditures reflected in the table are as accurate as is possible based on LEI's review and availability of resources. The FMMI Detailed Transaction report as referenced in the attached document supplies reliable current and historical data. The sourced data provides the ability to track, monitor and execute obligations/expenditures associated with ONDCP efforts such as site assessment, site reclamation, aviation, Drug Enforcement Training Program, Medical Monitoring Contract, Travel, Base Annual Pay etc.



The expenditures represented in the tables are consistent with the approved drug methodology.

Methodology: The methodology described in this report is the same methodology used to derive funding levels.

Methodology Modifications: LEI did not make any modifications to methodology for reporting drug control resources from the previous year's reporting.

Material Weakness or Findings: There were no material weaknesses or other findings. The agency annual audit assurance review did not uncover any material weaknesses or findings in agency financial or reporting systems.

Reprogramming or Transfers: No reprogramming or transfers were made.

Fund Control: LEI believes that the data presented are associated with obligations against a financial plan that complies with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, Budget Execution. The funding estimates and expenditures are consistent with the approved drug methodology and budget formulation.

ONDCP Circular: National Drug Control Program Agency Compliance Review. An agency or bureau included in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may submit Alternative Budget Formulation Compliance, Detailed Accounting, and Performance Summary reports. The USDA Office of Inspector General conducted a preliminary review of the Forest Service's Budget Formulation Compliance Report for FY2023. However, given the Forest Service's total allocation of \$13.52 million, conducting a more comprehensive analysis beyond this document would impose an unreasonable burden. Therefore, the Forest Service is submitting this alternate report, analysis, and the attached waiver.

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Date: 2024.01.30 15:32:04 -0500

Tracy Perry
Director
U.S. Forest Service
Law Enforcement and Investigations

01/30/2024

Date



AmeriCorps



ONDCP AmeriCorps Compliance
Review
March 6, 2024





6.a. Summer Budget Formulation Information

6.a.(1) Summer Drug Budget Transmittal

AmeriCorps did not submit a FY 2025 summer drug budget to the Office of National Drug Control Policy (ONDCP).

6.a.(2) Summer Drug Budget Resource Summary Table

AmeriCorps did not submit a FY 2025 summer drug budget to the ONDCP.

6.b. Assertions

6.b.(1) Timeliness of Summer Budget Submission

I assert that AmeriCorps was not required to submit a summer drug control budget to ONDCP for this reporting period.

6.b.(2) Funding Levels Represent Bureau-Level Request

I assert that AmeriCorps was not required to submit a summer drug control budget to ONDCP for this reporting period.



7. Detailed Accounting Report

7.a. Drug Control Funding Obligations

7.a.(1) Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

The below table displays AmeriCorps' actual investment for FY 2023.

AmeriCorps		
Drug Resources by Decision Unit and Function		
(\$ in millions)		
	FY 2023 Obligations	FY 2023 BA Final
AmeriCorps State & National		
Prevention	8.240	8.240
Treatment	5.695	5.695
Recovery	6.588	6.588
Total, AmeriCorps State & National	20.523	20.523
AmeriCorps Seniors (Seniors Corps)		
Prevention	0.241	0.241
Total, AmeriCorps Seniors	0.241	0.241
AmeriCorps VISTA		
Prevention	1.794	1.794
Treatment	0.634	0.634
Recovery	0.471	0.471
State & Local and Tribal Law Enforcement Assistance	0.108	0.108
Total, AmeriCorps VISTA	3.007	3.007
Public Health AmeriCorps		
Prevention	5.823	5.823
Treatment	0.160	0.160
Recovery	10.713	10.713
Total, Public Health AmeriCorps	16.696	16.696
Total	40.467	40.467



7.a.(2) Drug Methodology

AmeriCorps tracks data on opioids and substance use programming by reviewing funding priority selections, grant program objectives, and national service activities. The funding reported here represents federal grant and program dollars associated with projects in which some or all of their national service participants are explicitly focused on opioid or substance use activities. Amounts do not include Segal AmeriCorps Education Awards for AmeriCorps members who complete a term of national service, or the matching funds and in-kind donations made by corporations, foundations, and other local entities to support national service programs.

AmeriCorps State & National

For AmeriCorps State and National, funding includes projects for which some or all AmeriCorps members are explicitly focused on opioid or substance use activities. Dollar figures include full federal funding for projects focused on opioids and substance use activities and pro-rated federal funding amounts for projects in which a subset of members is focused on drug activities.

The AmeriCorps State and National FY 2023 opioid funding includes the total federal dollars awarded to the following AmeriCorps State and National grantees in FY 2023:

- 1) Awarded grantees or subgrantees for which AmeriCorps reviewers marked the opioid funding priority area in FY 2020 or FY 2021 and who continue to carry out opioid programming in FY 2022. This includes competitive grantees/subgrantees and a handful of formula subgrantees who were originally reviewed for competitive consideration.
- 2) Awarded formula subgrantees (other than those originally reviewed for competitive consideration) who self-selected the priority area "Healthy Futures – a program model that reduces and/or prevents prescription drug and opioid abuse" on their grant applications in FY 2020 or FY 2021 (which they were instructed to do if this priority was a significant part of the proposed program) AND had the following characteristic:
 - a. designated an opioid intervention as their primary service activity

The report counts partial federal dollars awarded to the following AmeriCorps State and National grantees in FY23:

- 3) Grantees or subgrantees (competitive and formula) that are NOT included in (1) or (2) above and that selected the intervention "Opioid/Drug Intervention" for one or more performance measures. The report counts the Member Service Years (MSYs) associated with those performance measure(s) multiplied by the project cost/MSY.



AmeriCorps VISTA

For AmeriCorps VISTA, investment was estimated from FY 2023 full-year and summer service terms focused partially or entirely on opioid-related activities. Terms were included in the investment if their associated VISTA Assignment Descriptions contain opioid key words in their title, site name, project goals and objectives, and/or activity description. Because we did not do the full manual review this year, we used the percentage distribution of our investment by function from FY 2020 to estimate the distribution of investment by function for FY 2023.

AmeriCorps Seniors

For AmeriCorps Seniors, FY 2023 project performance measures were queried to identify those that have volunteer activities explicitly focused on opioid/drug intervention. The full AmeriCorps investment is reported to ONDCP for projects fully focused on opioids/drug intervention activities, and pro-rated investments are reported for projects with a partial focus on opioid/drug intervention. In each case, the investment is calculated in two steps. First, we determined the percent of each project's unduplicated Volunteer Service Years (VSYs) or volunteers associated with performance measures that contain the "opioid/drug intervention" service activity. Next, that value is multiplied against the project's total awarded federal funding to get the portion of the investment associated with opioid/drug intervention activities. VSYs are used for the AmeriCorps Seniors Foster Grandparent and Senior Companion programs. Volunteers are used for the AmeriCorps Seniors RSVP program.

Because we did not complete a full manual review of applications and performance measures for AmeriCorps Seniors in FY 2022, we calculated the breakout of AmeriCorps Seniors' FY 2023 investment by function using the percentage distribution from the most recent manual review (FY 2021).

Public Health AmeriCorps (PHA)

Public Health AmeriCorps (PHA) is a new initiative that funds grantees through AmeriCorps State and National. Since PHA did not have an opioid funding priority in 2022, the primary means of identifying PHA projects conducting opioid-related activities was to query those that selected "opioid/drug intervention" as a service activity for one or more workplans. From there, the investment was calculated by multiplying the target Member Service Years (MSYs) for workplans with the opioid service activity by the project's cost per budgeted MSY.

To identify projects that are opioid-focused but that did not select the "opioid/drug intervention" service activity, we conducted a keyword search of project executive



summaries. The narratives for these projects were reviewed to determine whether the project was sufficiently focused on opioids to merit partial or full inclusion.

Lastly all programs identified were reviewed and categorized into one or more of the following categories: prevention, recovery, or treatment. This will be used in future years as a baseline percentage distribution, similar to other AmeriCorps Programs.

7.a.(3) Methodology Modifications

AmeriCorps State & National

No changes were made to the AmeriCorps State & National methodology.

AmeriCorps VISTA

No changes were made to the AmeriCorps VISTA methodology.

AmeriCorps Seniors

No changes were made to the AmeriCorps Seniors methodology.

Public Health AmeriCorps

No changes were made to the Public Health AmeriCorps methodology.

7.a.(4) Material Weaknesses or Other Findings

AmeriCorps is not aware of any specific material weakness that would directly affect the agency's accounting for drug control funds in FY 2023.

7.a.(5) Reprogrammings or Transfers

AmeriCorps did not have any reprogrammings or transfers to report in FY 2023.

7.a.(6) Other Disclosures

No other disclosures.

7.b. Assertions

7.b.(1) Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations derived from the bureau's financial reports and are consistent with the application of the above methodology, as required by ONDCP Circular: Budget Formulation, Section 7, for calculating drug control funding against the bureau's accounting system of record for these Budget Decision Units.



7.b.(7) Fund Control Notices

I assert that AmeriCorps was not subject to any fund control notices issued by ONDCP in FY 2023.

**X MALENA
BROOKSHIRE**

Malena Brookshire
Chief Financial Officer

Digitally signed by
MALENA BROOKSHIRE
Date: 2024.03.08
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Appalachian Regional Commission

ARC Budget Formulation Compliance Report

The Appalachian Regional Commission submitted the FY 2025 Summer Budget to the Office of National Drug Control Policy on 9/5/2023. The Appalachian Regional Commission affirms that the report was submitted at the same time as the budget request. The Appalachian Regional Commission also affirms that the funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the ONDCP Circular: National Drug Control Program Agency Compliance Reviews bureau to the Department without alteration or adjustment by any official at the Department.

Resource Summary

	Budget Authority (in Millions)		
	FY 2023	FY 2024	
	Enacted	President's Budget	
Drug Resources by Decision Unit			
Salaries and Expenses	\$13.00	\$13.00	
Total Drug Resources by Decision Unit	\$13.00	\$13.00	



ARC Detailed Accounting Report

A. Drug Control Funding Obligations –

1. Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

	Budget Authority (in Millions)	
	FY 2023	FY 2023
	Enacted	Obligations
Drug Resources by Decision Unit		
Salaries and Expenses	\$13.00	\$14.56
Total Drug Resources by Decision Unit	\$13.00	\$14.56

Unexpired multi-year funding was used to FY 2023 to fund additional projects, causing the FY 2023 Obligations total to exceed the FY 2023 Appropriations total.

2. Drug Methodology - The Appalachian Regional Commission reports all activities funded through the Investments Supporting Partnerships In Recovery Ecosystems (INSPIRE) program to ONDCP. ARC's grants management system, ARCnet, delineates funding by program and fund source, which is used to run detailed reports on grant obligations.
3. Methodology Modifications – N/A
4. Material Weaknesses or Other Findings – N/A
5. Reprogrammings or Transfers – N/A
6. Other Disclosures - N/A

B. Assertions

1. Drug Control Funding Obligations – The Appalachian Regional Commission asserts that obligations reported by budget decision unit are the actual obligations derived from the bureau's accounting system of record for these Budget Decision Units or are consistent with the application of the approved methodology, as required by ONDCP Circular: Budget Formulation, Section 7, for calculating drug control funding against the bureau's accounting system of record for these Budget Decision Units.
2. Drug Methodology - The Appalachian Regional Commission asserts that the methodology is based on reliable data and that ARCnet yields data that aggregates the obligations presented in the Table of Prior Year Obligations.
3. Methodology Modifications - The Appalachian Regional Commission asserts that no modifications were made to methodology for reporting drug control resources from the previous year's reporting.
4. Material Weaknesses or Other Findings - The Appalachian Regional Commission asserts that all material weaknesses 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 as required by Section 7.a.(4) have been disclosed.

5. **Reprogrammings or Transfers** - The Appalachian Regional Commission asserts 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 all reprogrammings or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A)).
6. **Other Disclosures** - The Appalachian Regional Commission asserts 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 9 of the ONDCP Circular, Budget Execution.



Court Services and Offender Supervision Agency (CSOSA)



CSOSA

OFFICE OF THE DIRECTOR

February 15, 2024

Dr. Rahul Gupta
Director, Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta:

The Court Services and Offender Supervision Agency (CSOSA) is required by the Office of National Drug Control Policy (ONDCP) Circular 'National Drug Control Program Agency Compliance Reviews,' dated September 9, 2021, to present information and assertions concerning the budget formulation and accounting of funds expended on ONDCP activities.

CSOSA is a relatively small Federal Agency comprised of two components: the Community Supervision Program (CSP) and the Pretrial Services Agency for the District of Columbia (PSA). CSOSA plays a unique, front-line role in the day-to-day public safety of everyone who lives, visits, or works in the District of Columbia. CSP is responsible for the monitoring of offenders on probation, parole, or supervised release, as well as monitoring Civil Protection Orders and deferred sentencing agreements. PSA is responsible for supervising pretrial defendants. CSOSA's appropriated resources support ONDCP Prevention and Treatment drug control functions through our offender and defendant drug testing and substance abuse treatment activities.

The purpose of this report is to present CSP and PSA assertions concerning FY 2023 drug resource budgeting, accounting, and my qualified authentication of these assertions. CSOSA does not have an Inspector General (IG) component or function to review and express a conclusion on this report's reliability of the accounting and performance assertions. Therefore, CSOSA requests a waiver for the IG authentication requirements outlined in the Circular.



Drug Control Methodology:

The CSOSA appropriation does not have specific line items or programs for drug control activities. CSP's offender drug testing and treatment support activities correlate with ONDCP's Prevention and Treatment functions, respectively.

CSP allocates appropriated resources to each of the four (4) Strategic Goals contained in the Agency's FY 2022-2026 Strategic Plan. Resources are allocated using actual and planned obligations posted to specific accounting parameters in the Agency's financial management system, Oracle Federal Financials. Resources are allocated to each Strategic Goal using a cost allocation methodology including both direct (e.g., direct staff, direct contracts) and indirect (e.g., rent, management) methods. Indirect resources are allocated based on direct labor.

CSP's Drug Budget methodology (effective with the FY 2021 budget cycle) determines Drug Prevention and Treatment resources by allocating portions of Strategic Goal 1 (Reduce Recidivism) and Strategic Goal 3 (Accountability) resources. Strategic Goals 1 and 3 contain offender assessment, compliance and intervention resources that support CSP's Drug Budget functions as outlined below:

Strategic Goal 1: Reduce Recidivism By Targeting Criminogenic Risk and Needs Using Innovative and Evidence-Based Strategies.

Strategic Objective 1.1: Assess offender risk and needs using valid and reliable instruments.

Strategic Objective 1.2: Address offenders' criminogenic needs through evidence-based interventions.

Strategic Goal 3: Strengthen and Promote Accountability by Ensuring Offender Compliance and Cultivating a Culture of Continuous Measurement and Improvement.

Strategic Objective 3.1: Promote offender compliance on supervision by informing of them of release conditions, holding them accountable for noncompliance and incentivizing consistently compliant behavior.

Strategic Objective 3.2: Offenders are supervised at the proper level and receive appropriate interventions.

Strategic Objective 3.3: Ensure interventions for addressing criminogenic need are appropriate and effective.

Strategic Objective 3.4: Offenders fulfill conditions of release, engage in Agency interventions and successfully complete supervision.



February 7, 2024

Dr. Rahul Gupta
Director, Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta:

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, I make the following assertions regarding budget formulation and accounting and budget formulation for the Court Services and Offender Supervision Agency's (CSOSA's) Community Supervision Program (CSP). CSP is one of two programs (Decision Units) within the CSOSA appropriation.

Detailed Accounting Report

Drug Control Obligations by Decision Unit and Function:

I assert that FY 2023 drug budget obligations reported by CSP to ONDCP on January 10, 2024 as part of CSOSA's FY 2025 Drug Control Budget Summary are derived from actual obligations from CSP's accounting system of record (Oracle Federal Financials), consistent with the drug budget methodology discussed below.

FY 2025 Drug Budget Summary (January 10, 2024)

	Budget Authority (in Millions)	
	FY 2023 FINAL	FY 2024 CR
Community Supervision Program		
Prevention	\$8.12	\$8.56
Treatment: Recovery	\$33.53	\$35.28
SUB-TOTAL	\$41.65	\$43.84



Drug Control Methodology:

The CSOSA appropriation does not have specific line items or programs for drug control activities. CSP's offender drug testing and treatment support activities correlate with ONDCP's Prevention and Treatment functions, respectively.

CSP allocates appropriated resources to each of the four (4) Strategic Goals contained in the Agency's FY 2022-2026 Strategic Plan. Resources are allocated using actual and planned obligations posted to specific accounting parameters in the Agency's financial management system, Oracle Federal Financials. Resources are allocated to each Strategic Goal using a cost allocation methodology including both direct (e.g., direct staff, direct contracts) and indirect (e.g., rent, management) methods. Indirect resources are allocated based on direct labor.

CSP's Drug Budget methodology (effective with the FY 2021 budget cycle) determines Drug Prevention and Treatment resources by allocating portions of Strategic Goal 1 (Reduce Recidivism) and Strategic Goal 3 (Accountability) resources. Strategic Goals 1 and 3 contain offender assessment, compliance and intervention resources that support CSP's Drug Budget functions as outlined below:

Strategic Goal 1: Reduce Recidivism By Targeting Criminogenic Risk and Needs Using Innovative and Evidence-Based Strategies.

Strategic Objective 1.1: Assess offender risk and needs using valid and reliable instruments.

Strategic Objective 1.2: Address offenders' criminogenic needs through evidence-based interventions.

Strategic Goal 3: Strengthen and Promote Accountability by Ensuring Offender Compliance and Cultivating a Culture of Continuous Measurement and Improvement.

Strategic Objective 3.1: Promote offender compliance on supervision by informing of them of release conditions, holding them accountable for noncompliance and incentivizing consistently compliant behavior.

Strategic Objective 3.2: Offenders are supervised at the proper level and receive appropriate interventions.

Strategic Objective 3.3: Ensure interventions for addressing criminogenic need are appropriate and effective.

Strategic Objective 3.4: Offenders fulfill conditions of release, engage in Agency interventions and successfully complete supervision.



Drug Budget Function - Prevention (Drug Testing): 10 percent of CSP resources allocated to Strategic Goal 3 to account for offender Drug Testing (Prevention) resources.

Rationale: CSP estimates that 10 percent of resources allocated to Strategic Goal 3 are related to obtaining and testing offender drug samples.

Drug Budget Function – Treatment - Recovery: 20 percent of CSP resources allocated to Strategic Goal 1 plus 30 percent of resources allocated to Strategic Goal 3 to account for offender substance abuse Treatment resources.

Rationale:

- CSP estimates that 20 percent of resources allocated to Strategic Goal 1 are related to ensuring the Agency has the appropriate interventions in place to address offender needs, that treatment resources are directed towards the highest-risk offenders, and that offenders demonstrate positive behavioral changes.
- CSP estimates that 30 percent of resources allocated to Strategic Goal 3 are related to offenders receiving interventions for prioritized substance use needs and that offenders remain engaged in substance-abuse treatment programs.

I assert that the drug methodology, financial systems and data used to calculate obligations of prior year (FY 2023) Drug Budget resources by function were reasonable and accurate in accordance with Section 7 of the ONCDP Circular: Budget Formulation. I also assert that the above methodology was actually applied to actual financial data from the Agency's financial system.

Material Weaknesses and Other Findings:

CSOSA received an "unmodified" (clean) opinion on our FY 2023 financial statements by our independent auditing firm Harper, Rains, Knight & Company dated November 15, 2023. The independent auditor identified no material control weaknesses or significant control deficiencies as part of CSOSA's FY 2023 audit.

Re-programmings or Transfers:

CSOSA's FY 2023 Enacted (P.L. 117-328 dated 12/29/2022) Section 608 contains re-programming criteria and thresholds:



None of the funds provided in this Act shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by the Congress; (4) proposes to use funds directed for a specific activity by the Committee on Appropriations of either the House of Representatives or the Senate for a different purpose; (5) augments existing programs, projects, or activities in excess of \$5,000,000 or 10 percent, whichever is less; (6) reduces existing programs, projects, or activities by \$5,000,000 or 10 percent, whichever is less; or (7) creates or reorganizes offices, programs, or activities unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate.

In FY 2023 there were no CSP re-programmings or transfers that met or exceeded those contained in FY 2023 Enacted or affected ONDCP Prevention or Treatment resources.

Fund Control Notices:

CSOSA did not receive a Funds Control Notice from the ONDCP Director for FY 2023 appropriated resources.

Budget Formulation Compliance Report

CSOSA (CSP/PSA) is a small agency without bureaus or sub-components. Therefore, CSP does not typically develop or submit an ONDCP summer drug budget.

I assert that drug budget obligations reported by CSP in the fall drug budget submitted to ONDCP on September 11, 2023 are derived from actual obligations from CSP's accounting system of record (Oracle Federal Financials), consistent with the drug budget methodology discussed above. CSOSA's FY 2025 fall drug budget was submitted to ONDCP on-time. Further, I assert that the fall drug budget resources reported to ONDCP correspond to resources reported to OMB as part of CSP's FY 2025 budget request on September 11, 2023.



Please let me know if you need additional information.

Sincerely,

**PAUL
GIRARDO**

Paul Girardo
Chief Financial Officer

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GIRARDO
Date: 2024.02.07 13:39:55
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PRETRIAL SERVICES AGENCY for the DISTRICT OF COLUMBIA
OFFICE OF FINANCE AND ADMINISTRATION

February 14, 2024

Jon Rice
Deputy Director, Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Subject: FY 2023 ONDCP Compliance Reviews

Dear Mr. Rice:

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular *National Drug Control Program Agency Compliance Reviews*, please see the following assertions regarding the annual accounting of drug control resources and the Budget Formulation Report for the Pretrial Services Agency for the District of Columbia (PSA) for fiscal year 2023. PSA is one of two programs (Decision Units) within the CSOSA appropriation. Full compliance with this Circular constitutes an unreasonable reporting burden for PSA.

1. Detailed Accounting Report

Drug Control Funding Obligations

The CSOSA appropriation does not have specific line items or programs for drug control activities. PSA's drug testing and treatment support activities correlate with ONDCP's Prevention and Treatment functions, respectively. The following table highlights the FY 2023 drug control budgetary resources by drug control function.

FY 2024 Drug Budget Summary (FY 2023 Resources)

	FY 2023 Final (\$M)
Pretrial Services Agency	
Prevention	\$18.99
Treatment	\$8.41
SUB-TOTAL	\$27.4

Drug Control Methodology

Through regular drug testing, assessment, treatment placement, incentivizing defendants to participate in treatment, and addressing noncompliance with graduated sanctions, PSA expects to



have a positive impact on the ONDCP Strategy goals and objectives related to reducing illicit substance use (Goal 1) and increasing treatment efforts (Goal 4).

PSA's drug testing and treatment support activities are conducted by three offices:

- The Office of Pre-Release and Testing (OPRT), Drug Testing Services Team collects urine and oral fluid specimens from defendants during the diagnostic process and once cases are assigned to PSA for supervision. The team also collects specimens from respondents and juveniles with matters pending in DC Superior Court Family Division;
- The Office of Forensic Toxicology Services (OFTS) operates a comprehensive substance testing program for pretrial defendants, as well as individuals supervised by the Community Supervision Program (CSP) and certain juveniles and respondents with cases in DC Superior Court Family Court; and
- The Office of Post Release and Supervision (OPRS) Treatment Unit provides or coordinates substance use disorder treatment and services.

The major cost elements for the drug testing program include labor expenses, recurring expenses for reagents and other laboratory supplies and materials, facility lease expenses and the purchase and maintenance of lab equipment. Other overhead and Agency administrative expenses are not included. PSA provides drug testing services for other Federal and non-Federal agencies on a limited reimbursable basis. Revenues from other agencies are netted against gross costs. The major cost elements for the Treatment Program include direct labor expenses and contracted drug treatment services.

The basis for allocating PSA's budgetary resources is derived from PSA's Strategic Plan framework. PSA established five substance use-related performance indicators for its FY 2022 – 2026 Strategic Plan to monitor Agency efforts in support of the ONDCP objectives. Progress on these measures and implementation of process improvements (as needed) positively impact the goals and objectives of ONDCP's Strategy. PSA drug control resources are allocated based on percentage of time spent performing activities associated with the following Strategic Goal Performance Indicators.

Strategic Goal 3: Minimize Rearrest. Percentage of supervised defendants who are not arrested for a new, papered offense during the pretrial period.

Strategic Objective 3.2.1: Substance Use Disorder (SUD) Assessments

Strategic Objective 3.2.2: Placement into Substance Use Disorder (SUD) Treatment

Strategic Objective 3.2.3: Reduction in Drug Use

Strategic Objective 3.2.4: Mental Health Assessments

Strategic Objective 3.2.5: Connection to Mental Health Services



Through regular drug testing, assessment, treatment placement, incentivizing defendants to participate in treatment, and addressing noncompliance with graduated sanctions, PSA expects to have a positive impact on the ONDCP Strategy goals and objectives related to reducing illicit substance use (Goal 1) and increasing treatment efforts (Goal 4).

Material Weakness

CSOSA (PSA/CSP) received an unmodified (clean) opinion on FY 2023 financial statements by our independent auditing firm Harper, Rains, Knight & Company dated November 15, 2023. The independent auditor identified no material control weaknesses as part of the FY 2023 audit.

Assertions

I assert that FY 2023 drug budget obligations reported by PSA to ONDCP on January 10, 2024, as part of CSOSA's FY 2025 Budget and Performance Summary are derived from actual obligations from PSA's accounting system of record (Oracle Federal Financials), consistent with the drug budget methodology discussed above and in accordance with Section 7 of the ONCDP Circular. Additionally, the drug methodology, financial systems and data used to calculate obligations of prior year (FY 2023) Drug Budget resources by function were reasonable and accurate. I also assert that the above methodology was applied to actual financial data from the Agency's financial system.

2. Budget Formulation Compliance Report

Budget Formulation Information

CSOSA (CSP/PSA) is a small agency without bureaus or sub-components. Therefore, PSA does not typically develop or submit an ONDCP summer drug budget. The obligations reported are the actual obligations from the Agency's accounting system of record derived using the methodology discussed above.

PSA Fall Drug Budget (November 2023)

	Budget Authority (in Millions)	
	FY 2023 FINAL	FY 2024 CR
Prevention	\$18.99	\$18.36
Treatment: Recovery	\$8.41	\$8.56
SUB-TOTAL	\$27.40	\$26.92

Assertions

I assert that drug budget obligations reported by PSA in the fall drug budget submitted to ONDCP on September 11, 2023 are derived from actual obligations from CSP's accounting system of record (Oracle Federal Financials), consistent with the drug budget methodology discussed above. CSOSA's FY 2024 fall drug budget was submitted to ONDCP on-time. Further, I assert that the fall drug budget resources reported to ONDCP correspond to resources reported to OMB as part of PSA's FY 2025 budget request on September 11, 2023.



If you have any questions concerning this report, please contact me at denise.petrusic@psa.gov or (202)893-2120.

Sincerely,

DENISE Digitally signed by DENISE
PETRUSIC
PETRUSIC Date: 2024.10.11 10:44
-0500

Denise Petrusic
Deputy Assistant Director, Finance and
Administration



Department of Defense

Counternarcotics and Stabilization Policy



NATIONAL DRUG CONTROL STRATEGY: FY2025 BUDGET, COMPLIANCE AND
FY2023 PERFORMANCE SUMMARY

Counternarcotics and Stabilization Policy
Programs, Resources, and Assessment

January 19, 2024

1



NATIONAL DRUG CONTROL STRATEGY: FY 2025 BUDGET, COMPLIANCE AND FY2023 PERFORMANCE SUMMARY

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DEPARTMENT OF DEFENSE
Office of the Secretary of Defense

Resource Summary

	Budget Authority (in millions)	
	FY 2023 Enacted	FY 2024 Request
Drug Resources by Function		
Intelligence	\$228.265	\$235.531
Interdiction (Includes OPTEMPO)	410.200	417.993
International	31.349	40.324
Prevention	130.060	134.313
State and Local Assistance	231.690	108.265
Annualized Continuing Resolution		84.338
Annualized Continuing Resolution (OPTEMPO)		10.800
Total Drug Resources by Function	\$1,031.564	\$1,031.564
Drug Resources by Decision Unit		
Drug Interdiction and Counterdrug Activities	\$970.764	\$886.426
Military Service-Funded Operations Tempo (OPTEMPO)	60.800	50.000
Annualized Continuing Resolution		84.338
Annualized Continuing Resolution (OPTEMPO)		10.800
Total Drug Resources by Decision Unit	\$1,031.564	\$1,031.564
Drug Resources Personnel Summary		
Total Full Time Equivalent (FTE) positions	1,394	1,365
Drug Resources as a percent of Budget		
Total Department of Defense Budget (in Billions)	\$ 816.7	\$ 842.0
Drug Resources percentage	0.13 %	0.11 %

Program Summary MISSION

The Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Stabilization Policy (DASD CNSP) develops DoD counterdrug (CD) and counter-transnational organized crime (CTOC) policy. It also issues guidance, establishes priorities, and oversees resource allocation and program execution, for DoD CD and CTOC missions. These missions focus on countering illicit drug trafficking, but also include countering illicit financial flows and the illicit trafficking of people, wildlife, natural resources, and weapons. Primary activities include:

- Coordinate and monitor DoD and interagency efforts for the detection and monitoring of the maritime and aerial transit of illegal drugs into the United States.
- Direct, oversee, and monitor planning, programming, and budget (formulation,



NATIONAL DRUG CONTROL STRATEGY: FY 2025 BUDGET, COMPLIANCE AND FY2023 PERFORMANCE SUMMARY

justification, and execution) processes for DoD Drug Interdiction and CD Activities programs, in coordination with other DoD Components.

- Review, evaluate, coordinate, and monitor DoD CD and CTOC plans and programs to ensure adherence to approved policy and standards.
- In conjunction with the Chief, National Guard Bureau coordinate and monitor National Guard support to State drug law enforcement operations and to DoD, as required.
- Develop strategy, policy, plans, and programs pertaining to DoD Counter Threat Finance (CTF) activities, goals and requirements.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Budget Formulation Compliance Report

Summer Budget

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

DASD CNSP assert that the summer drug budget was submitted on December 04, 2023, to ONDCP in response to *ONDCP Circular dated September 09, 2021: Budget Formulation, Section 9.a.(1)* and was provided to ONDCP at the same time as the budget request was submitted to our superiors in accordance with *21 U.S.C. § 1703(c)(1)(A)*.

In accordance with 21 U.S.C. § 1703(c)(1)(A), the Department of Defense (DoD) is required to submit a drug control budget to ONDCP. The ONDCP Circular: Budget Formulation, September 9, 2021, requires submission of a summer drug control budget. The DoD does not have a budget formulation process that allows for summer budget proposals, including major



changes to base funding, key funding initiatives, or modifications to the counterdrug account structure. Accordingly, we have asked for relief from the current and future summer budget submissions.

DASD CNSP submits a fall Budget Estimate Submission (BES), which was submitted December 04, 2023, and a winter Presidents Budget Request (PBR) but not a Summer Budget. The annual Defense counterdrug budget submission coincides with the overall Defense budget submission and is aligned with the Department’s Planning, Program, Budgeting and Execution (PPBE) methodology. The mythology used to allocate resources to capabilities necessary to accomplish the Departments’ missions. The PPBE timeline is jointly published by the Under Secretary of Defense, Comptroller and the Director for Cost Assessment and Program Evaluation (CAPE). The timeline clearly defines all Defense Components’ requirements for the annual budget estimates in the fall leading to the submission of the President’s Budget Request to both Congressional Authorization and Appropriation committees annually on the first week of February.

Funding Levels Represent Bureau-Level Request

As an appropriated agency within the federal government, CNSP assert that the funding submission provided in *ONDCP Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, Section 6.a.(2)*, represent the funding levels in the budget submission made by DASD CNSP without alteration or adjustment by any official within the DoD.

Detail Accounting Report

Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function –
The report shall include a table displaying all drug control budget authority appropriated or otherwise available and obligations against that budget authority for the most recently completed fiscal year. The budget authority and obligations in the table should be displayed at the same level of detail as required in *ONDCP Circular: Budget Execution, Section 6.a.(1)*. For agencies/bureaus with multi-year budget authority, funding levels should be presented by fiscal year for all non-expired (multi-year) budget authority.

Funded Program	\$ in Thousands	
FY 2023 Appropriated		970,764
No adjustments or transfers		-
FY 2023 Actual		970,764
Obligations by ONDCP Drug Control Function	\$ in Thousands	
Intelligence		196,088
Intelligence: Domestic Law Enforcement	9,200	
Intelligence: Interdiction	170,300	
Intelligence: International	16,588	



NATIONAL DRUG CONTROL STRATEGY: FY 2025 BUDGET, COMPLIANCE AND FY2023 PERFORMANCE SUMMARY

Interdiction ¹		357,431
International		22,618
Prevention		120,162
State and Local Assistance		222,159
FY 2023 Total Obligations²		918,458

¹ Includes \$3,100 thousand in U.S. Army Corps of Engineers obligations for Southwest Border barrier contract close-out and oversight activities in support of the Department of Homeland Security.

² Represents a 95.0% overall obligation rate based on an adjusted FY 2023 budget of \$914,429 thousand.

As of September 30, 2023, obligation rates for individual appropriations were as follows:

- FY 2023 Military Pay: 96.0%
- FY 2023 Operations & Maintenance: 98.0%
- FY 2022/2024 (multiyear) Procurement: 59.0%
- FY 2022/2024 (multiyear) Research, Development, Test & Evaluation: 73.0%

FY 2023 Drug Resources Civilian Personnel Summary

Authorized Full Time Equivalent Positions

Counter-Drug Activities	750
Drug Demand Reduction Program	747
TOTAL FTE	1,497

Drug Methodology

The DoD Drug Interdiction and Counterdrug Activities budget is drug-related the reason it is reported as a part of the National Drug Control Budget. The funds are programmed and budgeted for specific projects, activities and requirements driven by the COCOMs' and Interagency' mission. Thereafter, transferred during the fiscal year of execution to the most appropriate Military Service or Defense Agency for implementation. Operations Tempo (OPTEMPO) estimates are computed by the Services to support CD efforts, by either aircraft hours or ship days, and are reported by the Services to the office of the Deputy Assistant Secretary of Defense for Counternarcotics and Stabilization Policy [DASD (CNSP)].

The account is structured into projects, each identified by a unique Project Code. A Project Code may identify a discrete function or may represent the aggregate of similar activities executed by the various geographic combatant commands. However, although the entirety of the account supports DoD counterdrug-related activities, the account is not structured by the drug control functions of the National Drug Control Budget. Each Project Code is statistically weighed among the functions, either in its entirety or proportionally, using an interactive financial management database to quantify the account's financial plan reasonably and fairly to the drug control functions. This methodology provides a reasonable basis for consistently estimating DoD counterdrug program support to the National Drug Control Budget functions.

Application of Drug Mythology

CNSP assert that the drug methodology disclosed in this report was the actual methodology used to generate the table required by *Section 7.a.(1) of the Circular*. The methodology used to



express the financial plan for current year Department of Defense (DoD) budgetary resources in terms of the drug control functions identified in the National Drug Control Budget. As background, the majority of DoD counterdrug activities are funded from a central transfer appropriation titled *Drug Interdiction and Counterdrug Activities, Defense*. Funds appropriated to CN Central Transfer Account (CTA) are subsequently transferred by DoD to the various Military Departments and Defense Agencies for program execution. As designed, the central transfer account supports centralized oversight and decentralized program management and execution.

Material Weakness or Other Findings

CNSP assert that no material weaknesses or other known weakness were identified by independent sources including those identified in the Military Departments’, COCOMs’, and Defense Agencies’ Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations as required by *ONDCP Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, Section 7.a.(4) of the Circular have been disclosed.*

Methodology Modifications


CNSP assert that no modifications were made to the methodology for reporting drug control resources from the previous year’s reporting.

Reprogramming or Transfers

CNSP assert that the data presented are associated with obligations for DASD CNSP financial plan. DASD CNSP has no reportable reprogramming or transfer in FY 2023 related to drug-control obligations.

Fund Control Notices

CNSP assert that the FY2023 obligation data presented are associated with the Military Departments’ COCOMs’ and Defense Agencies’ budget phase obligation plan in accordance with CNSP’s operating financial guidance and annual enacted budget. ONDCP does not issue Fund Control Notices as stated by the *Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, Budget Execution.*

 Recoverable Signature

X Enrique A. Marchand

Enrique A. Marchand
PR&A DepDir
Signed by: 1b5bb39c-1cad-43b6-b245-11a6c43ef766

PERFORMANCE

The Department of Defense delivers global support to the nation’s CD and CTOC efforts by detecting, and monitoring aerial and maritime drug threats bound for the United States, supporting U.S. and international partner operations and information sharing, conducting global



intelligence and counter threat finance analyses, and encouraging a drug-free workplace through drug demand reduction (DDR) programs.

Measures of performance assigned to these activities are used by decision makers to: observe progress and measure actual results for comparison to expected results and operational objectives; guide the allocation of counterdrug and counter transnational organized crime budgetary resources during the annual planning, programming, budgeting, and execution process; provide management and oversight of DoD counterdrug and countering transnational organized crime programs; and facilitate communications and engagements with internal and external stakeholders.

Selected examples of FY 2023 qualitative and quantitative program performance results are provided in the following table, and accompanying narrative, to communicate DoD's progress toward achieving operational objectives in support of the National Drug Control Program.

Department of Defense		
Selected Measures of Performance	FY 2023 Target	FY 2023 Achieved
Budget Decision Unit 1 – Drug Interdiction and Counterdrug Activities		
» Percentage of Detected Events Successfully Handed-off to Interdiction and Apprehension Resources	80 %	68 %
» DoD military personnel testing positive for drug use	< 2 %	1.25 %
» DoD civilian personnel testing positive for drug use	< 1 %	0.54 %
» Heroin Removal by Combined Task Force – 150 in Indian Ocean Transit Zone	4,800 kg	8,212 kg
Budget Decision Unit 2 – Counterdrug Operations Tempo		
» Aircraft and ship OPTEMPO hours executed by the U.S. Armed Forces in support of global counterdrug operations:		
US Navy and AF aircraft flying hours	20,000	16,614
US Navy ship hours	2,500	1,674



BUDGET DECISION UNIT 1: DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

MEASURE 1: Percentage of total global illicit trafficking events, as estimated by interagency and international intelligence activities, detected and successfully handed-off to interdiction and apprehension assets by Joint Interagency Task Force South.

DoD contributes to National Drug Control Strategy supply reduction goals by acting as the single lead agency for detecting and monitoring aerial and maritime transit of illicit drugs into the United States. USOUTHCOM's Joint Interagency Task Force-South (JIATF-S) facilitates drug interdiction by leveraging cued intelligence and other sources. The task force detects, monitors, and then hands-off potential targets to U.S. and international law enforcement agencies that possess the authorities to conduct the subsequent interdiction and apprehension.

In FY 2023, JIATF-S is estimated to have logged roughly 8,530 Critical Movement Alerts (CMAs) comprised of initial intelligence submissions, of which about 6,300 were Drug Movement Alerts (DMAs), a subset of CMAs that capture an impending or ongoing illicit drug movement. During quarterly Consolidated Counterdrug Data Base (CCDB) vetting conferences, each interagency partner-submitted event is examined to ensure strict adherence to agreed-upon criteria as defined in the CCDB User's Manual. This refinement process resulted in the designation of 4,758 JIATF-S maritime events for FY 2023.

* During the first half of FY23, of the 1,824 JIATF-S CCDB non-commercial, Western Hemisphere narcotics maritime events, JIATF-S was able to target 611 (33%). Target, in this context, is the act of trying to locate an illicit conveyance with resources such as, aircraft, ships, helicopters, etc. The remaining 1,213 events (67%) were not targeted primarily due to shortfalls in targeting information and shortages in air and maritime detection and interdiction resources. Of the 611 targeted events, 139 (23%) were detected by U.S. or partner nation (PN) D&M assets. Of the 139 detected after targeting, 95 (68%) were successfully handed-off to U.S. or PN law enforcement I&A assets. JIATF South supported an additional 67 disruptions through tactical operations and information sharing with partners.

JIATF-S serves as a critical force multiplier for U.S. law enforcement agencies for evidence collection, grand jury proceedings, indictments, and extraditions leading to the interdiction or arrest of key drug trafficking organization (DTO) members, consolidated priority organization targets (CPOT), and the disruption of prioritized transnational threat networks. Below is a summary of FY 2023 law enforcement statistics as compared to FY 2022 for drug seizures where JIATF-S helped:

- Arrests/Detainees: estimated 968, roughly same as FY22 (959)
- Conveyances (vessels and aircraft): estimated 312, roughly same as FY22 (317)
- Cocaine: 303.5 MT, 1.8% increase (\$7.6B loss to traffickers); FY22 (298 MT)
- Marijuana: 77.5 MT, 21% increased (\$162M loss to traffickers); FY22 (64 MT)
- Heroin: 0 KG



Overall, JIATFS supported the disruption of 303.5 metric tons of narcotics, which was an increase of 1.8 percent when compared to FY22 and the highest total disruption tonnage in our 33-year history. JIATFS exceeded historic records while experiencing a 15 percent decline in MPA air hours and a 19 percent decline in ship days.

As another metric of interest, the percentage of disruptions from detections was 68%, falling short of the 80% success rate target. The 80% FY 2023 target was set as an incremental increase towards a goal of 100% (the target is reviewed on an annual basis). Also, roughly 85% of Western Hemisphere narcotics flow events remain undetected during transit with a precise location update by US and PN assets leaving I&A handoff unachievable for the vast majority of flow events.

Many variables affect the actual hand-off success percentage, but each year the US government and PNs strive to become more efficient and effective by increasing capabilities, capacities, and competencies with assets/resources, command and control, information sharing, and technological advancements to enable better “detection” and “hand-off” successes.

MEASURES 2: DoD military and civilian personnel testing positive for drug use.

The DoD Drug Demand Reduction Program (DDRP) was mandated in 1981 and given the mission to deter DoD personnel from abusing illicit drugs or misusing prescription drugs. The program components include compulsory random drug testing with punitive consequences and anti-drug education and outreach programs. The effectiveness of this program is measured by monitoring the prevalence of drug use from drug testing statistics published annually with a 2% or less urine drug positive rate for military personnel, and a 1% urine drug positive rate for DoD civilians in Testing Designated Positions. These goals were established as Well-Being of the Force Indicators in 2008¹. An additional source of determining the effectiveness of the DDRP is the DoD Survey of Health-Related Behaviors. The DoD survey is conducted every three years as an additional measure of effectiveness because it is independent from the drug testing program. The specific metric from the survey monitored is self-reported use of illicit drugs and misuse of prescription drugs within the past 30 days.

Measure 3: DoD civilian personnel testing positive for drug use.

DoD is on track to keep the illicit drug positive rate below 2% for military personnel and below 1% for civilian personnel, despite the Department expanding the drug testing panel to include fentanyl, LSD, and delta-8 THC. DoD policy is to ensure 100% random urine drug testing of every Service member annually. Given the success of DoD’s civilian drug testing program, the random testing rate for civilians in testing-designated positions will be 50% of the workforce per year.

¹ Established in response to OUSD (P&R) Memorandum, “Well-Being of the Force Indicators,” dated 3 March 2008. Goals were set at values substantially lower than what was reported in DoD Surveys of Health-Related Behavior Among Military Personnel.



MEASURE 4: Indian Ocean Heroin Removal by Combined Task Force-150

In FY 2023, the RNIFC gathered and fused actionable counter-drug information resulting in 214 maritime Contacts of Interest (CoI) passed to regional law enforcement partners and naval vessels of Combined Task Force-150 (CTF-150) of which 39 were boarded and searched with 21 of those instances resulting in illicit narcotics seizures. RNIFC's FY 2023 CoIs and Boardings exceeded FY 2022 results of 177 CoIs and 32 boardings.

RNIFC's continued coordination and collaboration with European Union Naval Forces (EU NAVFOR) present in the Indian Ocean, Red Sea and Mediterranean waters assisted RNIFC in countering Indian Ocean illicit maritime activity. RNIFC CoI intel was shared with EU NAVFOR maritime and air platforms resulting in four boardings and seizures contributing 1,375.7 kilograms of heroin, 210 kilograms of methamphetamines and 2,709 kilograms of hashish to RNIFC's FY 2023 seizure results.

RNIFC continued coordination with law enforcement partners across the Indian Ocean basin enabled narcotics seizures where suspect CoIs were beyond the reach of a boarding by CTF-150 platforms. RNIFC coordinated with U.S. Embassy country team representatives and their partner nation law enforcement entities in Mozambique, Indonesia, Yemen, Seychelles, Sri Lanka and Pakistan resulting in eight additional interdictions of 1,181.926 kilograms of heroin, 2,076 kilograms of methamphetamines, 3,033 kilograms of hashish and 1 kilogram of MDMA.

DoD views RNIFC's ability to sustain the level of and/or increase CoIs as reflective of continued improvements in Interagency counter-drug intelligence analysis capabilities, integration with Commander U.S. Naval Forces Central Command (NAVCENT) and partner navies in NAVCENT's Combined Maritime Force (CMF) and CTF 150. Interdiction statistics for the year continue to demonstrate the evolution and value of RNIFC's fusion of time sensitive counterintelligence to identify, locate and coordinate maritime interdictions or land-based seizures.

RNIFC's total FY 2023 interdictions resulted in removal 8,211.626 kilograms of heroin seized, confiscated, exploited for intelligence, and destroyed. In addition to heroin, RNIFC enabled the seizure of 34,813 kilograms of hashish, 6,398.4 kilograms of methamphetamines, 2,980 kilograms of opium and 34 kilograms of other narcotics substances including 23 kilograms of Captagon. Heroin and opium (e.g., opioids) combined seized in the Indian Ocean basin totaled 11,191.626 kilograms. This exceeds prior year opioids seized in the same maritime geography of 9,356.95 kilograms. Additionally, RNIFC coordination resulted in 55 arrests, six dhows seized, and one dhow destroyed.

BUDGET DECISION UNIT 2: COUNTERDRUG OPERATIONS TEMPO (OPTEMPO)

MEASURE 1: Aircraft and ship OPTEMPO hours executed by the U.S. Armed Forces in support of global counterdrug operations.

This measure supports the analysis of operational trends by tracking multiyear U.S. Armed Forces CD OPTEMPO hours in support of U.S. and partner nation law enforcement CD operations. Beginning in FY 2018, DASD (CN&SP) began coordinating with the Military



NATIONAL DRUG CONTROL STRATEGY: FY 2025 BUDGET, COMPLIANCE AND FY2023 PERFORMANCE SUMMARY

Services to report data for aircraft flight and ship steaming hours in support of global CD operations to assist the Office of National Drug Control Policy (ONDCP) in obtaining a more complete accounting of total DoD support provided in support of National Drug Control Strategy goals. Due to a reduction of Air Force and Navy assets in FY2023 there were decreases to our CD OPTEMPO flying hours by 17% as well as ship steaming hours which decreased by 33% when compared to FY2022.



Defense Security Cooperation Agency



DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

February 6, 2024

MEMORANDUM FOR THE OFFICE OF NATIONAL DRUG CONTROL POLICY,
ASSISTANT DIRECTOR FOR PERFORMANCE AND BUDGET

SUBJECT: Defense Security Cooperation Agency Annual Accounting of Drug Control Funds Report

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Compliance Reviews*, I make the following assertions regarding the attached annual accounting of drug control funds for the Defense Security Cooperation Agency (DSCA):

Summer Budget Formulation Information
DSCA does not submit a summer budget to the ONDCP.

Detailed Report Accounting
The following is a detailed report of the FY 2023 DSCA programs identified as supporting the ONDCP initiatives.

	FY 2023 Obligated	Budget Authority (in Millions)
Drug Resources by Function		
International	\$64.326	
Total Drug Resources by Function	\$64.326	
Drug Resources by Decision Unit		
Defense Security Cooperation	\$62.676 ¹	
Regional Center CTOC	\$1.650	
Total Drug Resources by Decision Unit	\$64.326	
Drug Resources Personnel Summary		
Total FTEs (direct only)	0 ²	
Drug Resources as a Percent of Budget		
Total Agency Budget (in millions)	\$11.471	
Drug Resources Percentage	0.561%	

¹ Building Partner Capacity Decision Unit uses 2-year appropriations – period of availability for new obligations expires 30 Sep 24

² FTEs at the Regional Center no longer funded directly or tracked under CTOC Program.

**Obligations by Budget Decision Unit**

I assert that obligations reported by budget decision unit are the actual obligations from the agency's accounting system of record for these budget decision units, consistent with the drug budget methodology discussed below.

Drug Methodology

The DSCA reports on two Decision Units: the George C. Marshall European Center for Security Studies (GCMC) and the International Security Cooperation Programs (ISCP) account. The GCMC and ISCP account are both resourced with the Operations and Maintenance (O&M), Defense Wide appropriation. Of note, the ISCP account receives appropriated funds that have a 2-year period of availability. The DSCA Comptroller Office utilizes reports from the Defense Agencies Initiative (DAI), the official agency accounting system of record, to track funding activity for counternarcotics (CN) and Countering Transnational Organized Crime (CTOC) programs. This information is captured for the fiscal year and reported annually in October.

The GCMC program estimates are developed during the annual program plan for the following year. Programs identified as CN and CTOC are identified and reported to ONDCP.

CN and CTOC programs funded with the ISCP account are developed and prioritized on the annual Resource Allocation Plan. Program approval is coordinated through the Office of the Secretary of Defense (OSD) and submitted to the congressional defense committees during the President's budget submission. Applicable programs supporting countries within the USNORTHCOM and USSOUTHCOM areas of responsibility are captured and reported to the ONDCP.

Deviations from planned estimates could be caused by changes in participation, savings, or re-prioritization by OSD or Congress.

Funding Level

I assert that funding levels listed are consistent with DSCA approved programing.

Methodology Modification

I assert that there has been no change in the drug methodology used to calculate obligations.

Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used.

Material Weaknesses or other Findings

I assert that there have been no identified material weaknesses or other findings with the programs listed above.

Reprogramming or Transfers

DSCA did not reprogram or transfer any funds included in its drug control budget.



Funds Control Notices

I assert that the data presented is associated with obligations against the approved DSCA financial plan that fully complied with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, Budget Execution.

Inspector General (IG) Authentication

DSCA provides documentation to the IG upon request but not less frequently than every 3 years.

Sincerely,

HARDING.JOSEPH
AARON.125466269
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Digitally signed by
HARDING.JOSEPH/AARON.125
466269
Date: 2024.02.27 12:48:20 -0500

J. Aaron Harding
Chief Operating Officer and Chief Financial Officer
Defense Security Cooperation Agency



Defense Health Agency



DEFENSE HEALTH AGENCY
7700 ARLINGTON BOULEVARD, SUITE 5101
FALLS CHURCH, VIRGINIA 22042-5101

MEMORANDUM TO: ASSOCIATE DIRECTOR FOR PERFORMANCE & BUDGET
Office of National Drug Control Policy

THROUGH: DARRELL LANDREUX
Deputy Assistant Secretary of Defense (Health Resource
Management & Policy)
Department of Defense (Health Affairs)

FROM: ROBERT L. GOODMAN
Assistant Director
Resources & Personnel Integration

SUBJECT: Defense Health Agency Annual Accounting of Drug Control Funds Report

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021. I make the following assertions regarding the attached annual accounting of drug control funds.

OBLIGATIONS BY BUDGET DECISION UNIT

I assert that obligations reported by budget decision unit are actual obligations from our agencies accounting system.

DRUG METHODOLOGY

I assert that the drug methodology used to calculate obligations of resources was reasonable and accurate in accordance with the criteria listed in Section 7b(2) of the Circular: National Drug Control Agency Compliance Review.

APPLICATION OF DRUG METHODOLOGY

I assert the drug methodology disclosed in this report was the actual methodology used to generate the table required by Section 7a of the Circular: National Drug Control Agency Compliance Review.

MATERIAL WEAKNESS OR OTHER FINDINGS

I assert no known material weakness or other findings were found in collection of FY2023 obligations data.

METHODOLOGY MODIFICATIONS

I assert no modifications were made to the drug methodology used for reporting.

REPROGRAMMING OR TRANSFERS

I assert DHP had no reportable reprogramming or transfer in FY 2023 related to drug-control obligations.



Fund Control Notices

I assert the data presented are associated with obligations, which complied fully with all ONDCP Budget Circulars.

GOODMAN.ROBER Digitally signed by
T.LOWELL.1140586 GOODMAN.ROBERT.LOWELL.1
540 142886642
Date: 2024.02.15 08:21:06 -0900

Robert L. Goodman SES
Assistant Director
Resources and Personnel Integration
Defense Health Agency

Attachments: FY 2023 Detailed Accounting Report, National Drug Control Activities, Defense Health Agency



FY 2023 Detailed Accounting Report, National Drug Control Activities, Defense Health Agency

OBLIGATIONS TABLE

Budget Authority (in Millions)		
	FY 2023 Enacted	FY 2023 Obligated
Drug Resources by Function		
Treatment: Recovery ¹	\$75.674	\$69.633
Treatment: Other than Recovery ¹	\$3.582	\$2.307
Research and Development: Prevention ²	\$4.000	\$3.855
Research and Development: Treatment ²	\$17.084	\$16.236
Total Drug Resources by Function	\$100.340	\$92.031
Drug Resources by Decision Unit		
DHP Treatment and Research and Development	\$100.340	\$92.031
Total Drug Resources by Decision Unit	\$100.340	\$92.031
Drug Resources Personnel Summary		
Total FTEs (direct only)	0	0
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions) ³	\$39,220.60	\$38,850.00
Drug Resources Percentage	0.26%	0.24%

¹ Treatment and Pharmaceuticals enacted amounts are an estimate based on previous year's expenses and a subset of the overall DHP Operation and Maintenance (O&M) budget.

² Research and Development Funds are multi-year appropriation, FY 2023 Enactment has Period of Availability for FY23/24 with \$0.232M obligated by 30 Sept 2023. Additionally, \$19.859M of FY22/23 funds obligated during FY 2023.

³ Total Agency Budget represents Defense Health program appropriated funding only and excludes Medicare Eligible Retiree Health Care Fund (MERHCF)

METHODOLOGY

HEALTHCARE. The TRICARE Encounter Data Operational Data Store (TEDODS) served as the data source for the purchased care information. The Medical Data Repository (MDR) served as the data source for the direct care information. The International Classification of Disease (ICD) 10 coding system provided the structure to capture and compile the healthcare information from both the TEDODS and MDR. This approach captured all purchased care and direct care encounters with a primary ICD-10 diagnosis codes or inpatient procedure codes (HCPCS) related to drug abuse treatment. For purchased care records, the data extract captured the TRICARE "government paid" amounts from the pertinent healthcare claims. Direct care encounter records included various estimated cost components.

PHARMACY. The Pharmacy Data Transaction System (PDTS) data embedded in the MDR served as the data source for the pharmacy cost component. The absence of ICD-10 drug abuse treatment specific pharmaceutical codes complicates the identification of these cost within the available pharmacy data. To address this complication, the costs of pharmaceuticals specifically associated with



and prescribed for drug abuse treatment. The DHA compiled the list of drug abuse treatment specific pharmaceuticals (National Drug Control (NDC) Number) based on a review of public, private, and federal literature related to drug abuse treatment. The list includes medications approved by FDA for drug abuse treatment.

HEALTHCARE AND PHARMACY EXCLUSIONS. Excluded from healthcare and pharmacy are costs associated with Medicare eligible beneficiaries and beneficiaries enrolled in the US Family Health Plan (USFHP) program are excluded from both the healthcare and pharmacy cost components.

RESEARCH. With the exception of Congressionally-directed research activities, the DHP appropriation does not have specific budget line items designated for drug control research activities. As a result, the costs for research represent funds provided for specific projects related to drug abuse, to include advanced development research efforts with pain management.

METHODOLOGY MODIFICATION

None

MATERIAL WEAKNESS OR OTHER FINDINGS

None

REPROGRAMMING OR TRANSFERS

None

OTHER DISCLOSURES

None



Department of Education

Office of Elementary and Secondary Education



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

February 7, 2024

Jon Rice Assistant Director,
Office of Performance and Budget
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Mr. Rice:

Enclosed via e-mail attachment please find the Department of Education's Fiscal Year 2023 Accounting of Drug Control Funds and Calendar Year 2023 Budget Formulation Compliance Report. Note that on January 3, 2024, the Department requested a waiver of the Inspector General Authentication review required by Section 8 (d) of the ONDCP Circular: National Drug Compliance Control Program Agency Compliance Review, because the drug-related actual obligations for FY 2023 were below the \$50 million threshold for exemption. ONDCP informed the Department that the waiver had been approved on January 17, 2024.

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

Sincerely,

LARRY
KEAN

Digital agent
by LARRY KEAN
Team: 20240107
11:26:27 AM

Larry Kean Director,
Budget Service

400 MARYLAND AVE., S.W. WASHINGTON, D.C. 20202-2110

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.



DEPARTMENT OF EDUCATION



DETAILED ACCOUNTING OF FISCAL YEAR 2023 DRUG CONTROL FUNDS

FEBRUARY 7, 2024



DEPARTMENT OF EDUCATION
DETAILED ACCOUNTING OF FISCAL YEAR 2023 DRUG CONTROL FUNDS

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TABLE OF PRIOR-YEAR DRUG CONTROL OBLIGATIONS

	Fiscal Year 2023 Obligations (in millions)
<u>Drug Resources by Function</u>	
Prevention	\$44.476
Total	44.476
<u>Drug Resources by Decision Unit</u>	
Office of Elementary and Secondary Education	
School Safety National Activities	\$44.476
Total	44.476

PROGRAM DESCRIPTION

The mission of the U.S. Department of Education is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. Over the past several years, the Department's activities classified for inclusion in the national drug control budget were funded under School Safety National Activities (SSNA), which is a broad discretionary authority under Title IV, Part F, Section 4631 of the Elementary and Secondary Education Act (ESEA). SSNA programs help States and school districts foster a safe, secure, and supportive school and community environment conducive to teaching and learning, which may, though not specified in authorizing language, include drug prevention efforts; facilitate emergency management and preparedness, as well as recovery from traumatic events; and increase the availability of school-based mental health service providers for students.

A subset of projects funded under SSNA comprise the only Department of Education activities included in the national drug control budget in fiscal year 2023. The subset of projects supported under SSNA that have a drug control nexus, and for which funds are thereby included in this accounting of drug control funds, include (1) School Climate Transformation Grants and related technical assistance to help create positive school climates by developing and adopting, or expanding to more schools, the use of multi-tiered decision-making frameworks that guide the selection, integration, and implementation of evidence-based behavioral practices for improving school climate and behavioral outcomes for all students; and (2) dissemination, outreach, and other technical assistance activities that support and improve drug and violence prevention efforts.

In addition to activities that include drug prevention, School Safety National Activities carried out by the Department in 2023 also included: (1) Project SERV (School Emergency Response to Violence), which provides education-related services to LEAs and institutions of higher education (IHEs) in which the learning environment has been disrupted due to a violent or traumatic crisis; (2) Project Prevent grants to LEAs to help schools in communities with pervasive violence break the cycle of violence; (3) Mental Health Service Professional Demonstration Grants and School-Based Mental Health Services grants, which help increase the number of counselors and other mental health professionals to provide services to students in high-need school districts; and (4) a small number of miscellaneous other school safety activities. Although the Department obligated funds for all these activities in fiscal year 2023,



funds for these components of School Safety National Activities are not included in the ONDCP drug budget under the approved methodology for fiscal year 2023 and, therefore, they are not included in this obligations report.

DISCLOSURES

Drug Methodology

This accounting submission includes all fiscal year 2023 obligations of funds under School Safety National Activities, with the exception of activities that have no drug control nexus. Accordingly, the amounts in the enclosed table of prior-year drug control obligations include all funding for School Safety National Activities, with the exclusion of obligations of funds for (1) Project SERV; (2) Project Prevent; (3) Mental Health Service Professional Demonstration Grants and School-Based Mental Health Services grants; and (4) miscellaneous other school safety activities.

Obligations by Drug Control Function

All obligations of funds for the School Safety National Activities program shown in the table on page 2 of this report fall under the ONDCP drug control function category of prevention.

Obligations by Budget Decision Unit

All obligations of drug control funds in the table on page 2 of this report are displayed using the School Safety National Activities program as the budget decision unit.

Methodology Modifications

The Department does not have any drug control budget methodological modifications for fiscal year 2023 to disclose.

Material Weaknesses or Other Findings

The Department does not have any material weaknesses or other findings to disclose that affect the presentation of fiscal year 2023 drug-related obligations in this report. Limitations that affect the presentation of drug-related obligations in this report are explained in the disclosures below.

Reprogrammings or Transfers

There were no reprogrammings or transfers of drug-related budgetary resources in the Department of Education in fiscal year 2023.

Other Disclosures

The Department acknowledges the following limitation in the methodology described above for deriving the obligations of fiscal year 2023 drug control funds attributable to the School Safety National Activities program: Not all obligations of funds included in the resource summary of this report support drug prevention activities — some of these funds support violence prevention and school safety activities that have no drug control-related nexus.



ASSERTIONS

Obligations by Decision Unit

The fiscal year 2023 obligations of drug control funds shown in this report for the School Safety National Activities drug budget decision unit are the actual 2023 obligations of funds from the Department's accounting system of record for the School Safety National Activities program.

Drug Methodology

The methodology used to calculate the fiscal year 2023 obligations of drug prevention funds presented in this report is reasonable and accurate, because: (1) the methodology captures all of the obligations of funds under the School Safety National Activities program that reasonably have a drug control-related nexus under the approved methodology, and (2) these obligations of funds largely correspond to the display of resources for the School Safety National Activities program in the Department's budget justifications to Congress that accompany the President's budget.

Data

No workload or other statistical information was applied in the methodology used to generate the fiscal year 2023 obligations of drug control funds presented in the table on page 2 of this report. Where assumptions based on professional judgment were used as part of the drug methodology, the association between these assumptions and the drug control obligations being estimated is thoroughly explained and documented in the drug methodology disclosure and in the other disclosures in this accounting report.

Financial Systems

Financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which the drug-related obligation estimates are derived.

Application of Drug Methodology

The methodology disclosed in the narrative of this report was the actual methodology used to generate the fiscal year 2023 obligations of drug control funds presented in the table on page 2.

Material Weaknesses or Other Findings

There are no material weaknesses or other findings by independent sources, or other known weaknesses, that affect the presentation of fiscal year 2023 drug-related obligations in this report. The limitation of the methodology described above for deriving the obligations of fiscal year 2023 drug control funds in this report is disclosed on page 3.

Methodology Modifications

The Department did not make any modifications in the methodology it used to calculate its drug control obligations between fiscal year 2022 and fiscal year 2023.



Reprogrammings or Transfers

There were no reprogrammings or transfers of Department of Education drug control funds in fiscal year 2023. However, subsequent to the Department submitting its fiscal year 2023 financial plan to ONDCP, the Department reallocated various small amounts of funds across activities within School Safety National Activities. As a result of these reallocations the Department's drug control budgetary resources decreased by approximately \$4.8 million, from \$49.240 (as estimated in the financial plan) to the final amount of \$44.476.

Fund Control Notices

The Director of ONDCP has never issued to the Department of Education any Fund Control Notices under 21 U.S.C. 1703(f) or the applicable ONDCP Circular, *Budget Execution*. Therefore, the required assertion that the data presented in this report accurately reflect obligations of drug control funds that comply with all such Fund Control Notices is not applicable.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

January 3, 2024

Scott Chronister
Director, Interagency Budget Division
Office of Performance and Budget
Office of National Drug Control Policy
Washington, DC 20500

Mr. Chronister,

The US Department of Education (ED) requests an exemption under the ONDCP Circular: National Drug Compliance Control Program Agency Compliance Review dated September 9, 2021. Under Section 8 (d) of this Circular, the Unreasonable Burden Exception states that “An agency or bureau in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may request an exemption from the Inspector General Authentication review required by Section 8.” During the FY 2023 OIG review, ED reported drug-related actual obligations of \$44.48 million under the methodology approved for reporting for that year, which is below the \$50 million threshold for exemption.

ED understands that it will still be required to report under Section 6 and 7 of the Circular, as well as provide budget formulation information to ONDCP.

Should you have any questions or concerns, please contact Milagros Lanauze at milagros.lanauze@ed.gov.

Regards,

LARRY
KEAN

Larry Kean
U.S. Department of Education
Director, Budget Service
Office of Planning, Evaluation, and Policy Development

400 MARYLAND AVE., S.W. WASHINGTON, D.C. 20202-2110

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.



Department of Health and Human Services

Administration for Children and Families



MEMORANDUM TO: Associate Director for Performance and Budget
Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary For Finance and Deputy Chief Financial Officer
Department of Health and Human Services

FROM: Amanda Barlow
Director
Office of Legislative Affairs and Budget **Amanda E. Barlow -S**
Digitally signed by Amanda E. Barlow -S
Date: 2023.12.20 10:51:58 -05'00'

SUBJECT: Administration for Children and Families Compliance Review
for Fiscal Year 2023

DATE: November 21, 2023

In accordance with the Office of National Drug Control Policy Circular: National Drug Control Program Agency Compliance Reviews issued September 9, 2021, the Administration for Children and Families (ACF) Fiscal Year 2023 Drug Control Obligation Summary is enclosed. Since ACF's obligations for drug-related activities falls below the reporting threshold of \$50 million, we attest that full compliance with the ONDCP Circular would constitute an unreasonable reporting burden.



**Department of Health and Human Services
Administration for Children and Families**

Summer Drug Budget Transmittal

ACF attests the Drug Control Narrative for RPG was sent to ONDCP June 2023.

Assertions:

- ACF provided the summer budget submission to ONDCP at the same time as HHS.
- Funding information submitted to ONDCP was the same as what was provided to HHS without alteration or adjustment.

Budget funding table included in the budget submission provided to ONDCP:

Resource Summary	FY 2023 Enacted	FY 2024 Budget		
Drug Resources by Function Prevention	\$20,000	\$67,000		
Total Funding	\$20,000	\$67,000		
Promoting Safe and Stable Families – Regional Partnership Grants Discretionary Program	\$0	\$7,000		
Promoting Safe and Stable Families – Regional Partnership Grants Mandatory Program	\$20,000	\$60,000		
Drug Resources Personnel Summary				
Total FTEs (direct only)	2	2		
Drug Resources as a Percent of Budget				
Total Agency Budget	\$70.75	\$94.37	TBD	TBD
Drug Resources Percentage	0.0%	0.0%	0.0%	0.0%



**Department of Health and Human Services
Administration for Children and Families
Detailed Accounting Submission**

Within the Promoting Safe and Stable Families (PSSF) program, the Regional Partnership Grants (RPG) are competitive grants for regional organizational partnerships to provide services and activities to children and families impacted by a parent's or caretaker's substance abuse.

The statutory authority for RPG is Title IV, part B, subpart 2-Promoting Safe and Stable Families, Section 437(f) of the Social Security Act (42 U.S.C. 629g(f)). (https://www.ssa.gov/OP_Home/ssact/title04/0437.htm)

Resource Summary	FY 2023 Obligations *(\$ in millions)
Drug Resources by Function	
Regional Partnership Grants	\$18.860
Total, Drug Resources by Function	\$18.860
Drug Resources by Decision Unit	
Administration for Children Youth and Families	\$20.000
Sequestration	-\$1.140
Lapsed Discretionary	-\$0.037
Total, Drug Resources by Decision Unit	\$18.823

1. **Methodology:** There is \$20 million allocated for RPG as part of the larger PSSF program, and costs specific to drug prevention are not tracked separately within the RPG program. Funds are competitively awarded to jurisdictions that provide, through interagency collaboration and integration of programs and services, activities and services that are designed to increase the well-being of, improve permanency outcomes for, and enhance the safety of children who are in out-of-home placements or are at risk of being placed in out-of-home placements as a result of a parent's or caretaker's substance misuse.
2. **Drug Methodology:** Providing the total obligation funded to the RPG program is the only method to estimate drug prevention for the larger PSSF program. ACF obligated \$18.9 million, from the mandatory fund to support the RPG program to provide general technical assistance and evaluation services to jurisdictions, as well as services and activities to children and families impacted by a parent's or caretaker's substance abuse. Grantees select a range of services and activities that increase the well-being, permanency, and safety of children who are in or at risk of being placed in an out-of-home placement due to parental substance misuse. Examples of those services and activities may include substance abuse treatment for parents as well as other social service activities that improve parenting capacity and family functioning.



Regional Partnerships Grants Obligations FY 2023

Grants/Contracts	\$15,716,985
Salaries & Benefits	\$650,759
IAAs	\$2,450,062
5% Competitive RPG Set-Aside	\$0
Secretary Transfer	\$0
Lapsed Mandatory	\$36,690
Carryforward Mandatory	\$5,504
Lapsed Discretionary	\$0
Sequestration	\$1,140,000
Competitive RPG Discretionary	\$0
Total	\$20,000,000

3. Methodology Modifications: None.
4. Material Weaknesses or Other Findings: None.
5. Reprogramming or Transfers: None.
6. Other Disclosure: None

B. Assertions:

1. Obligations by Budget Decision Unit –ACF asserts that the obligations reported in the table above are by the budget decision unit and are the actual obligations from the RPG/ACF accounting system of record.
2. Drug Methodology – ACF asserts that the methodology used to calculate obligations of prior year budgetary resources are reasonable and accurate, and is based on reliable data reported in the Agency's financial system.
 - a) Data
 - b) Financial Systems - N/A
3. Application of Drug Methodology –ACF asserts that the drug methodology disclosed in Section 7.a.(2) was the actual methodology used to generate the table required by Section 7.a.(1).
4. Material Weaknesses or Other Findings – ACF asserts that all material weaknesses or other findings by independent sources, or other know weaknesses, including those identified in the Agency's Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations as required by Section 7.a.(4) have been disclosed.
5. Methodology Modifications – ACF asserts that no modifications were made to methodology for reporting drug control resources from the previous year's reporting.
6. Reprogramming or Transfers – ACF asserts that the data presented are associate with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP's approval of all reprogramming or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget.
7. Fund Control Notices – ACF asserts that the data presented above 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 9 of the ONDCP Circular. Budget Execution.



Centers for Disease Control and Prevention

Centers for Disease Control and Prevention
Budget Formulation Compliance Report

DATE: November 21, 2023

TO: Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Terrance Perry
Acting Chief Financial Officer and Acting Director, Office of Financial Resources
Office of the Chief Operating Officer
Centers for Disease Control and Prevention

SUBJECT: Assertions Concerning Fiscal Year 2025 Budget Formulation Summer Submission

- a. Summer budget formulation information
 - (1) Summer drug budget transmittal – CDC’s FY 2025 summer drug budget was submitted to HHS for transmittal to ONDCP on June 12, 2023.
 - (2) Summer drug budget resource summary table – CDC’s FY 2025 summer drug budget funding table is included in the attachment to this memo.
- b. Assertions
 - (1) Timeliness of summer budget submission – I assert that CDC’s FY 2025 summer drug budget was submitted to ONDCP on the date reported in Section 6.a.(1), and was provided to ONDCP at the same time as that budget request was submitted to their superiors accordance with 21 U.S.C. § 1703(c)(1)(A).
 - (2) Funding levels represent bureau-level request – I assert that the funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department.

Terrance Perry Digitally signed by
Terrance Perry -5
Date: 2023.12.14
12:53:27 -05'00'
Terrance Perry
Acting Chief Financial Officer and Acting Director, Office of Financial Resources
Office of the Chief Operating Officer
Centers for Disease Control and Prevention

Attachment: CDC FY 2025 Summer Budget Resource Summary Table



Centers for Disease Control and Prevention
Budget Formulation Compliance Report

<i>(Dollars in Millions)</i>	FY 2023 Enacted	FY 2024 Level
Drug Resources by Function		
Prevention	\$456.263	\$456.263
Harm Reduction	\$72.316	\$72.316
Total Drug Resources by Function	\$528.579	\$528.579
Drug Resources by Decision Unit		
Opioid Overdose Prevention and Surveillance	\$505.579	\$505.579
Infectious Diseases and the Opioid Epidemic ¹	\$23.000	\$23.000
Total Drug Resources by Decision Unit	\$528.579	\$528.579
Drug Resources Personnel Summary		
Total FTEs (Direct Only) ²	198	198
Opioid Overdose Prevention and Surveillance	190	190
Infectious Diseases and the Opioid Epidemic	7	7
Drug Resources as a Percent of Budget		
Total Agency Budget ³	\$9,184.132	\$9,184.132
Drug Resources Percentage	5.8%	5.8%

¹ Infectious Diseases and the Opioid Epidemic supports CDC in reducing morbidity, mortality, and incidence of infectious diseases associated with drug use.

² Includes vacancies.

³ Excludes ATSDR and mandatory programs; includes funding from the Prevention and Public Health Fund and PHS Evaluation Transfers.



Centers for Disease Control and Prevention
FY 2023 CDC Detailed Accounting Report

DATE: November 21, 2023
TO: Director
Office of National Drug Control Policy (ONDCP)
THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services
FROM: Terrance Perry
Acting Chief Financial Officer and Acting Director, Office of Financial Resources
Office of the Chief Operating Officer
Centers for Disease Control and Prevention
SUBJECT: Fiscal Year 2023 Detailed Accounting Report

In accordance with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, I make the following assertions regarding the attached Detailed Accounting Report for the Centers for Disease Control and Prevention (CDC).

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations derived from CDC's accounting system of record for these budget decision units (see Appendix A).

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior-year budgetary resources by function for CDC was reasonable and accurate in accordance with the criteria listed in Section 7.b.(2) of the Circular. In accordance with these criteria, I have documented/identified data that support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related estimates are derived.

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 7.a.(1) of the Circular.

Material Weaknesses or Other Findings

I assert that there are no material weaknesses or other findings from previous year's reporting.



Centers for Disease Control and Prevention
FY 2023 CDC Detailed Accounting Report

Methodology Modifications

I assert that no modifications were made to the methodology for reporting drug control resources from the previous year's reporting.

Reprogramming or Transfers

I assert that the data presented are associated with obligations against CDC's financial plan. The data presented are associated with budget activity lines defined in P.L. 117-328, Consolidated Appropriations Act of 2023 and the associated FY 2023 Joint Explanatory Statement, along with funds received from ONDCP in support of the Drug Free Communities Program.

CDC did not transfer drug control budget authority funds in FY 2023.

Funds Control Notices

CDC was not issued a Fund Control Notice by the Director under 21 U.S.C. § 1703(f) as described in Section 9 of the ONDCP Circular, *Budget Execution*, dated September 9, 2021.

Terrance Perry -S
Terrance Perry
Acting Chief Financial Officer and Acting Director, Office of Financial Resources
Office of the Chief Operating Officer
Centers for Disease Control and Prevention

Digitally signed by Terrance
Perry -S
Date: 2023.12.14 12:57:24 -05'00'



Centers for Disease Control and Prevention
 FY 2023 CDC Detailed Accounting Report
Appendix A: FY 2023 CDC Detailed Accounting Report Tables

Drug Resources by Decision Unit Table

FY 2023 Drug Resources by Decision Unit	FY 2023 Resources	FY 2023 Obligations
Opioid Overdose Prevention and Surveillance	\$505,579,000	\$504,879,138
Infectious Diseases and the Opioid Epidemic	\$23,000,000	\$22,421,032
Drug Free Communities Program ¹	\$107,017,815	\$106,075,488
Total Drug Resources	\$635,596,815	\$633,375,658

¹ Drug Free Communities Program funding was provided to CDC via Expenditure Transfer and Interagency Agreement. FY 2023 resources reflect both transferred dollars into CDC and regular reimbursable agreements supporting DFC activities.

Drug Resources by Function Table

FY 2023 Drug Resources by Budget Function	FY 2023 Resources	FY 2023 Obligations
Prevention	\$563,281,000	\$561,059,843
Harm Reduction	\$72,315,815	\$72,315,815
Total by Function	\$635,596,815	\$633,375,658

Methodology

The CDC methodology for determining the drug control budget was established using the amounts appropriated (or budget authority) for Opioid Overdose Prevention and Surveillance (\$505,579,000) and Infectious Diseases and the Opioid Epidemic (\$23,000,000) under P.L. 117-328, Consolidated Appropriations Act of 2023 and the associated FY 2023 Joint Explanatory Statement. In addition to amounts appropriated directly to CDC, the Agency administers the Drug Free Communities Program (\$107,017,815) through a transfer from ONDCP.

CDC plays a critical role in opioid overdose prevention by improving the accuracy, comprehensiveness, and timeliness of nonfatal and fatal overdoses and in using those data to identify and scale up effective interventions. CDC’s funding initiatives work to build state, local and tribal capacity and equip public health officials with resources to combat the epidemic. CDC uses data to drive action to prevent and address opioid overdoses, as well as other negative health effects of this epidemic.

Methodology Modifications N/A

Material Weakness or Other Findings N/A

Reprogrammings or Transfers N/A

Other Disclosures N/A



Centers for Disease Control and Prevention
FY 2023 CDC Detailed Accounting Report

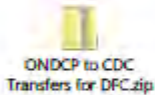
Appendix B: Supporting Documentation

NOTE: Per HHS: In addition, we are requesting supporting documentation to accompany your Detailed Accounting Report. For example, regulations associated with the programs cited, and/or reports from applicable accounting systems for amounts such as the Financial Business Intelligence System (FBIS), Congressional Justification, support for drug methodology, etc.

- See following link for support for drug methodology – the publically available FY 2023 Operating Plan reflecting the relevant amounts under P.L. 117-328, Consolidated Appropriations Act of 2023: <https://www.cdc.gov/budget/documents/fy2023/FY-2023-CDC-Operating-Plan.pdf>

See following legislative authorities for supporting program documentation - Section 311 of the PHS Act, PHSA § 311 (c)(1), and the SUPPORT Act ([42 U.S. Code § 280b-1](#))

- See following attachments for supporting accounting documentation reflecting the transferred-in amounts for Drug Free Communities totaling \$95.4 million





Centers for Medicare and Medicaid Services



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mailstop C3-01-24
Baltimore, Maryland 21244-1850

Office of Financial Management

MEMORANDUM

DATE: November 21, 2023

TO: Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Megan Worstell
Director, Office of Financial Management and Chief Financial Officer
Centers for Medicare & Medicaid Services

SUBJECT: Assertions Concerning Fiscal Year 2025 Budget Formulation Summer Submission

In accordance with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, CMS states that its FY 2025 Summer Drug Budget was submitted to ONDCP on Friday, June 2, 2023, under Section 9.a.(1) of the ONDCP Circular, *Budget Formulation*, dated September 9, 2021. CMS also makes the following assertions under Section 6, Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

CMS asserts, in accordance with Section 6.a.(1), that the FY 2025 Summer Drug Budget submitted to ONDCP on Friday, June 2, 2023 was provided to ONDCP at the same time as the budget request was submitted to HHS in accordance with 21 U.S.C. § 1703(c)(1)(A) without alteration or adjustment.

Funding Levels Represent Actuarial Estimates of Project Spending Based on Current Law

CMS asserts, in accordance with Section 6.a.(2), that we do not receive specific ONDCP appropriation funding for drug control activities. The amounts provided are not based on



methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review), and determined that the methodology yield data that present fairly, in all material aspects, estimates based on current law from which the drug estimates are derived. (See Attachment B.)

Application of Drug Methodology

CMS asserts, in accordance with Section 7.b.(3), that the drug methodology disclosed in Attachment B was the actual methodology used to generate the tables and narratives as required.

Material Weaknesses or Other Findings

CMS asserts, in accordance of Section 7.b.(4), there have been no material weaknesses 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 as required have been disclosed.

Methodology Modifications

CMS asserts, in accordance with Section 7.b.(5), there are no modifications for reporting drug control resources from the previous year's reporting.

Reprogrammings or Transfers

CMS asserts, in accordance with Section 7.b.(6), that there have been no reprogramming or transfers, since we do not receive specific ONDCP appropriation funding for drug control activities.

Fund Control Notices

CMS asserts, in accordance with Section 7.b.(7), that we do not receive specific ONDCP appropriation funding for drug control activities. The amounts provided are not based on obligations but rather on estimates of the projected costs associated with SUD treatment paid for by Medicare and Medicaid, and which are prepared by OACT.

Sign and Date:

Megan Worstell -S Digitally signed by Megan
Worstell -S
Date: 2023.11.21 16:20:48 -05'00'

Megan Worstell
Director, Office of Financial Management and Chief Financial Officer
Centers for Medicare & Medicaid Services



obligations but rather on estimates of the projected costs associated with substance use disorder (SUD) treatment paid for by Medicare and Medicaid, which are conducted by the CMS Office of the Actuary (OACT). Our submission represents the budget estimates made by CMS to the Department without alteration or adjustment by any official at the Department. (See Attachment A.)

Sign and Date:

Megan Worstell -S
Digitally signed by Megan
Worstell -S
Date: 2023.11.21 16:21:26 -05'00'

Megan Worstell
Director, Office of Financial Management and Chief Financial Officer
Centers for Medicare & Medicaid Services

Attachments

- Attachment A - FY 2025 Summer Drug Budget Resource Summary Table



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mailstop C3-01-24
Baltimore, Maryland 21244-1850

Office of Financial Management

MEMORANDUM

DATE: November 21, 2023

TO: Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Megan Worstell
Director, Office of Financial Management and Chief Financial Officer
Centers for Medicare & Medicaid Services

SUBJECT: Fiscal Year 2023 Detailed Accounting Report

In accordance with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, CMS makes the following assertions under Section 7, Detailed Accounting Report:

Obligations by Budget Decision Unit

CMS asserts, in accordance with Section 7.b.(1), that we do not receive specific ONDCP appropriation funding for drug control activities. The amounts provided are based on estimates of the projected costs associated with substance use disorder (SUD) treatment paid for by Medicare and Medicaid, and which are prepared by the CMS Office of the Actuary (OACT). (See Attachment A.)

Drug Methodology

CMS asserts, in accordance with Section 7.b.(2), that the methodology used to determine these estimates is based on an analysis of historical claims experience and is reasonable and accurate. In accordance with these criteria, CMS has documented/identified data that support the drug



methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review), and determined that the methodology yield data that present fairly, in all material aspects, estimates based on current law from which the drug estimates are derived. (See Attachment B.)

Application of Drug Methodology

CMS asserts, in accordance with Section 7.b.(3), that the drug methodology disclosed in Attachment B was the actual methodology used to generate the tables and narratives as required.

Material Weaknesses or Other Findings

CMS asserts, in accordance of Section 7.b.(4), there have been no material weaknesses 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 as required have been disclosed.

Methodology Modifications

CMS asserts, in accordance with Section 7.b.(5), there are no modifications for reporting drug control resources from the previous year's reporting.

Reprogrammings or Transfers

CMS asserts, in accordance with Section 7.b.(6), that there have been no reprogramming or transfers, since we do not receive specific ONDCP appropriation funding for drug control activities.

Fund Control Notices

CMS asserts, in accordance with Section 7.b.(7), that we do not receive specific ONDCP appropriation funding for drug control activities. The amounts provided are not based on obligations but rather on estimates of the projected costs associated with SUD treatment paid for by Medicare and Medicaid, and which are prepared by OACT.

Sign and Date:

Megan Worstell -S

Digitally signed by Megan
Worstell -S
Date: 2023.11.21 16:20:48 -05'00'

Megan Worstell

Director, Office of Financial Management and Chief Financial Officer
Centers for Medicare & Medicaid Services



Attachments

- Attachment A - FY 2023 Drug Control Resource Table
- Attachment B - FY 2023 Drug Control Methodology



Attachment A

FY 2023 Drug Control Summary Resource Table

CENTERS FOR MEDICARE & MEDICAID SERVICES

FY 2023 Drug Control Enacted Outlays
(Dollars in millions except where indicated otherwise)

<u>Drug Resources by Decision Unit and Function¹</u>	
Medicaid	
Treatment.....	\$9,660.0
Total Medicaid.....	\$9,660.0
Medicare	
Treatment.....	\$3,310.0
Total Medicare.....	\$3,310.0
Total Funding.....	\$12,970.0
Drug Resources Personnel Summary	
Total Full Time Equivalents (FTEs).....	0
Drug Resources as a Percent of Budget	
Total Agency Budget (in billions) ²	\$1,297.0
Drug Resources Percentage.....	1.3%

¹ Drug Resources by Decision Unit and Function table comes from the [FY 2024 CMS Congressional Justification](#).

² The total agency budget reflects only Medicare and Medicaid current law benefit costs as estimated by the CMS Office of the Actuary. The Medicaid total reflects the net outlays of Medical Assistance Payments benefit grants and the Vaccines for Children Program, administered by the Centers for Disease Control and Prevention. The Medicare total reflects gross benefit outlays.



Attachment B

FY 2023 Drug Control Methodology

- 1) **Drug Methodology** – The Fiscal Year (FY) 2023 Drug Control budgetary resources are provided are based on estimates of the projected costs associated with substance use disorder (SUD) treatment paid for by Medicare and Medicaid and are prepared by the CMS Office of the Actuary (OACT). See below for detailed descriptions of the Medicaid and Medicare methodologies.
 - a. **FY 2023 Outlays/Enacted by Budget Decision Unit** – CMS distributes drug control treatment into two functions:
 - Medicaid – Treatment
 - Medicare – Treatment

Medicaid Treatment:

Included in this Drug Control Accounting report for FY 2023 are estimated Medicaid outlays, rather than obligations, since CMS receives no direct funding from ONDCP. Based on the Medicaid Methodology stated below, OACT projected \$9,660.0 million in estimated outlays in Medicaid treatment costs based on the methodology below.

Medicaid Methodology

The projections provided in the above table were based on data from the Medicaid Analytic eXtract (MAX) for Fiscal Year (FY) 2007 through 2013, based on expenditures for claims with SUDs as a primary diagnosis. Managed care expenditures were estimated based on the ratio of SUD expenditures to all expenditures for fee-for-service by eligibility group. The estimates were trended forward to FY 2021 using the growth rate of expenditures by state and eligibility category from the form CMS-64, Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program, MAX data, and estimates are consistent with the FY 2024 President's Budget. The annual growth rates were adjusted by comparing the rate of SUD expenditure growth from FY 2007 through 2013 to all service expenditure growth and adjusting the growth rate proportionately.

Medicare Treatment:

Included in this Drug Control Accounting report for FY 2023 are estimated Medicare outlays, rather than obligations, since CMS receives no direct funding from ONDCP. Based on the Medicare Methodology stated below, OACT projected \$3,310.0 million in estimated outlays in Medicare treatment costs based on the methodology below.

Medicare Methodology

The projections of Medicare spending for the treatment of SUD are based on the FY 2024 President's Budget baseline. These projections reflect estimated Part A and Part B spending into FY 2024 and are based on an analysis of historical fee-for-service claims through 2021, using the



primary diagnosis code³ included on the claims. The historical trend is then used to make projections into the future. These projections are very similar to those for the FY 2023 President's Budget and vary only due to changes in the baseline.

Within this methodology, an adjustment was made to reflect spending for beneficiaries who are enrolled in Medicare Advantage (MA) plans, since their actual claims are not available. It was assumed that the proportion of costs related to SUD treatment was similar for beneficiaries enrolled in MA plans as for those enrolled in fee-for-service Medicare.

These estimates do not include spending under Medicare Part D because there is not a straightforward way to get this information. There is no diagnosis code associated with prescription drug claims, and drugs used to treat SUD are often also used to treat other conditions.

- 2) **Methodology Modifications** – None
- 3) **Material Weakness or Other Findings** - None
- 4) **Reprogramming or Transfers** – None
- 5) **Other Disclosures** – None

³ Based on the International Classification of Diseases (ICD) coding system. The applicable ICD-9 codes for SUD include a subset of the 291, 292, 303, 304, and 305 category of codes; ICD-9 codes 7903, E9352, and E9401; and Other Chronic and Potentially Disabling Conditions for Alcohol and Drug Use Disorders, excluding V65.42 and V79.1. The applicable ICD-10 codes for SUD include a subset of the F10, F11, F12, F13, F14, F15, F16, F17, F18, and F19, G62, I42, K29, K70, O35, O99, P04, P96, Q86, R78, T40, T50, and T51 ICD-10 category of codes.



Food and Drug Administration



DATE: November 21, 2023

TO: Rahul Gupta
Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Benjamin Moncarz
Chief Financial Officer
U.S. Food & Drug Administration

Benjamin D. Moncarz - Digitally signed by Benjamin D. Moncarz -S
Date: 2023.11.21 13:54:28 -05'00'

SUBJECT: Assertions Concerning FY 2025 Budget Formulation Summer Submission

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, the Food and Drug Administration (FDA) is providing this memorandum.

Submission Budget Formulation Information

FDA provided the FY 2025 drug control budget submission to ONDCP on June 14, 2023. A copy of the submission is provided as an attachment to this memorandum.

Timeliness of the Drug Control Budget Submission

I assert that FDA provided FY 2025 drug control budget submission to ONDCP at the same time as HHS.

Funding Levels Represent Bureau-Level Request

I assert that the information provided in FDA's FY 2025 drug control budget submission was the same as what was provided to the Department of Health and Human Services (HHS) and was provided to ONDCP without alteration or adjustment by HHS.

Benjamin Moncarz
Chief Financial Officer



DATE: November 21, 2023

TO: Rahul Gupta
Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Benjamin Moncarz
Chief Financial Officer
U.S. Food & Drug Administration

Benjamin D. Moncarz - Digitally signed by Benjamin D. Moncarz -5
Date: 2023.11.21 13:54:28 -05'00'

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Benjamin Moncarz
Chief Financial Officer



FDA DRUG CONTROL PROGRAM AGENCY

Drug Control Program Department of Health and Human Services Food and Drug Administration (FDA) <i>(Dollars in millions)</i>			
Resource Summary	FY 2023 Enacted	FY 2025	
		[REDACTED]	
Drug Resources by Decision Unit and Function			
Research and Development: Treatment & Prevention (CDER)	\$23.500	[REDACTED]	
<i>Harm Reduction (non add)</i>	\$10.000		
Research and Development: Treatment & Prevention (CDRH)	\$1.500		
Interdiction (ORA)	\$54.500		
Total Drug Resources by Function	\$79.500		
Drug Resources by Decision Unit			
Center for Drug Evaluation and Research	\$23.500		
Center for Devices and Radiological Health	\$1.500		
Office of Regulatory Affairs	\$54.500		
Total Drug Resources by Function	\$79.500		
Drug Resources Personnel Summary			
Office of Regulatory Affairs	184		
Total FTE (direct only)	196		
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions, BA only)	\$3.541		
Drug Resources Percentage	2.21%		

PROGRAM SUMMARY

Mission

The Food and Drug Administration (FDA) is the agency within the U.S. Department of Health and Human Services (HHS) responsible for protecting and promoting public health by ensuring the safety, effectiveness, and security of human and animal drugs, biological products, and medical devices; ensuring the safety of human and animal food, cosmetics, and radiation-emitting products; and regulating tobacco products. FDA’s customers and key stakeholders include American patients and consumers; healthcare professionals; veterinarians; regulated industry; academia; and, state, local, federal and international governmental agencies.

The agency recognizes that the nation continues to face a multifaceted drug overdose crisis that has evolved beyond prescription opioids. In recent years illicit opioids, largely driven by fentanyl and its analogues, have become key contributors to the overdose crisis. Other controlled substances, including benzodiazepines and stimulants (particularly methamphetamine), are also being used in combination with opioids.



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FDA also recognizes the risk of opioids and other controlled substances as well as the benefits of these drugs for patients who need them, including those with debilitating chronic conditions. It will take carefully developed, coordinated, and sustained action by multiple stakeholders to reduce the incidence of drug misuse, abuse, addiction, overdose, and death, while preserving appropriate access to these drugs for patients who need them. Doing our part to ensure the safe use of opioids and other controlled substances and ameliorate the overdose crisis is among FDA's highest priorities. FDA is engaging in many ongoing activities aimed at furthering these goals.

In alignment with HHS' new Overdose Prevention Strategy, FDA is focusing our efforts on opioids and other controlled substances in the following four areas:

- Supporting primary prevention by eliminating unnecessary initial prescription drug exposure and inappropriate prolonged prescribing
- Encouraging harm reduction through innovation and education
- Advancing development of substance use disorder treatments
- Protecting the public from unapproved, diverted, and counterfeit drugs presenting serious overdose risk

Methodology

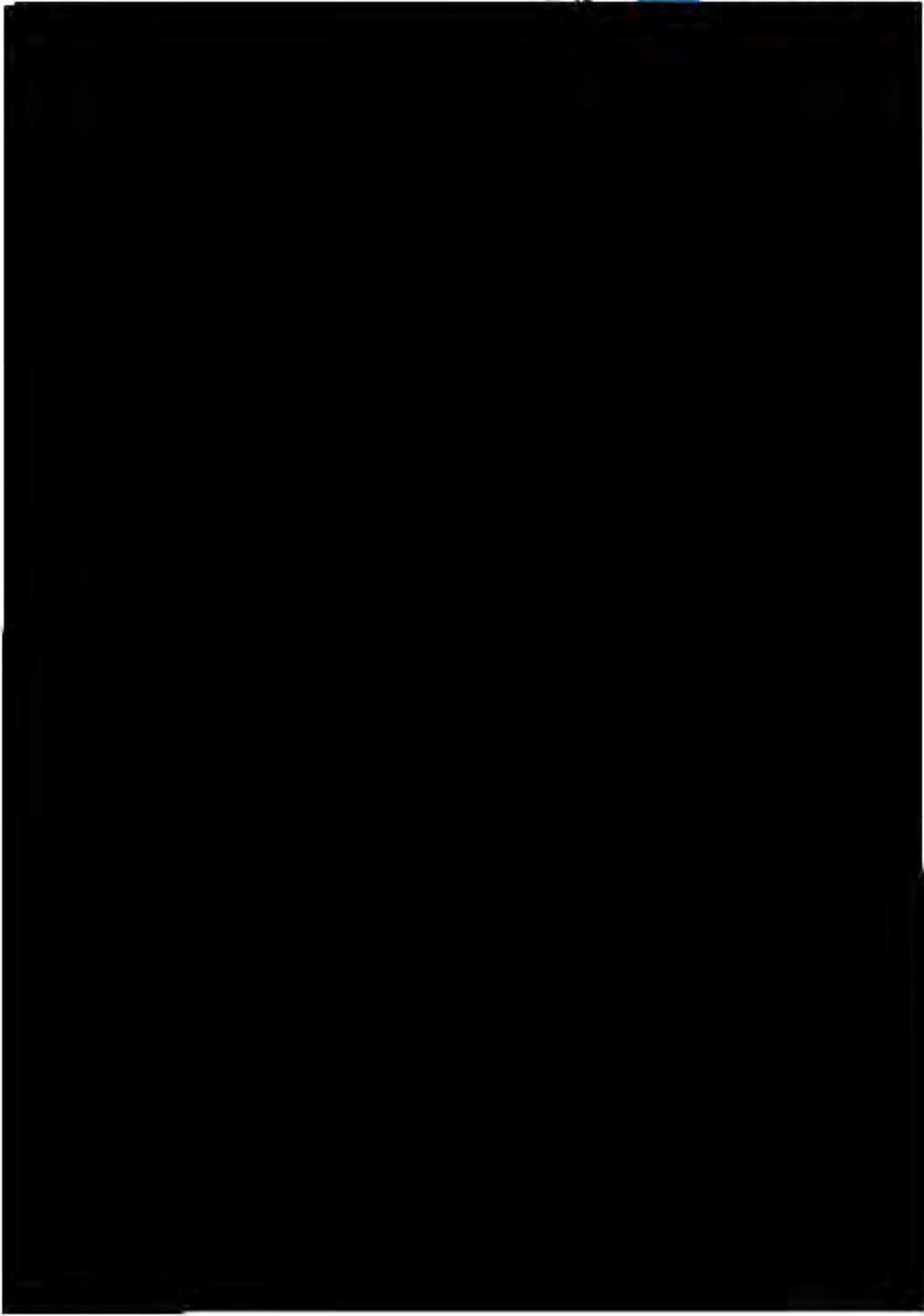
FDA identified the drug control budget by using the dedicated budget authority for activities involving opioids and other controlled substances. This includes opioids dedicated base activities conducted by the Center for Drug Evaluation and Research (CDER), the Center for Devices and Radiological Health (CDRH), and the Office of Regulatory Affairs (ORA).

[REDACTED]



FDA

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ADMINISTRATION





[REDACTED]

OFFICE OF REGULATORY AFFAIRS (ORA) – FIELD ACTIVITIES: FY 2024 REQUEST: \$53.21 MILLION, -\$1.29 MILLION FY 2023 ENACTED AND FLAT WITH FY 2023 ENACTED AT THE HIGHER LEVEL

In response to the current opioid crisis, ORA prioritized protecting the public health by monitoring FDA-regulated products shipped into the nation’s eight IMFs to prevent unsafe, counterfeit, and unapproved drugs from entering the United States. FDA’s IMF staff works diligently to examine parcels referred by U.S. Customs and Border Protection (CBP) that appear to contain drug products. With mail parcels not being declared accurately to the agency, it is estimated that FDA is only able to physically inspect a small percentage of the packages that are presumed to contain drug products. As the opioid crisis continues and more parcels are shipped through IMFs and courier hubs, it is essential that FDA, in conjunction with the United States Postal Service (USPS) and CBP, continue to inspect parcels looking for opioids and other unapproved drugs.

In 2022, FDA was able to fully staff the IMFs with investigators and reviewed more than 100,000 products at the IMFs. This doubled the number of products reviewed in FY 2020. As the IT systems continue to improve at the IMFs, in cooperation with the USPS and the General Services Administration (GSA), efficiency of parcel processing will continue to increase.

A record volume of FDA regulated commodities are being introduced for import inspection at the southern border. With additional funding provided in the FY 2022 budget request, ORA will bolster coverage at critical ports of entry, including enhancing IT infrastructure and tools as well as enhancing scientific staff presence.

In FY 2018, with the implementation of FDASIA 708, ORA destroyed approximately 6% of refused drug products. After the SUPPORT Act was signed into law, FDA raised the overall destruction rate to 48% in FY 2019. As additional APIs have been added to the 801(u) list FDA has continued to increase the destruction rate which reached nearly 83% in FY2023. Improvements at IMFs will continue, as ORA implements new authorities included in the SUPPORT Act.



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FDA's Forensic Chemistry Center (FCC) is currently working with CBP's Laboratories and Scientific Services - (LSS) to assist in the establishment of chemical fingerprints or signatures of illicit materials to aid in these investigations.

FDA's efforts to combat the opioid crisis includes criminal investigations by ORAs Office of Criminal Investigations (OCI). OCI continues to bring to justice medical professionals who misuse their unique position and compromise public health by tampering with opioids intended for patients. For example, as a result of OCI's investigation, a registered nurse was sentenced to more than four years in prison by a federal judge in January 2023 for tampering with opioids. The nurse, who worked in a nursing home, tampered with a bottle of morphine sulfate prescribed to the patients suffering from dementia by removing the morphine and adding water to the remaining supply. A nurse on a subsequent shift administered the adulterated morphine to a patient before the tampering was discovered.

Furthermore, OCI targets online marketplaces and vendors that sell counterfeit opioids. Through an initiative dubbed "Operation CyberPharma," OCI's investigations have led to the arrest of 60 darknet vendors, 26 convictions, the takedown of a major darknet marketplace, and the seizure of more than \$8.4 million in virtual currencies, drug counterfeiting tools and other assets.

OCI also works closely with its domestic and international counterpart agencies to protect consumers from illegal pharmaceutical drugs, including illicit opioids, that are shipped to the United States. OCI works to identify the source and destination of these drugs and in collaboration with other federal agencies, such as CBP and the Postal Inspection Service. OCI also conducts joint enforcement activities with its global law enforcement partners.

Section 3022 of the SUPPORT Act also amended section 306 of the FD&C Act to give FDA new authority to debar persons from importing drugs into the U.S. if they have been convicted of a felony for conduct related to the importation of any drug or controlled substance. Since 2019, FDA has finalized 29 final orders of debarment for drug importers, 25 of those were based on federal felony conviction.

ORA continues to increase analytic capability and capacity at the IMFs. Based on benchmarking with Federal partners and discussions with OCC, ORA identified specially trained field-based scientists using an established set of analytical tools to be the most scientifically reliable and efficient approach to rapid identification of illicit FDA-regulated products, such as unapproved and counterfeit pharmaceuticals, including opioids, and adulterated supplements. FDA continues to partner with CBP/LSS in the Chicago IMF satellite laboratory and resumed operations there in June 2021. Since resuming operations, approximately 500 samples have been analyzed at the satellite laboratory and over 350 of these have been found to contain at least one API. Two scientists were hired, trained and now permanently staff the CHI IMF satellite laboratory as of March, 2022. Efforts to establish full operations at the Miami IMF satellite laboratory are progressing with facility modifications. Two permanent staff will be hired for this location. CBP/LSS has agreed to share lab space with ORA/ORS within the JFK IMF until the FDA space has been completed. Lab space to conduct operations within the Secaucus IMF is moving forward. A Satellite Laboratory organizational chart has been established, a Branch has been established at the Forensic Chemistry Center, and a branch director has been hired. Laboratories to support the satellite lab effort including an opioid focused laboratory space are nearing completion at the FCC. The cadre trained to staff IMF satellite laboratory operations has been



FDA U.S. FOOD & DRUG
ADMINISTRATION

expanded to 20 personnel. Discussions about space near the LAX IMF and other IMF and courier hub locations continues.



Memorandum

To: Rahul Gupta, Director
Office of National Drug Control Policy

From: Benjamin Moncarz, Chief Financial Officer
U.S. Food & Drug Administration

Benjamin D. Moncarz -5 Digitally signed by Benjamin D. Moncarz -5
Date: 2023.12.07 16:09:17 -05'00'

Date: December 4, 2023

Subject: Detailed Accounting Report and Assertions

In accordance with the requirements of *National Drug Control Program Agency Compliance Reviews* dated September 9, 2021, I make the following assertions regarding the attached annual accounting of drug control funds.

Obligations by Budget Decision Unit

I assert the obligations reported by budget decision units are actual obligations from FDA's financial accounting system and can be identified by a standard report or based on a defined methodology to track payroll and operating expenses.

Drug Methodology

I assert that the drug methodology used to calculate obligations of budget resources for FDA's opioids activities included in the National Drug Control Budget was reasonable and accurate in accordance with the criteria listed in Section 7.b.(2) of the Circular.

Application of Drug Methodology

I assert that the drug methodology disclosed in this report was the actual methodology used to generate the table required by Section 7.b.(3) of the Circular.

Material Weakness or Other Findings

I assert there are no material weaknesses, 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 as required by Section 7.b.(4) of the Circular.

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Methodology Modifications

I assert that the methodology for reporting drug control resources as required by Section 7.b.(5) of the Circular remained largely the same, with one exception. ORA was able to better identify its payroll resources to the point that they are now tracked in the accounting system of record (UFMS).

Reprogramming or Transfers

I assert that the data presented are associated with obligations against FDA's financial plan as required by Section 7.b.(6) of the Circular. FDA had no reportable reprogramming's or transfers in FY 2023 related to drug-control obligations.

Fund Control Notices

FDA has not received any Fund Control Notices from ONDCP. Therefore, I assert that FDA is in compliance with Section 7.b.(7) of the Circular.

Attachment:
Drug Control Resources by Decision Unit and Function



Drug Control Resources by Decision Unit and Function

Accounting of Drug Control Funds (\$M)

	FY 2023 President's Request	Total Enacted Resources	Obligations Identified in UFMS Reports	Obligations Recorded by Defined Methodology	Total Obligations
ORA - Interdiction					
Payroll			30.67		30.67
Operating			3.65	20.18	23.83
ORA Total	54.00	54.50	34.32	20.18	54.50
CDER - Research & Development, Treatment & Prevention, including Harm Reduction					
Operating			21.40	0.50	21.90
Payroll				1.60	1.60
CDER Total	46.00	23.50	21.40	2.10	23.50
CDRH - Research & Development, Treatment & Prevention					
Operating			0.97		0.96
Payroll			0.53		0.54
CDRH Total	2.00	1.50	1.50	0.00	1.50
FDA Totals:	102.00	79.50	57.22	22.28	79.50

Drug Methodology

FDA identified the drug control budget by using the dedicated budget authority for opioids activities. This includes opioid dedicated activities conducted by the Center for Drug Evaluation and Research (CDER), Office of Regulatory Affairs (ORA), and the Center for Devices and Radiological Health (CDRH).

FDA pulls reports from our accounting system of record, United Financial Management System (UFMS), that identifies about \$57M of the obligations against the drug control budget. The remaining \$22M is obligated in UFMS as part of the broader Human Drugs program but utilizes a defined methodologies to define the funding attributable to opioids spending.

For ORA’s opioids work, about \$34M can be identified in a UFMS report and tracked by CAN. The remaining \$20M is obligated in UFMS as part of the broader field component of the Human Drugs program but requires a standard methodology to define the funding attributable to the opioids spending. Due to the matrix nature of ORA’s work, tracking all expenditures in UFMS is difficult. Therefore, to ensure the best tracking of the obligation of resources by program, project, and activity (PPA), ORA utilizes a methodology that focuses on the ORA Field Workplan which outlines, in detail, the foreign, import, and domestic workload for ORA field offices. ORA budget staff analyzes the data to ensure that the ORA work being accomplished throughout the year remains in line with the PPAs. This methodology is also used to ensure ORA is spending the appropriate level of resources on opioids related work for both payroll and operating costs.

For CDER’s work, about \$21M can be identified in a UFMS report and tracked by CAN. Approximately \$1.6M of payroll funds are obligated in UFMS, but the costs are not easily



distinguishable, and a defined methodology is used to determine the opioids spending. In addition, CDER applied the defined methodology to its operating costs to confirm that approximately \$200K was obligated as part of the WCF AWS Special Assessments; and approximately \$300K of program spending was for CDER's IBAPS Child Application (CBAPS) Project Module.

CDRH's \$1.5M in funding can be identified in a UFMS report and is tracked by CAN.

Methodology Modifications

N/A

Reprogramming or Transfers

N/A

Fund Control Notices

N/A

Other Disclosures

N/A



Health Resources and Service Administration

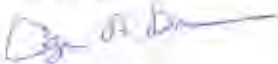


DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20837

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Elizabeth DeVoss 
Chief Financial Officer
Health Resources and Services Administration

DATE: November 27, 2023

SUBJECT: Health Resources and Services Administration
Budget Formulation Compliance Report for FY 2025

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

I assert that the summer drug budget was submitted on June 12, 2023, to ONDCP in response to Section 6.a.(1) in response to ONDCP Circular: *Budget Formulation*, Section 9.a.(1) and was provided to ONDCP at the same time as the budget request was submitted to our superiors in accordance with 21 U.S.C. § 1703(c)(1)(A).

Funding Levels Represent Bureau-Level Request

I assert that the funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department.



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Drug Budget Compliance Report

Resource Summary

	Budget Authority (in millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Function		
Prevention	\$141.200	\$201.700
Health Center Program	\$53.200	\$123.200
Rural Communities Opioid Response Program	\$88.000	\$78.500
Treatment	\$705.800	\$1,390.300
Health Center Program	\$478.800	\$1,108.800
National Health Service Corps SUD Workforce Program	\$105.000	\$130.000
Addiction Medicine Fellowship Program	\$25.000	\$25.000
SUD Treatment and Recovery Loan Repayment Program	\$40.000	\$40.000
Rural Communities Opioid Response Program	\$57.000	\$86.500
Total Drug Resources by Function	\$847.000	\$1,592.000
Drug Resources by Decision Unit		
Health Center Program	\$532.000	\$1,232.000
National Health Service Corps SUD Workforce Program	\$105.000	\$130.000
Addiction Medicine Fellowship Program	\$25.000	\$25.000
SUD Treatment and Recovery Loan Repayment Program	\$40.000	\$40.000
Rural Communities Opioid Response Program	\$145.000	\$165.000
Total Drug Resources by Decision Unit	\$847.000	\$1,592.000
Drug Resources Personnel Summary		
Total FTEs (direct only)	---	---
Drug Resources as a percent of Budget		
Total Agency Budget (in Billions)	\$14.3	\$15.9
Drug Resources percentage	5.9%	10.0%

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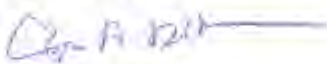


DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20892

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Elizabeth DeVoss 
Chief Financial Officer
Health Resources and Services Administration

DATE: November 27, 2023

SUBJECT: Health Resources and Services Administration
Detailed Accounting Report for FY 2023

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, I make the following assertions regarding the attached Detailed Accounting Report:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are actual obligations from HRSA's financial accounting system for the Federal Office of Rural Health Policy Rural Communities Opioid Response Program (RCORP), and estimated obligations for the Bureau of Primary Health Care Substance Use Disorder and Mental Health Services (SUD-MH), National Health Service Corps (NHSC) SUD Workforce Loan Repayment Program, Addition Medicine Fellowship Program, and Substance Use Disorder Treatment and Recovery (STAR) Loan Repayment Program.

Drug Methodology

I assert that the drug methodology used to calculate obligations of budget resources was reasonable and accurate in accordance with the criteria listed in Section 7.b.(2) of the Circular. In accordance with these criteria, I have documented data, which support the drug methodology, explained and documented estimation methods and determined that the financial and programmatic systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.



Application of Drug Methodology

I assert that the drug methodology disclosed in this report was the actual methodology used to generate the table required by Section 7.a.(1) of the Circular.

Material Weakness or Other Findings

I assert that all material weaknesses 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 as required by Section 7.a.(4) of the Circular have been disclosed.

Methodology Modifications

I assert that no modifications were made to the methodology for reporting drug control resources from the previous year's reporting.

Reprogramming or Transfers

I assert that the data presented are associated with obligations against HRSA's financial plan. HRSA has no reportable reprogrammings or transfers in FY 2023 related to drug-control obligations.

Fund Control Notices

I assert that the data presented are associated with obligations against HRSA's operating plan, which complied fully with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.



(totaling \$545 million projected to remain in Health Center Program base continuation funding in future fiscal years.

Subsequently in FY 2020, HRSA found that 36 health centers were unable to demonstrate sufficient progress to merit continuing their AIMS awards, resulting in a \$2 million total reduction in drug control funding. For FY 2021, HRSA found that 63 health centers were unable to demonstrate sufficient progress to merit continuing their SUD/MH awards, resulting in a \$3 million total reduction in drug control funding. Additionally, since the initial targeted awards were made, the total ongoing annual amount provided to sustain health centers' efforts supported by the initial targeted awards has decreased by an estimated \$8 million. The remaining estimate of \$532 million in ongoing supplemental SUD/MH funding initiated in prior fiscal years and incorporated in annual health center continuation awards is scored as drug control funding.

National Health Service Corps (NHSC) SUD Workforce Loan Repayment Program

Funds are used to provide loan repayment assistance to reduce the educational and training financial debt of qualified SUD treatment providers in exchange for service at SUD treatment facilities in underserved areas. Funds reflect the portion of NHSC discretionary budget requests dedicated to the SUD Workforce Loan Repayment Program. As these funds support providers of SUD treatment services, 100 percent of the amount is scored as treatment funding.

Addiction Medicine Fellowship (AMF) Program

Funds are used to support the clinical training of addiction medicine or addiction psychiatry physicians in underserved, community-based settings. Funds reflect the portion of Behavioral Health Workforce budget line requests dedicated to the AMF Program. As these funds support providers of SUD treatment services, 100 percent of the amount is scored as treatment funding.

Substance Use Disorder Treatment and Recovery (STAR) Loan Repayment Program (LRP)

Funds are used to provide loan repayment assistance to reduce the educational financial debt of qualified SUD treatment providers in exchange for service at SUD treatment facilities in underserved areas and areas where the mean drug overdose death rate exceeds the national average. Funds reflect the portion of Behavioral Health Workforce budget line requests dedicated to the STAR Loan Repayment Program. As these funds support providers of SUD treatment services, 100 percent of the amount is scored as treatment funding.

Rural Communities Opioid Response Program (RCORP)

The allocation of funds for RCORP is through competitive grants and cooperative agreements. The entirety of these programs is scored as drug control funding.

The prevention-treatment split for FY 2023 reflects the enacted budget level.

METHODOLOGY MODIFICATIONS



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Detailed Accounting Report

Resource Summary

Budget Authority (in millions)	
	FY 2023 Obligated
Drug Resources by Function	
Prevention	\$135.200
Health Center Program	\$53.200
Rural Communities Opioid Response Program	\$82.000
Treatment	\$711.800
Health Center Program	\$478.800
National Health Service Corps SUD Workforce Program	\$105.000
Addiction Medicine Fellowship Program	\$25.000
SUD Treatment and Recovery Loan Repayment Program	\$40.000
Rural Communities Opioid Response Program	\$63.000
Total Drug Resources by Function	\$847.000
Drug Resources by Decision Unit	
Health Center Program	\$532.000
National Health Service Corps SUD Workforce Program	\$105.000
Addiction Medicine Fellowship Program	\$25.000
SUD Treatment and Recovery Loan Repayment Program	\$40.000
Rural Communities Opioid Response Program	\$145.000
Total Drug Resources by Decision Unit	\$847.000
Drug Resources Personnel Summary	
Total FTEs (direct only)	-
Drug Resources as a percent of Budget	
Total Agency Budget (In Billions)	\$14.3
Drug Resources percentage	5.9%

METHODOLOGY

Health Center Program

For each of Fiscal Years (FYs) 2016-2019, HRSA provided new annual ongoing grant funding supporting substance use disorder (SUD)/mental health (MH) service expansion in health centers



N/A

MATERIAL WEAKNESSES OR OTHER FINDINGS

N/A

REPROGRAMMINGS OR TRANSFERS

N/A

OTHER DISCLOSURES

N/A



Indian Health Service



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Indian Health Service
Rockville MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Chief Financial Officer
Indian Health Service

SUBJECT: FY 2023 Assertions Concerning Drug Control Accounting

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) *Circular Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the attached annual accounting of drug control funds for the Indian Health Service (IHS):

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from the Unified Financial Management System (UFMS), the agency's accounting system of record for these budget decision units, consistent with the drug budget methodology discussed below.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources by function for all Areas and Operating Offices was reasonable and accurate in accordance with the criteria listed in Section 7b(4) of the Circular. In accordance with these criteria, I have documented/identified data which support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respect, aggregate obligations from which drug-related obligation estimates are derived.

The IHS methodology for estimating the drug control budget was established using the amounts appropriated for the Alcohol and Substance Abuse Prevention programs authorized under Public Law (P.L.) 102-573, the Indian Health Amendments of 1992. See attached table "Alcoholism and Substance Abuse Treatment and Prevention Program authorized under P.L. 102-573" for list of programs. This table reflects estimated amounts. When originally authorized and appropriated, the funds were allocated to Tribes in their Indian Self-Determination contracts and compacts by specific programs. However, when the programs were reauthorized and captured under P.L. 102-573, some IHS Area offices allocated the funds in lump sum while others maintained the specific program breakout. Therefore, at the current time precise amounts of funding for each program are not available. The table is maintained to estimate current funding



level and is the basis of the drug budget control methodology. Excluded is the amount for the Adult Treatment programs, which represents the original authorization for IHS to provide alcohol treatment services. The focus on alcoholism treatment is the reason for the exclusion.

Drug Resources by Decision Unit: The IHS drug control funds are appropriated in two budget line items: 1) Alcohol and Substance Abuse (ASA), and 2) Urban Indian Health Programs (UIHP). The ASA funds are primarily allocated to Tribes under their Indian Self-Determination contracts and compacts, where they manage the programs and have authority to reallocate funds to address local priorities. The portion of the alcohol fund included in the drug control budget methodology is as described above, i.e., the entire budget excluding the amount for adult treatment. The UIHP funds are allocated through contracts and grants to 501(c)(3) organizations. The portion of UIHP funds included in the drug control budget methodology is for the National Institute on Alcohol Abuse and Alcoholism programs transferred to the IHS under the UIHP budget.

Drug Resources by Function: Under the methodology, two programs through FY 2007 were identified as Prevention programs, Community Education and Training and Wellness Beyond Abstinence. In FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide prevention and treatment were also included in the Prevention function. The treatment function comprises the remaining program excluding adult treatment. In addition, the amount of UIHP funds is included under the treatment function.

FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide prevention and treatment was also included in the Prevention function; these funds are now referred to in the tables as substance abuse prevention and treatment.

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 6a of the Circular.

Material Weaknesses or Other Findings

None

Reprogramming or Transfers

None



Indian Health Service
Alcoholism and Substance Abuse Treatment
and Prevention Program
Authorized under P.L. 102-573
(Dollars in Thousands)

Amount of Funds	FY 2021 Final	FY 2022 Final	FY 2023 Enacted	Drug Control & Moyer Reports
ALCOHOL & SUBSTANCE ABUSE				
Adult Treatment.....	\$119,829	\$123,676	\$125,648	Excluded*
Regional Treatment Centers	\$24,746	\$25,541	\$25,948	Treatment
Community Education & Training.....	\$11,128	\$11,485	\$11,668	Prevention
Community Rehabilitation/ Aftercare.....	\$36,146	\$37,306	\$37,901	Treatment
Gila River.....	\$277	\$286	\$290	Treatment
Contract Health Service.....	\$12,724	\$13,133	\$13,342	Treatment
Navajo Rehab. Program....	\$490	\$506	\$514	Treatment
Urban Clinical Services.....	\$1,043	\$1,077	\$1,094	Treatment
Wellness Beyond Abstinence.....	\$1,202	\$1,241	\$1,261	Prevention
Substance Abuse Prev & Treatment 3/.....	\$43,775	\$43,775	\$48,775	50/50 Tx & Prev
Total..... 4/	\$251,360	\$258,024	\$266,440	
URBAN HEALTH PROGRAM 1/				
Amount of Funds	FY 2021 Final	FY 2022 Final	FY 2023 Enacted	
Expand Urban Programs....	\$3,622	\$3,340	\$3,871	Treatment
INDIAN HEALTH FACILITIES 2/				
Amount of Funds	FY 2021 Final	FY 2022 Final	FY 2023 Enacted	
Construction.....	\$0	\$0	\$0	
Alcohol/Substance Abuse	\$251,360	\$258,024	\$266,440	
Urban Health Program	3,622	3,340	3,871	
Facilities Construction	0	0	0	
GRAND TOTAL.....	\$254,982	\$261,364	\$270,311	

1/ The Urban Program was funded under P.L. 100-690, and is now funded under P.L. 102-573.

2/ These funds are included in the Outpatient Sub-sub-activity.

3/ Numbers revised to include Generation Indigenous, the Opioid initiative, and the YRTC Pilot Project - x year/no year funding starting FY 2020.

4/ FY 2022 and FY 2023 adjusted for rounding.

*Adult Treatment funds are excluded from the ONDCP Drug Control Budget and Moyer Anti-Drug Abuse methodologies because this program reflects the original authorized program for IHS with the sole focus of alcoholism treatment services for adults. This determination was made in consultation with ONDCP when the drug control budget was initially developed in the early 1990s.



Page 3 – Director, Office of National Drug Control Policy

Funds Control Notices

IHS was not issued any Fund Control Notices by the Director under 21 U.S.C. 1703 (f) and Section 9 of the ONDCP Circular *Budget Execution*, dated October 22, 2019.

Jillian Curtis - Digitally signed by Jillian
S Curtis -S
Date: 2023.12.11
12:48:00 -0500

Jillian Curtis

Attachments:

1. Table – Alcoholism and Substance Abuse Treatment and Prevention Program Authorized Under P.L. 102-573
2. Table – FY 2023 Drug Control Obligations

The first table attached to this report is necessary for understanding the IHS drug control budget methodology. The table titled “Alcoholism and Substance Abuse Treatment and Prevention Program Authorized Under P.L. 102-573” shows the ASA budget line item broken out by the activities originally authorized in P.L. 100-690 and later included under P.L. 102-573. This table also includes the funding within the UIHP budget line item that supports alcohol and substance abuse treatment services. However, funds are not appropriated or accounted for by these specific categories, but rather as the lump sum funds of ASA, Urban Health, and the Prescription Drug Monitoring Program. The second table shows the obligations of these funds as required by the ONDCP Circular *Accounting of Drug Control Funding and Performance Summary*.



INDIAN HEALTH SERVICE
FY 2023 Drug Control Obligations

	<u>Enacted</u>	<u>Obligated</u>
Drug Resources by Function		
Prevention	\$37,315	\$21,308
Treatment	\$107,347	\$57,424
Construction	\$0	\$0
	<u>\$144,662</u>	<u>\$78,732</u>
Drug Resources by Decision Unit		
Alcohol and Substance Abuse	\$140,791	\$74,861
Urban Indian Health Program	\$3,871	\$3,871
Facilities Construction	\$0	\$0
	<u>\$144,662</u>	<u>\$78,732</u>



Indian Health Service
Detailed Accounting Report

7a – Drug Control Funding Obligations

(1) Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

Indian Health Service
Detailed Accounting Report 7a(1)

Budget Authority (in Millions)			
	FY 2023 Final	FY 2023 Obligations	
Drug Resources by Function ¹			
Treatment - ASA	103.476	53.553	
Treatment - Urban	3.871	3.871	
Prevention - ASA ²	37.316	21.308	
Total Drug Resources by Function	144.663	78.732	
Drug Resources by Function			
Alcohol and Substance Abuse ¹	140.792	74.861	
Urban Indian Health Program	3.871	3.871	
Total Drug Resources by Function	144.663	78.732	

¹ Adult Treatment funds are excluded from the ONDCP Drug Control Budget and Moyer Anti-Drug Abuse methodologies because this program reflects the original authorized program for IHS with the sole focus of alcoholism treatment services for adults. This determination was made in consultation with ONDCP when the drug control budget was initially developed in the early - 1990s.

² All prevention funds are ASA, there are no urban funds under prevention.

(2) Drug Methodology

The IHS methodology provides a detailed description of how the agency or bureau calculates drug control funding levels reported to ONDCP by decision unit and function as presented in the Table of Prior Year Drug Control Obligations (above). The drug methodology includes sufficient detail to explain fully the derivation of all drug control decision unit from data reported in the agency's / bureau's financial system and the derivation of drug control function funding from decision unit data. The IHS methodology for estimating the drug control budget was established using the amounts appropriated for the Alcohol and Substance Abuse Prevention programs authorized under Public Law (P.L.) 102-573, the Indian Health Amendments of 1992. When originally authorized and appropriated, the funds were allocated to Tribes in their Indian Self-Determination contracts and compacts by specific programs. However, when the programs were reauthorized and captured under P.L. 102-573, some IHS Area offices allocated the funds in lump sum while others maintained the specific program breakout. Therefore, at the current time, precise amounts of funding for each program are not available. The table above is maintained to estimate current funding level and is the basis of the drug budget control



methodology. Data contained in the table for FY 2023 is extracted from UFMS, the IHS financial system. Excluded is the amount for the Adult Treatment programs, which represents the original authorization for IHS to provide alcohol treatment services. The focus on alcoholism treatment is the reason for the exclusion.

Drug Resources by Decision Unit: The IHS drug control funds are appropriated in two budget line items: 1) Alcohol and Substance Abuse (ASA), and 2) Urban Indian Health Programs (UIHP). The ASA funds are primarily allocated to Tribes under their Indian Self-Determination contracts and compacts, where they manage the programs and have authority to reallocate funds to address local priorities. The portion of the alcohol fund included in the drug control budget methodology is as described above, i.e., the entire budget excluding the amount for adult treatment. The UIHP funds are allocated through contracts and grants to 501(c)(3) organizations. The portion of UIHP funds included in the drug control budget methodology is for the National Institute on Alcohol Abuse and Alcoholism programs transferred to the IHS under the UIHP budget.

Drug Resources by Function: Under the methodology, two programs through FY 2007 were identified as Prevention programs, Community Education and Training and Wellness Beyond Abstinence. In FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide prevention and treatment were also included in the Prevention function. The treatment function comprises the remaining program excluding adult treatment. In addition, the amount of UIHP funds is included under the treatment function.

FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide prevention and treatment was also included in the Prevention function; these funds are now referred to in the tables as substance abuse prevention and treatment.

(3) Methodology Modifications

The IHS methodology was not modified from the previous year.

(4) Material Weaknesses or Other Findings

There were no material weaknesses or other findings by independent sources, or other known weaknesses.

(5) Reprogramming or Transfers

The IHS did not have reprogramming or transfers that affected the drug budget.

(6) Other Disclosures

The IHS has no other disclosures to report.



Indian Health Service
Detailed Accounting Report

7b – Assertions

- (1) Obligations by Budget Decision Unit
The IHS asserts that the obligations reported by decision unit are actual obligations derived from UFMS. Please see the Assertions Memo – Attachment 1.
- (2) Drug Methodology
The IHS asserts that drug methodology is reasonable and accurate.

The IHS methodology provides a detailed description of how the agency or bureau calculates drug control funding levels reported to ONDCP by decision unit and function as presented in the Table of Prior Year Drug Control Obligations (above). The drug methodology includes sufficient detail to explain fully the derivation of all drug control decision unit from data reported in the agency's / bureau's financial system and the derivation of drug control function funding from decision unit data. The IHS methodology for estimating the drug control budget was established using the amounts appropriated for the Alcohol and Substance Abuse Prevention programs authorized under Public Law (P.L.) 102-573, the Indian Health Amendments of 1992. When originally authorized and appropriated, the funds were allocated to Tribes in their Indian Self-Determination contracts and compacts by specific programs. However, when the programs were reauthorized and captured under P.L. 102-573, some IHS Area offices allocated the funds in lump sum while others maintained the specific program breakout. Therefore, at the current time, precise amounts of funding for each program are not available. The table above is maintained to estimate current funding level and is the basis of the drug budget control methodology. Data contained in the table for FY 2023 is extracted from UFMS, the IHS financial system. Excluded is the amount for the Adult Treatment programs, which represents the original authorization for IHS to provide alcohol treatment services. The focus on alcoholism treatment is the reason for the exclusion.

Drug Resources by Decision Unit: The IHS drug control funds are appropriated in two budget line items: 1) Alcohol and Substance Abuse (ASA), and 2) Urban Indian Health Programs (UIHP). The ASA funds are primarily allocated to Tribes under their Indian Self-Determination contracts and compacts, where they manage the programs and have authority to reallocate funds to address local priorities. The portion of the alcohol fund included in the drug control budget methodology is as described above, i.e., the entire budget excluding the amount for adult treatment. The UIHP funds are allocated through contracts and grants to 501(c)(3) organizations. The portion of UIHP funds included in the drug control budget methodology is for the National Institute on Alcohol Abuse and Alcoholism programs transferred to the IHS under the UIHP budget.

Drug Resources by Function: Under the methodology, two programs through FY 2007 were identified as Prevention programs, Community Education and Training and Wellness Beyond Abstinence. In FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide prevention and treatment were also included in the Prevention function. The treatment function comprises the remaining program excluding adult treatment. In addition, the amount of UIHP funds is included under the treatment function.



FY 2008, one half of the new funds appropriated for Methamphetamine and Suicide prevention and treatment was also included in the Prevention function; these funds are now referred to in the tables as substance abuse prevention and treatment.

- (3) Application of Drug Methodology
The IHS asserts the Drug Methodology disclosed is the actual methodology used to generate the table (table in Attachment 1).
- (4) Material Weaknesses or Other Findings
The IHS asserts there were no material weaknesses or other findings by independent sources, or other known weaknesses.
- (5) Methodology Modifications
The IHS asserts that there were no modifications made to the methodology for reporting drug control resources from the previous year's reporting.
- (6) Reprogramming or Transfers
The IHS asserts it did not have reprogramming or transfers that affected the drug budget.
- (7) Fund Control Notices
The IHS asserts there are no Fund Control Notices to report.



National Institutes of Health – NIDA/NIAAA



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
National Institute on Drug Abuse
Bethesda, Maryland 20892

DATE: November 16, 2023

MEMORANDUM TO: Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Stacy Gardner
Acting Chief Financial Officer
National Institute on Drug Abuse-5
Stacy A. Gardner
Digitally signed by Stacy A. Gardner -S
Date: 2024.02.06 06:23:34 -05'00'

SUBJECT: Assertions Concerning Fiscal Year 2025 Budget Formulation
Summer Submission

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

I assert that the summer drug budget in response to ONDCP Circular Budget formulation, Section 9.a.(1) was submitted to ONDCP on July 18, 2023, in accordance with 21 U.S.C. § 1703(c)(1)(A).

Funding Levels Represent Bureau-Level Request

I assert that the funding request in the submission represents the funding levels in the budget submission made by the National Institute on Drug Abuse without alteration or adjustment by any official at the Department.



National Institute on Drug Abuse Budget Formulation Compliance Report for FY 2024

Drug Control Program
Department of Health and Human Services
NATIONAL INSTITUTES OF HEALTH (NIH)

(Dollars in millions)

Resource Summary	FY 2023 Enacted	[REDACTED]
Drug Resources by Decision Unit and Function		
National Institute on Alcohol Effects and Alcohol-Associated Disorders (NIAAA)		
Research and Development: Prevention	\$62.394	
Research and Development: Treatment	\$13.827	
Total National Institute on Alcohol Effects and Alcohol-Associated Disorders (NIAAA)	\$76.221	
National Institute on Drugs and Addiction (NIDA)		
Research and Development: Prevention	\$427.639	
Research and Development: Harm Reduction	\$187.805	
Research and Development: Treatment	\$943.578	
Research and Development: Recovery	\$104.343	
Total National Institute on Drugs and Addiction (NIDA)	\$1,663.365	
Total Funding	\$1,739.586	
Drug Resources Personnel Summary		
Total FTEs (direct only)	398	
Drug Resources as a Percent of Budget		
Total Agency Budget (in billions)	\$46.125	
Drug Resources Percentage	3.77%	



DATE: November 16, 2023

MEMORANDUM TO: Director
Office of National Drug Control Policy (ONDCP)

THROUGH: Norris Cochran
Acting Assistant Secretary for Financial Resources
Office of the Secretary
Department of Health and Human Services

FROM: Stacy Gardner
Acting Chief Financial Officer
National Institute on Drug Abuse

Stacy A. Gardner
-S

Digitally signed by Stacy A. Gardner -S
Date: 2024.02.07 14:57:49 -0500

SUBJECT: Fiscal Year 2023 Detailed Accounting Report

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from the NIH financial accounting system for this budget decision unit after using National Institute on Drug Abuse's (NIDA) internal system to reconcile the NIH accounting system during the year. A table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function is included as part of Exhibit A.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budget resources by function for the institute was reasonable and accurate in accordance with the criteria listed in Section 7 of the Circular. In accordance with these criteria, I have documented data which support the drug methodology, explained and documented other estimation methods (the assumptions for which are subject to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived (See Exhibit B).

Obligations of prior year drug control budgetary resources are calculated as follows: FY 2023 actual obligations were determined by identifying NIDA support for projects that address drug prevention and treatment. Projects for inclusion in the ONDCP budget are



National Institute on Drug Abuse FY 23 Detailed Accounting Report

identified from the NIDA coding system and database known as the “NEPS” system (NIDA Extramural Project System) (See Exhibit C). Data are entered into this system by program staff. NIDA does not need to make any assumptions or estimates to isolate its total drug control obligations as the total appropriation is drug control.

NIDA obligations are allocated between prevention and treatment research based on the professional judgment of scientific program officials on specific grant and contract projects. These scientists review the grant application, project purpose and methodology, and/or progress report to determine whether the project meets NIDA’s criteria for categorization as prevention or as treatment research. Projects are coded and entered into the NEPS system prior to funding.

As the supporter of most of the world’s research on drug abuse and addiction, NIDA provides a strong science base for our Nation’s efforts to reduce the abuse of drugs and their consequences. NIDA’s comprehensive research portfolio addresses a broad range of drug abuse and addiction issues, ranging from the support of fundamental neurobiology to community-based research. As our Nation looks for science-based approaches to enhance its prevention and treatment efforts, NIDA’s broad portfolio and its continuing efforts to work with other Agencies and NIH Institutes on a variety of transdisciplinary issues will provide the tools necessary to move these efforts forward. Research serves as the cornerstone of NIDA’s efforts to disseminate research information and educate health professionals and the public, especially our Nation’s youth, about the factors influencing drug use, its consequences, and about science-based and tested treatment and prevention techniques. These research and dissemination efforts to develop, test, and disseminate information on the basis of addiction, its consequences, and enhanced therapeutic techniques support the ONDCP Goal 4 (treatment). Efforts to enhance the science base and disseminate information on the factors that inhibit and facilitate drug use and its progression to addiction and other health consequences, and on science-based approaches for prevention interventions support the ONDCP Goal 2 (prevention). Reducing rates of overdose and other harms associated with substance misuse support the ONDCP Goal 3 (harm reduction). Research on health services, including recovery support for people struggling with substance misuse and SUDs support the ONDCP Goal 5 (recovery).

NIDA’s FY 2023 enacted budget was \$1,663,365,000 (\$1,308,070,000 for direct and \$355,295,000 for research relating to the Opioid Crisis). NIDA obligated \$1,663,318,926 of the Annual Appropriation and \$46,074 lapsed.



National Institute on Drug Abuse FY 23 Detailed Accounting Report

Application of Drug Methodology

I assert that the drug methodology described in the preceding section was the actual methodology used to generate the table required by Section 7 of the Circular. Any differences between NIDA's actual obligations and the National Drug Control Strategy Budget summary number for FY 2023 are described below for the FY 2023 column of the FY 2024 PB.

Methodology Modifications

I assert that there were no changes in methodology from the previous year.

Material Weaknesses or Other Findings

I assert that that all material weaknesses or other findings by independent sources, which may affect the presentation of prior year drug-related obligations as required by Section 7.a.(4) have been disclosed.

Methodology Modifications

I assert that no modifications were made to methodology for reporting drug control resources from the previous year's reporting.

Reprogrammings or Transfers

I assert 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 all reprogrammings or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A)).

Fund Control Notices

I assert that 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 9 of the ONDCP Circular, Budget Execution.



National Institute on Drug Abuse FY 23 Detailed Accounting Report

ATTACHMENT

Exhibit A

NATIONAL INSTITUTES OF HEALTH
 NATIONAL INSTITUTE ON DRUG ABUSE
 FY 2023 Actual Obligations
 (Dollars in Thousands)

I. RESOURCE SUMMARY - ANNUAL APPROP

	FY 2023 Actual	FY 2023 Lapse
Drug Resources by Decision Unit:		
National Institute on Drug Abuse	1,663,319	46
Total	1,663,319	46
Drug Resources by Function:		
Research and Development Prevention	427,473	12
Research and Development Harm Reduction	187,955	5
Research and Development Treatment	943,102	26
Research and Development Recovery	104,789	3
Total	1,663,319	46

Differences Between (1) Actual Obligations and (2) the FY 23 Column of the FY 24 CJ (Amounts Available for Obligation table) and the National Drug Control Strategy Budget Summary
 (Dollars in Thousands)

Total 2023 Column of the FY 2024 CJ; National Drug Control Strategy	1,662,695
HIV/AIDS Transfer	670
Lapse of Funds	<u>-46</u>
Total Annual Obligations	1,663,319



National Institute on Drug Abuse FY 23 Detailed Accounting Report

Amounts Available for Obligation
(Dollars in Thousands)

Source of Funding	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget
Appropriation	\$1,595,474	\$1,662,695	\$1,663,365
Secretary's Transfer	\$0	\$0	\$0
OAR HIV/AIDS Transfers	\$649	\$670	\$0
Subtotal, adjusted budget authority	\$1,596,123	\$1,663,365	\$1,663,365
Unobligated balance, start of year	0	0	0
Unobligated balance, end of year	0	0	0
Subtotal, adjusted budget authority	\$1,596,123	\$1,663,365	\$1,663,365
Unobligated balance lapsing	-\$54	0	0
Total obligations	\$1,596,069	\$1,663,365	\$1,663,365

¹Excludes the following amounts (in thousands) for reimbursable activities carried out by this account:
FY 2022 - \$94,083 FY 2023 - \$69,000 FY 2024 - \$70,000



National Institute on Drug Abuse FY 23 Detailed Accounting Report

ATTACHMENT

Exhibit B

- (1) **Drug Methodology** – Actual obligations of prior year drug control budgetary resources are derived from the NIDA Extramural Project System (NEPS) and the NIH nVision Balance of Accounts Report.
 - a. **Obligations by Budget Decision Unit** – NIDA’s budget decision units have been defined by ONDCP Circular, Budget Formulation, dated September 9, 2021. NIDA reports its entire budget to ONDCP. This unit is referred to as:
 - National Institute on Drug Abuse
 - b. **Obligations by Drug Control Function** – NIDA distributes drug control obligations into four functions and lapsed funds are spread on a pro rata basis across the categories:
 - Research and Development Prevention
 - Research and Development: Harm Reduction
 - Research and Development Treatment
 - Research and Development: Recovery
- (2) **Methodology Modifications** – none
- (3) **Material Weaknesses or Other Findings** – none
- (4) **Reprogrammings or Transfers** - The obligation data presented are associated 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 that occurred during the fiscal year. The Amount Available for Obligations table includes a transfer of \$670 thousand into NIDA in FY 2023 as part of the NIH-wide HIV/AIDS transfers under authority of Section 213 of the LHHS division of the Consolidated Appropriations Act, 2023.
- (5) **Other Disclosures** - none



ATTACHMENT

Exhibit C

NIDA Extramural Project System (NEPS) Description

The NIDA Extramural Project System (NEPS) was introduced in 2002 and serves as the electronic financial management data collection and reporting system for extramural grants, extramural contracts, and extramural taps. The system is used exclusively by the National Institute on Drug Abuse (NIDA) and integrates data pulled from the National Institutes of Health (NIH) enterprise system known as IMPAC II (Information for Management, Planning, Analysis and Coordination).

In the NEPS system NIDA can track planned, committed, and awarded projects; code and track projects as having relevance to drug treatment and prevention research; generate standard and ad hoc reports on planned and actual spending; produce funding plans; develop future year spending estimates; code projects for substances of abuse, program crosscuts and HIV/AIDS relevance; and solicit and approve grants funding requests.

NEPS is used to report actual obligations for NIDA and the data is validated with the NIH nVision Balance of Accounts and Query View Report (QVR) electronic systems.



Substance Abuse and Mental Health Services Administration



DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20201



January 10, 2024

TO: Kurt John
Director, Office of Financial Resources
Substance Abuse and Mental Health Services Administration

FROM: Amy J. Frontz
Deputy Inspector General for Audit Services

Digitally signed by Amy J Frontz
DN: cn=Amy J Frontz, o=Office
of Audit Services, ou=HHS OIG,
email=amy.frontz@oig.hhs.gov,
c=US
Date: 2024.01.10 08:15:03 -0500

SUBJECT: Independent Attestation Review: *Substance Abuse and Mental Health Services Administration Fiscal Year 2023 Detailed Accounting Report and Budget Formulation Compliance Report for National Drug Control Activities, and Accompanying Required Assertions*, A-03-24-00352

We have reviewed the attached Substance Abuse and Mental Health Services Administration (SAMHSA) Office of National Drug Control Policy (ONDCP) Detailed Accounting Report, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2023. We also reviewed the Budget Formulation Compliance Report, which includes budget formulation information for the fiscal year ending September 30, 2025, and the Chief Financial Officer's or accountable senior executive's assertions relating to the budget formulation information.¹ SAMHSA management is responsible for, and submitted, the Detailed Accounting Report and Budget Formulation Compliance Report, which were prepared in accordance with the ONDCP Circular *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (ONDCP Compliance Reviews Circular). We performed this review as required by 21 U.S.C. section 1704(d)(1) and as authorized by 21 U.S.C. section 1703(d)(7) and in compliance with the ONDCP Compliance Reviews Circular.

It is our responsibility to express a conclusion about the reliability of SAMHSA's Detailed Accounting Report for fiscal year 2023, SAMHSA's Budget Formulation Compliance Report for fiscal year 2025, and management's assertions based on our review.

We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements, as described in the U.S. Government Accountability Office publication, *Government Auditing Standards* (April 2021). Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed

¹ Although SAMHSA's Budget Formulation Compliance Report was provided to ONDCP as of fiscal year 2023, the budget figures reflect the fiscal year 2025 funding request.



Page 2—Kurt John

Accounting Report, Budget Formulation Compliance Report, and management's assertions for them to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether management's reports and assertions are in accordance with the criteria in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion.

Notwithstanding the limited nature of the engagement, we believe that the review evidence obtained is sufficient in accordance with attestation standards and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

As part of our review, we performed review procedures on SAMHSA's fiscal year 2023 Detailed Accounting Report and fiscal year 2025 Budget Formulation Compliance Report according to the ONDCP Compliance Reviews Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we performed procedures for the purpose of expressing a conclusion about the reliability of each of the assertions made in SAMHSA's reports. Those procedures included reviewing SAMHSA's drug methodologies and reprogramming or transfer of drug control funds, if applicable. We also performed procedures to determine whether SAMHSA submitted the summer budget timely and whether funding levels represented SAMHSA requests.

Based on our review, we are not aware of any material modifications that should be made to SAMHSA's Detailed Accounting Report for fiscal year 2023 and SAMHSA's Budget Formulation Compliance Report for fiscal year 2025 and management's assertions for them to be in accordance with the ONDCP Compliance Reviews Circular.

SAMHSA's Detailed Accounting Report and Budget Formulation Compliance Report assertions are included as Attachments A and B.²

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and SAMHSA. It is not intended to be, and should not be, used by anyone other than those specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Carla J. Lewis, Assistant Inspector General for Audit Services, at (202) 834-5992 or Carla.Lewis@oig.hhs.gov. Please refer to report number A-03-24-00352 in all correspondence.

Attachments

² Only the Budget Formulation Compliance Report assertions are included in Attachment B since the report contains prospective information.



Substance Abuse and Mental Health
Services Administration

5600 Fishers Lane • Rockville, MD 20857
www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)



Date: November 29, 2023
To: Director
Office of National Drug Control Policy (ONDCP)
Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services
From: Chief Financial Officer
Substance Abuse and Mental Health Services Administration
Subject: Detailed Accounting Report

In accordance with the requirements of the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews*, dated September 09, 2021, I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from SAMHSA's accounting system of record for these budget decision units.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior-year budgetary resources by function for SAMHSA was reasonable and accurate in accordance with the criteria listed in Section 7a (1) of the Circular. In accordance with these criteria, I have documented/identified data that support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
(See Exhibit A)

Application of Drug Methodology

I assert that the drug methodology disclosed in Exhibit A was the actual methodology used to generate the table required by Section 7a.

Material Weaknesses or Other Findings

I assert there are no material weaknesses or other findings from previous years reporting.

Methodology Modifications

I assert there are no methodology modifications for reporting drug control resources from previous year's reporting.

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



Reprogramming or Transfers

I assert there were no reprogramming or transfers from previous year's reporting.

Fund Control Notices

I assert that the data presented are associated with obligations against SAMHSA's operating plan, which complied fully with all ONDCP Budget Circulars.

Kurt E. John -S

Digitally signed by Kurt E.
John -S
Date: 2023.11.29 19:53:34
-0500

Kurt John
Chief Financial Officer

Attachments

- FY 2023 Drug Control Obligations
- FY 2023 Exhibit A –Drug Control Methodology



SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
FY 2023 Drug Control Obligations
(Dollars in millions)

Drug Resources by Decision Unit and Function

Programs of Regional and National Significance (PRNS)	
Prevention ¹	\$235.8
Treatment ¹	\$2,141.6
Total, PRNS	\$2,377.4
Substance Abuse Prevention and Treatment Block Grant (SABG)	
Prevention ²	\$400.9
Treatment ²	\$1,603.6
Total, SABG	\$2,004.5
Health Surveillance and Program Support (HSPS)	
Prevention ³	\$24.9
Treatment ³	\$99.5
Total, HSPS	\$124.4
Total Funding	\$4,506.3
Drug Resources Personnel Summary	
Total Full Time Equivalents (FTEs) ⁴	443
Drug Resources as a Percent of Budget	
Total Agency Budget (in billions)	\$7.3
Drug Resources Percentage	61.4%

Footnotes:

¹ PRNS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. Substance Abuse Treatment PRNS obligations include funds provided to SAMHSA from the PHS evaluation fund. Treatment include State Opioid Response Grants.

² Substance Abuse Prevention and Treatment Block Grant obligations include funds provided to SAMHSA from the PHS evaluation fund.

³ HSPS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. Substance funds to SAMHSA. HSPS obligations include funds provided to SAMHSA from the PHS evaluation fund.

⁴ SAMHSA's FY 2023 final FTE (722) * Drug Resources Percentage (61.4%) = 443 Drug Resources FTE.



Exhibit A

1) **Drug Methodology** - Actual obligations of drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), Program Support Center (PSC), Open - Closed Document Report.

a. **Obligations by Budget Decision Unit** – SAMHSA’s budget decision units have been defined by ONDCP Circular, *Budget Formulation*, dated September 09, 2021. These units are:

- Programs of Regional and National Significance (PRNS)-Prevention (CSAP);
- Programs of Regional and National Significance (PRNS)-Treatment (CSAT);
- Substance Abuse Prevention and Treatment Block Grant-CSAT/CSAP; and
- Health Surveillance and Program Support¹ – SAMHSA.

Included in this Drug Control Accounting report for FY 2023 are 100 Percent of the actual obligations for these four budget decision units, minus reimbursements. Obligations against funds provided to SAMHSA from the PHS evaluation fund are included.

b. **Obligations by Drug Control Function** – SAMHSA distributes drug control funding into two functions, prevention and treatment:

Prevention: This total reflects the sum of the actual obligations for

- CSAP’s PRNS direct funds, excluding reimbursable authority obligations;
- 20 percent of the actual obligations of the SABG funds, including obligations related to receipt of PHS evaluation funds;
- Of the portion from SAMHSA HSPS funds, including obligations related to receipt of PHS evaluation funds and Prevention and Prevention and Public Health Funds (PPHF), the assumptions are as follows:
 - Public Awareness and Support (PAS) funds were split 50/50 between Substance Abuse (SA) and Mental Health (MH) and 20 percent of the SA portion is considered Prevention;
 - PQIS funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 20 percent of the SA portion is considered Prevention;
 - Program Support funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 20 percent of the SA portion is considered Prevention;

¹ The HSPS appropriation funded activities are split between MH and SA as follows: Program Support, Health Surveillance, and Performance and Quality Information Systems (PQIS) are split the same percentage split as between MH and SA appropriations. PAS and Agency-wide are split 50/50 between MH and SA. The subsequent SA amounts are then divided into 20 percent for Prevention and 80 percent for Treatment



- Health Surveillance funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 20 percent of the SA portion is considered Prevention; and
- Behavioral Health Workforce Data and Development split 50/50 between SA and MH and 20 percent of the SA portion is considered Prevention.

Treatment: This total reflects the sum of the actual obligations for:

- CSAT's PRNS direct funds, excluding reimbursable authority obligations, but including obligations related to receipt of PHS Evaluation funds;
- 80 percent of the actual obligations of the SABG funds, including obligations related to receipt of PHS Evaluation funds; and,
- Of the portion from SAMHSA HSPS funds, including obligations related to receipt of PHS evaluation funds and PPHF, the assumptions are as follows:
 - PAS funds were split 50/50 between SA and MH and 80 percent of the SA portion is considered treatment
 - PQIS funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 80 percent of the SA portion is considered Treatment;
 - Program Support funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 80 percent of the SA portion is considered Treatment;
 - Health Surveillance Funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 80 percent of the SA portion is considered Treatment; and
 - Behavioral Health Workforce Data and Development split 50/50 between SA and MH and 80 percent of the SA portion is considered Treatment.



2) Methodology Modifications

SAMHSA changed its Drug Budget methodology during the development of FY 2024 Congressional Justification and expanded it to be more explicit regarding what is included in the continuum of care, which includes Harm Reduction and Recovery. This new methodology was retroactively applied to budget request tables during the FY 2024 and FY2025 budget formulation process for FY2023.

The bullets points below provides details of the new methodology.

- The State Opioid Response Grant is split 99% to the Treatment function and 1% to the Harm Reduction function.
- The Substance Use Prevention, Treatment, and Recovery Services Block Grant is split 19% to the Prevention function, 70% to the Treatment function, 1% to the Harm Reduction function, and 10% to the Recovery function.
- The Health Surveillance and Program Support Appropriation funded activities are split between Mental Health and Drug Control as follows:
The Drug Abuse Warning Network is allocated fully to Drug Control. Program Support, Health Surveillance and PQIS are proportionally assessed under drug control by determining the proportion of SAMHSA's total budget that covers Mental Health services (the Center for Mental Health Services) and the proportion covering Drug Control-related services (the Center for Substance Use Services and the Center for Substance Use Prevention).
- Public Awareness and Support, Behavioral Health Workforce Data and Development and Data Request and Publication User Fees are assessed at 50% of total appropriated funds are directed toward drug control activities.
- The drug control total for HSPS after these calculations is allocated between Prevention (20%) and Treatment (80%). Within the total for Treatment, HSPS is assessed at 3% toward Harm Reduction and 5% toward Recovery, consistent with the drug control methodology.

3) Material Weaknesses or Other Findings

SAMHSA completed their Annual Statement of Assurance on July 9, 2023, that included the review and evaluation of drug control obligations. As a result of the review, no material weaknesses were identified for the drug control obligations ending September 30, 2023.

4) Reprogramming or Transfers - None

5) Other Disclosures - None.



Substance Abuse and Mental Health
Services Administration

5600 Fishers Lane • Rockville, MD 20837

www.samhsa.gov • 1-877-SAMHSA-7 [1-877-726-4727]



Date: November 29, 2023

To: Director
Office of National Drug Control Policy (ONDCP)

Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services

From: Chief Financial Officer
Substance Abuse and Mental Health Services Administration

Subject: SAMHSA Budget Formulation Compliance Report for FY 2024

In accordance with the requirements of the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews*, dated September 09, 2021, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

I assert that the summer drug budget submitted to ONDCP on August 10, 2023, under the cover letter provided in response to Section 6.a.(1) ONDCP Circular: Budget Formulation, Section 9.a.(1) was provided to ONDCP at the same time as the budget request was submitted to the Department of Health and Human Services (DHHS) in accordance with 21 U.S.C. § 1703(c)(1)(A). (See Exhibit A)

Funding Levels Represent Bureau-Level Request

I assert that the funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department:

Kurt E. John -5 Digitally signed by Kurt E. John -5
Date: 2023.12.05 15:43:48 -0500
Kurt John
Chief Financial Officer

Attachment

- Exhibit A- FY 2025 Performance Budget Submission to DHHS
- Exhibit B- FY 2023 Performance Budget Submission to DHHS

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



Department of Housing and Urban Development

Community Planning and Development

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development
FY 2023 Budget Formulation Compliance Report

SUMMER BUDGET INFORMATION

On July 20, 2023, the summer budget was submitted to ONDCP under ONDCP Circular: Budget Formulation, Section 9.a. (1).

HUD's Summer Drug Budget resource summary table was submitted to ONDCP under ONDCP Circular: Budget Formulation, Section 9.a.(2).

HUD's Summer Budget resource summary table---

Resource Summary

	Budget Authority (in millions)		
	FY 2023 Enacted	FY 2024 Request	
Drug Resources by Function			
Recovery	\$757.248	\$778.176	\$
Total Drug Resources by Function	\$757.248	\$778.176	\$
Drug Resources by Decision Unit			
Continuum of Care: Homeless Assistance Grants	\$727.248	\$748.176	\$
Section 8071 Pilot Recovery Housing Program	\$30.000	\$30.000	\$
Total Drug Resources by Function	\$757.248	\$778.176	\$
Drug Resources Personnel Summary			
Total FTEs (direct only)	---	---	
Drug Resources as a percent of Budget			
Total Agency Budget (in Billions)	\$71.9	\$73.3	
Drug Resources percentage	1.1%	1.1%	

MANAGEMENT ASSERTIONS

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report



We confirm, to the best of our knowledge and belief, the following representations and assertions as they pertain to HUD's fiscal year 2023 Budget Formulation Compliance submission to ONDCP:

1. The HUD FY 2025 Summer Drug Budget submission to ONDCP under cover letter provided in response to Section 6.a.(1) in response to ONDCP Circular: Budget Formulation, Section 9 was provided to ONDCP at the same time as that budget request was submitted to the Office of Budget, Office of the Chief Financial Officer in accordance with 21 U.S.C. 1703(c)(1)(A).
2. The funding request in the submission provided in Section 6.a.(2) of the ONDCP Circular National Drug Control Program Agency Compliance Review represent the funding levels in the budget submission made by the Office of Community Planning and Development to the Office of Budget, Office of the Chief Financial Officer without alteration or adjustment by any official at the Department.



--START NEW DOCUMENT--

Department of Housing and Urban Development
FY 2023 Detailed Accounting Report

Resource Summary

	Budget Authority (in millions)
	FY 2023
	Final
Drug Resources by Function	
Recovery	\$954.072
Total Drug Resources by Function	\$954.072
Drug Resources by Decision Unit	
Continuum of Care: Homeless Assistance Grants	\$924.072
Section 8071 Pilot Recovery Housing Program	\$30.000
Total Drug Resources by Function	\$954.072
Drug Resources Personnel Summary	
Total FTEs (direct only)	---
Drug Resources as a percent of Budget	
Total Agency Budget (in Billions)	\$72.1
Drug Resources percentage	1.3%

METHODOLOGY

The Office of Special Needs Assistance Programs in HUD does not have a specific appropriation for drug-related activities. Many of its programs target the most vulnerable citizens in our communities, including individuals with chronic mental health or substance use issues, persons living with HIV/Acquired Immune Deficiency Syndrome (AIDS), and formerly incarcerated individuals. Recipients of resources provided by the Office of Special Needs Assistance Programs report to HUD annually how many people they intend to serve through the Continuum of Care (CoC) Program funding. The most recent CoC Competition data (from FY 2022) shows that 27.7 percent of clients served will receive substance use treatment. HUD relied on the fiscal year 2022 competition data because grants funded from that year's appropriation (FY 2023) operate during calendar year 2023, which most closely aligns to the reporting period in this report. HUD then multiplies this number by the CoC appropriation to determine the anticipated amount that will be spent on serving persons with chronic substance

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report



abuse issues. The fiscal year 2023 appropriation for the CoC Program, inclusive of the Youth Homelessness Demonstration Program funding, was \$3.336 billion, of which \$924.0 million (rounded) is anticipated to be spent on persons with chronic substance abuse issues.

Section 8071 (Pilot Program to Help Individuals in Recovery from a Substance Use Disorder become Stably Housed) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act allows states and the District of Columbia to provide stable, transitional housing for individuals in recovery from a substance use disorder. The Consolidated Appropriations Act, 2023 (P.L. 117-328) provided \$30 million for such purposes. The pilot program has been established for FY 2019-FY 2023, though it was not funded in 2019. For consistency in presentation of HUD's drug-related funding activities, budget authority is provided in the Resource Summary table, with the assumption that all appropriations will obligate. Obligations to date include \$500,000 in 2020, \$7,591,513 in 2021, \$36,835,062 in 2022, and \$30,315,597 in 2023.

MATERIAL WEAKNESSES OR OTHER FINDINGS

HUD has not identified any material weaknesses or other findings.

REPROGRAMMINGS OR TRANSFERS

HUD did not reprogram or transfer any drug control funds in fiscal year 2023.

OTHER DISCLOSURES

HUD has not identified any other disclosures relating to the fiscal year 2023 drug control funds.

MANAGEMENT ASSERTIONS

We confirm, to the best of our knowledge and belief, the following representations and assertions as they pertain to HUD's fiscal year 2023 Detailed Accounting Report submission to ONDCP:

1. The drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit is based on reliable data in which the data's availability, timeliness, and relevance were considered.
2. The financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
3. The drug methodology described in the report was the actual methodology used to generate the required data table.
4. All material weaknesses, or other findings by independent sources, or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance,

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report



which may affect the presentation of prior year drug-related obligations have been disclosed.

5. There were no modifications made to the methodology for reporting drug control resources from the previous year's reporting.
6. 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 reprogramming or transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget.
7. The data presented are associated with obligation against a financial plan that fully complied with all Fund Control Notices issued by the Director under 21 USC 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.



Department of Homeland Security

Customs and Border Protection



U.S. DEPARTMENT OF HOMELAND SECURITY
OFFICE OF INSPECTOR GENERAL

OIG-24-14

January 23, 2024

FINAL REPORT

Review of U.S. Customs and Border Protection's Fiscal Year 2023 Drug Control Budget Formulation Compliance Report





OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

January 23, 2024

MEMORANDUM FOR: Troy A. Miller
Senior Official Performing the Duties of the Commissioner
U.S. Customs and Border Protection

FROM: Joseph V. Cuffari, Ph.D.
Inspector General

JOSEPH V CUFFARI
Digitally signed by JOSEPH V CUFFARI
DATE: 2024.01.23 14:02:50
-05'00'

SUBJECT: *Review of U.S. Customs and Border Protection's Fiscal Year 2023 Drug Control Budget Formulation Compliance Report*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection's Fiscal Year 2023 Drug Control Budget Formulation Compliance Report*. U.S. Customs and Border Protection's (CBP) management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company – DC, LLP (Williams Adley) to review CBP's Drug Control Budget Formulation Compliance Report. Williams Adley is responsible for the attached Independent Accountant's Review Report, dated January 17, 2024, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

OIG Project No. 23-066-AUD-CBP



DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection’s Fiscal Year 2023 Drug Control Budget Formulation Compliance Report

January 23, 2024

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:
Contact our Office of Public Affairs at
(202) 981-6000, or email us at:
DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant’s Report on the U.S. Customs and Border Protection’s (CBP) FY 2023 Drug Control Budget Formulation Compliance Report. CBP’s management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley’s attention that caused it to believe that CBP’s FY 2023 Budget Formulation Compliance Report and related assertions are not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations.



Independent Accountant's Review Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Budget Formulation Compliance Report (BFCR) of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2023. CBP management is responsible for the preparation of the BFCR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about the BFCR based on our review.

Our review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the BFCR or related assertions for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether CBP's BFCR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Among other requirements, the Circular requires CBP to submit its summer drug budget directly to the Office of National Drug Control Policy (ONDCP) at the same time its budget requests are provided to its agency heads. Based on our review, we determined CBP did not submit its summer drug budget to ONDCP directly. Rather, CBP submitted its summer drug budget to the DHS Budget Division Formulation Team for subsequent transmission to ONDCP. Although the process CBP utilized does not align to the Circular requirements, we are not modifying our conclusion because CBP's assertion is accurate.

Based on our review, we are not aware of any material modifications that should be made to the BFCR or related assertions for the year ended September 30, 2023, in order for them to be in conformity with the requirements set forth in the Circular.

WILLIAMS, ADLEY & COMPANY-DC, LLP
Certified Public Accountants/ Management Consultants
1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com



The purpose of this report is to authenticate the BFCR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, CBP, and the ONDCP, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company - DC, LLP
Washington, D.C.
January 17, 2024



1300 Pennsylvania Avenue NW
Washington, DC 20229



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

January 17, 2024

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Dr. Gupta:

Enclosed is CBP's FY 2023 Budget Formulation Compliance Report (BFCR) on National Drug Control Funding. In FY 2023, CBP reported enacted obligations of approximately \$4,005.6 million.

If you have any questions or would like additional information, please contact me at (202) 325-4054.

Sincerely,

Jeffrey Caine
Chief Financial Officer & Assistant Commissioner
Office of Finance
U.S. Customs and Border Protection
Department of Homeland Security



**U.S. DEPARTMENT OF HOMELAND SECURITY
U.S. CUSTOMS AND BORDER PROTECTION
Budget Formulation Compliance Report for Fiscal Year 2023 Drug Control Funds**

BUDGET FORMULATION COMPLIANCE REPORT (BFCR)

A. Summer Budget Formulation Information

(1) Summer Drug Budget Transmittal

CBP's Fiscal Year (FY) 2025 Summer Drug Budget Transmittal was provided to the Department of Homeland Security (DHS) Budget Office on July 3, 2023, for further transmission by DHS to ONDCP on July 3, 2023.

(2) Summary Table of Fiscal Year 2023 Summer Drug Control Obligations

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Function		
Intelligence	\$603,092	\$607,425
Interdiction	\$3,402,498	\$3,747,203
Total Drug Resources by Function	\$4,005,590	\$4,354,628
Drug Resources by Decision Unit		
Operations and Support	\$3,763,908	\$3,865,777
<i>Border Security Operations</i>	\$1,113,714	\$1,091,270
<i>Trade and Travel Operations</i>	\$1,747,743	\$1,815,894
<i>Integrated Operations</i>	\$850,607	\$890,457
<i>Mission Support</i>	\$51,844	\$68,156
Procurement, Construction, and Improvements	\$241,682	\$488,851
<i>Border Security Operations</i>	\$105,139	\$114,784
<i>Trade and Travel Operations</i>	\$59,634	\$305,400
<i>Integrated Operations</i>	\$76,909	\$68,667
Total Drug Resources by Decision Unit	\$4,005,590	\$4,354,628
Drug Resources Personnel Summary		
Total FTEs (direct only)	12,110	14,687
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$20.86	\$19.53
Drug Resources Percentage	19.2%	22.3%

¹ To balance operational priorities vis-à-vis top line limitations, USCBP's request of investment funds under the PC&I appropriation declined between FY 2024 and FY 2025.



Page 2

B. Assertions:

(1) Timeliness of Summer Budget Submission

CBP asserts that the FY 2025 Summer Drug Budget submitted to ONDCP was provided to the Department of Homeland Security (DHS) Budget Office, who then provided it to ONDCP on the same date as identified in the section above.

(2) Funding Levels Represent Bureau-Level Request

CBP asserts that the funding request in the FY 2025 Summer Drug Budget submission provided to ONDCP by the DHS Budget Office represents the funding levels in the budget submission made by CBP to DHS, without alteration or adjustment by any official at DHS.



OFFICE OF INSPECTOR GENERAL
U.S. Department of Homeland Security

**Appendix A:
Report Distribution**

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chiefs of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Under Secretary, Office of Strategy, Policy, and Plans
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

U.S. Customs and Border Protection

Commissioner
Chief Financial Officer
Audit Liaison
Chief Accountability Officer

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees

Office of National Drug Control Policy

Associate Director for Management and Administration



Additional Information

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Department of Homeland Security
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Attention: Hotline
245 Murray Drive SW
Washington, DC 20528-0305



U.S. DEPARTMENT OF HOMELAND SECURITY
OFFICE OF INSPECTOR GENERAL

OIG-24-18

January 30, 2024

FINAL REPORT

Review of U.S. Customs and Border Protection's Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds





OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

January 30, 2024

MEMORANDUM FOR: Troy A. Miller
Senior Official Performing the Duties of the Commissioner
U.S. Customs and Border Protection

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V** Digitally signed by
Inspector General **CUFFARI** JOSEPH V CUFFARI
Date: 2024.01.30
08:48:18 -0500

SUBJECT: *Review of U.S. Customs and Border Protection’s Fiscal Year 2023
Detailed Accounting Report for Drug Control Funds*

Attached for your information is our final report, *Review of U.S. Customs and Border Protection’s Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds*. U.S. Customs and Border Protection’s (CBP) management prepared the Detailed Accounting Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company – DC, LLP (Williams Adley) to review CBP’s Detailed Accounting Report. Williams Adley is responsible for the attached Independent Accountant’s Review Report, dated January 17, 2024, and the conclusions expressed in it. Williams Adley’s report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

OIG Project No. 23-059-AUD-CBP



DHS OIG HIGHLIGHTS

Review of U.S. Customs and Border Protection’s Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds

January 30, 2024

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:
Contact our Office of Public Affairs at (202) 981-6000, or email us at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant’s Report on the U.S. Customs and Border Protection’s (CBP) Detailed Accounting Report. CBP’s management prepared the Table of FY 2023 Drug Control Obligations and related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

CBP’s management was unable to provide supporting documentation for the methodology used in determining the drug control obligation percentages for each CBP program office. These percentages are applied to total actual obligations to estimate the obligations related to its drug control activities. The estimated drug control activity obligations are further broken down between interdiction and intelligence in the Table. Further, CBP’s management was unable to provide supporting documentation for the methodology used in estimating the percentages of drug control activity obligations allocated between interdiction and intelligence. As a result, Williams Adley was unable to assess the reasonableness and accuracy of the methodologies used and Drug Methodology assertion.

Except as noted above, nothing came to Williams Adley’s attention that caused it to believe that the FY 2023 Detailed Accounting Report and related assertions are not presented in conformity with the criteria in the ONDCP Circular.



Independent Accountant's Review Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Detailed Accounting Report (DAR) of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2023. CBP management is responsible for the preparation of the DAR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about management's assertions based on our review.

Our review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAR or related assertions in order for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether CBP's DAR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The Circular requires CBP to utilize a drug control methodology for presenting its National Drug Control Budget by drug control functions. The Circular also states that the methodology must provide a reasonable basis for consistent estimation. We noted that CBP management was unable to provide supporting documentation for the methodology used in determining the drug control obligation percentages for each CBP program office. These percentages are applied to total actual obligations to estimate the obligations related to its drug control activities. The estimated drug control activity obligations are further broken down between interdiction and intelligence in the Table of Fiscal Year (FY) 2023 Drug Control Obligations (the Table). However, CBP management was unable to provide supporting documentation for the methodology used in estimating the percentages of drug control activity obligations allocated between interdiction and intelligence. These percentages are used to derive the dollar-value of obligations reported as Total Resources by Budget Drug Control Unit and Drug Control Function in the Table presented in the DAR. As a result, we were not able to assess the reasonableness and accuracy of the methodologies used and Drug Methodology assertion.

WILLIAMS, ADLEY & COMPANY-DC, LLP
Certified Public Accountants/Management Consultants
1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com



Based on our review, except for the effects of the matters described above, we are not aware of any material modifications that should be made to the DAR or related assertions for the year ended September 30, 2023, in order for them to be in conformity with the requirements set forth in the Circular.

The purpose of this report is to authenticate the DAR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, CBP, and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP
Washington, D.C.
January 17, 2024



1300 Pennsylvania Avenue NW
Washington, DC 20229



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

January 17, 2024

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Dr. Gupta:

Enclosed is CBP's FY 2023 Detailed Accounting Report (DAR) on National Drug Control Funding. In FY 2023, CBP reported direct obligations of approximately \$3,634.2 million.

If you have any questions or would like additional information, please contact me at (202) 325-4054.

Sincerely,

Jeffrey Caine
Chief Financial Officer & Assistant Commissioner
Office of Finance
U.S. Customs and Border Protection
Department of Homeland Security



**U.S. DEPARTMENT OF HOMELAND SECURITY
U.S. CUSTOMS AND BORDER PROTECTION
Detailed Accounting Report of Fiscal Year 2023 Drug Control Funds**

DETAILED ACCOUNTING REPORT

A. Table of Fiscal Year (FY) 2023 Drug Control Obligations

Table of Fiscal Year (FY) 2023 Drug Control Obligations	FY 2023 Final (\$ In Millions)
Drug Resources by Budget Decision Unit	
Operations and Support (O&S)	\$3,463.568
Procurement, Construction, and Improvements (PC&I)	\$170.658
Total Resources by Budget Decision Unit	\$3,634.226
Drug Resources by Drug Control Function	
Intelligence	
United States Border Patrol	\$25.190
Office of Field Operations	\$322.174
Office of Information and Technology	\$8.158
Office of Training and Development	\$1.304
Air and Marine Operations	\$167.299
Office of Intelligence	\$14.237
Intelligence - Total	\$538.362
Interdiction	
United States Border Patrol	\$778.299
Office of Field Operations	\$1,600.536
Office of Information and Technology	\$4.967
Office of Training and Development	\$34.417
Air and Marine Operations	\$677.645
Interdiction - Total	\$3,095.864
Total Resources by Drug Control Function	\$3,634.226
Total Obligations	\$3,634.226
High Intensity Drug Trafficking Area (HIDTA)	

Note: Drug resources broken down by unit and function as reflected in the budget structure enacted in the Consolidated Appropriations Act, 2023, PL 117-328.

1. Drug Methodology

U.S. Customs and Border Protection (CBP) is a multi-mission agency that calculates obligations by budget decision unit and drug control function, pursuant to an approved drug control funds calculation methodology. There are six program offices within CBP that are tasked with drug-control responsibilities: the United States Border Patrol (USBP), the Offices of Field Operations (OFO), Information and Technology (OIT), Training and Development (OTD), Air and Marine Operations (AMO), and Office of Intelligence (OI). In conformity with the requirements of ONDCP Circular: *National Drug Control Program Agency Compliance Reviews, dated September 9, 2021*, each program office has developed a



drug methodology to estimate the percentage of its obligations related to drug enforcement. USBP, OFO, OIT, OTD, and AMO each attribute their resources to both intelligence and interdiction functions, whereas OI attributes their resources only to intelligence functions.

The Drug Control Obligations table is based on actual obligations for each decision unit and program office named above for FY 2023. The obligation reports are generated by data reported in CBP's Systems, Applications, and Products in Data Processing (SAP) system, which is a DHS-approved accounting system. SAP is a fully integrated Enterprise Resource Planning (ERP) system that CBP uses to record and report obligations. Each program office multiplies its drug control obligation percentages by its actual total obligations per SAP to estimate obligations related to drug enforcement activities. The drug methodology developed and applied by each program office is described below:

UNITED STATES BORDER PATROL (USBP)

The USBP is responsible for controlling almost 6,000 miles of land borders between ports of entry with Canada and Mexico, and nearly 2,700 miles of coastal waters surrounding the Florida Peninsula and Puerto Rico. There were 19,104 Border Patrol agents, as of October 27, 2023, assigned to the mission of detecting and apprehending illegal entrants between the ports-of-entry. These illegal entries include aliens, drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry due to their undocumented status. It has been determined that 15 percent of USBP's activities are related to drug activities. This percentage was determined based on a historical study of the hours worked by agents, canine officers, and core personnel at various border checkpoints with narcotic-intensive activities. USBP resources come from (1) the Border Security Operations program, project, and activity (PPA) within CBP's Operations and Support (O&S) appropriation, and Border Security Assets and Infrastructure PPA within CBP's Procurement, Construction, and Improvements (PC&I) appropriation.

Of the 15 percent of obligations related to drug enforcement activities, USBP determined through the historical study referred to in the above paragraph that 3.5 percent of agents' efforts are related to intelligence and 96.5 percent are related to drug interdiction. Also, historically, the 15 percent of obligations are related to drug interdiction only. These activities include staffing permanent border traffic checkpoints nationwide, including 891 canine units trained in the detection of humans and certain illegal drugs that are concealed within cargo containers, truck trailers, passenger vehicles, and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States.

CBP is the lead agency within DHS for the development and deployment of border technology and tactical infrastructure to secure America's borders. Prior to FY 2017, CBP's Border Security Fencing, Infrastructure, and Technology (BSFIT) appropriation provided multi-year funding for the CBP program office, USBP, to develop and install technology and tactical infrastructure solutions, enabling a more effective and efficient method for controlling border security. While CBP still has multi-year funds available from previously enacted BSFIT appropriations, CBP transitioned to the DHS Common Appropriations Structure (CAS) beginning in FY 2017. Consequently, the BSFIT appropriation has been discontinued and counterdrug funding is now appropriated through CBP's O&S and PC&I appropriations. All anticipated and actual obligations for drug control activities are now being accounted for through USBP. Obligations for



FY 2023 BSFIT carryover funds were captured using the standard calculation of 15 percent of BSFIT obligations.

This data comes from a historical study performed by USBP, which provides reliable source data for the drug methodology described above.

OFFICE OF FIELD OPERATIONS (OFO)

OFO estimates there were 3,316 CBP officer (CBPO) full-time equivalents related to drug enforcement on enforcement teams in FY 2023. Anti-Terrorism Contraband Enforcement Teams (A-TCET) work closely with the Passenger Enforcement Rover Team (PERT) and Passenger Analytical Unit (PAU) teams to coordinate all enforcement activities. Although the primary mission of A-TCET teams is anti-terrorism, they also focus on all types of contraband, including narcotics. CBP estimates that 69 percent of the A-TCET is devoted to drug enforcement. The smuggling methodologies and their indicators are similar for both narcotics and anti-terrorism activities. Of the funding that is devoted to enforcement teams, OFO estimates that 85 percent is dedicated to interdiction with 15 percent dedicated to intelligence.

OFO had 25,777 CBPOs in FY 2023, who, in addition to the interdiction of contraband and illegal drugs, enforce hundreds of laws and regulations on behalf of many other Federal Government agencies. The other Federal agencies include, for example, the U.S. Fish and Wildlife Service, Bureau of Alcohol, Tobacco, Firearms, and Explosives, and Bureau of Export Administration, among many others. CBP subject matter experts estimate that approximately 30 percent of these officers' time is devoted to drug-related activities. Of the funding that is devoted to general officer duties, OFO estimates that 80 percent is dedicated to interdiction with 20 percent dedicated to intelligence.

CBP uses a variety of Non-Intrusive Inspection (NII) systems and Radiation Detection Equipment (RDE) systems as part of its layered inspection strategy to achieve its primary mission of securing the Nation's borders and protecting America from the entry of dangerous people and goods. These systems are also used to facilitate the flow of legitimate trade and travel across U.S. borders. It is estimated that 100 percent of the funding for NII is associated with general contraband detection, which would include narcotics. Of the total funding that is devoted to NII, OFO estimates that 100 percent is dedicated to interdiction.

Multiple types of NII and RDE systems are used to inspect sea containers thoroughly and quickly, rail cars, trucks, automobiles, pallets, and various packages and parcels for the presence of contraband without damaging the conveyance or its contents. These systems keep CBP officials from resorting to more intrusive and time-consuming manual inspections, such as unloading, drilling, and dismantling.

The Administration has announced a National Health Emergency to combat the Opioid crisis. Seizures of illicit fentanyl have risen substantially in the last four years. Despite increased enforcement actions, there has been a dramatic and disturbing increase in overdose deaths attributable to illicit fentanyl and other synthetic drugs. In response to this rise, OFO continues to procure, deploy, and train employees to improve the agency's capability to detect and interdict fentanyl and other opioids. Those resources were accounted for in this analysis. CBP has a limited number of narcotic detection devices deployed to its largest POE along the Southwest Border.



CBP also uses three types of canine teams: narcotics/human, drug, and currency. CBP has 509 canine officers in the field. Of the funding devoted to these canine teams, 100 percent of their time is devoted to drug interdiction. CBP has established and deployed a world-class detector dog program to augment existing technology while establishing cutting edge detection capabilities. CBPOs use specially trained detector dogs in interdiction and to support specialized programs aimed at combating the terrorist threat at the Nation's borders, international airports, and seaports.

CBP's NTC addresses illicit narcotics smuggling on a global scale through an aggressive targeting and analysis program, identifying narcotics smuggling schemes in all modes of transportation. NTC has the lead role of identifying global trends and patterns in the narcotics trade and responding to these threats from a national platform. NTC creates system rules and coordinates with CBP POEs, other government agencies, and partnering nations to intercept suspect shipments, directly engaging new and active investigations.

As CBP's focal point for counterterrorism strategy and policy, Counter Network Division (CND) supports frontline officers and agents and is the conduit to senior leadership and the intelligence community for field-generated counterterrorism information. CTD ensures the frontline receives the tools and training to perform the counterterrorism mission and facilitates quick and accurate dissemination of relevant classified and unclassified intelligence between headquarters and operators in the field. 100 percent of the CND budget is estimated to be devoted to counter narcotics intelligence.

This data comes from the Cost Management Information System (CMIS) and an internal CBP Canine Tracking System (Canine TS), which provide reliable source data for the drug methodology described above.

OFFICE OF INFORMATION AND TECHNOLOGY (OIT)

OIT's budget supports the drug enforcement mission through the acquisition, support, and maintenance of technology, and mission critical targeting application systems. Of OIT's spending, it is estimated that 10 percent of Automated Targeting Systems software application costs; TECS; and data center operations costs are in support of the drug mission. Of OIT's funding, it is estimated 40 percent is spent on drug interdiction and 60 percent is devoted to intelligence. The determinations surrounding the percentage of OIT spending that related to drug enforcement activities, specifically interdiction and intelligence, was determined through professional judgment, which provides reliable source data for the drug methodology described above.

OFFICE OF TRAINING AND DEVELOPMENT (OTD)

OTD calculates the portion of their budget attributable to drug control funding by issuing an annual data call for all projected National Training Plan (NTP) funded training courses to assess if courses contain any items related to drug enforcement material and activities. The curriculum of each course is reviewed, and subject matter experts determine course hours delivered related to drug enforcement for this task. If specific courses offered through the NTP contain drug enforcement related material, a specific percentage for that course is defined (hours related to drug enforcement training divided by the total number of course hours). Specific training programs identified include the canine training programs and basic, specialized, and advanced



training for CBP officers and agents. OTD's day-to-day operational resources are attributed to drug enforcement activities at the same rate as the NTP course delivery which is 13.20 percent for interdiction and 0.51 percent for intelligence for FY 2023. These percentages vary during the year of execution depending upon actual course delivery obligation rates.

AIR AND MARINE OPERATIONS

AMO is a critical component of CBP's border security mission and the DHS risk-based and multi-layered approach to homeland security. AMO applies advanced capabilities and employs unique skill sets to protect the Nation's borders and preserve America's security interests.

AMO is the lead operational component within CBP responsible for air and maritime border security. AMO's mission areas include air, maritime, and land law enforcement; domain awareness; extended border and foreign operations; and contingency and national security operations. In this capacity, AMO targets the conveyances that illegally transport narcotics, arms, and aliens across our borders and in the Source, Transit, and Arrival Zones. In FY 2023, AMO P-3 aircraft flew 5,131 hours in drug control efforts, which represents 86 percent of all AMO P-3 hours. These hours were in support of Joint Interagency Task Force-South (JIATF-S) in the Source and Transit zones. AMO P-3's participated in the interdiction of 145,273 pounds of cocaine in the Source and Transit zones. This equates to 28 pounds of cocaine for every counternarcotic hour flown.

AMO partners with USBP on land border security to provide close tactical ground support. Through operations such as wide-area surveillance, investigations, patrols, and tactical response in diverse environments, AMO is effectively able to perform counter-narcotics, prevention of imported and exported illegal merchandise or contraband, and other anti-smuggling/trafficking missions.

AMO also operates the Air and Marine Operations Center (AMOC). The AMOC is a key element in CBP's counter-network strategy, responsible for assessing and countering terrorism, transnational organized crime, and other illegal activities. The AMOC advises, guides, and directs the operational employment of sensor technologies for DHS and CBP, managing the air and maritime domain awareness architecture. It integrates multiple sensor technologies, intelligence, law enforcement databases, open-source information, and an extensive communications network. It monitors the airspace of major security events, and houses and collaborates with the Office of Intelligence via its Processing, Exploitation, and Dissemination cell that collects and analyzes multi-domain intelligence from a variety of sources, including CBP and USCG aircraft.

Using flight hours spent performing drug-related activities, AMO has determined that 82 percent of the budget resources that support AMO are considered drug-related. Of the total flight hours flown by AMO, 20 percent were related to intelligence and 80 percent were related to interdiction in FY 2023.

The source data for the financial information/flight hour information is retrieved from Air and Marine's official system of record, the Tasking and Operations Management Information System (TOMIS). TOMIS has undergone a verification and validation by DHS and has been referenced in several GAO and OIG reviews, which provides reliable source data for the drug methodology described above.



OFFICE OF INTELLIGENCE (OI)

The Office of Intelligence (OI) directly supports the counter narcotics mission through the deployment of personnel and resources dedicated directly to the drug enforcement mission. OI directly impacts the counter narcotics mission through program management, training, and source payments of the agency's confidential human source program, serving as the only geospatial analytic element within the Department of Homeland Security and conducting analysis to support ongoing investigations, change detection to drive law enforcement operations as well as strategic analysis and collections management to identify and illuminate previously unknown actors and threats. Overall, OI has a total of 72 full-time equivalent (FTE) intelligence research specialists dedicated to working on counter narcotics efforts.

OI serves as the national program manager for the CBP Confidential Human Source program (CHS), a program that has continued to grow each year in both personnel as well as in operational successes with OI providing training and certification to more than 150 CHS handlers. OI delivers between 3 and 4 CHS training classes each year for new source handlers with each course costing approximately \$720,000 per session. Since the beginning of fiscal year 2023, the CBP CHS program has been responsible for the seizure of 28,760 kilograms of narcotics with an estimated wholesale value of nearly \$388 million.

In FY 2023, the CHS program was responsible for approximately 16 percent of all narcotics seizures despite its personnel only accounting for 0.5 percent of CBP's law enforcement cadre. In addition to seizures, the CHS program is responsible for the production of more than 1,150 information and intelligence reports in fiscal year 2022, accounting for between 25 and 30 percent of all IIR production since 2016. OI has been responsible for CHS payments, approximately \$2 million per year, due to programmatic sensitivities we are unable to provide exact amounts related to narcotics seizures. In an effort to facilitate CHS operations and programmatic auditing, OI spends approximately \$100,000 per year on travel to facilitate these mandatory program audits and direct support to law enforcement partners.

OI has 5 FTE dedicated geospatial intelligence analysts supporting unmanned aerial surveillance of counter narcotics missions, totaling more than 11,884 hours last year. Direct analytic support of these missions resulted in the seizure of more than 11,652 kilograms of cocaine and 25,624 pounds of marijuana, 43 pounds of fentanyl, 45 pounds of methamphetamine, and 5 pounds of heroin seizures worth as much as \$510 million, as well as the apprehension of 11 high value targets or members of the FBI's most wanted cartel leaders list. OI geospatial analysts also conducted more than 6,000 hours of POLECAM exploitation supporting counter narcotics operations that resulted in the seizures of more than 250 kilograms of cocaine and 36 kilograms of fentanyl, seizures with a potential street value of more than \$11 million.

OI has a total of 46 FTE all source analysts in the Regional Intelligence Centers; analysts that provide daily intelligence support to narcotics investigations and operations to CBP, DHS, DEA, and SLTT partners locally. These analysts provide direct case support as well as production of hundreds of serialized intelligence reports that are disseminated to the intelligence community. OI has also dedicated 21 FTE employees focused on counter narcotics at the strategic level, these analysts produce the only strategic analysis on narcotics within Customs and Border Protection and are also responsible for developing collection requirements and conducting coordination across the U.S. Intelligence Community.



2. Methodology Modifications

The drug control methodology for obligations used in FY 2023 remained the same as the methodology used in FY 2022 for the reported program offices, with two exceptions: the addition of the Office of Intelligence methodology and drug funding calculations, and the increased percentage in NII funding usage from 77 percent to 100 percent, with 100 percent to Interdiction, as described above.

3. Material Weaknesses or Other Findings

In FY 2023, CBP contributed to three of the Departmental material weaknesses: Information Technology Controls and Information Systems, Financial Reporting, and Seized and Forfeited Property Other than Monetary Instruments. However, CBP's control deficiencies did not impair CBP's ability to report complete and accurate obligation data in the Table of FY 2023 Drug Control Obligations. Also, during FY 2023, CBP joined other DHS components in continuing to make significant improvements in remediating areas of material weaknesses and worked to resolve financial reporting deficiencies through targeted remediation.

The IT Controls and Information Systems area of material weaknesses continues to affect the Department's ability to fully comply with financial management system requirements. While control deficiencies surrounding CBP's accounting system, SAP, were attributed to access controls, CBP had sufficient compensating controls to ensure accounting records were accurate. CBP continues to undergo system improvement and modernization efforts, along with the Department. The outcome of these efforts will efficiently enable the Department to comply with government-wide requirements and thus reduce the need for manual compensating controls.

This year, CBP also contributed to the material weakness finding for the reporting of seized and forfeited property that is in the custody of the Department. This deficiency includes a lack of effective controls over the complete and accurate recording of seized and forfeited property transactions in the system of record by CBP and ICE, and instances of ineffective internal communication between DHS Components and external communication with agencies receiving transferred seized property from DHS. DHS believes that the issues identified do not materially impact the judgment of a user of the financial statements. In FY 2023, CBP made improvements to the seized and forfeited property system of record to enhance data quality and fiscal reporting. CBP will join ICE and the Department to continue remediation efforts in this area to improve controls over the property system of record to include timely and accurate initial entries in FY 2024. By remaining diligent and continuing to improve collaboration efforts to address known deficiencies in this area, the Department is confident that controls around the reporting of seized and forfeited property can be efficiently and effectively designed and operating going forward.

4. Reprogrammings or Transfers

The data presented are associated with obligations against a financial plan that properly reflects all changes in drug-related budgetary resources that occurred during the fiscal year, including reprogrammings or transfers. ONDCP approved all reprogrammings or transfers that individually or in aggregate exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget in FY 2023.

ONDCP has reviewed and approved the following DHS reprogrammings and transfers:



- Border Wall Reprogramming in the amount of \$73 million. Although this funding is related to drug control, this reprogramming was a net zero realignment from non-levee to levee funding, thereby not impacting the net amount of available USBP drug control funds.
- Budgeting & Employee Scheduling Application (BESA) Development in the amount of \$9.88 million. Neither “use” nor “source” of funds affect drug interdiction or intelligence efforts, as this was a transfer of PC&I funding to O&S funding.
- Behavioral Health Services in the amount of \$26.31 million. Neither “use” nor “source” of funds contribute to drug interdiction or intelligence efforts.
- Southwest Border Requirements in the amount of \$108.19 million. This transfer reduced drug related budgetary resources for AMO (\$4.6M), OFO (\$2.7M), and OI (\$1.2M), and increased drug related budgetary resources for USBP (\$87.8M).
- The Department of Homeland Security’s CBP - Support TDY Costs of TSA Personnel to DOJ in the amount of \$85,000. Neither “use” nor “source” of funds contribute to drug interdiction or intelligence efforts.
- The Department of Homeland Security’s Southwest Border Emerging Requirements & Operational Shortfalls in the amount of \$420.45 million. This transfer/reprogramming increased drug related budgetary resources for USBP (\$12.8M).

Overall, these transfers/reprogrammings increased CBP’s drug related budgetary resources by a net of \$92.1 million for FY 2023.

5. Other Disclosures

There are no other disclosures that CBP has determined are necessary to clarify any issues regarding the data reported under ONDCP Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

B. Assertions

1. Obligations by Budget Decision Unit

The obligations reported are consistent with the application of the approved methodology, as required by ONDCP Circular: *Budget Formulation*, Section 7, for calculating drug control funding against the bureau’s accounting system of record for these Budget Decision Units.

2. Drug Methodology

CBP asserts that the methodology used to estimate drug enforcement related obligations is reasonable and accurate. The criteria associated with this assertion are as follows:

a. Data

The estimate of drug enforcement related obligations is based on the methodology described in section A.1 above. This drug methodology, and the systems used to support this methodology, such as TOMIS, CMIS, and AMOSS present a fair and accurate picture of the CBP drug enforcement mission.

b. Financial Systems Security



CBP's financial system, SAP, yields data that fairly presents, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

As stated in the IT general and application control weaknesses noted in section A.3, CBP's financial systems issues related to SAP are based on access control and CBP has compensating controls to ensure CBP can provide data that fairly represent, in all material respects, aggregate obligations. The drug methodology described in section A.1 above is used to estimate what portion of these obligations may reasonably be associated with drug enforcement related activities.

3. Application of Drug Methodology

The methodology described in section A.1 above was used to generate the Table of FY 2023 Drug Control Obligations.

4. Material Weaknesses

All material weaknesses or other findings by independent sources, or other known weaknesses, including those identified in CBP's Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations as required by Section 7.a.(4) have been disclosed.

5. Methodology Modifications

No modifications were made to CBP's methodology for reporting drug control resources from the previous year's reporting, with two exceptions: the addition of the Office of Intelligence methodology and drug funding calculations, and the increased percentage in NII funding usage from 77 percent to 100 percent, with 100 percent to Interdiction, as described above.

CBP is also in the process of updating the methodology for several of the ONDCP Program Offices in order to provide the most accurate funding amounts, while also increasing our capability to provide accurate reports and calculations reflecting those amounts.

Prior approval was obtained verbally from ONDCP for these changes, and CBP will obtain full written approval once all other methodologies have been updated.

6. Reprogrammings or Transfers

The data presented are associated with obligations against a financial plan that properly reflects all changes in drug-related budgetary resources that occurred during the fiscal year, including ONDCP's approval of all reprogramming or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A)).

7. Fund Control Notices

The Director of National Drug Control Policy did not issue a Fund Control Notice for CBP for FY 2023.



OFFICE OF INSPECTOR GENERAL
U.S. Department of Homeland Security

**Appendix A:
Report Distribution**

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chiefs of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Under Secretary, Office of Strategy, Policy, and Plans
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Office of National Drug Control Policy

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Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive SW
Washington, DC 20528-0305



Federal Emergency Management Agency



February 26, 2024

MEMORANDUM TO: Regina M. Labelle, Acting Director
Office of National Drug Control Policy

FROM: Mary Comans MARY FRANCES CEDRANO
Chief Financial Officer

SUBJECT: FY 2023 Office of National Drug Control Policy Circular,
National Drug Control Program Agency Compliance Review

Dear Dr. Gupta:

In accordance with the Office of National Drug Control Policy Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, the Federal Emergency Management Agency (FEMA) is submitting its Accounting and Authentication of FY 2023 Drug Control Funds.

In accordance with ONDCP Circular dated September 9, 2021, Section 6 and 7 financial disclosures and assertions in the attached report, to the best of my knowledge all the information presented for the FEMA is true and correct and I concur with all assertions associated with FEMA in Section 6 and 7.

FEMA requests an exemption from the Inspector General Authentication review due to prior year drug-related obligations of less than \$50 million and would constitute an unreasonable reporting burden.

If you require further assistance on this information, please contact Audra Black at (202) 322-6256 or audra.black@fema.dhs.gov.

Enclosures:
Accounting and Authentication of Drug Control Funds



Federal Emergency Management Agency
Accounting and Authentication Drug Control Funds for 2023

Reference: ONDCP Circular: National Drug Control Program Agency Compliance Reviews
(September 9, 2021)

SECTION 6 ASSERTIONS

6. b. (1) Timeliness of Summer Budget Submission

In accordance with 21 U.S.C 1703(c)(1)(A), the summer drug budget was submitted to ONDCP on June 30, 2023, the same time as the budget request was sent to the Department for review.

6. b. (2) Funding Levels Represent Bureau-Level Request

I assert that the funding request in the in the summer drug budget represent the funding levels in the budget submission made by FEMA to the Department without alteration or adjustment by any official at the Department.

SECTION 7 REPORTING - Detailed Accounting Report

7. a. Drug Control Funding Obligations

7. a. (1) Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

The following table presents the obligations of the drug control budgetary resources appropriated and available in FY 2023 by Decision Unit and by Drug Control Function.

FY 2023 Federal Emergency Management Agency
Drug Control Obligations

		\$ in Millions FY 2023 Actual
A. Drug Resources by Function		
State and Local Assistance		\$13.5
	Total	<u>\$13.5</u>
B. Drug Resources by Decision Unit		
Operations and Support		\$13.5
	Total	<u>\$13.5</u>



Total Agency Budget ¹	\$5,475.0
Drug Related Percentage ²	≈0.1%

¹ Amount excludes Budget Control Act funding for major disasters under the Disaster Relief Fund.

² CBP estimates 15-percent of Operation Stonegarden will benefit drug enforcement.

7. a. (2) Drug Methodology

Operation Stonegarden (OPSG) grants are awarded by FEMA in coordination with the U.S. Customs and Border Protection (CBP). OPSG contributes to efforts to secure the United States borders along routes of ingress from international borders. OPSG supports a broad spectrum of border security activities performed by State, local and tribal law enforcement agencies (LEAs) through increased material, manpower readiness, and the number of “boots on the ground” to better secure our Nation’s borders.

The funds awarded are used in intelligence informed operations, which may assist with counterdrug efforts. Due to the intricate nature of these operations, CBP is unable to delimit the amount applied toward counterdrug operations; however, they estimate no more than 15-percent of OPSG funding and activity supports counter drug activities.

As OPSG is not specifically a drug enforcement grant program there is no statutory or programmatic requirement under OPSG to specifically delineate drug interdiction activities or expenditures. OPSG grant funds are primarily used for personnel costs, which are not reported by activity therefore the exact amount expended for drug enforcement cannot be determined.

7. a. (3) Methodology Modifications

The drug methodology for 2023 has not been modified from the previous year, 2022.

7. a. (4) Material Weaknesses or Other Findings

In the FY 2023 financial audit report, FEMA’s independent auditors identified no material weaknesses or significant deficiencies in FEMA’s internal controls over financial reporting.

7. a. (5) Reprogrammings or Transfers

There were no reprogrammings or transfers in FY 2023.

7. a. (6) Other Disclosures



No other disclosures are necessary to clarify any issues regarding the data reported under this circular.

7. b. Assertions

7. b. (1) Obligations by Budget Decision Unit

The obligations reported by budget decision unit are the actual obligations from FEMA's accounting system of record for the stated Budget Decision Unit.



7. b. (2) Drug Methodology

OPSG grants are awarded by FEMA in coordination with CBP. OPSG contributes to efforts to secure the United States borders along routes of ingress from international borders. OPSG supports a broad spectrum of border security activities performed by State, local and tribal LEAs through increased material, manpower readiness, and the number of “boots on the ground” to better secure our Nation’s borders.

The funds awarded are used in intelligence informed operations, which may assist with counterdrug efforts. Due to the intricate nature of these operations, CBP is unable to delimit the amount applied toward counterdrug operations; however, they estimate no more than 15 percent of OPSG funding and activity supports counter drug activities.

As OPSG is not specifically a drug enforcement grant program there is no statutory or programmatic requirement under OPSG to specifically delineate drug interdiction activities or expenditures. OPSG grant funds are primarily used for personnel costs, which are not reported by activity therefore the exact amount expended for drug enforcement cannot be determined.

7. b. (3) Application of Drug Methodology

The drug methodology disclosed in section 7.a. (2) Drug Methodology, above, was the actual methodology used to generate the table above.

7. b. (4) Material Weaknesses or Other Findings

In the FY 2023 financial audit report, FEMA’s independent auditors identified no material weaknesses or significant deficiencies in FEMA’s internal controls over financial reporting.

7. b. (5) Methodology Modifications

The drug methodology for 2023 has not been modified from the previous year, 2022.

7. b. (6) Reprogrammings or Transfers

There were no reprogrammings or transfers in FY 2023.

7. b. (7) Fund Control Notices

Not applicable. ONDCP did not issue any Fund Control Notices to FEMA in FY 2023.



8. Inspector General Authentication

8. d. Unreasonable Burden Exception

An agency or bureau included in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may request an exemption from the Inspector General Authentication review required by Section 8.



Federal Law Enforcement Training Center

**U.S. DEPARTMENT OF HOMELAND SECURITY
OFFICE OF INSPECTOR GENERAL**

OIG-24-17 January 29, 2024

FINAL REPORT
**Review of Federal Law Enforcement Training Centers’
Fiscal Year 2023 Drug Control Budget Formulation
Compliance Report**



OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

January 29, 2024

MEMORANDUM FOR: Benjamin C. Huffman
 Director
 Federal Law Enforcement Training Centers

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V. CUFFARI** Digitally signed by JOSEPH V. CUFFARI Date: 2024.01.29 11:58:22 -05'00'
 Inspector General

SUBJECT: *Review of Federal Law Enforcement Training Centers' Fiscal Year 2023 Drug Control Budget Formulation Compliance Report*

Attached for your information is our final report, *Review of Federal Law Enforcement Training Centers' Fiscal Year 2023 Drug Control Budget Formulation Compliance Report*. Federal Law Enforcement Training Centers' (FLETC) management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company - DC, LLP (Williams Adley) to review FLETC's Drug Control Budget Formulation Compliance Report. Williams Adley is responsible for the attached Independent Accountant's Review Report, dated January 17, 2024, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

OIG Project No. 23-055-AUD-FLETC



DHS OIG HIGHLIGHTS

Review of Federal Law Enforcement Training Centers' Fiscal Year 2023 Drug Control Budget Formulation Compliance Report

January 29, 2024

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:
Contact our Office of Public Affairs at (202) 981-6000, or email us at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant's Review Report on the Federal Law Enforcement Training Centers' (FLETC) FY 2023 Drug Control Budget Formulation Compliance Report. FLETC's management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley's attention that caused it to believe that FLETC's FY 2023 Budget Formulation Compliance Report and related assertions are not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations.



Independent Accountant's Review Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Budget Formulation Compliance Report (BFCR) of the U.S. Department of Homeland Security's (DHS) Federal Law Enforcement Training Centers (FLETC) for the year ended September 30, 2023. FLETC's management is responsible for the preparation of the BFCR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about the BFCR based on our review.

We conducted our review in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the BFCR or related assertions for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether FLETC's BFCR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Among other requirements, the Circular requires FLETC to submit its summer drug budget directly to the Office of National Drug Control Policy (ONDCP) at the same time its budget requests are provided to their agency heads. Based on our review, we determined that FLETC did not submit its summer drug budget to ONDCP directly. Rather, FLETC submitted its summer drug budget to the DHS Budget Division Formulation Team for subsequent transmission to ONDCP. Although the process FLETC utilized does not align to the Circular requirements, we are not modifying our conclusion because FLETC's assertion is accurate.

Based on our review, we are not aware of any material modifications that should be made to the BFCR or related assertions for the year ended September 30, 2023, in order for them to be in conformity with the requirements set forth in the Circular.

WILLIAMS, ADLEY & COMPANY-DC, LLP
Certified Public Accountants/ Management Consultants
1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com



The purpose of this report is to authenticate the BFCR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, FLETC, and the ONDCP, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley³ Company-DC, LLP

Washington, D.C.

January 17, 2024



Federal Law Enforcement Training Centers
U.S. Department of Homeland Security
1131 Chapel Crossing Road
Glynn, Georgia 31524



**Homeland
Security**

January 17, 2024

Rahul Gupta, MD, MPH, MBA
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta

In accordance with the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, enclosed is the Federal Law Enforcement Training Centers' ONDCP FY2023 Budget Formulation Compliance Report (RCFR). In FY 2023, FLETC reported enacted authority of \$56 million.

To the best of our knowledge the budget formulation details provided are accurate and complete. If you require further assistance on this information, please contact Joshua Adams at (912) 554-4662.

Sincerely,

**BRANDI M
CRUSAN**

Digitally signed by
BRANDI M CRUSAN
Date: 2024.01.17
11:40:09 -0500

Brandi Crusan
Acting Assistant Director/Chief Financial Officer
Federal Law Enforcement Training Centers

www.fletc.gov



Budget Formulation Compliance Report
DEPARTMENT OF HOMELAND SECURITY
Federal Law Enforcement Training Centers (FLETC)

A – Summer Budget Formulation Information

1- Summer Drug Budget Transmittal

The summer budget was submitted from FLETC to DHS Budget on June 29, 2023. The official submission from DHS Budget to ONDCP was delivered on July 3, 2023.

2- Summer Drug Budget Resource Summary Table

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Function		
Investigations	\$53.76	\$55.43
State & Local Assistance	\$1.68	\$1.73
International	\$0.56	\$0.58
Total Drug Resources by Function	\$56.00	\$57.74
Drug Resources by Decision Unit		
Operations & Support	\$56.00	\$57.74
Total Drug Resources by Decision Unit	\$56.00	\$57.74
Drug Resources Personnel Summary		
Total FTEs (direct only)	190	190
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$0.4	\$0.4
Drug Resources Percentage	13.8%	15.2%



B – Assertions

1- Timeliness of Summer Budget Submission

FLETC asserts that the initial summer drug budget was submitted from FLETC to DHS Budget on June 29, 2023. The official submission from DHS Budget to ONDCP was delivered on July 3, 2023.

2- Funding Levels Represent Bureau-Level Request

FLETC asserts that the funding request in the submission provided represent the funding levels in the budget submission made to the Department without alteration or adjustment by any official at the Department.



OFFICE OF INSPECTOR GENERAL
U.S. Department of Homeland Security

**Appendix A:
Report Distribution**

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chiefs of Staff
General Counsel
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Director, GAO/OIG Liaison Office
Under Secretary, Office of Strategy, Policy, and Plans
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

Federal Law Enforcement Training Centers

Director
Chief Financial Officer
Audit Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees

Office of National Drug Control Policy

Associate Director for Management and Administration



Additional Information

To view this and any other DHS OIG reports, please visit our website: www.oig.dhs.gov

For further information or questions, please contact the DHS OIG Office of Public Affairs via email: DHS-OIG.OfficePublicAffairs@oig.dhs.gov



DHS OIG Hotline

To report fraud, waste, abuse, or criminal misconduct involving U.S. Department of Homeland Security programs, personnel, and funds, please visit: www.oig.dhs.gov/hotline

If you cannot access our website, please contact the hotline by phone or mail:

Call: 1-800-323-8603

U.S. Mail:

Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive SW
Washington, DC 20528-0305



U.S. DEPARTMENT OF HOMELAND SECURITY
OFFICE OF INSPECTOR GENERAL

OIG-24-13

January 22, 2024

FINAL REPORT

**Review of Federal Law Enforcement Training Centers'
Fiscal Year 2023 Detailed Accounting Report for Drug
Control Funds**





OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

January 22, 2024

MEMORANDUM FOR: Benjamin C. Huffman
 Director
 Federal Law Enforcement Training Centers

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V. CUFFARI** Digitally signed by:
JOSEPH V. CUFFARI
Date: 2024.01.22
22:04:09 -0500
 Inspector General

SUBJECT: *Review of Federal Law Enforcement Training Centers' Fiscal Year 2023
 Detailed Accounting Report for Drug Control Funds*

Attached for your information is our final report, Review of Federal Law Enforcement Training Centers' Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds. Federal Law Enforcement Training Centers' (FLETC) management prepared the Detailed Accounting Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company - DC, LLP (Williams Adley) to review FLETC's Detailed Accounting Report. Williams Adley is responsible for the attached Independent Accountant's Review Report, dated January 17, 2024, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

OIG Project No. 23-054-AUD-FLETC



DHS OIG HIGHLIGHTS

Review of Federal Law Enforcement Training Centers’ Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds

January 22, 2024

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:
Contact our Office of Public Affairs at (202) 981-6000, or email us at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant’s Report on the Federal Law Enforcement Training Centers’ (FLETC) FY 2023 Drug Control Detailed Accounting Report. FLETC’s management prepared the Table of FY 2023 Drug Control Obligations and related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley’s attention that caused it to believe that FLETC’s FY 2023 Detailed Accounting Report and related assertions are not presented in conformity with the criteria in the Circular. Williams Adley did not make any recommendations.



Independent Accountant's Review Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Detailed Accounting Report (DAR) of the U.S. Department of Homeland Security's (DHS) Federal Law Enforcement Training Centers (FLETC) for the year ended September 30, 2023. FLETC's management is responsible for the preparation of the DAR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about management's assertions based on our review.

We conducted our review in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAR or related assertions in order for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether FLETC's DAR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Based on our review, we are not aware of any material modifications that should be made to the DAR or related assertions for the year ended September 30, 2023, in order for them to be in conformity with the requirements set forth in the Circular.

The purpose of this report is to authenticate the DAR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, FLETC, and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP

Washington, D.C.
January 17, 2024

WILLIAMS, ADLEY & COMPANY-DC, LLP
Certified Public Accountants/Management Consultants
1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com



Federal Law Enforcement Training Centers
U.S. Department of Homeland Security
1131 Chapel Crossing Road
Glynn, Georgia 31524



**Homeland
Security**

January 17, 2024

Rahul Gupta, MD, MPH, MBA
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta,

In accordance with the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, enclosed is the Federal Law Enforcement Training Centers' ONDCP FY2023 Detailed Accounting Report (DAR). In FY2023 FLETC reported direct obligations of approximately \$53.3 million.

To the best of our knowledge the details provided are accurate and complete. If you require further assistance on this information, please contact Joshua Adams at (912) 554-4662.

Sincerely,

**BRANDI M
CRUSAN**

Digitally signed by
BRANDI M CRUSAN
Date: 2024.01.17
11:42:43 -0500

Brandi Crusan
Acting Assistant Director/Chief Financial Officer
Federal Law Enforcement Training Centers

www.flete.gov



**U.S. DEPARTMENT OF HOMELAND SECURITY
Federal Law Enforcement Training Centers (FLETC)**

2023

A - Prior Year Drug Control Obligations

1- Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

		Obligations (in Millions)
		FY 2023
Drug Resources by Function		
Investigations		\$51.398
State & Local Assistance		\$1.360
International		\$0.574
Total Drug Resources by Function		\$53.333
Drug Resources by Decision Unit		
Salaries & Expenses		\$53.333
Total Drug Resources by Decision Unit		\$53.333
Drug Resources Personnel Summary		
Total FTEs (direct only)		190
Drug Resources as a Percent of Budget		
Total Agency Budget (in millions)		\$ 407.547
Drug Resources Percentage		13.1%



2- Drug Methodology

The portion of FLETC's total budget considered to be drug resources is identified by historical trends of drug-related training relative to total student-weeks of training and the associated budget authority required to conduct that training. Advanced training programs with a drug nexus are considered to provide 100% support to drug enforcement activities. State and local training programs with a drug nexus are also considered to provide 100% support. All international training has a drug nexus and is also considered to provide 100% support. FLETC drug enforcement training support is in the following three training functions: Investigations 96%; State and Local Training and Assistance, 3%; and, International Training and Technical Assistance, 1%.

The percentage of the Salaries and Expenses appropriation that supports drug enforcement activities remains constant at 17.6%; however, the percentage of FLETC's total budget authority in support of drug enforcement activities fluctuates.

3- Methodology Modifications

There were no modifications to the drug methodology for the previous year to report.

4- Material Weaknesses or Other Findings

FLETC has no material weaknesses or other findings to report.

5- Reprogrammings or Transfers

In FY 2023, there was an ONDCP approved reprogramming of \$5.2M related to the Southwest Border. This reduced drug-related budgetary resources. On June 30, 2023, ONCDP approved the reprogramming via an approval memo to the Department of Homeland Security.

Other Disclosures

There are no other disclosures FLETC feels are necessary to clarify any issues regarding the data reported.

B – Assertions

1- Obligations by Budget Decision Unit

The obligations reported are consistent with the application of the approved methodology, as required by ONDCP Circular: Budget Formulation, Section 7, for calculating drug control funding against the bureau's accounting system of record for these Budget Decision Units.

2- Drug Methodology

The Drug Methodology assertion in ONDCP Circular: National Drug Control Program Agency Compliance Reviews, dated September 9, 2021 requires an assertion shall be made regarding the reasonableness and accuracy of the drug methodology used to calculate obligations of prior year budgetary resources decision unit and by function. It further provides guidance that (1) indicates



that the methodology is based on reliable data and (2) a brief discussion on that the financial systems used yields data that fairly present, in all material respects, aggregate obligations presented in the Table of Prior Year Obligations.

3- Application of Drug Methodology

The methodology disclosed in Section A, Disclosure No. 2 was the actual methodology used to generate the Table of Prior Year FY 2023 Drug Control Obligations.

4- Material Weaknesses or Other Findings

FLETC asserts that there are no material weaknesses 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.

5- Methodology Modifications

FLETC asserts that there were no Modifications to the methodology for reporting drug control resources from the previous year's reporting.

6- Reprogrammings or Transfers

The data presented are associated with obligations against a financial plan that properly reflects all changes in drug-related budgetary resources that occurred during the fiscal year. There was a material impact to drug-related obligations.

7- Fund Control Notices

No Fund Control Notice was issued, as defined by the ONDCP Director under 21 U.S.C. Section 1703(f) and Section 9 of the ONDCP Circular: *Budget Execution*, to FLETC in FY 2023.



OFFICE OF INSPECTOR GENERAL
U.S. Department of Homeland Security

**Appendix A:
Report Distribution**

Department of Homeland Security

Secretary
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Under Secretary, Office of Strategy, Policy, and Plans
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

Federal Law Enforcement Training Centers

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Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees

Office of National Drug Control Policy

Associate Director for Management and Administration



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For further information or questions, please contact the DHS OIG Office of Public Affairs via email: DHS-OIG.OfficePublicAffairs@oig.dhs.gov



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If you cannot access our website, please contact the hotline by phone or mail:

Call: 1-800-323-8603

U.S. Mail:
Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive SW
Washington, DC 20528-0305



Immigration and Customs Enforcement



U.S. DEPARTMENT OF HOMELAND SECURITY
OFFICE OF INSPECTOR GENERAL

OIG-24-15

January 23, 2024

FINAL REPORT

**Review of U.S. Immigration and Customs
Enforcement's Fiscal Year 2023 Drug Control
Budget Formulation Compliance Report**





OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

January 23, 2024

MEMORANDUM FOR: Patrick J. Lechleitner
Deputy Director and Senior Official Performing the Duties of the Director
U.S. Immigration and Customs Enforcement

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V CUFFARI** Digitally signed by JOSEPH V CUFFARI
Inspector General Date: 2024.01.23 16:05:34 -05'00'

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2023 Drug Control Budget Formulation Compliance Report*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2023 Drug Control Budget Formulation Compliance Report*. U.S. Immigration and Customs Enforcement's (ICE) management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company – DC, LLP (Williams Adley) to review ICE's Drug Control Budget Formulation Compliance Report. Williams Adley is responsible for the attached Independent Accountant's Review Report, dated January 17, 2024, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under *the Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

OIG Project No. 23-057-AUD-ICE



DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2023 Budget Formulation Compliance Report

January 23, 2024

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:
Contact our Office of Public Affairs at
(202) 981-6000, or email us at:
DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant's Review Report on the U.S. Immigration and Customs Enforcement's (ICE) FY 2023 Drug Control Budget Formulation Compliance Report. ICE's management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley's attention that caused it to believe that ICE's FY 2023 Budget Formulation Compliance Report and related assertions are not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations.



Independent Accountant's Review Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Budget Formulation Compliance Report (BFCR) of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2023. ICE's management is responsible for the preparation of the BFCR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about the BFCR based on our review.

We conducted our review in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the BFCR or related assertions for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether ICE's BFCR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Among other requirements, the Circular requires ICE to submit its summer drug budget directly to the Office of National Drug Control Policy (ONDCP) at the same time its budget requests are provided to its agency heads. Based on our review, we determined ICE did not submit its summer drug budget to ONDCP directly. Rather, ICE submitted its summer drug budget to the DHS Budget Division Formulation Team for subsequent transmission to ONDCP. Although the process ICE utilized does not align to the Circular requirements, we are not modifying our conclusion because ICE's assertion is accurate.

Based on our review, we are not aware of any material modifications that should be made to the BFCR or related assertions for the year ended September 30, 2023, in order for them to be in conformity with the requirements set forth in the Circular.

WILLIAMS, ADLEY & COMPANY-DC, LLP
Certified Public Accountants/ Management Consultants
1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com



The purpose of this report is to authenticate the BFCR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, ICE, and the ONDCP, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley - Company - DC, LLP
Washington, D.C.
January 17, 2024



*Budget Director, Office of Budget & Program
Performance*

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



U.S. Immigration
and Customs
Enforcement

January 17, 2024

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Dr. Gupta:

Enclosed is the ICE FY 2023 Budget Formulation Compliance Report (BFCR) on National Drug Control Funding. In FY 2023, ICE reported the enacted Drug Resource Budget of approximately \$674.1 million.

If you have any questions or would like additional information, please contact me at (202) 732-5627.

Sincerely,

JENNIFER S
CLEARY
STANNARD

Digitally signed by
JENNIFER S. CLEARY
STANNARD
DN: cn=JENNIFER S. CLEARY
STANNARD

Jennifer Cleary
Chief Financial Officer
Office of the Chief Financial Officer
U.S. Immigration and Customs Enforcement
Department of Homeland Security



**U.S. Department of Homeland Security
U.S. Immigration and Customs Enforcement
Budget Formulation Compliance Report FY 2023**

A. Summer Budget Formulation Information

1. Summer Drug Budget Transmittal

ICE's Fiscal Year (FY) 2025 Summer Drug Budget Transmittal was submitted to the Department of Homeland Security (DHS) Budget Coordination on June 29, 2023, for further transmission by DHS to ONDCP on July 3, 2023 under ONDCP Circular: Budget Formulation, Section 9.a.(1).

2. Summer Drug Budget Table

DEPARTMENT OF HOMELAND SECURITY
Immigration and Customs Enforcement (ICE)

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Function		
Intelligence	\$30.079	\$31.017
Investigations: Domestic	\$631.987	\$676.369
Investigations: International	\$12.036	\$12.7477
Total Drug Resources by Function	\$674.101	\$720.135
Drug Resources by Decision Unit		
Operations & Support	\$674.101	\$720.135
<i>Intelligence</i>	\$30.079	\$31.017
<i>Investigations: Domestic</i>	\$631.987	\$676.369
<i>Investigations: International</i>	\$12.036	\$12.7477
Total Drug Resources by Decision Unit	\$674.101	\$720.135
Drug Resources Personnel Summary		
Total FTEs (direct only)	2,615	2,748
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$8.4	\$8.3
Drug Resources Percentage	8.0%	8.7%



B. Assertions

1. Timeliness of Summer Budget Submission

ICE asserts that the FY 2025 Summer Drug Budget submitted to ONDCP was provided to the Department of Homeland Security (DHS) Budget Office, who then provided it to ONDCP on the same date as identified in the section above.

2. Funding Levels Represent Bureau-Level Request

ICE asserts the funding request in the submission provided in Section 6.a(2) of ONDCP Circular: Compliance Review, represent the funding levels submitted to DHS Budget Coordination for further transmission to ONDCP without alteration or adjustment by any official at the Department to the best of our knowledge.



OFFICE OF INSPECTOR GENERAL
U.S. Department of Homeland Security

Appendix A:
Report Distribution

Department of Homeland Security

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Deputy Chiefs of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Under Secretary, Office of Strategy, Policy, and Plans
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

U.S. Immigration and Customs Enforcement

Director
Chief Financial Officer
Audit Liaison
Senior Component Accountable Official

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees

Office of National Drug Control Policy

Associate Director for Management and Administration



Additional Information

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For further information or questions, please contact the DHS OIG Office of Public Affairs via email: DHS-OIG.OfficePublicAffairs@oig.dhs.gov



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If you cannot access our website, please contact the hotline by phone or mail:

Call: 1-800-323-8603

U.S. Mail:
Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive SW
Washington, DC 20528-0305



U.S. DEPARTMENT OF HOMELAND SECURITY
OFFICE OF INSPECTOR GENERAL

OIG-24-12

January 22, 2024

FINAL REPORT

**Review of U.S. Immigration and Customs
Enforcement's Fiscal Year 2023 Detailed Accounting
Report for Drug Control Funds**





OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

January 22, 2024

MEMORANDUM FOR: Patrick J. Lechleitner
Deputy Director and Senior Official Performing the Duties of the Director
U.S. Immigration and Customs Enforcement

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V CUFFARI** Digitally signed by JOSEPH V CUFFARI
Inspector General Date: 2024.01.22 21:56:29 -0500

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds*. U.S. Immigration and Customs Enforcement's (ICE) management prepared the Detailed Accounting Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company - DC, LLP (Williams Adley) to review ICE's Detailed Accounting Report. Williams Adley is responsible for the attached Independent Accountant's Review Report, dated January 17, 2024, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

OIG Project No. 23-056-AUD-ICE



DHS OIG HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement’s Fiscal Year 2023 Detailed Accounting Report for Drug Control Funds

January 22, 2024

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:
Contact our Office of Public Affairs at (202) 981-6000, or email us at:
DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant’s Review Report on the U.S. Immigration and Customs Enforcement’s (ICE) Detailed Accounting Report. ICE’s management prepared the Table of FY 2023 Drug Control Obligations and related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley’s attention that caused it to believe that ICE’s FY 2023 Detailed Accounting Report and related assertions are not presented in conformity with criteria in the Circular. Williams Adley did not make any recommendations.



Independent Accountant's Review Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Detailed Accounting Report (DAR) of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2023. ICE's management is responsible for the preparation of the DAR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about management's assertions based on our review.

We conducted our review in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the DAR or related assertions in order for them to be in accordance with the Circular. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether ICE's DAR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Based on our review, we are not aware of any material modifications that should be made to the DAR or related assertions for the year ended September 30, 2023, in order for them to be in conformity with the requirements set forth in the Circular.

The purpose of this report is to authenticate the DAR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, ICE, and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company - DC, LLP
Washington, D.C.
January 17, 2024

WILLIAMS, ADLEY & COMPANY-DC, LLP
Certified Public Accountants/ Management Consultants
1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com



*Budget Director, Office of Budget & Program
Performance*

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



U.S. Immigration
and Customs
Enforcement

January 17, 2024

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Dr. Gupta:

Enclosed is the ICE FY 2023 Detailed Accounting Report (DAR) on National Drug Control Funding. In FY 2023, ICE reported direct obligations of approximately \$675.6 million.

If you have any questions or would like additional information, please contact me at (202) 732-5627.

Sincerely,

JENNIFER S
CLEARY
STANNARD

Digitally signed by
JENNIFER S. CLEARY
STANNARD
Date: 2024.01.18 10:51:01
-0500

Jennifer Cleary
Chief Financial Officer
Office of the Chief Financial Officer
U.S. Immigration and Customs Enforcement
Department of Homeland Security



U.S. Department of Homeland Security
U.S. Immigration and Customs Enforcement
Homeland Security Investigations
Detailed Accounting Report of FY23 Drug Control Funding

A. Drug Control Funding Obligations

1. Table of FY 2023 Drug Control Obligations

Drug Resources by Budget Decision Unit and Function

	FY 2023 Final (In Millions)
Drug Resource by Drug Control Function	
Domestic Investigations	\$631.57
International Operations	\$9.808
Intelligence: Domestic	\$33.830
Intelligence: International	\$0.345
Total	\$675.565
Drug Resources by Budget Decision Unit	
Salaries and Expenses – Immigration Enforcement	
Total	\$675.565
High Intensity Drug Trafficking Area (HIDTA FY22/23 and FY23/24)	\$2.107

2. Drug Methodology

U.S. Immigration and Customs Enforcement (ICE) is a multi-mission bureau, and obligations are reported pursuant to an approved drug methodology. ICE's Homeland Security Investigations (HSI) Domestic Investigations, International Operations (IO) and Office of Intelligence uphold U.S. drug control policy delegated amid the Office of National Drug Control Policy (ONDCP) initiatives, by fully supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. Therefore, separate calculations are formulated to determine obligation data for the three (3) HSI sanctioned programs that undertake counter-narcotic investigative activity, presented in the table above. Thereafter, the following three (3) sections cover each program in detail.



Domestic Investigations

The methodology for HSI Domestic Investigations is based on investigative case hours recorded in the Investigative Case Management (ICM) system. HSI Special Agents record the type of investigative work they perform in this system in the form of case hours. These case hours can then be aggregated to show overall level of effort.

Following the close of the fiscal year, HSI uses ICM reports to identify and report the total investigative case hours coded as general narcotics cases or money-laundering narcotics cases. A second ICM report shows the total Domestic investigative case hours logged. The percentage of Domestic investigative case hours logged is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of Domestic investigative case hours. This percentage may fluctuate from year to year. For FY 2023, the actual percentage for Domestic Investigations was 31.55%. To calculate a dollar amount of obligations, this percentage was applied to actual obligations incurred by Domestic Investigations, excluding reimbursable authority. ICE uses the Federal Financial Management System (FFMS) to identify the obligations incurred.

International Operations (IO)

The methodology for IO is based on investigative case hours recorded in ICM. HSI Special Agents record the type of case and related case hours they perform in this system. Following the close of the fiscal year, an ICM report is run to capture investigative case hours coded as general narcotics cases or money-laundering narcotics cases. A second report is run to capture all investigative case hours logged for international law enforcement operations. For International Affairs, the actual percentage of hours that were counter-narcotics related, was 7.80% in FY 2023. To calculate a dollar amount of obligations, this percentage was applied, to actual obligations incurred by International Affairs, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

Office of Intelligence

HSI Criminal Analysts provide intelligence services for Domestic Investigations and IO to support criminal investigations aimed at disrupting and dismantling criminal organizations involved in transnational drug trade and associated money-laundering crimes. The methodology for the Office of Intelligence is based on intelligence case hours recorded in ICM. HSI Criminal Analysts record the type of work and related case hours they perform in. Following the close of the fiscal year, a report in ICM is run to capture investigative case hours coded as general-narcotics cases or money-laundering narcotics cases. A second report is generated capturing all investigative case hours logged. The intelligence investigative case hours percentage is derived by dividing the number of investigative case hours linked to drug-control activities by the total number of Intelligence investigative case hours logged for the Office of Intelligence. For FY 2023, 32.60% of the total case hours for Intelligence were in support of drug-control activities. To calculate a dollar amount of drug-control



obligations, this percentage was applied to actual obligations incurred by Intelligence, excluding reimbursable authority. The FFMS is the system used to generate the actual obligations incurred.

The Office of Intelligence case hours recorded in ICM captures both domestic and international drug-related activity. The Office of Intelligence calculates the total percentage of case hours that support Domestic and International drug enforcement activity by adding the end of the year total number of Intelligence Domestic and Intelligence Office of International Operations drug-controlled investigative hours in ICM and dividing these totals by the total number of Domestic drug-controlled investigative hours and IO drug-controlled investigative hours. For FY 2023, the resulting percentage is used to determine the amount of work that Intelligence does for international activities (1.02%) and domestic activities (98.98%). The respective percentages are applied to the total Office of Intelligence drug-related obligations as determined above to identify the relative international and domestic obligations expended by the Office of Intelligence for drug-control activities.

3. Methodology Modifications

There were no modifications to the drug methodology from the previous year to report.

4. Material Weaknesses or Other Findings

The OIG Report on the U.S. Department of Homeland Security's Consolidated Financial Statements for FY 2023 and FY 2022 and Internal Control over Financial Reporting (OIG Report) identified three areas of material weaknesses for ICE. The areas identified were 1) Information Technology Controls and Information Systems, 2) Financial Reporting and 3) Seized and Forfeited Property Other than Monetary Instruments. ICE concurs with the OIG Report concerning the three material weaknesses identified. However, the material weaknesses identified did not impair the agency's ability to report complete and accurate obligation data in the Table of FY 2023 Drug Control Obligations within the U.S. Immigration and Customs Enforcement Homeland Security Investigations Detailed Accounting Report of FY 2023 Drug Control Funding (FY 2023 DAR). To address the identified material weaknesses, ICE continues to enhance its internal controls and works to resolve financial reporting of financial deficiencies through targeted remediation.

The IT Controls and Information Systems material weakness continues to affect ICE's ability to fully comply with the financial management system requirements. ICE, working with the Department, continues to focus on controls for all financial related systems, such as the Procurement Request Information System Management (PRISM), the Federal Financial Management System (FFMS), and SAP/CONCUR. ICE continues to undergo system improvement and modernization efforts. In FY 2023, ICE rolled out a new platform, the Data Analytics and Visualization Environment (DAVE) that enforces data management best practices



and standards. The outcome of these efforts will enable the Department to effectively comply with government-wide requirements and reduce the need for manual compensating controls.

ICE plans to continue its efforts to remediate the identified material weakness in Seized and Forfeited Property Reporting in FY 2024. In FY 2023, ICE made improvements to the seized and forfeited property system of record resulting in enhanced data quality and fiscal reporting. ICE developed new capabilities to improve data quality and provided enhanced guidance and trainings. Going forward, ICE will continue remediation efforts in this area to improve controls over the property system of record to include timely and accurate initial entries. ICE will also develop policies and procedures for high seas seizures and communicate the new procedures through training. By remaining diligent and continuing to improve collaboration efforts to address known deficiencies in this area, the Department is confident that controls around the reporting of seized and forfeited property can be efficiently and effectively designed for operations going forward.

5. Reprogrammings or Transfers

As a component of DHS, ICE submits all reprogramming and transfer requests through the Department for approval, and the impact of these changes is assessed by the Department. In FY 2023, the Department approved two reprogrammings for HSI Domestic Operations in the amounts of \$6,296,681 for a Cyber Mod-Cost adjustment from Mission Support and \$2,655,000 for Blue Campaign. These reprogrammings are reflected in the Table of FY 2023 Drug Control Obligations.

6. Other Disclosures

There are no other disclosures necessary to clarify any issues regarding the data reported.

B. Assertions

1: Obligations by Budget Decision Unit:

The Obligations reported are consistent with the application of the approved methodology, as required by ONDCP Circular: Budget Formulation, Section 7, for calculating drug control funding against the bureau's accounting system of record for these Budget Decision Units.

2: Drug Methodology

The methodology used to calculate obligations of budgetary resources by budget decision unit and function is reasonable and accurate regarding the workload data employed and the



estimation methods used. The workload data derived from ICM, discussed in the methodology section above, is based on work performed between October 1, 2022 and September 30, 2023. There are no other estimation methods used. The financial system used to calculate the drug-related budget obligations is the FFMS, which is reliable and capable of yielding data that fairly presents, in all material respects, aggregate obligations.

3: Application of Drug Methodology

The methodology disclosed in Section A, Disclosure No. 1 was the actual methodology used to generate the Table of FY 2023 Drug Control Obligations.

4: Material Weaknesses or Other Findings

All material weaknesses 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 as required by Section 7.a.(4) have been disclosed.

5: Methodology Modifications

No modifications were made to the methodology for reporting drug control resources for the previous year to report.

6: Reprogrammings or Transfers

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 all reprogrammings or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A) in FY 2023.

7: Fund Control Notices

No Fund Control Notice was issued, as defined by the ONDCP Director under 21 U.S.C. Section 1703(f) and Section 9 of the ONDCP Circular: Budget Execution, to ICE in FY 2023.



OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

**Appendix A:
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Director, GAO/OIG Liaison Office
Under Secretary, Office of Strategy, Policy, and Plans
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

U.S. Immigration and Customs Enforcement

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Chief Financial Officer
Audit Liaison
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Chief, Homeland Security Branch
DHS OIG Budget Examiner

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Call: 1-800-323-8603

U.S. Mail:
Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive SW
Washington, DC 20528-0305



United States Coast Guard



Commandant
United States Coast Guard

2703 Martin Luther King Jr. Ave. SE
Washington, DC 20593
Staff Symbol: CG-821
Phone: (202) 372-2307

7110
January 25, 2024

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta,

The United States Coast Guard is required by the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, to present information and assertions used in budget formulation, account for funds expended on ONDCP activities, and the described levels of performance achieved in execution of these activities.

Enclosed are the Coast Guard's FY 2025 Summer Drug Budget, FY 2023 Detailed Accounting Report, and the FY 2023 Performance Summary Report.

In compliance with the ONDCP Circular: National Drug Control Program Agency Compliance reviews, dated September 9, 2021, I am writing to make the following assertions:

- The FY 2025 Summer Drug Budget was submitted to ONDCP on June 30, 2023, which contained an FY 2025 Summer Drug Budget Resource Summary Table.
- The DHS FY 2025 Summer Drug Budget and Resource Summary table were provided to ONDCP at the same time as that budget request was submitted to DHS.
- To the best of my knowledge, the Coast Guard provided the FY 2025 Summer Drug Budget submission to DHS without alteration or adjustment by any official at DHS.
- To the best of my knowledge, the drug control funding obligation assertions, budget formulation assertions, accounting assertions, and performance assertions detailed by the Coast Guard within each report and/or submission are accurate and complete.

If there are any questions, please contact my Drug Budget Coordinator, LCDR Melissa Martinelli, (202) 372-2307.



Sincerely,

A handwritten signature in blue ink, appearing to read 'L. R. Petersen', with a long horizontal flourish extending to the right.

L. R. Petersen
Commander, U.S. Coast Guard
Deputy, Office of Budget and Programs

Enclosures: (1) USCG FY 2025 Summer Drug Budget Submission, June 2023
(2) USCG FY 2023 Detailed Accounting Report / Assertions
(3) USCG FY 2023 Performance Summary Report

Copy: Department of Homeland Security, Office of the Chief Financial Officer, Budget
Division



Commandant
United States Coast Guard

2703 Martin Luther King Jr. Ave. SE
Washington, DC 20593
Staff Symbol: CG-821
Phone: (202) 372-2307

7110
June 30, 2023

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta,

In accordance with the Office of National Drug Control Policy Circular: *Budget Formulation*, dated September 9, 2021, enclosed is the Coast Guard's FY 2025 Summer Drug Budget, including a Resource Summary Table, Support for Drug Control Funding Priorities, and summaries of the Coast Guard's FY 2025 budget submission to the Department of Homeland Security.

The Coast Guard's FY 2025 budget request provides \$1.99 billion for drug control activities, to include funding for the continued recapitalization of legacy assets, new asset follow-on costs, and research and development funding to support unmanned technologies.

If there are any questions, please contact my Drug Budget Coordinator, LCDR Melissa Martinelli, (202) 372-2307.

Sincerely,

L. R. Petersen
Commander, U.S. Coast Guard
Deputy, Office of Budget and Programs

Enclosures: (1) Resource Summary Table
(2) Support for Drug Control Funding Priorities
(3) FY 2025 Budget Request Summaries

Copy: Department of Homeland Security, Office of the Chief Financial Officer, Budget Division



FY 2025 Resource Summary Table
DEPARTMENT OF HOMELAND SECURITY
 United States Coast Guard (USCG)

Resource Summary

Budget Authority (in Millions)		
	FY 2023 Enacted Budget	FY 2024 President's Budget
Drug Resources by Function		
Interdiction	\$2,178.993	\$2,227.398
Research and Development ¹	\$1.174	\$0.983
Total Drug Resources by Function	\$2,180.167	\$2,228.381
Drug Resources by Decision Unit		
Operations & Support	\$1,572.771	\$1,744.549
Procurement, Construction, & Improvements	\$606.222	\$482.849
Research & Development ¹	\$1.174	\$0.983
Total Drug Resources by Decision Unit	\$2,180.167	\$2,228.381
Drug Resources Personnel Summary		
Total FTEs (direct only)	7,892	8,418
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$13.9	\$13.5
Drug Resources Percentage	15.67%	16.57%

Program Summary

MISSION

The Coast Guard is America's principal Federal agency for maritime safety, security, and stewardship. It enforces all applicable Federal laws and international conventions on, under, and over the high seas and waters subject to the jurisdiction of the United States. This includes the United States' territorial seas, the contiguous zone, the Exclusive Economic Zone, and the high seas. The Coast Guard's drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying smugglers access to maritime routes. Interdicting illicit drug-related trafficking as close to the source as possible helps dismantle Transnational Organized Crime (TOC) networks that directly threaten the National security of the United States, exploit U.S. citizens, and destabilize our Western Hemisphere neighbors. The Coast Guard addresses this objective through projection of an effective law enforcement presence over the six-million-square-mile transit zone of the Caribbean Sea, the Gulf of Mexico, and the Eastern Pacific Ocean.

ENCL (1)



The Coast Guard has a comprehensive approach to maritime counterdrug law enforcement in the source, transit, and arrival zones. The key objectives of the Coast Guard strategy are to:

- (1) Maintain an interdiction presence based on the availability of assets, deny smugglers access to maritime routes, and deter trafficking activity;
- (2) Strengthen ties with source and transit zone nations to increase their willingness and ability to stem the production and trafficking of illicit drugs; and
- (3) Support interagency and international efforts to address drug smuggling through increased cooperation and coordination.

Additional efforts to support key objectives include enhancing utility of drug data for both researchers and policy-makers, strengthening domestic collaboration, and bolstering international partnerships. The Coast Guard works to leverage information-sharing structures and strengthen multi-jurisdictional task forces to better understand, disrupt, and dismantle trafficking organizations. Information-sharing and cooperation with domestic partners supports improved assessments of supply reduction effectiveness. Additionally, the Coast Guard's support to Central and South American countries, including Mexico, Colombia, Costa Rica, Dominican Republic, Ecuador and Panama, strengthens drug control initiatives in key partner nations.

METHODOLOGY

The Coast Guard does not have a specific appropriation for drug interdiction activities. All Coast Guard operations, capital improvements and acquisitions, and research and development activities targeted toward drug interdiction are funded out of the associated appropriations specified herein. Reflecting the multi-mission nature of Coast Guard units, the accounting system is keyed to operating and support facilities, rather than to specific missions. Consistent with that approach, personnel and other costs are administered and tracked along operational and support capability lines requiring detailed cost accounting techniques. The Coast Guard uses a Mission Cost Model methodology to compute its drug mission allocation. The Mission Cost Model allocates funding across Coast Guard missions in the Performance-Based Budget presentation. The Mission Cost Model allocates all direct and support costs to mission-performing units (e.g., National Security Cutter [NSC] or Long Range Surveillance [LRS] aircraft). Established baselines of operational activity are used to further allocate those costs to the various missions.

Procurement, Construction & Improvements (PC&I)

PC&I funding finances the acquisition of new capital assets, construction of new facilities, and physical improvements to existing facilities and assets. The funds cover Coast Guard-owned and operated vessels, aircraft, shore facilities, and other equipment, such as computer systems. The Mission Cost Model is used to develop an allocation of costs by mission areas for proposed PC&I projects based on the typical employment of assets germane to the project. For example, if a new asset is being proposed for commissioning through a PC&I project, costs would be applied to missions using the operational profile of a comparable existing asset. The Coast Guard uses a zero-based budget approach in developing its request for PC&I funding. Program changes in the PC&I account may vary significantly from year-to-year depending on the specific platforms or construction projects supported.

Operations & Support (O&S)

O&S funds are used to operate assets and facilities; maintain capital equipment; improve management effectiveness; and recruit, train, and sustain all active-duty military and civilian personnel. Budget

ENCL (1)



presentations for current and future years use the most recent O&S asset cost data and systematically allocate costs in the following manner:

- **Direct Costs:** Applied directly to the operating assets that perform missions.
- **Support Costs:** Applied to assets for which cost variability can be specifically linked to operating assets (based on allocation criteria).
- **Overhead Costs:** Applied to assets based on proportion of labor dollars spent where cost variability cannot be specifically linked to operating assets. This is a standard industry approach to overhead allocation.

Once all O&S costs are fully loaded on mission-performing assets, those costs are further allocated to Coast Guard missions (Drug Enforcement, Search and Rescue, etc.) using actual or baseline projections for operational employment hours.

Research & Development (R&D)

R&D funding finances research, development, and test and evaluation in support of Coast Guard missions. The Mission Cost Model is used to develop an allocation of costs by mission areas for proposed R&D projects. Allocation of drug interdiction funding is accomplished within the R&D appropriation by evaluating each project's anticipated contribution to drug interdiction efforts based on subject matter expert professional judgment.

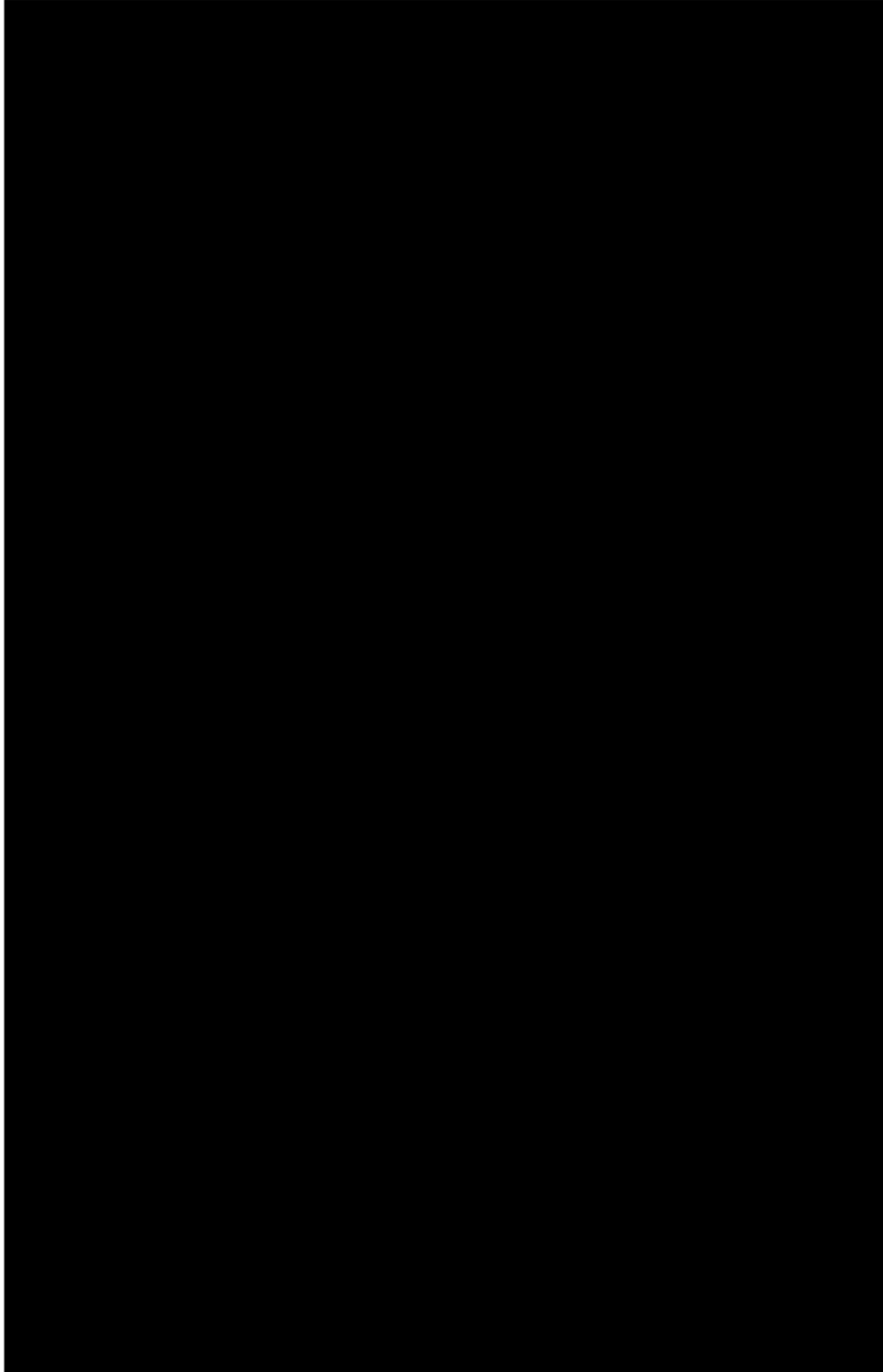
ENCL (1)



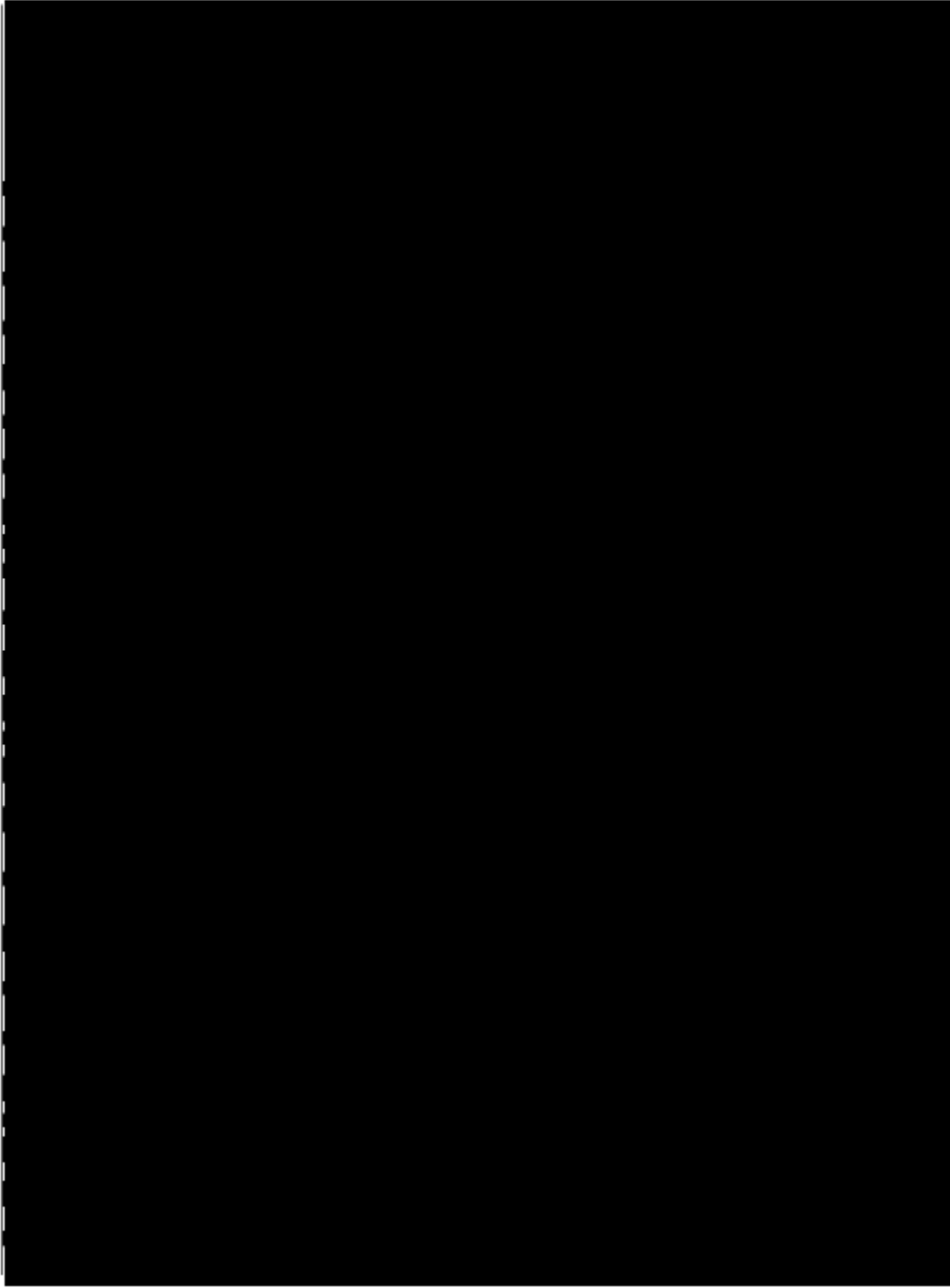
Alignment of Budget Submission
to Drug Control Funding Priorities
DEPARTMENT OF HOMELAND SECURITY
United States Coast Guard (USCG)



ENCL (2)



ENCL (3)





**DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD
Detailed Accounting Report of FY 2023 Drug Control Funds**

DETAILED ACCOUNTING REPORT

1. Table of FY 2023 Drug Control Obligations

RESOURCE SUMMARY (Dollars in Millions)		2023 Actual
Drug Resources by Drug Control Function:		Obligations
• Interdiction		\$1,989.862
• Research and Development		\$2.186
Total Resources by Function		\$1,992.048
Drug Resources by Budget Decision Unit:		
• Operations and Support (O&S)		\$1,492.916
• Procurement, Construction, and Improvements (PC&I)		\$496.946
• Research and Development (R&D)		\$2.186
Total Drug Control Obligations		\$1,992.048

2. Drug Methodology

In fiscal year (FY) 2000, a methodology known as the Mission Cost Model (MCM) was developed to present the United States Coast Guard (USCG) missions using activity-based cost accounting principles. The MCM is an estimate of operational mission costs allocated across the Coast Guard's eleven missions/programs consisting of: Drug Interdiction; Migrant Interdiction; Ports, Waterways and Coastal Security; Other Law Enforcement; Defense Readiness; Search and Rescue; Marine Safety; Ice Operations; Marine Environmental Protection; Living Marine Resources; and Aids to Navigation. The MCM output estimated to Drug Interdiction is allocated to the Office of National Drug Control Policy (ONDCP) Drug Control Function 'Interdiction' for all decision units with the exception of R&D. R&D is allocated to ONDCP Control Function 'Research and Development'. The information reported is timely and derived from an allocation process involving the Coast Guard's financial statement information and operational employment data. The operating hour allocation, or baseline, is developed and modified based upon budget line item requests and operational priorities.

The USCG is required to report its drug control funding to the ONDCP in three appropriations, categorically called decision units. The Coast Guard's drug control funding estimates are computed by examining the decision units that are comprised of: Operations and Support (O&S); Procurement, Construction, and Improvement (PC&I); and Research and Development, (R&D). Each decision unit contains its own unique spending authority and methodology. For example, PC&I includes funding that remains available for obligation up to five years after appropriation and R&D includes funding that remains available for obligation up to three years after appropriation. Unless stipulated by law, O&S funding must



be spent in the fiscal year it is appropriated. The mechanics of the MCM methodology used to derive the drug control information for each decision unit's drug control data is derived as follows.

Mission Cost Allocations

O&S funds are used to operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and recruit, train, sustain, and compensate an active duty military and civilian workforce. The Coast Guard tracks resource hours spent on each of its eleven statutory missions. Obligations within the drug interdiction program are derived by allocating a share of the actual obligations of assets and activities based upon the reported percentage of time aircraft, cutters, and boats spent conducting drug interdiction activities.

The two chief input drivers to the MCM are:

- The Coast Guard's Expanse Allocation Model (EAM) – The EAM model development, formerly known as the Standard Rate and User Fee Model, uses the SAS® Activity Based Model (ABM) and Enterprise Guide (EG) software solutions. The model inputs include expenditure data captured by the Coast Guard's three general ledgers: Financial System Modernization Solution (FSMS), Naval and Electronics Supply System (NESSS), and Aircraft Logistics Information Management System (ALMIS). As such, this model calculates the total cost, including direct, support, and overhead, to operate the Coast Guard's assets, as well as missions or services that the Coast Guard performs but does not have related standard rates or user fees.
- Abstract of Operations (AOPS) and ALMIS – The Coast Guard tracks resource hours incurred on each of the eleven Coast Guard statutory missions using AOPS and ALMIS. This data is used to determine the amount of time each asset class is employed conducting each Coast Guard mission as a ratio of total resource hours incurred on all missions.

Using data recorded in the three general ledgers (FSMS, NESSS, and ALMIS) in combination with asset activity data recorded in AOPS and ALMIS, the Coast Guard allocates O&S costs to each of the eleven statutory missions. By design, the MCM is based on the O&S decision unit. PC&I and R&D decision units must be calculated separately, due to the structure of the PC&I and R&D decision units, which are presented as individual projects in the Coast Guard's budget submission. Within PC&I and R&D, individual projects are allocated to missions based on an established profile (largely based on utilization). The drug interdiction attributions of each of these projects are then combined to determine the total contribution to the drug interdiction mission.

The program percentages derived from the MCM are applied to O&S, PC&I, and R&D decision units per the above methodology (Attachments A, B, and C, respectively). Obligation data is derived from the final financial accounting Report on Budget Execution (SF-133).

As previously discussed, because the USCG budgets through congressionally established appropriations (rather than individual missions), the organization must rely on information contained within the activity based MCM. USCG uses this MCM data to determine financial obligations specifically related to statutory missions, including Drug Interdiction. This appropriation structure supports multi-mission requirements by allowing the service to surge and shift resources across all missions. This level of resource flexibility is critical to successful mission execution in our dynamic, operational environment. However, such a structure makes it difficult to precisely determine the cost of a particular mission or the "level of effort"



expended in carrying out in each mission. The MCM provides the USCG with a reliable, repeatable system that forecasts future year spending and estimates previous year obligations by mission.

3. Methodology Modifications

The methodology described above is consistent with the previous year.

4. Material Weaknesses or Other Findings

In prior fiscal years and FY 2023, the USCG contributed to DHS material weaknesses in the following internal control areas: Financial Reporting and Information Technology (IT) Controls, Information Systems, and New System Obligations. Following the recommendations provided in the previous DHS Independent Auditors' Reports, the USCG continues to implement corrective action plans to remediate long-standing internal control deficiencies, strengthen existing internal controls, and provide assurance over the fidelity of financial information.

The USCG's control deficiencies that contributed to the department-level material weaknesses did not impair USCG's ability to report complete and accurate obligation data in the Table of FY 2023 Drug Control Obligations. The USCG control deficiencies that contributed to the material weaknesses in Financial Reporting and IT Controls and Information Systems were related to the USCG's three general ledgers. However, the deficiencies were primarily related to access controls, and the USCG had sufficient compensating controls in place to ensure that budgetary data (i.e., obligations) was presented fairly, in all material respects.

5. Reprogrammings or Transfers

During FY 2023, USCG had reprogrammings and transfers. As a component of DHS, the USCG submits all reprogramming and transfer requests through the Department for approval, and the impact of these changes to funding is assessed by the Department. In FY 2023, there were no reprogrammings or transfers that materially impacted USCG's drug-related obligations reported in the Table of FY 2023 Drug Control Obligations.

6. Other Disclosures

The following provides a synopsis of the USCG's FY 2023 Drug Control Funds reporting which describes:

1. The agency's overall mission and the role of drug interdiction efforts within the USCG's multi-mission structure; and
2. The USCG's Drug Budget Submission.

Coast Guard Missions

The USCG is a military service with mandated national security and national defense responsibilities, and is the United States' leading maritime law enforcement agency with broad, multi-faceted jurisdictional authority. Due to the multi-mission nature of the USCG and the necessity to allocate the effort of a finite amount of assets, there is a considerable degree of asset "cross-over" between missions. This cross-over contributes to the complexities the USCG faces when reporting costs for its mission areas.



Coast Guard's Drug Budget Submission

In the annual National Drug Control Strategy (NDCS) Budget Summary, all agencies present their drug control resources broken out by function and decision unit. The presentation by decision unit is the one that corresponds most closely to the USCG's congressional budget submissions and appropriations. It should be noted and emphasized the USCG does not have a specific appropriation for drug interdiction activities. As such, there are no financial accounting lines for each of the USCG's eleven statutory missions. All drug interdiction operations, capital improvements, and research and development efforts are funded through general USCG appropriations.

The USCG's drug control budget is generally an accurate reflection of the USCG's overall budget. The USCG's O&S appropriation budget request is incremental, focusing on the changes from the prior year base brought forward. The USCG continues to present supplementary budget information through the use of the MCM, which allocates base funding and incremental requests by mission.

This general purpose MCM serves as the basis for developing drug control budget estimates for the O&S appropriations and provides allocation percentages used to develop the drug control estimates for the PC&I and R&D appropriations and the process is repeatable. Similarly, this is the same methodology used to complete the USCG's annual submission to ONDCP.

Assertions

1) Obligations by Budget Decision Unit

Obligations reported by budget decision unit are consistent with the application of the approved methodology, as required by ONDCP Circular: *Budget Formulation*, Section 7, issued September 9, 2021, for calculating drug control funds against the Coast Guard's accounting system of record.

2) Drug Methodology

The methodology used to produce the drug interdiction funding in this report is reasonable and accurate. This methodology is consistently used by the USCG to develop annual budget year submissions and mission related reports. The criteria associated to this assertion are as follows:

- a) Data – The percentage allocation results derived from its MCM methodology are based on the FY 2023 financial and AOPS/ALMIS data, as presented in the USCG's FY 2023 enacted budget submission.

Financial Systems – The MCM uses costs from three general ledgers (GL). These include; the FSMS GL, the NESSS GL, and the ALMIS GL. These financial systems yield data that fairly presents, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.



3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the drug control obligation funding table required by ONDCP Circular: *National Drug Control Program Agency Compliance Review*, issued September 9, 2021. Documentation on each decision unit is provided.

4) Material Weakness or other findings

All material weaknesses or other findings by independent sources, which may affect the presentation of prior year drug-related obligations as required by section 7.a(4) of the ONDCP Circular, *National Drug Control Policy Agency Compliance Reviews*, issued September 9, 2021, have been disclosed.

5) Methodology Modifications

No modifications were made to the methodology for reporting drug control resources for the previous year's reporting.

6) Reprogrammings or Transfers

During FY 2023, the Coast Guard had no reports of transfers or reprogramming actions affecting drug related budget resources, individually or in aggregate, exceeding \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A)).

7) Fund Control Notices

ONDCP did not issue the Coast Guard a Fund Control Notice for FY 2023.



Drug Budget
United States Department of Homeland Security
United States Coast Guard
Performance Summary Report FY 2023



PERFORMANCE INFORMATION

NOTE: Although the United States Coast Guard (Coast Guard) is apportioned along budget decision unit lines (i.e., Procurement, Construction & Improvements (PC&I), Operations and Support (O&S), and Research and Development (R&D)), 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. Thus, the Coast Guard received permission from the Office of National Drug Control Policy (ONDCP) to present one metric for all four decision unit lines.

This section is based on Coast Guard data and DHS Government Performance and Results Act (GPRA) documents.

The Coast Guard's Drug Interdiction mission supports national and international strategies to deter and disrupt the market for illegal drugs, dismantle Transnational Criminal Organizations (TCOs), and prevent transnational threats from reaching the United States (U.S.). The Coast Guard is the lead federal agency for drug interdiction on the high seas, and shares the lead in U.S. territorial seas with U.S. Customs and Border Protection (CBP). In carrying out this mission, the Coast Guard coordinates with a variety of international and domestic partners including the U.S. Department of Defense (DoD), the Drug Enforcement Administration, and Immigration and Customs Enforcement. The objectives of the Coast Guard strategy are to: (1) maintain a strong interdiction presence to deny smugglers access to maritime routes and deter trafficking activity; (2) strengthen ties with source¹ and transit² zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas; and (3) support interagency and international efforts to combat drug smuggling through increased cooperation and coordination. Coast Guard operations align with the President's National Drug Control Strategy and ONDCP's National Interdiction Command and Control Plan, which target the flow of cocaine and other illicit drugs toward the U.S.

The Coast Guard's drug interdiction performance is best summarized by the program's performance measure, the Cocaine Removal Rate. This measure indicates how effective the program is at disrupting the flow of cocaine traveling via non-commercial maritime means toward the U.S. The more cocaine removed by the Coast Guard, the less cocaine available for consumption in the U.S.

Performance Measures

Table 1 represents the percent of cocaine removed (seized by the Coast Guard, or jettisoned, scuttled, or destroyed as a result of Coast Guard law enforcement action) in relation to the non-commercial maritime movement of cocaine.

Table 2 represents the non-commercial maritime cocaine flow and tonnage removed by the Coast Guard. The amount of cocaine removed by the Coast Guard is the sum of all cocaine that is

¹ The source zone includes the principal drug producing countries of Bolivia, Columbia, and Peru.

² The transit zone encompasses Central America, Mexico, the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.



physically seized by Coast Guard personnel and all cocaine lost by TCOs due to direct Coast Guard actions. The latter amount is, at times, an intelligence based estimate of the quantity of cocaine onboard a given vessel that is burned, jettisoned, or scuttled in an attempt to destroy evidence when Coast Guard presence is detected. The estimated non-commercial maritime flow of cocaine towards the U.S. is extracted from the interagency-validated Consolidated Counter Drug Database (CCDB).

NOTE: In accordance with ONDCP Circular: Accounting of Drug Control Funding and Performance Summary the below table presents the performance information for the previous four fiscal years (FY 2020 – 2023) compared to the target level.

Table 1: Performance Targets and Results (Cocaine Removal Rate)

Year:	FY 2020	FY 2021	FY 2022	FY 2023
Target:	10.0%	10.0%	10.0%	7.5%
Actual:	7.4%	6.4%	5.4%	TBD ³

Table 2: Non-Commercial Maritime Cocaine Flow and Tonnage Removed (in Metric Tons)

Year:	FY 2020	FY 2021	FY 2022	FY 2023
Flow:	1,959	2,716	2,843	TBD ³
Actual:	144.7	173.4	152.3	141.1

The CCDB is not currently functional and, therefore, the fiscal year 2023 cocaine removal rate and the non-commercial maritime cocaine flow are yet to be determined.

Coast Guard Maritime Law Enforcement program managers monitor the cocaine removal rate in real time, watching for both changes in Coast Guard removals, as well as increases or decreases in flow. Changes are evaluated to develop strategies and tactics to increase the removal rate.

Factors that can impact the Coast Guard's removal rate and total known non-commercial maritime flow include, but are not limited to:

- The production capacity and supply of cocaine generated in source countries by TCOs, including efforts by source countries to eradicate cocaine at its source;
- Continuously changing modes, tactics and routes by TCOs (e.g., use of semi-submersible type vessels and logistic support vessels);
- The availability rate and allocation of the Coast Guard's cutter fleet and Maritime Patrol Aircraft to the counter narcotics mission;
- The availability of aviation assets from Customs and Border Patrol, DoD, and Allied nations to support Detection and Monitoring in the transit zone;

³ Actual cocaine removal rate and non-commercial maritime cocaine flow data is TBD for FY 2023 as the CCDB is not currently functional.



- The availability of USN or Allied surface assets with embarked Coast Guard Law Enforcement Detachments to perform interdiction and apprehension activities;
- The availability, quality, and timeliness of tactical intelligence;
- The fielding of new capabilities (e.g., National Security Cutter, Fast Response Cutter, and Maritime Patrol Aircraft) and the removal of legacy capabilities (e.g., 210' Medium Endurance Cutter).

At least annually, the Coast Guard's Maritime Law Enforcement Program and the Office of Program, Analysis, and Evaluation review assumptions that factor into the establishment of out-year cocaine removal targets, making adjustments as necessary. Revisions to the targets are reported via the DHS' Future Year Homeland Security Program (FYHSP) database. The Maritime Law Enforcement Program last updated its out-year performance targets in 2023 in conjunction with normal target setting timelines. The Coast Guard's removal rate target for fiscal year 2023 was 7.5 percent and remains the same into fiscal year 2024. Due to increases in the capabilities provided by new Coast Guard assets and improvements in intelligence and targeting, this is an aggressive, yet achievable performance target.

In fiscal year 2023, the Coast Guard removed 141.1 metric tons of cocaine. Only 96.2 metric tons of cocaine was removed by Coast Guard assets such as cutters, Law Enforcement Detachments (LEDETs), and Maritime Patrol Aircraft. This is the lowest amount of cocaine removals since fiscal year 2014, when the Coast Guard removed 91 metric tons. Removals from fiscal years 2020 through 2022 were 145 metric tons, 173 metric tons and 152 metric tons, respectively.

In fiscal year 2022 and fiscal year 2023, Coast Guard intelligence efforts towards Coast Guard drug removals directly led to the interdiction of target vessels. In fiscal year 2023, these intelligence-enabled interdictions resulted in the subsequent disruption of approximately 45 metric tons of cocaine.

Enhanced Counter-Narcotics Operations

Beginning April 1, 2020, U.S. Southern Command (SOUTHCOM) initiated enhanced counter-narcotics operations in the Western Hemisphere to disrupt the flow of illicit drugs in support of Presidential national security objectives. As a part of this effort, and in collaboration with the DoD, the Coast Guard surged resources that included flight deck equipped cutters, Maritime Patrol Aircraft, and Deployable Specialized Forces comprised of Law Enforcement Detachments (LEDET) with precision marksmen, and Maritime Safety and Security Teams (MSST) with surface use of force-capable pursuit teams.

In support of the enhanced counter-narcotics operation, the Coast Guard provided 643 more Maritime Patrol Aircraft (MPA) hours in fiscal year 2020 than in fiscal year 2019, and 347 more major cutter days in fiscal year 2020 compared to fiscal year 2019. In fiscal year 2021, both Coast Guard major cutters and Maritime Patrol Aircraft met or exceeded Coast Guard Strategic Planning Direction directives for supporting SOUTHCOM and Joint Interagency Task Force – South (JIATF-S). In May 2021, the SOUTHCOM counter-narcotics surge ended which slightly decreased the number of major cutters allocated to JIATF-S (the majority of the surge was covered by U.S. Navy assets and LEDETs.) Six months later, a migrant surge began and on August 21, 2022, Operation Vigilant Sentry, DHS' standing operation to conduct maritime interdiction operations, elevated its operational posture by surging assets to prevent a mass migration.

As the migrant surge continued into fiscal year 2023, Coast Guard asset allocations shifted from JIATF-S



counterdrug operations to support migrant interdiction operations in the Caribbean. There is a corresponding decrease in Coast Guard cocaine removals over this time and the Coast Guard removed less cocaine than expected in fiscal year 2023 due to the need for cutters and Maritime Patrol Aircraft to shift to migrant interdiction operations in the Caribbean.

The Coast Guard's contribution towards JIATF-S Maritime Patrol Aircraft composition reached a five-year low (four percent, down from nine percent in fiscal year 2022). Meanwhile, LEDETs onboard U.S. Naval ships and Allied surface assets remained consistent in fiscal year 2023. As various Coast Guard missions continue to compete for organic assets, steady coverage by partner agencies and allies remains increasingly important.

In fiscal year 2024, the way ahead focuses on the three sides of the Interdiction Triangle: Targeting and Cueing, Detection and Monitoring, and Surface Asset Presence. Targeting and cueing efforts will focus on aligning and synchronizing with intelligence partners, as well as exploiting the capabilities of Coast Guard National Security Cutters conducting the counterdrug mission.

Quality of Performance Data

The Coast Guard continues to use the CCDB as its source for tracking cocaine movement estimates. The CCDB is the U.S. government's authoritative database for illicit drug movements in the Western Hemisphere. The Coast Guard and other federal government agencies use the CCDB to capture all known and suspected drug movement. During quarterly interagency conferences, CCDB partners develop and reconcile information about the quantity of cocaine flows and removals during drug interdiction operations. CCDB estimates permit the Coast Guard to objectively evaluate its performance.

Assertions

1) Performance reporting system is appropriate and applied.

The Coast Guard uses prescribed systems and business rules that capture and process performance data accurately, and the same analysis parameters are reiterative from year to year.

2) Explanations for not meeting performance targets are reasonable.

The explanations for failing to meet the Coast Guard's performance goal are reasonable and correspond to available resources and prevailing counter drug trends.

3) Methodology to establish performance targets is reasonable and consistently applied.

The methodology described above to establish performance targets for 2023 is reasonable given past performance and available resources.

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

The Coast Guard received permission from the ONDCP to present one metric for all four decision unit lines; Removal rate for cocaine from non-commercial vessels in the maritime Transit Zone. This reflects the intended purpose of the Coast Guard Counter Drug mission.



Science and Technology Directorate



U.S. Department of Homeland Security • Washington, DC 20407

February 12, 2024

Dr. Rahul Gupta
Director
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Dr. Gupta,

In accordance with the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, enclosed is the Science and Technology Directorate's Summer Budget and Detailed Accounting Report for FY 2023. The Summer Budget submission totals \$4 million. Previously approved ONDCP methodology, account structure and equity related information remain unchanged.

Enclosed are S&T's FY 2023 Summer Drug Budget, FY 2023 Detailed Accounting Report, and the FY 2023 performance Summary Report.

In compliance with the ONDCP Circular: National Drug Control Program Agency Compliance reviews, dated September 9, 2021, I am writing to make the following assertions:

- The FY 2023 Summer Budget was submitted to ONDCP on July 06, 2021, which contained the FY 2023 Summer Drug Budget Resource Summary Table.
- The DHS FY 2023 Summer Drug Budget and Resource Summary table were provided to ONDCP at the same time that the budget request was submitted to DHS.
- To the best of my knowledge, S&T provided the FY 2023 Summer Budget submission to DHS without alteration or adjustment by any government official.

To the best of my knowledge, the drug control funding obligation assertions, budget formulation assertions, accounting assertions, and performance assertions detailed by S&T within each report and/or submission are accurate and complete. If you have any questions, please contact me at 202-281-6811 or via email at Ronnyka.Fitzpatrick@hq.dhs.gov.

Sincerely,

RONNYKA V FITZPATRICK
Digitally signed by
RONNYKA V FITZPATRICK
Date: 2024.02.12 17:22:18
-0500
Ronnyka Fitzpatrick
Chief Financial Officer
Science and Technology Directorate



**FY 2023 DETAILED ACCOUNTING REPORT
DEPARTMENT OF HOMELAND SECURITY
SCIENCE AND TECHNOLOGY DIRECTORATE**

DRUG CONTROL FUNDING OBLIGATIONS

Budget Authority (in millions)	FY 2023 Enacted	FY 2023 Obligations
Research and Development: Interdiction		
Opioid/Fentanyl Detection	\$4.0	\$3.1
Total Drug Resources by Function	\$4.0	\$3.1

OBLIGATIONS BY BUDGET DECISION UNIT

The obligations reported by Budget Decision Unit are the actual obligations derived from the accounting system of record and are consistent with the approved methodology as required by ONDCP Circular: Budget Formulation, Section 7, issued September 9, 2021, for calculating drug control funds.

DRUG METHODOLOGY

S&T's methodology is based on research, development, test, and evaluation (RDT&E) projects that directly support drug control efforts. Since the projects directly support drug interdiction, it was determined that the entirety of project resources was used for calculating S&T's drug control efforts.

APPLICATION OF DRUG METHODOLOGY

The drug methodology disclosed in the Drug Methodology section above, was the actual methodology used to generate the drug control obligation funding table above required by ONDCP Circular: *National Drug Control Program Agency Compliance Review*, issued September 9, 2021.

METHODOLOGY MODIFICATIONS

There are no modifications to the drug methodology for FY 2023 from the previous FY 2022.

MATERIAL WEAKNESSES OR OTHER FINDINGS

There are no identified weaknesses which may affect the presentation of prior year drug-related obligation data.

REPROGRAMMINGS OR TRANSFERS

The data presented is associated with obligations against a financial plan and if revised during the year properly reflects those changes, including ONDCP's approval of all reprogrammings or transfers affecting drug-related resources that individually or in aggregate for the Fiscal Year exceed \$5.0M or 10% of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A)).



S&T had no drug related reprogrammings or transfers in FY 2023.

OTHER DISCLOSURES

There is no other disclosure necessary to clarify any issues regarding the data reported under this circular.

FUND CONTROL NOTICES

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 9 of the ONDCP Circular, *Budget Execution*.



Department of the Interior

Bureau of Indian Affairs



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, DC 20240

JANUARY 30, 2024

SENT VIA ELECTRONIC MAIL – NO HARD COPY TO FOLLOW

MEMORANDUM

To: Office of National Drug Control Policy (ONDCP) Performance Budget Coordinator

From: Director, Bureau of Indian Affairs, Office of Justice Services **RICHARD MELVILLE**

Subject: ONDCP Compliance Review Submission

Digitally signed by
RICHARD MELVILLE
Date: 2024.01.30
11:02:53 -0800

In accordance with ONDCP Circular: "National Drug Control Program Agency Compliance Reviews, September 9, 2021", the U.S. Department of the Interior, Bureau of Indian Affairs is hereby submitting this alternative report of drug control funding for FY 2023. Per the Circular, this report is being submitted in lieu of the standard "Detailed Accounting Report" otherwise required for agencies with drug control obligations of \$50 million or greater. The Department of the Interior, Director of the Bureau of Indian Affairs, Office of Justice Services attests that the Bureau's drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden.

If you have questions, please contact Richard Melville, Director, BIA - Office of Justice Services at (202) 208-5787.



**ONDCP Detailed Accounting Report
Bureau of Indian Affairs**

Drug Control Funding Obligations

- 1) **Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function**

Drug Control Funding Obligations – FY 2023	
Drug Control Functions:	Dollars (in millions)
Criminal Investigations and Police Services	\$13.419
Special Initiatives	\$1.000
Indian Police Academy (Training)	\$0.500
Total, All Functions	\$14.919
Budget Decision Unit:	
BIA Office of Justice Services	\$14.919
Total, All Decision Units	\$14.919
Drug Resource Personnel Summary – FY 2023	
Total FTE (Direct Only)	73

- 2) **Drug Methodology**
BIA does not have a specific appropriation for drug control functions. The BIA uses a combination of unique Functional Areas and Cost Centers within the FBMS accounting system to track funds allocated to, and costs/expenditures of, this function.
- 3) **Methodology Modifications**
N/A
- 4) **Material Weaknesses or Other Findings**
N/A
- 5) **Reprogrammings or Transfers**
N/A
- 6) **Other Disclosures**
N/A

Assertions

- 1) **Obligations by Budget Decision Unit**
The BIA uses a combination of unique Functional Areas and Cost Centers within the FBMS accounting system to track funds allocated to, and costs/expenditures of, this function.
- 2) **Drug Methodology**
The BIA asserts that the drug methodology used to report obligations is based on reliable data.



ONDCP Detailed Accounting Report Bureau of Indian Affairs

- a. **Data** - The BIA utilizes an enterprise-wide system of records known as the Incident Management, Analysis and Reporting System (IMARS), which provides a unified system for Department of the Interior law enforcement agencies to manage law enforcement investigations, measure performance and meet reporting requirements. In concert with incident reporting, review, and data validation requirements established through agency policy, IMARS provides the BIA with the ability to reliably capture and accurately report performance data. In addition, BIA collects and analyzes monthly drug and crime reports provided by each tribal and direct service law enforcement agency.
 - b. **Financial Systems** - The BIA utilizes the FBMS financial system to determine spending by cost center for drug control efforts.
- 3) **Application of Drug Methodology**
The BIA asserts that the drug methodology described above was the actual methodology used to generate the accounting table provided.
 - 4) **Material Weaknesses or Other Findings**
N/A
 - 5) **Methodology Modifications**
N/A
 - 6) **Reprogrammings or Transfers**
N/A
 - 7) **Fund Control Notices**
The BIA asserts that the data presented are associated with obligations against a financial plan that fully complies with ONDCP requirements.

Budget Formulation Compliance Report

See Attachments 1 and 2.



Budget Formulation Compliance Report
Bureau of Indian Affairs

In response to [ONDCP Circular: National Drug Control Program Agency Compliance Reviews](#), the Bureau of Indian Affairs (BIA) certifies the following information:

a) **Summer Budget Formulation Information**

- a1) **Summer Drug Budget Transmittal:** The Summer Budget for FY25 was submitted to ONDCP on July 26, 2023.
- a2) **Summer Drug Budget Resource Summary Table:** Please see Attachment 2, which is a copy of the BIA Summer Drug Budget Submission.

b) **Assertions**

- b1) **Timeliness of Summer Budget Submission:** The BIA submitted the ONDCP 2025 Summer Drug Budget to ONDCP on July 26, 2023.
- b2) **Funding Levels Represent Bureau-Level Request:** The BIA funding request in the 2025 Summer Budget represents the funding levels in the bureau's 2025 Departmental Budget Submission.



Attachment 2



1

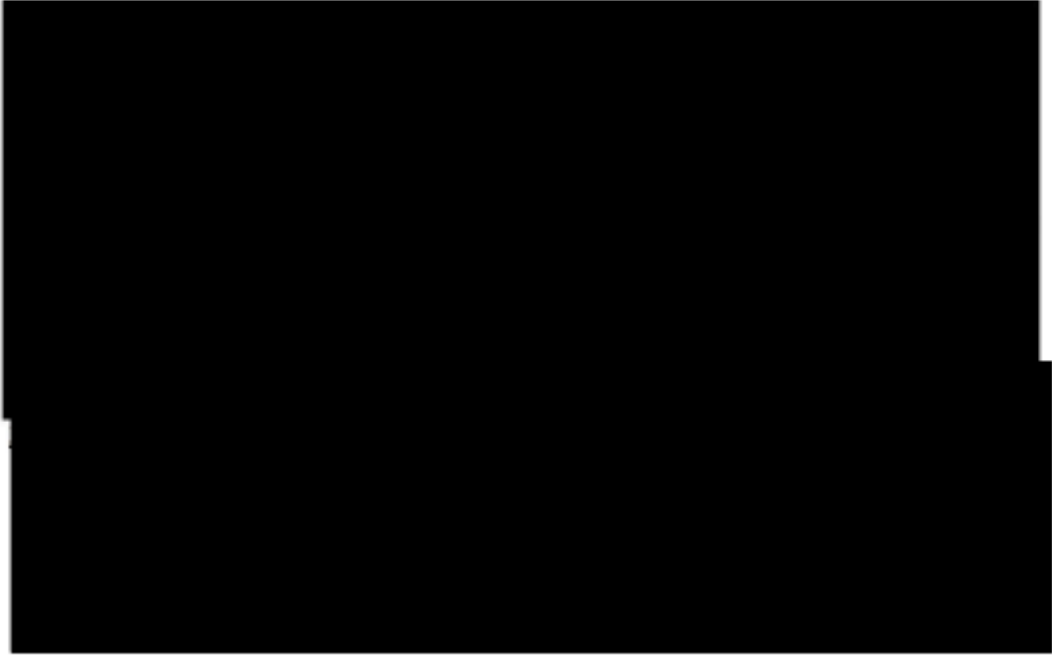


U.S. Department of the Interior
Bureau of Indian Affairs (BIA)
Fiscal Year 2025 Summer Budget Review

Resource Summary

	Budget Authority (in Millions)		
	FY 2023 Enacted	FY 2024 President's Budget	
Drug Resources by Decision Unit			
Salaries and Expenses	\$14,919	\$ 14,919	
Total Drug Resources by Decision Unit	\$14,919	\$ 14,919	





4



Bureau of Land Management



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, DC 20240

SENT VIA ELECTRONIC MAIL – NO HARD COPY TO FOLLOW

MEMORANDUM

To: Office of National Drug Control Policy (ONDCP) Performance Budget
Coordinator

From: A. Dylan Ragan **ANTHONY RAGAN**
Deputy Director, Office of Law Enforcement and Security

Subject: ONDCP Compliance Review – Amendment of Timeliness Assertion

Digitally signed by
ANTHONY RAGAN
Date: 2024.02.08
11:57:15 -0500

This memo serves to amend the BLM submission of the ONDCP Compliance Review Report.

Section 6(b)(1) – Original Assertion:

Timeliness of Summer Budget Submission: The BLM submitted the ONDCP 2025 Summer Drug Budget to ONDCP on July 26, 2023.

Section 6(b)(1) – Amended Assertion:

Timeliness of Summer Budget Submission: At the time of the Departmental Budget Submission in Summer 2023, the ONDCP Summer Drug Budget was not available. The Department contacted BLM to expedite completion and ensure the submission was in alignment with ONDCP Guidance and formatting requirements as required by the circular. As always, no submissions were changed at the Department level. The BLM Summer Drug Budget was submitted to ONDCP on July 26, 2023.

If you have questions, please contact Cassie Sandberg, Budget Officer OLES, at csandber@blm.gov.



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, D. C 20240

SENT VIA ELECTRONIC MAIL – NO HARD COPY TO FOLLOW

Memorandum

To: Office of National Drug Control Policy (ONDCP) Performance Budget Coordinator

From: Jason O'Neal JASON
Director, Office of Law Enforcement and Security O'NEAL

Subject: ONDCP Compliance Review Submission

Digitally signed by JASON
O'NEAL
Date: 2024.02.06
11:43:53 -0500

In accordance with ONDCP Circular: *National Drug Control Program Agency Compliance Reviews, September 9, 2021* (the Circular), the United States Department of the Interior, Bureau of Land Management (BLM) is hereby submitting this alternative report of drug control funding for FY 2023. Per the Circular, this report is being submitted in lieu of the standard "Detailed Accounting Report" otherwise required for agencies with drug control obligations of \$50 million or greater. The Bureau of Land Management, Director of the Office of Law Enforcement and Security (OLES), attests that the Bureau's drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden.

If you have any questions, please contact A. Dylan Ragan, Deputy Director OLES, at aragan@blm.gov.

Attachments



**ONDCP Detailed Accounting Report
Bureau of Land Management**

Drug Control Funding Obligations

1) Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

Drug Control Funding Obligations – FY 2023		
Drug Control Functions:		Dollars (in millions)
	Interdiction	\$.408
	Investigations	\$4.080
	State and Local Assistance	\$.612
	Total, All Functions	\$5.100
Budget Decision Unit:		
	Resource Protection and Law Enforcement	\$5.100
	Total, All Decision Units	\$5.100
Drug Resource Personnel Summary – FY 2023		
	Total FTE (Direct Only)	20

2) Drug Methodology

The BLM primarily focuses these funds for the identification, investigation, and eradication of marijuana cultivation on public lands, and the rehabilitation of cultivation sites. Resource Protection and Law Enforcement Program strategies in support of the National Drug Control Strategy include:

- 1) directing significant funding to address large scale marijuana cultivation activities by drug trafficking organizations on BLM-managed public lands in California;
- 2) directing funding to public lands in Idaho, Oregon, Nevada, Utah, and other States as needed to combat the expansion of marijuana cultivation activities into those areas; and
- 3) directing funding to public lands in Arizona, New Mexico, and California to address resource impacts and public safety concerns stemming from marijuana smuggling activities occurring along the Southwest Border.

- 3) **Methodology Modifications** – N/A
- 4) **Material Weaknesses or Other Findings** – N/A
- 5) **Reprogrammings or Transfers** – N/A
- 6) **Other Disclosures** – N/A

Assertions

- 1) **Obligations by Budget Decision Unit** - Yes
- 2) **Drug Methodology**
 - a. **Data** - Yes
 - b. **Financial Systems** - Yes



**ONDCP Detailed Accounting Report
Bureau of Land Management**

- 3) **Application of Drug Methodology - Yes**
- 4) **Material Weaknesses or Other Findings – N/A**
- 5) **Methodology Modifications – N/A**
- 6) **Reprogrammings or Transfers – N/A**
- 7) **Fund Control Notices - Yes**



Budget Formulation Compliance Report
Bureau of Land Management

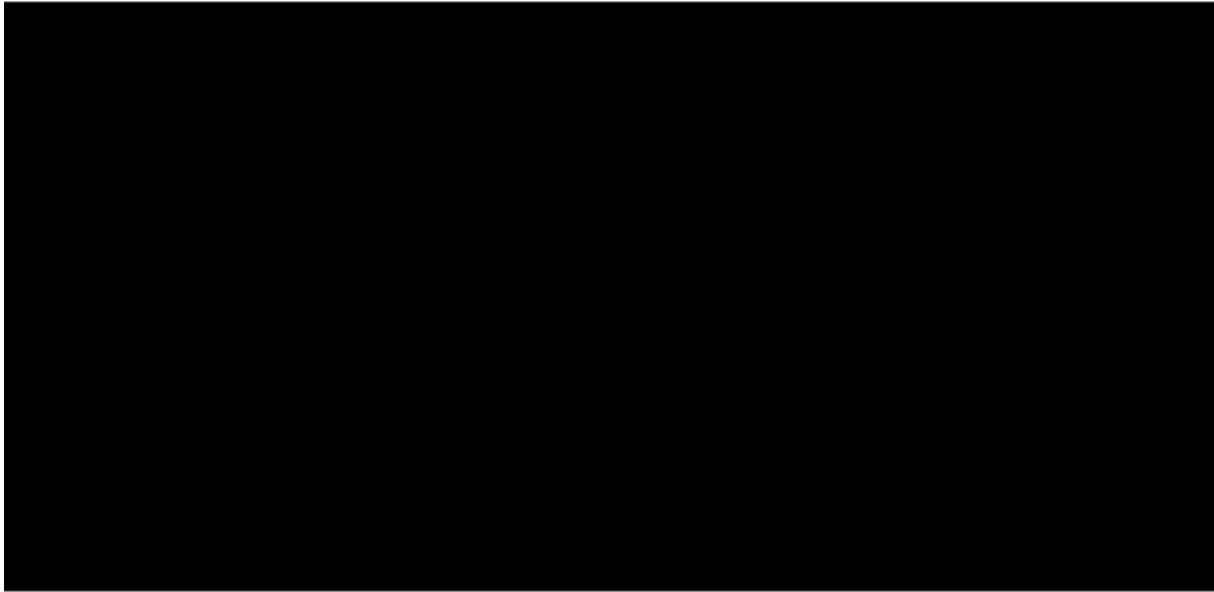
In response to [ONDCP Circular: National Drug Control Program Agency Compliance Reviews](#), the Bureau of Land Management (BLM) certifies the following information:

a) **Summer Budget Formulation Information**

- a1) **Summer Drug Budget Transmittal:** The Summer Budget for FY25 was submitted to ONDCP on July 26, 2023.
- a2) **Summer Drug Budget Resource Summary Table:** Please see Attachment 2, which is a copy of the BLM Summer Drug Budget Submission.

b) **Assertions**

- b1) **Timeliness of Summer Budget Submission:** The BLM submitted the ONDCP 2025 Summer Drug Budget to ONDCP on July 26, 2023.
- b2) **Funding Levels Represent Bureau-Level Request:** The BLM funding request in the 2025 Summer Budget represents the funding levels in the bureau's 2025 Departmental Budget Submission.



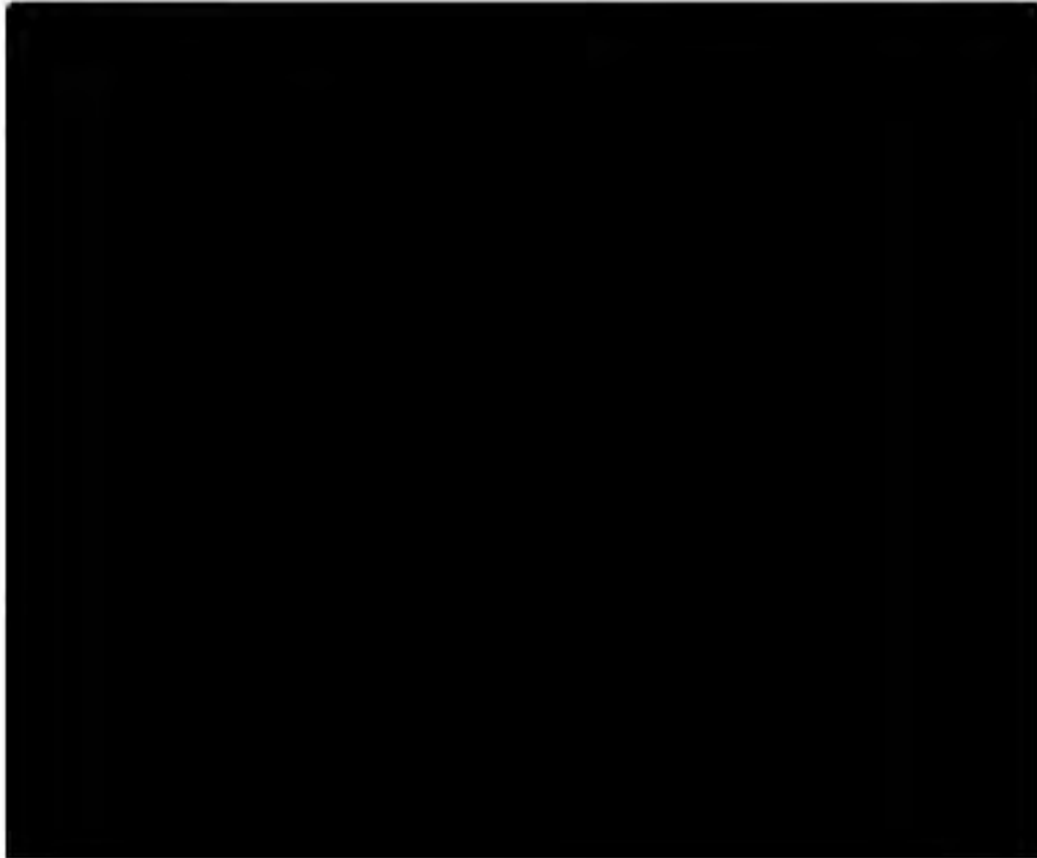


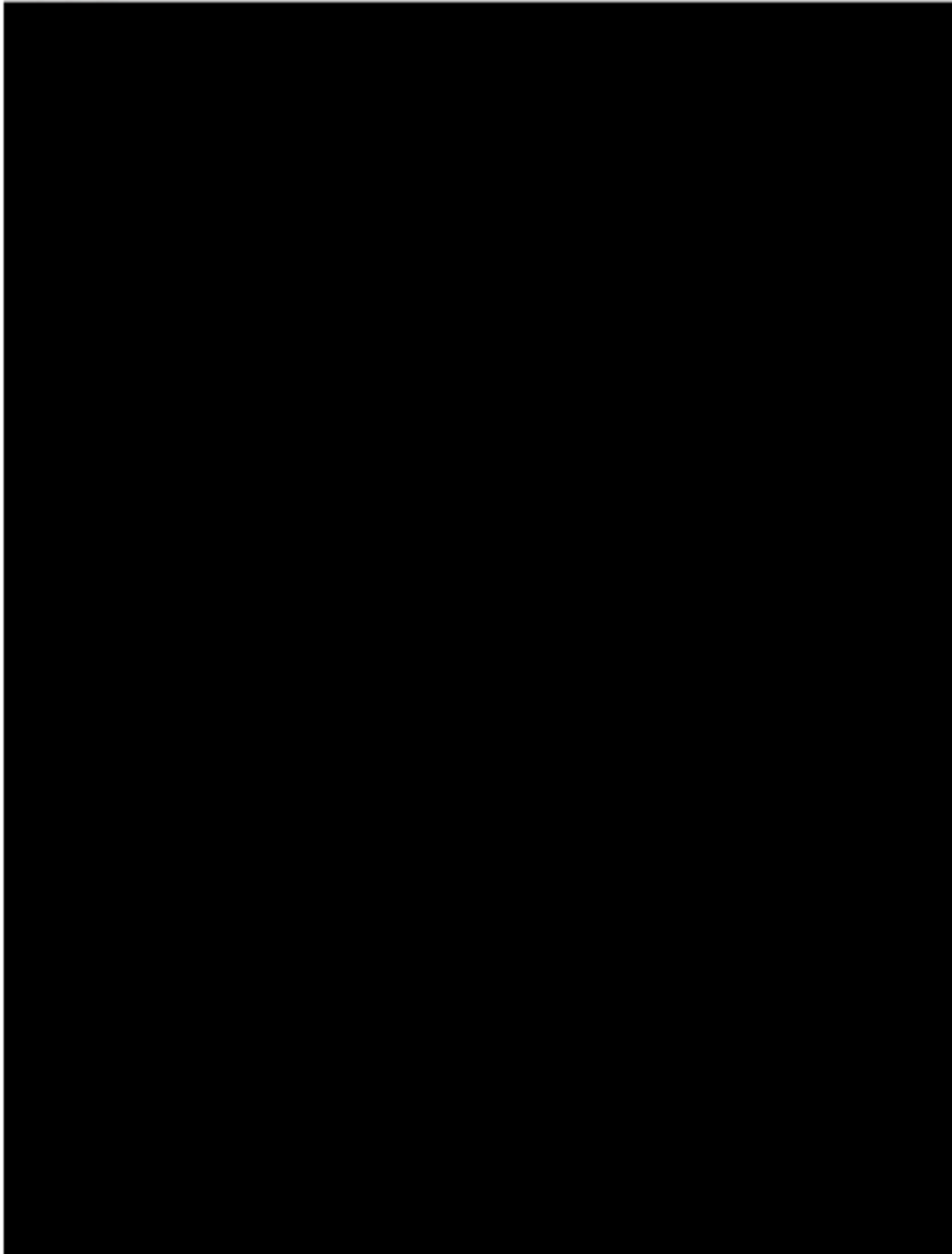
U.S. Department of the Interior
Bureau of Land Management (BLM)
Fiscal Year 2025 Summer Budget Review

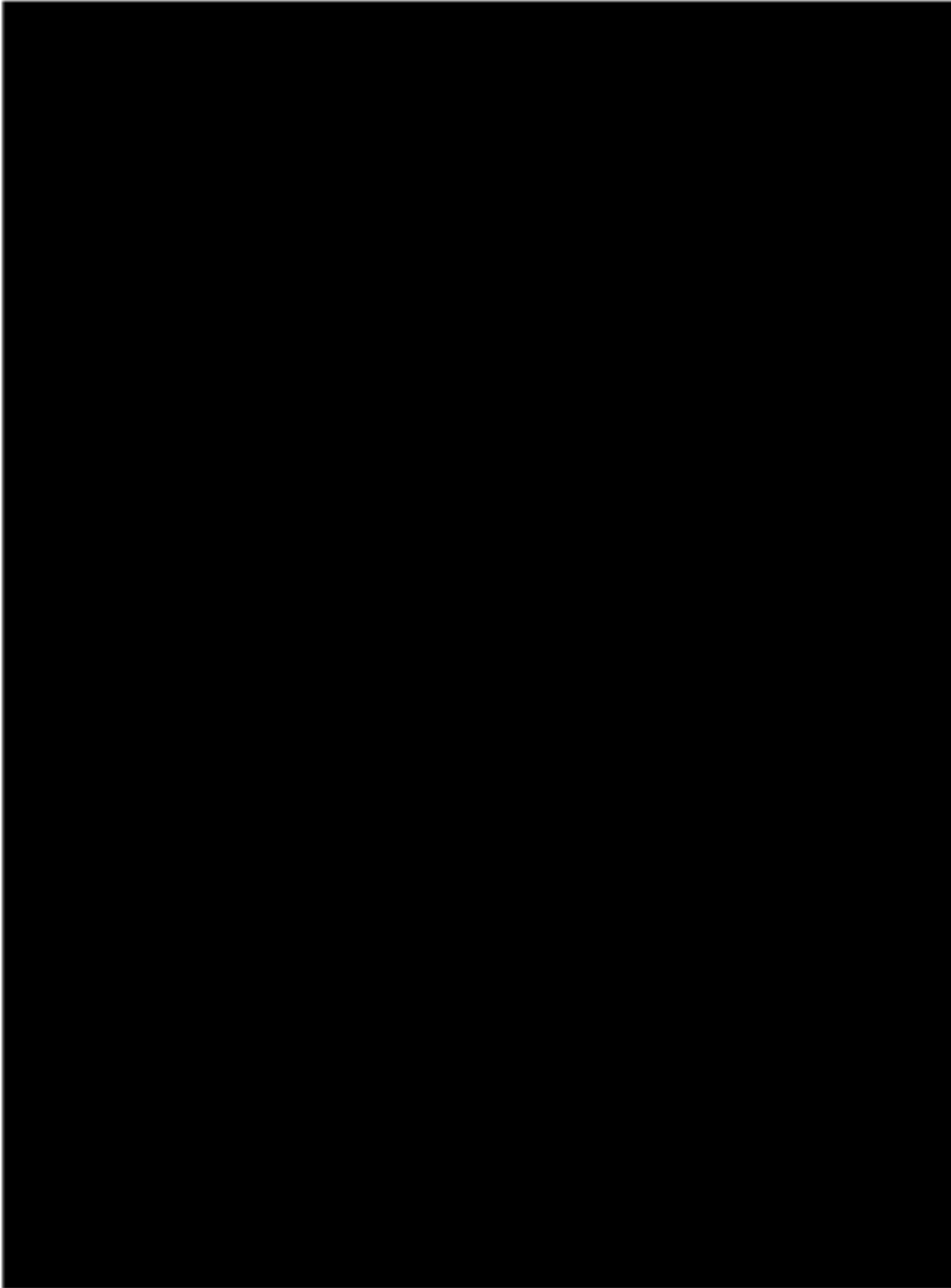
Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Decision Unit		
Salaries and Expenses	\$5,100	\$5,100
Total Drug Resources by Decision Unit	\$5,100	\$5,100

Section I









National Park Service



United States Department of the Interior

National Park Service
Washington, DC 20240

SENT VIA ELECTRONIC MAIL – NO HARD COPY TO FOLLOW

MEMORANDUM

To: Office of National Drug Control Policy (ONDCP) Performance Budget
Coordinator

From: Chief, Budget Formulation and Strategic Planning

Subject: ONDCP Compliance Review – Amendment of Timeliness Assertion

SEAN
REILLY

Digitally signed
by SEAN REILLY
Date: 2024.02.08
10:26:20 -05'00'

This memo serves to amend the NPS submission of the ONDCP Compliance Review Report.

Section 6(b)(1) – Original Assertion:

Timeliness of Summer Budget Submission: The NPS submitted the ONDCP 2025 Summer Drug Budget to ONDCP on July 26, 2023.

Section 6(b)(1) – Amended Assertion:

Timeliness of Summer Budget Submission: At the time of the Departmental Budget Submission in Summer 2023, the ONDCP Summer Drug Budget was not available. The Department contacted NPS to expedite completion and ensure the submission was in alignment with ONDCP Guidance and formatting requirements as required by the circular. As always, no submissions were changed at the Department level. The NPS Summer Drug Budget was submitted to ONDCP on July 26, 2023.

If you have questions, please contact Sean Reilly, Chief of Budget Formulation and Strategic Planning, at 202-868-7320.



United States Department of the Interior

NATIONAL PARK SERVICE
Washington, DC 20240

SENT VIA ELECTRONIC MAIL – NO HARD COPY TO FOLLOW

MEMORANDUM

To: Office of National Drug Control Policy (ONDCP) Performance Budget Coordinator

From: Regional Chief Ranger, Pacific West Region

Subject: ONDCP Compliance Review Submission

In accordance with ONDCP Circular: “National Drug Control Program Agency Compliance Reviews, September 9, 2021”, the U.S. Department of the Interior, National Park Service is hereby submitting this alternative report of drug control funding for FY 2023. Per the Circular, this report is being submitted in lieu of the standard “Detailed Accounting Report” otherwise required for agencies with drug control obligations of \$50 million or greater. The National Park Service, Regional Chief Ranger of the Pacific West Region attests that the Bureau’s drug control obligations are under \$50 million, and full compliance with the Circular would constitute an unreasonable reporting burden.

If you have questions, please contact Greg Morse, Regional Chief Ranger, Pacific West Region at (707) 498-4369.



**ONDCP Detailed Accounting Report
[National Park Service]**

Drug Control Funding Obligations

1) Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

NPS Summary	North Cascades NP	Point Reyes NS	Sequoia & Kings Canyon NP	Whiskey-town NRA	Santa Monica Mountains NRA	Redwood NP	Yosemite NP	Washington Support Office	Total
Investigations	200	450	614	463	300	345	600	420	3,392
Total Expenditures	200	450	614	463	300	345	600	420	3,392
Total FTE	2	4	6	4	2	3	4	3	28

2) Drug Methodology

NPS does not have a specific appropriation for drug control. The NPS cost management system verifies the location and actual use of funding that is directed to this function. The NPS utilizes these data, combined with annual financial/spending plans, to estimate the level of drug control funding.

3) Methodology Modifications

N/A

4) Material Weaknesses or Other Findings

N/A

5) Reprogrammings or Transfers

N/A

6) Other Disclosures

N/A

Assertions

1) Obligations by Budget Decision Unit

The NPS cost management system verifies the location and actual use of funding that is directed to this function. The NPS utilizes these data, combined with annual financial/spending plans, to estimate the level of drug control funding.

2) Drug Methodology

a. **Data** - The NPS utilizes an enterprise-wide system of records known as the Incident Management, Analysis and Reporting System (IMARS), which provides a unified system for Department of the Interior law enforcement agencies to manage law enforcement investigations, measure performance and meet reporting requirements. In concert with incident reporting, review, and data validation requirements established through agency policy, IMARS provides the NPS with the ability to reliably capture and accurately report performance data.

b. **Financial Systems** – The NPS utilizes financial systems to determine park level spending on law enforcement efforts.

3) Application of Drug Methodology

The NPS asserts that the drug methodology described above was the actual methodology used to generate the accounting table provided.

4) Material Weaknesses or Other Findings



**ONDCP Detailed Accounting Report
[National Park Service]**

- N/A
- 5) **Methodology Modifications**
N/A
- 6) **Reprogrammings or Transfers**
N/A
- 7) **Fund Control Notices**
The NPS asserts that the data presented are associated with obligations against a financial plan that fully complies with ONDCP requirements.



Budget Formulation Compliance Report
National Park Service

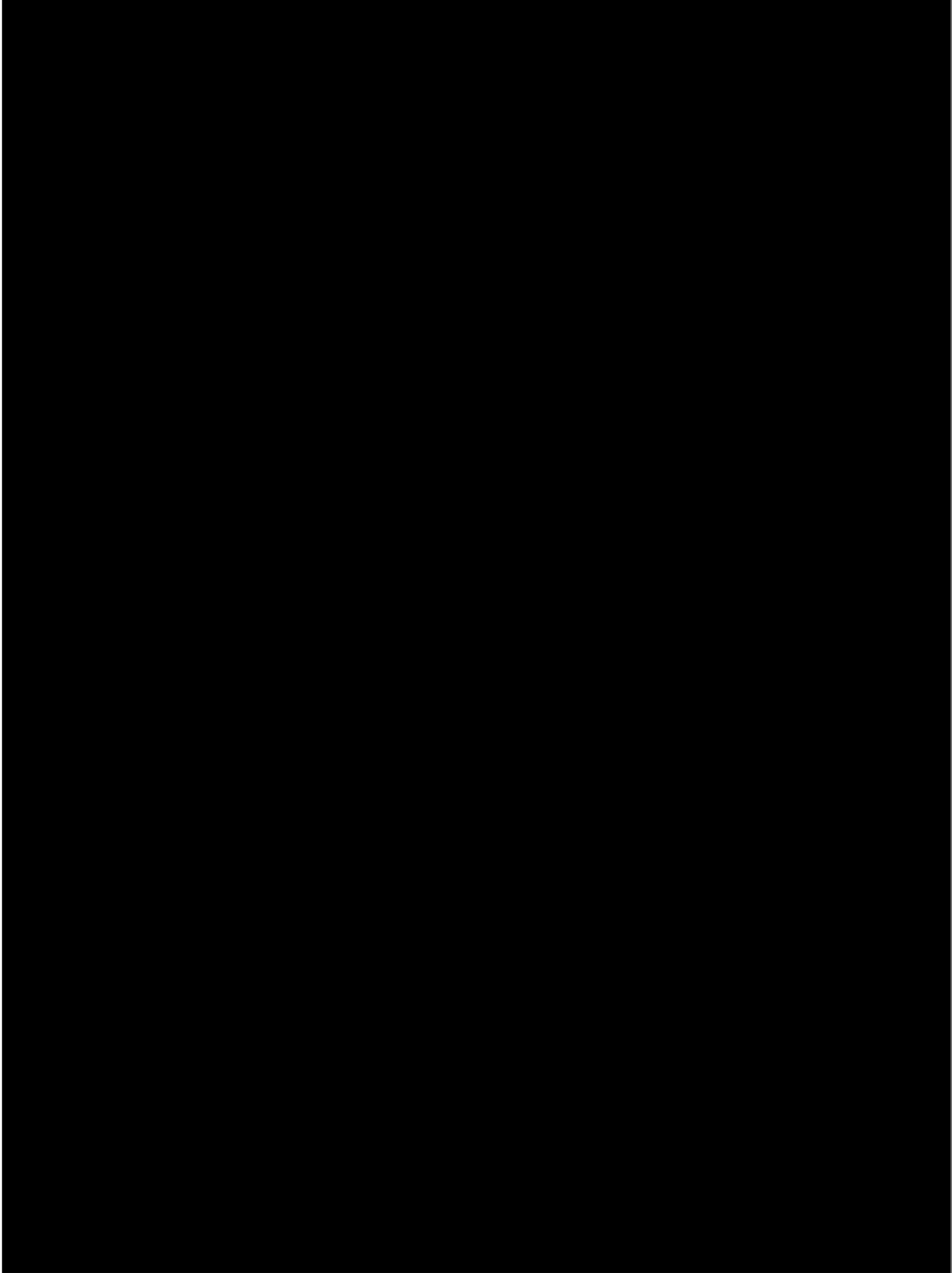
In response to [ONDCP Circular: National Drug Control Program Agency Compliance Reviews](#), the National Park Service (NPS) certifies the following information:

a) **Summer Budget Formulation Information**

- a1) **Summer Drug Budget Transmittal:** The Summer Budget for FY25 was submitted to ONDCP on July 26, 2023.
- a2) **Summer Drug Budget Resource Summary Table:** Please see Attachment 2, which is a copy of the NPS Summer Drug Budget Submission.

b) **Assertions**

- b1) **Timeliness of Summer Budget Submission:** The NPS submitted the ONDCP 2025 Summer Drug Budget to ONDCP on July 26, 2023.
- b2) **Funding Levels Represent Bureau-Level Request:** The NPS funding request in the 2025 Summer Budget represents the funding levels in the bureau's 2025 Departmental Budget Submission.



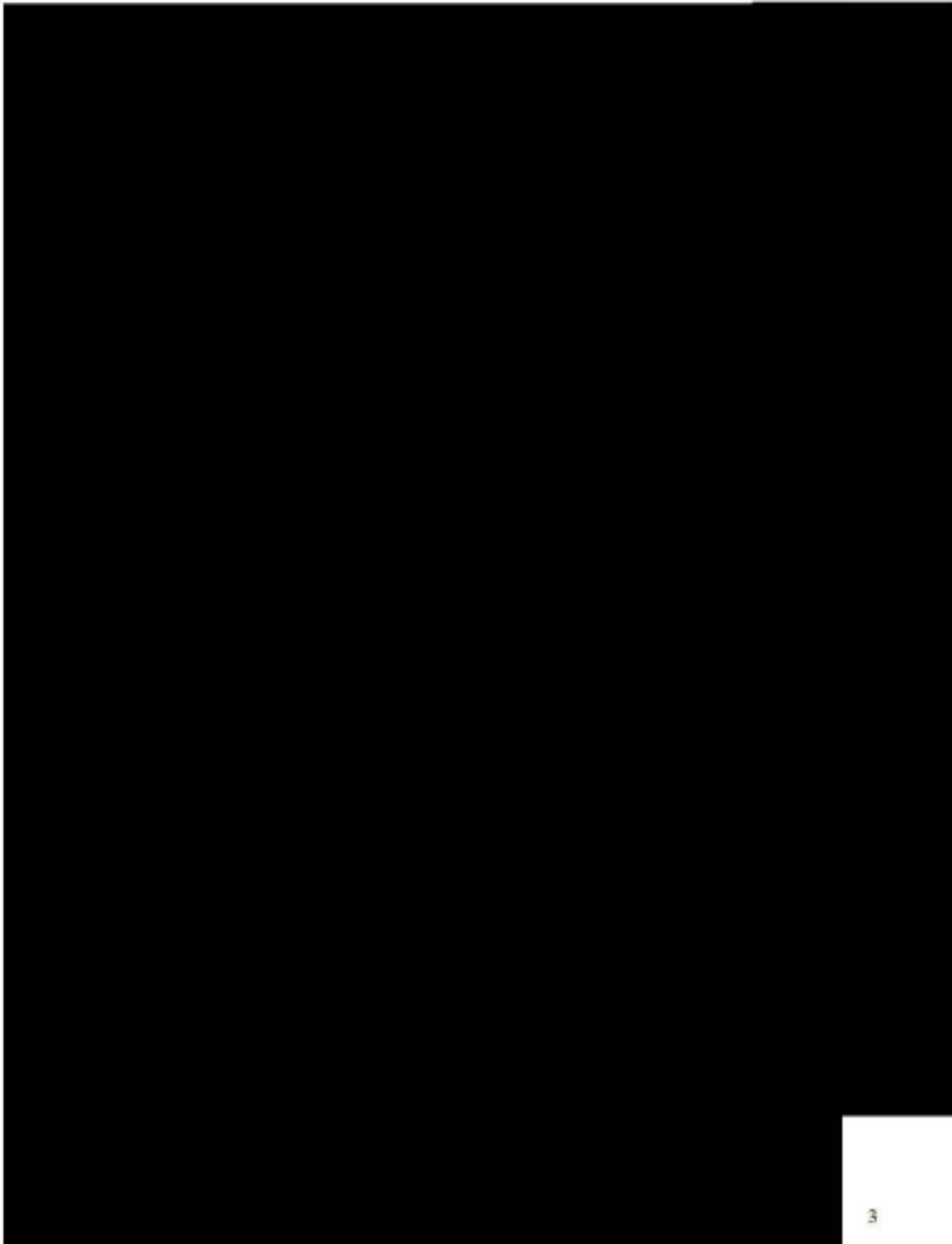


U.S. Department of the Interior
National Park Service (NPS)
Fiscal Year 2025 Summer Budget Review

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Decision Unit		
Salaries and Expenses	\$3,392	\$3,392
Total Drug Resources by Decision Unit	\$3,392	\$ 3,392





3



Department of Justice

REDACTED FOR PUBLIC RELEASE



Review of the U.S. Department of Justice's Accounting of Drug Control Funding Fiscal Year 2023



AUDIT DIVISION

24-028

JANUARY 2024

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report because it contained information that the Department identified as pre-decisional budget information.

REDACTED FOR PUBLIC RELEASE



EXECUTIVE SUMMARY

Review of the U.S. Department of Justice's Accounting of Drug Control Funding Fiscal Year 2023

Objective

Pursuant to 21 U.S.C. § 1704(d), as implemented by the Office of National Drug Control Policy (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021 (the Circular), the Department of Justice (Department) is required to submit to the Director of ONDCP a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year. Additionally, the Office of the Inspector General (OIG) is required to express a conclusion about the reliability of the Department's assertions related to its submission to the ONDCP.

Results in Brief

The OIG concluded that it is not aware of any material modifications that should be made to management's assertions in order for them to be fairly stated for the fiscal year ended September 30, 2023.

Recommendations

No recommendations were provided in this report.

Audit Results

The OIG performed an attestation review of the Department's assertions related to the Budget Formulation Compliance Submission and Detailed Accounting Submission for the fiscal year ended September 30, 2023. The review was performed in accordance with the attestation standards contained in Government Auditing Standards. The purpose of the review was to express a conclusion on management's assertions. Specifically, we:

- Performed inquiries of management to understand its processes used to prepare the reports.
- Evaluated the reasonableness of management's reports.
- Reviewed management's reports for incorrect or incomplete information from the requirements of the ONDCP Circular.
- Performed sufficient verifications of reported information to support our conclusion on the reliability of management's assertions.

This report includes the Budget Formulation Compliance Reports and Detailed Accounting Reports of the Department's Assets Forfeiture Fund; Bureau of Alcohol, Tobacco, Firearms and Explosives; Criminal Division; Drug Enforcement Administration; Federal Bureau of Investigation; Federal Bureau of Prisons; Office of Justice Programs; Offices of the United States Attorneys; Organized Crime Drug Enforcement Task Forces Program; and United States Marshals Service. The Department components reviewed and reported approximately \$10.13 billion of drug control obligations for fiscal year 2023.



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DEPARTMENT OF JUSTICE | OFFICE OF THE INSPECTOR GENERAL

OFFICE OF THE INSPECTOR GENERAL'S INDEPENDENT REVIEW REPORT

United States Attorney General
U.S. Department of Justice

We have reviewed the U.S. Department of Justice's (Department) assertions related to the Budget Formulation Compliance Submission and the Detailed Accounting Submissions, as required by the Office of National Drug Control Policy (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, and as otherwise agreed to with the ONDCP for the fiscal year ended September 30, 2023. The Department is responsible for its assertions. Our responsibility is to express a conclusion on the Department's assertions based on our review.

Our review was conducted in accordance with standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require us to plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertions in order for them to be fairly stated. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Based on our review, we are not aware of any material modifications that should be made to management's assertions in order for them to be fairly stated.

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

Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice
Washington, D.C.

January 18, 2024



U.S. DEPARTMENT OF JUSTICE

BUDGET FORMULATION COMPLIANCE REPORTS





U.S. Department of Justice
Justice Management Division

Washington, D.C. 20530

**Budget Formulation Compliance Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the U.S. Department of Justice's (Department) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the Department's system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The summer drug budgets submitted to ONDCP in response to ONDCP Circular, Budget Formulation, Section 9.a.(1) were submitted to ONDCP at the same time as that budget requests were submitted to the Department by its components in accordance with 21 U.S.C § 1703(c)(1)(A).
2. The funding requests submitted to ONDCP in the Summer Drug Budget Resource Summary Tables represent the funding levels requested by the Department's components without alteration or adjustment by any official at the Department.

JOLENE
LAURIA

Digitally signed by
JOLENE LAURIA
Date: 2024.01.18
17:40:22 -0500'

Jolene A. Lauria
Assistant Attorney General for Administration
Chief Financial Officer

Date



Asset Forfeiture Fund

Department of Justice - Assets Forfeiture Fund
Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring call
Drug Resources by Decision Unit and Function			
Decision Unit: Assets Forfeiture Fund			
<i>Investigations</i>	\$156.846	\$156.846	
<i>State and local Assistance</i>	\$85.459	\$85.459	
Total, Decision Unit: Assets Forfeiture Fund	\$242.305	\$242.305	
Total Drug Funding	\$242.305	\$242.305	
Drug Resources Personnel Summary			
Total FTEs (direct only)	-	-	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$1.6	\$1.6	
Drug Resources Percentage	15.2%	15.2%	



Bureau of Alcohol, Tobacco, Firearms and Explosives

Department of Justice - Bureau of Alcohol, Tobacco, Firearms and Explosives
 Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function			
Decision Unit: Law Enforcement Operations			
<i>Investigations</i>	\$43.815	\$49.066	
<i>Harm Reduction</i>	\$ 0.100	\$ 0.100	\$
Total, Decision Unit: Law Enforcement Operations	\$43.915	\$49.166	
Total Drug Funding	\$43.915	\$49.166	
Drug Resources Personnel Summary			
Total FTEs (direct only)	173	176	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$1.7	\$1.9	
Drug Resources Percentage	2.6%	2.6%	



Criminal Division

Department of Justice - Criminal Division
 Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function			
Decision Unit: Enforcing Federal Criminal Laws			
<i>Prosecution</i>	\$48.135	\$50.328	
Total Drug Resources by Funding	\$48.135	\$50.328	
Drug Resources Personnel Summary			
Total FTEs (direct only)	167	170	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	50.2	50.3	
Drug Resources Percentage	21.1%	19.6%	

Drug Enforcement Administration



Department of Justice - Drug Enforcement Administration
Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Budget Decision Unit and Function:			
Decision Unit #1 Domestic Enforcement			
Investigations	\$ 1,913.383	\$ 1,989.533	\$ [REDACTED]
Intelligence: Domestic Law Enforcement	\$ 157.827	\$ 164.108	\$ [REDACTED]
Prevention	\$ 3.535	\$ 3.676	\$ [REDACTED]
Harm Reduction	\$ 0.067	\$ 0.070	\$ [REDACTED]
Total, Decision Unit #1	\$ 2,074.812	\$ 2,157.387	\$ [REDACTED]
Decision Unit #2 International Enforcement			
International	\$ 449.204	\$ 463.379	\$ [REDACTED]
Intelligence: International	\$ 26.392	\$ 27.225	\$ [REDACTED]
Harm Reduction	\$ 0.013	\$ 0.014	\$ [REDACTED]
Total, Decision Unit #2	\$ 475.609	\$ 490.618	\$ [REDACTED]
Decision Unit #3 State and Local Assistance			
State and Local Assistance	\$ 12.695	\$ 12.919	\$ [REDACTED]
Total, Decision Unit #3	\$ 12.695	\$ 12.919	\$ [REDACTED]
Decision Unit #4 Diversion Control Fee Account			
Investigations	\$ 524.669	\$ 594.878	\$ [REDACTED]
Intelligence: Domestic Law Enforcement	\$ 22.568	\$ 25.588	\$ [REDACTED]
Prevention	\$ 1.086	\$ 1.231	\$ [REDACTED]
Harm Reduction	\$ 0.019	\$ 0.022	\$ [REDACTED]
Total, Decision Unit #4	\$ 548.342	\$ 621.719	\$ [REDACTED]
Total Funding	\$ 3,111.458	\$ 3,282.643	\$ [REDACTED]
Drug Resources Personnel Summary			
Total FTEs (direct only)	8,300	8,431	[REDACTED]
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$ 3.100	\$ 3.300	\$ [REDACTED]
Drug Resources Percentage	100%	100%	[REDACTED]



Federal Bureau of Investigation

Department of Justice - Federal Bureau of Investigation
 Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function:			
Decision Unit: Intelligence			
<i>Intelligence</i>	\$ 11.534	\$ 11.009	\$ [REDACTED]
Total Drug Resources by Funding	\$ 11.534	\$ 11.009	\$ [REDACTED]
Decision Unit: Criminal Enterprises/Federal Crimes			
<i>Investigations</i>	\$204.350	\$ 191.628	\$ [REDACTED]
<i>Harm Reduction</i>	\$ 0.050	\$ 0.050	\$ [REDACTED]
Total Drug Resources by Funding	\$204.400	\$191.678	\$ [REDACTED]
Total Drug Funding	\$215.934	\$202.687	\$ [REDACTED]
Drug Resources Personnel Summary			
Total FTEs (direct only)	957	959	[REDACTED]
Drug Resources as a Percent of Budget			
*Total Agency Budget (in billions)	\$10.7	\$11.3	[REDACTED]
Drug Resources Percentage	2.0%	1.8%	[REDACTED]



Federal Bureau of Prisons

Department of Justice - Federal Prison System (Federal Bureau of Prisons)
 Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function:			
<i>Decision Unit Inmate Care and Programs</i>			
<i>Corrections</i>	\$1,386.380	\$1,439.482	\$
<i>Treatment</i>	\$199.811	\$209.604	\$
<i>Harm Reduction</i>	\$0.300	\$0.320	\$
Total, Decision Unit	\$1,586.491	\$1,649.406	\$
<i>Decision Unit Security/Management & Administration</i>			
<i>Corrections</i>	\$1,998.012	\$2,010.047	\$
Total, Decision Unit	\$1,998.012	\$2,010.047	\$
<i>Decision Unit Contract Confinement</i>			
<i>Corrections</i>	\$328.713	\$360.409	\$
<i>Treatment</i>	\$45.885	\$48.868	\$
Total, Decision Unit	\$374.598	\$409.277	\$
<i>Decision Unit New Construction</i>			
<i>Corrections</i>	\$1.810	\$0.902	\$
Total, Decision Unit	\$1.810	\$0.902	\$
<i>Decision Unit M&R</i>			
<i>Corrections</i>	\$129.584	\$79.851	\$
Total, Decision Unit	\$129.584	\$79.851	\$
Total Drug Funding	\$4,090.495	\$4,149.483	\$
Drug Resources Personnel Summary			
Total FTEs (direct only)	18,007	18,007	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	8.7	8.8	
Drug Resources Percentage	47.1%	47.1%	



Office of Justice Programs

Department of Justice - Office of Justice Programs
Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget Request	FY 2025 Spring Call
Drug Resources by Decision Unit and Function:			
<i>Regional Information Sharing System Program ^{1/}</i>			
State and Local Assistance	\$ 15.400	\$ 14.800	\$ [REDACTED]
Total, Regional Information Sharing System Program	\$ 15.400	\$ 14.800	\$ [REDACTED]
<i>Drug Court Program</i>			
Treatment	\$ 95.000	\$ 88.000	\$ [REDACTED]
Total, Drug Courts Program *	\$ 95.000	\$ 88.000	\$ [REDACTED]
<i>Justice and Mental Health Collaboration Program ^{2/}</i>			
Treatment	\$ 6.750	\$ 8.800	\$ [REDACTED]
Total, Justice and Mental Health Collaboration *	\$ 6.750	\$ 8.800	\$ [REDACTED]
<i>Residential Substance Abuse Treatment Program</i>			
Treatment	\$ 45.000	\$ 35.000	\$ [REDACTED]
Total, Residential Substance Abuse Treatment Program *	\$ 45.000	\$ 35.000	\$ [REDACTED]
<i>Harold Rogers' Prescription Drug Monitoring Program</i>			
State and Local Assistance	\$ 35.000	\$ 33.000	\$ [REDACTED]
Total, Harold Rogers' Prescription Drug Monitoring Program	\$ 35.000	\$ 33.000	\$ [REDACTED]
<i>Second Chance Act Program ^{3/}</i>			
Treatment	\$ 38.136	\$ 70.537	\$ [REDACTED]
Total, Second Chance Act Program *	\$ 38.136	\$ 70.537	\$ [REDACTED]
<i>Project Hope Opportunity Probation with Enforcement (HOPE) ^{4/}</i>			
State and Local Assistance	\$ 5.000	\$ 2.900	\$ [REDACTED]
Total, Project Hope *	\$ 5.000	\$ 2.900	\$ [REDACTED]
<i>Edward Byrne Memorial Justice Assistance Grant Program ^{5/}</i>			
State and Local Assistance	\$ 49.795	\$ 79.875	\$ [REDACTED]
Recovery	\$ 4.330	\$ 6.946	\$ [REDACTED]
Total, Edward Byrne Memorial Justice Assistance Grant Program	\$ 54.125	\$ 86.821	\$ [REDACTED]
<i>Veterans Treatment Courts Program</i>			
Treatment	\$ 35.000	\$ 25.000	\$ [REDACTED]
Total, Veterans Treatment Courts Program *	\$ 35.000	\$ 25.000	\$ [REDACTED]



Resource Summary	FY 2023 Enacted	FY 2024 President's Budget Request	FY 2025 Spring Call
<i>Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP)</i>			
Treatment	\$ 190,000	\$ 190,000	\$ [REDACTED]
Total, Comprehensive Opioid, Stimulant, and Substance Abuse Program **	\$ 190,000	\$ 190,000	\$ [REDACTED]
<i>CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse ^{6/}</i>			
Treatment	\$ 14,582	\$ 16,222	\$ [REDACTED]
Recovery	\$ 13,460	\$ 14,975	\$ [REDACTED]
Total, Tribal Set Aside - CTAS Purpose Area 3	\$ 28,042	\$ 31,197	\$ [REDACTED]
<i>CTAS Purpose Area 9: Tribal Youth Program ^{6/}</i>			
Prevention	\$ 5,100	\$ 9,000	\$ [REDACTED]
Total, Tribal Set Aside - CTAS Purpose Area 9 *	\$ 5,100	\$ 9,000	\$ [REDACTED]
<i>COPS Anti-Heroin Task Forces</i>			
State and Local Assistance	\$ 35,000	\$ 35,000	\$ [REDACTED]
Total, COPS Anti-Heroin Task Forces	\$ 35,000	\$ 35,000	\$ [REDACTED]
<i>COPS Anti-Methamphetamine Task Forces</i>			
State and Local Assistance	\$ 16,000	\$ 15,000	\$ [REDACTED]
Total, COPS Anti-Methamphetamine Task Forces	\$ 16,000	\$ 15,000	\$ [REDACTED]
<i>Forensic Support for Opioid and Synthetic Drug Investigations ^{7/}</i>			
State and Local Assistance	\$ 17,000	\$ 17,000	\$ [REDACTED]
Total, Forensic Support for Opioid and Synthetic Drug Investigations	\$ 17,000	\$ 17,000	\$ [REDACTED]
<i>Opioid-Affected Youth Initiative ^{7/}</i>			
Prevention	\$ 12,500	\$ 16,000	\$ [REDACTED]
Total, Opioid-Affected Youth Initiative *	\$ 12,500	\$ 16,000	\$ [REDACTED]
<i>Mentoring for Youth Affected by the Opioid Crisis ^{7/}</i>			
Prevention	\$ 16,500	\$ 18,000	\$ [REDACTED]
Total, Mentoring for Youth Affected by the Opioid Crisis *	\$ 16,500	\$ 18,000	\$ [REDACTED]
Total Drug Funding	\$ 649,553	\$ 696,055	\$ [REDACTED]
Drug Resources Personnel Summary			
Total FTEs (direct only)	49	49	[REDACTED]



Resource Summary	FY 2023 Enacted	FY 2024 President's Budget Request	FY 2025 Spring Call
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions) ***	\$ 3.000	\$ 4.025	\$ [REDACTED]
Drug Resources Percentage	22%	17%	[REDACTED]

General Note on OJP Drug Budget Methodology: The funding levels shown for FY 2023 Enacted were scored using the drug budget methodology in place between FY 2019 and FY 2022 (see previous OJP submissions for details on the scoring of these amounts). Consistent with ONDCP guidance, OJP is revising the drug budget methodology to score OJP program activity to new program functions (recovery and harm reduction) and implement revised drug budget scoring percentages. These scoring percentages (reflected in the footnotes below) will be used to score OJP budget submissions beginning in FY 2024.

The allocation of funding to the drug control budget functions associated with each OJP program shown on this table reflect an interim agreement between OJP and ONDCP; a permanent revision to the methodology to finalize these allocations will be negotiated in FY 2023.

* This decision unit also now includes the Recovery function. An estimate of the Recovery allocation is being developed for use beginning in FY 2023.

** This decision unit also now includes the Recovery and Harm Reduction functions. Estimates of both the Recovery and Harm Reduction allocations are being developed for use beginning in FY 2023.

*** This table shows both OJP and COPS Office programs; therefore, the total agency funding line reflects that total enacted funding level or budget request for both OJP and the COPS Office.

OJP Footnotes on Scoring Methodology:

^{1/} Amounts reported for the Regional Information Sharing System reflect 37 percent of total funding for this program as drug-related.

^{2/} Amounts shown for the Justice and Mental Health Collaboration Program reflect 22 percent of total funding for this program as drug-related.

^{3/} Funding for the Second Chance Act (SCA) Program is jointly managed by the Bureau of Justice Assistance (BJA) and the Office of Juvenile Justice and Delinquency Prevention (OJJDP). Funding for the Project HOPE program, which is typically funded as a carve-out of the SCA Program, is excluded from this total since it is shown on a separate line in the drug budget. It is estimated that BJA will manage approximately 86 percent of total SCA funding and OJJDP will manage the remaining 14 percent in FY 23, FY 24 [REDACTED]

- Of the total SCA funding managed by BJA, 62 percent of this total is reported as drug-related.

- Of the total managed by OJJDP, 69 percent is reported as drug-related.

^{4/} Amounts shown for Project Hope Opportunity Probation with Enforcement reflect 58 percent of total funding for this program as drug-related.

^{5/} Amounts reported for the Byrne Justice Assistance Grant Program reflect 16 percent of total JAG funding less Congressionally-directed spending (Byrne Discretionary Community Projects) and one time funding for election security or President-elect security programs (varies by fiscal year).



^{6/} Amounts shown for the Coordinated Tribal Assistance Solicitation (CTAS) Purpose Area 3 are based on estimates of how much funding from the Tribal Assistance appropriation will be used to support awards in this purpose area based on awards data from prior years. The amounts shown for CTAS Purpose Area 9: Tribal Youth Program are based on the funding amounts provided for the Tribal Youth Program (a carve-out of the Delinquency Prevention Program).

Of the total funding estimated for CTAS Purpose Area 3, 89 percent is reflected as drug-related. Of the total funding estimated for CTAS Purpose Area 9, 30 percent is reflected as drug-related.

^{7/} These three programs were created as new funding carve-outs included under existing OJP programs in the Consolidated Appropriations Act, 2018 (Public Law 115-141). OJP continues to propose funding these programs in the FY 2024 budget request.

- The Forensic Support for Opioid and Synthetic Drug Investigations program is funded as a carve-out of Paul Coverdell Forensic Science Improvement Grants program. In the FY 2023 Enacted, FY 2024 President's Budget Request, [REDACTED], approximately 49 percent of the \$35 million requested (or \$17 million) is scored as drug related.

- The Opioid-Affected Youth Initiative is funded as a carve-out under the Delinquency Prevention Program, which is scored as 100 percent drug related. In FY 2023, \$12.5 million was appropriated for this program. The FY 2024 President's Budget Request [REDACTED] propose \$16 million for this program.

- The Mentoring for Youth Affected by the Opioid Crisis program is funded as a carve-out of the Youth Mentoring program. In the FY 2023 Enacted column, approximately 15.4 percent of the \$107 million appropriated for this p Program (or \$16.5 million) is scored as drug related for this carve-out. In the FY 2024 President's Budget Request [REDACTED] approximately 15 percent of the \$120 million requested for the Youth Mentoring Program (or \$18 million) is scored as drug related for this carve-out.



Office of the United States Attorneys

Department of Justice - Offices of the United States Attorneys

Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function			
<i>Criminal Decision Unit</i>			
<i>Prosecution</i>	\$101,482.00	\$101,482.00	\$
Total Drug Funding	\$101,482.00	\$101,482.00	\$
Drug Resources Personnel Summary			
Total FTEs (direct only)	535	535	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$2.6	\$2.9	
Drug Resources Percentage	3.9%	3.5%	



Organized Crime Drug Enforcement Task Forces Program

Department of Justice - Organized Crime Drug Enforcement Task Forces Program (ICDE)
 Dollars in Millions -Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function:			
<i>Decision Unit: Investigations</i>			
<i>Investigations</i>	\$386.269	\$382.211	\$
Total, Decision Unit: Investigations	\$386.269	\$382.211	\$
<i>Decision Unit: Prosecutions</i>			
<i>Prosecutions</i>	\$164.189	\$168.247	\$
Total, Decision Unit: Prosecutions	\$164.189	\$168.247	\$
Total Drug Funding	\$550.458	\$550.458	\$
Drug Resources Personnel Summary			
Total FTEs (direct only)	2,456	2,337	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$0.6	\$0.6	
Drug Resources Percentage	100%	100%	



United States Marshals Service

Department of Justice - U.S. Marshals Service
 Dollars in Millions - Total Drug Resources

Resource Summary	FY 2023 Enacted	FY 2024 President's Budget	FY 2025 Spring Call
Drug Resources by Decision Unit and Function:			
<i>Salaries and Expenses</i>			
<i>Decision Unit: Fugitive Apprehension</i>			
<i>International</i>	\$1.359	\$1.553	
<i>Investigative</i>	\$134.569	\$153.746	
Total, Fugitive Apprehension	\$135.928	\$155.299	
<i>Decision Unit: Judicial and Courthouse Security</i>			
<i>Prosecutions</i>	\$175.877	\$195.139	
Total, Judicial and Courthouse Security	\$175.877	\$195.139	
<i>Decision Unit: Prisoner Security and Transportation</i>			
<i>Prosecutions</i>	\$84.818	\$89.207	
Total, Prisoner Security and Transportation	\$84.818	\$89.207	
<i>Decision Unit: Tactical Operations</i>			
<i>Harm Reduction</i>	\$0.006	\$0.006	
Total, Tactical Operations	\$0.006	\$0.006	
Federal Prisoner Detention			
<i>Decision Unit: Detention Services</i>			
<i>Corrections</i>	\$672.195	\$759.221	
Total, Detention Services	\$672.195	\$759.221	
Total Drug Funding	\$1,068.824	\$1,198.872	
Drug Resources Personnel Summary			
Total FTEs (direct only)	1,210	1,243	
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$3.8	\$4.1	
Drug Resources Percentage	27.9%	29.6%	



U.S. DEPARTMENT OF JUSTICE

DETAILED ACCOUNTING REPORTS





U.S. Department of Justice
 Justice Management Division
Asset Forfeiture Management Staff
 145 N St., N.E., Suite 5W.511
 Washington, D.C. 20530

**Detailed Accounting Report
 Management's Assertion Statement
 For Fiscal Year Ended September 30, 2023**

On the basis of the Assets Forfeiture Fund (AFF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the AFF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations reported by budget decision unit represents the actual obligations derived from the AFF accounting system of record for these Budget Decision Unit.
2. The drug methodology used by the AFF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogramming's or transfers during FY 2023.
7. AFF did not have any ONDCP Fund Control Notices issued in FY 2023.

PETER MAXEY Digitally signed by PETER
MAXEY
Date: 2024.01.18 15:37:18 -0500
 Peter M. Maxey, Director,
 Asset Forfeiture Management Staff

Date



Asset Forfeiture Fund

U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Report
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

	FY 2023 Actual Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit #1: Asset Forfeiture	
Investigations	\$ 142.65
State and Local Assistance	76.33
Total Asset Forfeiture	\$ 218.98
Total Obligations	\$ 218.98
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ -
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ -



**U.S. Department of Justice
Assets Forfeiture Fund
Detailed Accounting Submission
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 1: Drug Methodology

The Assets Forfeiture Fund (AFF) was established to be a repository of the proceeds of forfeiture and to provide funding to cover the costs associated with forfeiture. These costs include, but are not limited to: seizing, evaluating, maintaining, protecting, and disposing of an asset. Public Law 102-393, referred to as the 1993 Treasury Appropriations Act, amended title 28 U.S.C. 524 (c) and enacted new authority for the AFF to pay for “overtime, travel, fuel, training, equipment, and other similar costs of state or local law enforcement officers that are incurred in a joint law enforcement operation with a Federal law enforcement agency participating in the Fund.” Such cooperative efforts have significant potential to benefit Federal, state, and local law enforcement efforts. The Department of Justice supports state and local assistance through the allocation of Asset Forfeiture Program (AFP) monies, commonly referred to as Joint Law Enforcement Program Operations Expenses. All AFP funded drug investigative monies for the Drug Enforcement Administration (DEA) and Organized Crime Drug Enforcement Task Forces (OCDETF) are allocated in the following program operations expenses: Investigative Costs Leading to Seizure, Awards Based on Forfeiture, Contracts to identify Assets, Special Contract Services, and Case Related Expenses. The funding provided for these program expenses are identified below and aid in the process of perfecting forfeiture.

Joint Law Enforcement Operations – These expenses are for the various costs incurred by state and local law enforcement officers participating in joint law enforcement operations with a federal agency participating in the fund.

Investigative Costs Leading to Seizure – These expenses are for certain investigative techniques that are used for drug related seizures.

Awards Based on Forfeiture – These expenses are for the payment of awards for information or assistance leading to a civil or criminal forfeiture.

Contracts to Identify Assets – These expenses are incurred in the effort of identifying assets by accessing commercial database services. Also included in this section is the procurement of contractor assistance needed to trace the proceeds of crime into assets subject to forfeiture.

Special Contract Services – These expenses are for contract services that support services directly related to the processing, data entry, and accounting for forfeiture cases.

Case Related Expenses – These are expenses incurred in connection with normal forfeiture proceedings. They include fees, advertising costs, court reporting and deposition fees, expert



witness fees, courtroom exhibit costs, travel, and subsistence costs related to a specific proceeding. If the case involves real property, the costs to retain attorneys or other specialists under state real property law are also covered. In addition, the Deputy Attorney General may approve expenses for retention of foreign counsel.

All AFF accounting information is derived from the Unified Financial Management System. Obligations that are derived by this system reconcile with the enacted appropriations and carryover balance.

Disclosure 2: Methodology Modifications

There have been no changes to the drug methodology from the previous year. The drug methodology disclosed has been consistently applied from prior years.

Disclosure 3: Material Weaknesses or Other Findings

For the FY 2023 Financial Statements Audit, the Assets Forfeiture Fund (AFF)/Seized Asset Deposit Fund (SADF) received an unmodified audit opinion, with one significant deficiency for improvements needed in controls over seized property and forfeiture revenue. Specifically, management was in the process of drafting the final chapters of a financial management guide that would provide more specific policies and procedures related to accounting for seized property and forfeiture revenue, but it was still not completed as of September 30, 2023. Also, the significant deficiency cited "management's planned enhancements to preventive controls at the participating agency level and monitoring controls to identify final forfeiture orders and record the related revenue in the proper fiscal year were not fully implemented as of September 30, 2023."

To mitigate this finding:

- AFMS will publish the last two chapters of the Asset Forfeiture Financial and Administrative Guide before the end of January 2024. Chapter 8 specifically addresses the requirement for forfeiture decisions to be recorded in CATS within the fiscal quarter in which the decision was made. It also addresses the timeframes for disposal of forfeited assets, including the deposit of forfeited asset proceeds into the AFF and the recognition of revenue. Further, AFMS will work with the participating agencies to identify the legal triggers for seizures for evidence and forfeiture, clearly define the seizure date for AFF/SADF reporting purposes and issue policy memorandums to the AFP's participating agencies defining the seizure and forfeiture date to be recorded in CATS. In addition, AFMS will formalize the process for the participating agencies to elevate prior year transactions so appropriate accounting procedures can be determined for those transactions prior to them being entered into CATS.
- AFMS will also develop additional review procedures to address emerging data consistency and compliance issues, provide results to participating agencies, and ensure corrections are made when needed during the fiscal quarter appropriate to the transaction.
- AFMS will clearly document the steps taken to perform the analysis of risk over potential out-of-period revenue transactions, the criteria used and population coverage of transactions selected for further review, the steps taken to perform the analysis, clearly defined



categories into which the transactions are classified, characteristics of a transaction requiring supplemental information from the appropriate participating agency in order to make a determination of whether the transaction is in-period or out-of-period, characteristics of a true out-of-period transaction, and an explanation of the results of the analysis. AFMS will use these results to determine the materiality and impact on current year and applicable prior years' financial statements and, if material, what actions will be taken to correct misstatements; and

- AFMS will work with the participating agencies to identify the correct date for seizure records in CATS. AFMS will review digital assets with no activity over a year or more and determine values recorded in CATS are accurate and comply with policy regarding the correct date of seizure for assets. AFMS will also develop testing to ensure that all participating agencies are identifying and recording seizure dates consistently and that digital assets are valued correctly.

Disclosure 4: Reprogramming's or Transfers

There were no reprogramming's or transfers that affected drug-related budgetary resources.



Bureau of Alcohol, Tobacco, Firearms and Explosives



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director
Washington, DC

Detailed Accounting Report Management's Assertion Statement For Fiscal Year Ended September 30, 2023

On the basis of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the ATF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the ATF's accounting system of record for this Budget Decision Unit.
2. The drug methodology used by the ATF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.
7. The ATF did not have any ONDCP Fund Control Notices issued in FY 2023.

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Francis H. Frandé
Chief Financial Officer

1.18.2024

Date



U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Detailed Accounting Report
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

	FY 2023 Actual Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit #1: Law Enforcement Operations	
Harm Reduction	\$ 0.07
Investigations	44.44
Total Law Enforcement Operations	\$ 44.51
Total Obligations	\$ 44.51
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 0.25
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ 12.65



U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023

Disclosure 1: Drug Methodology

The Bureau of Alcohol, Tobacco, Firearms and Explosive (ATF) does not receive a specific appropriation for drug-related work relative to the National Drug Control Strategy (Strategy). However, the ATF does contribute to the Strategy through its mission to address violent firearms crime by drug offenders in American communities.

To quantify how the ATF supports the Strategy, the total number of cases involving a drug or narcotics charge identified in the ATF's case management system are divided by the total number of actual cases to arrive at a ratio of criminal investigations with a drug or narcotics nexus. Cases with drug attributes include charges filed under 18 USC 922(g)(3); 18 USC 924(c); 18 USC 922(d)(3); narcotics violations (Federal/State); 21 USC 844(a); 21 USC 846 and several other provisions related to narcotics crimes to derive the drug nexus ratio. Further, the ATF factors in drug charges as a percentage of all charges in drug-related cases. Since many cases involve criminal possession and use of firearms, illegal firearms trafficking, and gang-related violent crime, many offenders and gang members arrested are often in possession of illegal drugs or narcotics. While not the ATF's primary mission, the seizure of these drugs/narcotics and the filing of criminal charges under the drug statutes do support the Strategy.

Disclosure 2: Methodology Modifications

There have been no changes in the ATF's Drug Methodology.

Disclosure 3: Material Weaknesses or Other Findings

ATF was included in the Department of Justice (DOJ) consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2023 *Independent Auditor's Report* revealed no material weaknesses or significant deficiencies directed to ATF. Additionally, the Department's assessment of risk and internal control in FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings or transfers related to drug-related budgetary resources.

Disclosure 5: Other Disclosures

The ATF has no other disclosures related to drug-related obligations, data or methodology.



Criminal Division



U.S. Department of Justice

Criminal Division

Office of Administration

Washington, D.C. 20530

**Detailed Accounting Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the Criminal Division (CRM) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the CRM system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against CRM's accounting system of record for this Budget Decision Unit.
2. The drug methodology used by CRM to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.
7. CRM did not have any ONDCP Fund Control Notices issued in FY 2023.

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Stacie Bass, Chief Operating Officer

1/18/2023

Date



U.S. Department of Justice
Criminal Division
Detailed Accounting Report
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

	FY 2023 Actual Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit: Enforcing Federal Criminal Laws	
Prosecution	\$ 45.01
Total Enforcing Federal Criminal Laws	\$ 45.01
Total Obligations	\$ 45.01



**U.S. Department of Justice
Criminal Division
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 1: Drug Methodology

The Criminal Division (CRM) develops, enforces, and supervises the application of all Federal criminal laws except those specifically assigned to other divisions. In executing its mission, the CRM dedicates specific resources in support of the National Drug Control Strategy that focus on disrupting domestic drug trafficking and production and strengthening international partnerships. CRM's drug budget is the funding available for the Division's drug-related activities. The CRM Sections and Offices contributing to this budget are:

- Appellate Section (APP)
- Computer Crimes and Intellectual Property Section (CCIPS)
- Capital Case Section (CCS)
- International Criminal Investigative Training Assistance Program (ICITAP)
- Money Laundering and Asset Recovery Section (MLARS)
- Narcotic and Dangerous Drug Section (NDDS)
- Office of Enforcement Operations (OEO)
- Office of International Affairs (OIA)
- Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT)
- Office of Policy and Legislation (OPL)
- Public Integrity Section (PIN)
- Violent Crime and Racketeering Section (VICAR)

Since CRM's accounting system, Department of Justice's (DOJ's) Unified Financial Management System (UFMS), does not track obligation and expenditure data by ONDCP's drug functions, CRM's drug resources figures are derived by estimating the level of involvement of each Division component in drug-related activities. Each component is required to estimate the percentage of work/time that is spent addressing drug-related issues. This percentage is then applied against each component's overall resources to develop an estimate of resources dedicated to drug-related activities. Component totals are then aggregated to determine the Division total. For FY 2023, the Division's drug resources as a percentage of its overall actual obligations were 21.0%.

Data – All accounting information for CRM is derived from DOJ's Unified Financial Management System (UFMS).

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

Disclosure 2: Methodology Modifications

No modifications were made to the methodology from the prior year.



Disclosure 3: Material Weaknesses or Other Findings

The Criminal Division (CRM) is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2023, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The Fiscal Year 2023 audit resulted in an unmodified opinion on the financial statements. The DOJ's consolidated FY 2023 Independent Auditor's Report revealed no material weaknesses or significant deficiencies directed to the Criminal Division. Additionally, the Department's assessment of risk and internal control in FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data. The Criminal Division is a component within the DOJ Offices, Boards and Divisions (OBDs)

Disclosure 4: Reprogrammings or Transfers

No reprogrammings or transfers occurred that affected the CRM's drug-related budgetary resources.



Drug Enforcement Administration



U. S. Department of Justice
Drug Enforcement Administration

www.dea.gov

Detailed Accounting Report Management's Assertion Statement For Fiscal Year Ended September 30, 2023

On the basis of the Drug Enforcement Administration (DEA) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the DEA system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations reported by budget decision unit represents the actual obligations derived from the DEA's accounting system of record for these Budget Decision Units.
2. The drug methodology used by the DEA to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program.
7. DEA did not have any ONDCP Fund Control Notices issued in FY 2023.

JEFFREY RASHAP

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Date: 2024.01.18 12:33:33 -05'00'

Jeffrey Rashap, Deputy Assistant Administrator Date



U.S. Department of Justice
 Drug Enforcement Administration
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

	FY 2023 Actual Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit #1: Diversion Control Fee Account	
Intelligence	\$ 21.87
Investigations	536.61
Prevention	3.42
Harm Reduction	0.02
Total Diversion Control Fee Account	\$ 561.92
Decision Unit #2: Domestic Enforcement	
Intelligence	\$ 157.77
Investigations	2,000.03
Prevention	5.50
Harm Reduction	0.15
Total Domestic Enforcement	\$ 2,163.45
Decision Unit #3: International Enforcement	
Intelligence	\$ 26.12
International	452.34
Prevention	-
Harm Reduction	-
Total International Enforcement	\$ 478.46
Decision Unit #4: State and Local Assistance	
State and Local Assistance	\$ 9.89
Total State and Local Assistance	\$ 9.89
Total Obligations	\$ 3,213.72
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 18.15
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ 193.52



**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 1: Drug 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 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



U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023

- 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 guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, showing function and decision unit. The table represents obligations incurred by the DEA for drug control purposes and reflects one hundred percent of the DEA's mission.

Since the DEA's accounting system, the 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 accounts and decision units to ONDCP's drug functions. The Salaries and Expense appropriated account is divided into three decision units, Domestic Enforcement, International Enforcement, and State and Local Assistance. The Diversion Control Fee Account (DCFA) is fee funded by Registrants and covers the full costs of DEA's Diversion Control Program's operations. Thus, the total DCFA cost is tracked and reported as a decision unit by itself to distinguish it from the appropriated S&E account. Although not appropriated funding, the DCFA as authorized by Congress is subject to all rules and limitations associated with Appropriations Law.

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.*

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 four 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.*



U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023

The DEA Budget Decision Unit	Allocation	ONDCP Function
Diversion Control Fee Account	3.89%	Intelligence
	95.50%	Investigations
	0.61%	Prevention
	0.00%	Harm Reduction
Domestic Enforcement	7.29%	Intelligence
	92.45%	Investigations
	0.25%	Prevention
	0.01%	Harm Reduction
International Enforcement	5.46%	Intelligence
	94.54%	International
	0.00%	Prevention
	0.00%	Harm Reduction
State and Local Assistance	100.00%	State and Local Assistance

Decision Units: One hundred percent of the DEA’s total obligations by decision unit are 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 2023 including Salaries & Expenses (S&E) and Diversion Control Fee Account (DCFA) appropriations, was 7,979 through pay period 19, ending September 23, 2023.

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 Modifications

The DEA’s method for tracking drug enforcement resources has not been modified from the prior year methodology. The DEA uses current MCA data to allocate FY 2023 obligations from four decision units to ONDCP’s drug functions.



**U.S. Department of Justice
Drug Enforcement Administration
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 3: Material Weaknesses or Other Findings

DEA was included in the Department of Justice (DOJ) consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2023 Independent Auditor's Report revealed no material weaknesses or significant deficiencies directed to DEA.

Disclosure 4: Reprogrammings or Transfers

The DEA received five transfers during FY 2023 (see the attached Table of FY 2023 Reprogrammings and Transfers) with individual transfer amounts that matched or exceeded the \$5M or 10 percent of a specific program threshold. Three transfers were internal from DEA's prior year funded unobligated balances to DEA's S&E No Year account for a total of \$58,921,925.00. DEA received one transfer from HIDTA that met the reporting threshold, in the amount of \$15,333,229.00 and one interagency transfer from the Spectrum Relocation Fund (SRF) in the amount of \$7,967,438.00 to DEA's Spectrum fund. DEA did not have a reprogramming in FY 2023. Transfers under the Drug Resources by Function section in the Table of FY 2023 Reprogrammings and Transfers are based on the same MCA allocation percentages as the Table of Drug Control Obligations.



U.S. Department of Justice
 Drug Enforcement Administration
 Detailed Accounting Report
 Table of Reprogrammings or Transfers
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Reprogrammings	Transfers-in	Transfers-out	Total
Decision Unit #1: Domestic Enforcement				
Intelligence	\$ -	\$ 3.99	\$ -	\$ 3.99
Investigations	\$ -	\$ 50.65	\$ -	\$ 50.65
Prevention	-	0.14	-	\$ 0.14
Harm Reduction	-	-	-	-
Total Domestic Enforcement	\$ -	\$ 54.78	\$ -	\$ 54.78
Decision Unit #2: International Enforcement				
Intelligence	\$ -	\$ 0.66	\$ -	\$ 0.66
Investigations	-	11.45	-	\$ 11.45
Prevention	-	-	-	\$ -
Harm Reduction	-	-	-	-
Total International Enforcement	\$ -	\$ 12.11	\$ -	\$ 12.11
Decision Unit #3: State and Local Assistance				
State and Local Assistance	\$ -	\$ -	\$ -	\$ -
Total State and Local Assistance	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ -	\$ 66.89	\$ -	\$ 66.89
High-Intensity Drug Trafficking Area (HIDTA) Transfer	\$ -	\$ 15.33	\$ -	\$ 15.33
Organized Crime Drug Enforcement Task Force (OCDETF)	\$ -	\$ -	\$ -	\$ -



Federal Bureau of Investigation

U.S. Department of Justice
Federal Bureau of Investigation
Detailed Accounting Report
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

	FY 2023 Actual Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit #1: Intelligence	
Intelligence	\$ 10.64
Total Intelligence	\$ 10.64
Decision Unit #2: Criminal Enterprises and Federal Crimes	
Investigations	\$ 157.53
Harm Reduction	\$ 0.02
Total Criminal Enterprises and Federal Crimes	\$ 157.55
Total Obligations	\$ 168.19
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 1.69
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ 132.02



**Federal Bureau of Investigation
Detailed Accounting Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the Federal Bureau of Investigation's (FBI) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the FBI's system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the FBI's accounting system of record for these Budget Decision Units.
2. The drug methodology used by the FBI to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.
7. FBI did not have any ONDCP Fund Control Notices issued in FY 2023.



Nicholas Dimos, Chief Financial Officer

1-18-24

Date



Federal Bureau of Prisons

U.S. Department of Justice
Federal Bureau of Investigation
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023

Disclosure 1: Drug Methodology

The FBI's resources that are scored to the National Drug Control Strategy include three priority initiatives within the Criminal Program: Transnational Organized Crime - Western Hemisphere, Joint Criminal Opioid Darknet Enforcement (JCODE), and the Prescription Drug Initiative (PDI). The total obligations for each priority initiative are calculated based on a percentage of resources from the FBI's Transnational Organized Crime - Eastern Hemisphere (TOC-E), Transnational Crime - Western Hemisphere (TOC-W), and Healthcare Fraud (HCF) programs. The total obligations from each of the above listed programs are pulled from the FBI's Unified Financial Management System (UFMS). Non-personnel funding is determined by programmatic requirements and was calculated by evaluating both the allocated resources to these three initiatives, as well as the proportion of the criminal program's investigative and intelligence efforts dedicated to drug control. Total obligations for the three programs are multiplied by the percentage of the total programmatic resources that are scored to the National Drug Control Strategy. The applied percentages are determined by the number of open cases, within the TOC-E, TOC-W, and Health Care Fraud programs that are drug related. Personnel resources are calculated based on the FBI's actual personnel time utilization, often referred to as Time Utilization and Record Keeping (TURK). Full-Time Equivalents (FTE) are used to quantify employment as a function of hours worked during a fiscal year and the data comes from payroll processed at the National Finance Center. The payroll FTE was reported by program and subprogram for Field Offices using an activity-based costing methodology incorporating both HR data and (TURK) data. The resources reported as "Intelligence" represent the resources that are scored to the Intelligence decision unit which include FBI intelligence activities focused on strategic, tactical, and network analysis; training, outreach, and collaboration; and tool development. The "Investigative" resources represent budgetary resources that are scored to the Criminal Enterprises and Federal Crimes decision unit.

Disclosure 2: Methodology Modifications

The FBI does not have any modifications to the methodology to report.

Disclosure 3: Material Weaknesses or Other Findings

The FBI does not have any material weaknesses or other findings to report.

Disclosure 4: Reprogrammings or Transfers

The FBI does not have any reprogrammings or transfers to report.

Disclosure 5: Other Disclosures

The FBI does not have any other disclosures to report.



U.S. Department of Justice
Federal Bureau of Prisons

Central Office

Washington, DC 20534

**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the Federal Bureau of Prisons (BOP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the BOP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the BOP's accounting system of record for these Budget Decision Units.
2. The drug methodology used by the BOP to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. All material weaknesses 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 drug-related obligations have been disclosed.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program or account.
7. BOP did not have any ONDCP Fund Control Notices issued in FY 2023.

LONERYL BURNS Digitally signed by LONERYL BURNS
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Loneryl Burns, Acting Chief Financial Officer

_____ Date



U.S. Department of Justice
 Federal Bureau of Prisons
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	FY 2023 Actual Obligations
Decision Unit #1: Inmate Care and Programs	
Treatment	\$ 92.40
Corrections	1,458.93
Harm Reduction	0.26
Total Inmate Care and Programs	\$ 1,551.59
Decision Unit #2: Security/Management and Administration	
Corrections	\$ 1,882.48
Total Security/Management and Administration	\$ 1,882.48
Decision Unit #3: Contract Confinement	
Treatment	\$ 113.51
Corrections	222.77
Total Contract Confinement	\$ 336.28
Decision Unit #4: New Construction	
Corrections	\$ 212.04
Total New Construction	\$ 212.04
Decision Unit #4: Modernization and Repair	
Corrections	\$ 83.89
Total Modernization and Repair	\$ 83.89
Total Obligations	\$ 4,066.28
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ -
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ -



**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 1: Drug Methodology

The mission of the Federal 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, 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 divided into two functions: 1) Treatment; and 2) Corrections.

Treatment Function Obligations are calculated by totaling, actual amount obligated (100%) for Drug Treatment Functions, which 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 treatment obligations for Community Transitional Drug Treatment are captured in Contract Confinement Decision unit, where, as all other programs are included in Inmate Care and Program Decision Unit.

Correction Function Obligations are calculated by totaling, all BOP Direct Obligations, subtracting Treatment Functions obligations from it and applying drug percentage to these obligations. Drug percentage is the percentage of inmates sentenced for drug-related crimes (44.3%).

The Table of Drug Control Obligations was prepared in accordance with the Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021. The table represents obligations incurred by the BOP for drug control purposes. The amounts are net of all reimbursable agreements.

Data - All accounting information for the BOP is derived from the Department of Justice (DOJ) Unified Financial Management System (UFMS).

Financial Systems - The UFMS 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 2: Methodology Modifications

The overall methodology to calculate drug control obligations has not been changed from the prior year (FY 2022).



**U.S. Department of Justice
Federal Bureau of Prisons
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 3: Material Weaknesses or Other Findings

BOP was included in the Department of Justice (DOJ) consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2023 Independent Auditor's Report includes a material weakness that is attributed to the BOP relating to the timely recording of accounts payable accruals and related non-personnel expenses, the de-obligation of funds on certain contracts, and adjustments to property.

The BOP will continue to develop, enhance, and document our processes and procedures necessary to execute effective internal controls. The BOP will assess critical reports necessary to support validation of effective financial controls and ensure key personnel are properly trained to perform key roles, address risk and support the internal control system.

Disclosure 4: Reprogrammings or Transfers

BOP's FY 2023 obligations include all approved transfers and there was a reprogramming. (see the attached Table of Reprogrammings and Transfers). In FY 2023, there was a transfer of \$91 million from the BOP's S&E funds to Health and Human Services for Public Health Service (PHS). There was also a reprogramming of \$246 million within the BOP's S&E funds, of which \$108 million of this is related to the drug budget.



U.S. Department of Justice
 Federal Bureau of Prisons
 Detailed Accounting Report
 Table of Reprogrammings or Transfers
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Reprogrammings	Transfers-in	Transfers-out	Total
Decision Unit #1: Inmate Care and Programs				
Corrections	\$ 108.98	\$ 40.31	\$ (40.31)	\$ 108.98
Total Inmate Care and Programs	\$ 108.98	\$ 40.31	\$ (40.31)	\$ 108.98
Decision Unit #2: Security/Management and Administration				
Corrections	\$ (93.03)	\$ -	\$ -	\$ (93.03)
Total Security/Management and Administration	\$ (93.03)	\$ -	\$ -	\$ (93.03)
Decision Unit #3: Contract Confinement				
Corrections	\$ (15.95)	\$ -	\$ -	\$ (15.95)
Total Contract Confinement	\$ (15.95)	\$ -	\$ -	\$ (15.95)
Total Funding	\$ -	\$ 40.31	\$ (40.31)	\$ -
High-Intensity Drug Trafficking Area (HIDTA) Transfer	\$ -	\$ -	\$ -	\$ -
Organized Crime Drug Enforcement Task Force (OCDETF)	\$ -	\$ -	\$ -	\$ -



Office of Justice Programs



U.S. Department of Justice

Office of Justice Programs

Washington, D.C. 20531

**Detailed Accounting Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the Office of Justice Programs (OJP) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the OJP system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the OJP's accounting system of record for these Budget Decision Units.
2. The drug methodology used by the OJP to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. The modifications to the methodology used to report drug control resources were approved by ONDCP.
6. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program.
7. OJP did not have any ONDCP Fund Control Notices issued in FY 2023.

**RACHEL
JOHNSON**

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RACHEL JOHNSON
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Rachel Johnson,
Chief Financial Officer

January 18, 2024

Date



U.S. Department of Justice
 Office of Justice Programs
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	FY 2023 Actual Obligations ^{1/}
Decision Unit #1: Regional Information Sharing System Program	
State and Local Assistance	\$ 15.42
Total, Regional Information Sharing System Program	\$ 15.42
Decision Unit #2: Drug Court Program	
Treatment	\$ 59.87
Harm Reduction	\$ 3.80
Recovery	\$ 26.61
Prevention	\$ 4.75
Total, Drug Court Program	\$ 95.03
Decision Unit #3: Justice and Mental Health Collaboration Program	
State and Local Assistance	\$ 0.59
Treatment	\$ 6.95
Harm Reduction	\$ 1.27
Recovery	\$ 0.98
Total, Justice and Mental Health Collaboration Program	\$ 9.79
Decision Unit #4: Residential Substance Abuse Treatment Program	
Treatment	\$ 30.97
Harm Reduction	\$ 1.24
Recovery	9.08
Total, Residential Substance Abuse Treatment Program	\$ 41.29
Decision Unit #5: Harold Rogers' Prescription Drug Monitoring Program	
State and Local Assistance	\$ 39.62
Total, Prescription Drug Monitoring Program	\$ 39.62
Decision Unit #6: Second Chance Act Program	
State and Local Assistance	\$ 1.14
Treatment	\$ 26.24
Harm Reduction	\$ 3.42
Recovery	\$ 35.53
Total, Second Chance Act Program	\$ 66.34



U.S. Department of Justice
 Office of Justice Programs
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	FY 2023 Actual Obligations ^{1/}
Decision Unit #7: Project Hope Opportunity Probation with Enforcement (HOPE)	
Treatment	\$ 0.71
Harm Reduction	\$ 1.41
Recovery	\$ 0.71
Total, Project Hope	\$ 2.82
Decision Unit #8: Byrne Criminal Justice Innovation Program	
State and Local Assistance	\$ 0.57
Total, Byrne Criminal Justice Innovation Program	\$ 0.57
Decision Unit #9: Edward Byrne Memorial Justice Assistance Grant Program	
State and Local Assistance	\$ 55.30
Recovery	8.41
Total, Justice Assistance Grant Program	\$ 60.11
Decision Unit #10: Tribal Youth Program	
Treatment	\$ 0.69
Prevention	5.07
Total, Tribal Youth Program	\$ 5.76
Decision Unit #11: Veterans Treatment Courts Program	
State and Local Assistance	\$ 0.62
Treatment	\$ 9.53
Harm Reduction	\$ 8.30
Recovery	\$ 12.30
Total, Veterans Treatment Courts Program	\$ 30.75
Decision Unit #12: Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP)	
State and Local Assistance	\$ 6.81
Treatment	\$ 44.27
Harm Reduction	\$ 51.08
Recovery	\$ 68.11
Total, COSSUP	\$ 170.28



U.S. Department of Justice
 Office of Justice Programs
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	FY 2023 Actual Obligations ^{1/}
Decision Unit #13: Tribal Assistance	
Treatment	\$ 10.85
Recovery	\$ 10.02
Total, Tribal Assistance	\$ 20.87
Decision Unit #14: Forensic Support for Opioid and Synthetic Drug Investigations	
State and Local Assistance	\$ 15.46
Total, Forensic Support	\$ 15.46
Decision Unit #15: Opioid-Affected Youth Initiative	
Treatment	\$ 1.76
Harm Reduction	\$ 0.35
Recovery	\$ 1.06
Prevention	\$ 8.56
Total, Opioid-Affected Youth Initiative	\$ 11.73
Decision Unit #16: Mentoring for Youth Affected by the Opioid Crisis	
Prevention	\$ 17.04
Total, Mentoring for Youth Affected by the Opioid Crisis	\$ 17.04
Total Obligations	\$ 602.89
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ -
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ -



U.S. Department of Justice
Office of Justice Programs
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023

Disclosure 1: Drug Methodology

The mission of the Office of Justice Programs (OJP) is to provide resources, leadership, and solutions to advance community safety, build community trust, and strengthen the community's role as co-producer of safety and justice. OJP's resources are primarily targeted toward assisting state, local, and tribal governments. In executing its mission, OJP dedicates a significant level of resources to drug-related program activities, which focus on addressing the public safety and justice system-related consequences of substance use disorder through activities such as expanding substance misuse treatment services within the justice system, promoting problem solving courts, diversion programs and other evidence-based responses to individuals with substance use disorder who come into contact with the justice system, supporting community-based efforts to reduce overdose death and provide substance misuse treatment services to justice-system involved individuals and those returning to the community following incarceration, substance use prevention and education, and research and statistics.

In March 2022, OJP and the Office of National Drug Control Policy (ONDCP) established a revised drug budget methodology that would be applied to drug budget reporting starting with the Fiscal Year (FY) 2024 budget cycle. Subsequently, ONDCP requests revisions to the allocation of program funding among the various drug budget function areas after the FY 2022 drug budget attestation was completed. OJP and ONDCP have continued to work on these revisions throughout 2023 and OJP proposed a new methodology which was approved by ONDCP on January 17, 2024. The data presented in this attestation is based on this new methodology.

The Table of Drug Control Obligations was prepared in accordance with the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021. The OJP obligations reported for the FY 2023 attestation reflect the drug budget methodology established by OJP and ONDCP in March 2022 and updated in December 2023 (as noted above).

OJP's Office of the Chief Financial Officer, Budget Formulation and Appropriations Division is responsible for the development and presentation of the annual OJP ONDCP Budget. OJP's FY 2023 drug obligations has a total of 16 decision units identified for the National Drug Control Budget. No new decision units were added in FY 2023 and there have been no further changes in how financial data on OJP's drug-related programs is reported in the Unified Financial Management System (UFMS) since the FY 2022 attestation.

The 16 decision units in FY 2023 include the following:

- Regional Information Sharing System Program
- Drug Court Program
- Justice and Mental Health Collaboration Program



U.S. Department of Justice
Office of Justice Programs
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Related Disclosures
For Fiscal Year Ended September 30, 2023

- Residential Substance Abuse Treatment Program
- Harold Rogers' Prescription Drug Monitoring Program
- Second Chance Act Program
- Project Hope Opportunity Probation with Enforcement (HOPE)
- Byrne Criminal Justice Innovation Program
- Edward Byrne Memorial Justice Assistance Grant Program
- Tribal Youth Program
- Veterans Treatment Courts Program
- Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP)
- Tribal Assistance (*previously Tribal Courts Program and Indian Alcohol and Substance Abuse Program*)
- Forensic Support for Opioid and Synthetic Drug Investigations
- Opioid-Affected Youth Initiative
- Mentoring for Youth Affected by the Opioid Crisis

In determining the level of resources used in support of these 16 budget decision units, OJP used the following methodology:

Drug Program Obligations by Decision Unit

Data on obligations, as of September 30, 2023, were gathered from DOJ's UFMS. The total obligations presented for OJP are net of funds obligated under the Crime Victims Fund and Public Safety Officers' Benefits Program.

Management and Administration (M&A) Data

M&A funds are assessed at the programmatic level and obligations are obtained from UFMS. The obligation amounts were allocated to each decision unit by applying the relative percentage of Full-Time Equivalents (FTE) assigned to the 16 drug related decision units to the total M&A obligations for OJP.

Functionally, OJP program activities fall under the following functions: State and Local Assistance, Treatment, and Prevention, Recovery and Harm Reduction. To determine the function amount, OJP used an allocation method that was derived from an annual analysis of each program's mission and by surveying program officials. OJP then applied that function allocation percentage to the obligations associated with each decision unit line item.

The Table of Drug Control Obligations amounts were calculated as follows:

Function:	OJP's drug-related programs support five drug control budget functions, State and Local Assistance, Treatment, Harm Reduction, Recovery, and Prevention. The data presented in the FY 2023 attestation reflects the interim methodology (discussed above) in its display of which budget
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functions supported by each ONDCP drug budget program and how total program funding should be allocated between these functions.

Of the 16 decision units included in this attestation:

- Four decision units (Regional Information Sharing System Program, Harold Rogers' Prescription Drug Monitoring Program, Byrne Criminal Justice Innovation Program, and Forensic Support for Opioid and Synthetic Drug Investigations) are classified as supporting State and Local Assistance activities (100 percent State and Local Assistance).
- One decision unit (Mentoring for Youth Affected by the Opioid Crisis) is classified as supporting Prevention activities (100 percent Prevention).
- The remaining eleven decisions units support a combination of two or more budget function areas as follows:
 - The Drug Courts Program supports Treatment (63 percent), Harm Reduction (4 percent), Recovery (28 percent), and Prevention (5 percent) activities.
 - The Justice and Mental Health Collaboration Program supports State and Local Assistance (6 percent), Treatment (71 percent), Harm Reduction (13 percent), and Recovery (10 percent) activities.
 - The Residential Substance Abuse Treatment Program supports Treatment (75 percent), Harm Reduction (3 percent), and Recovery (22 percent) activities.
 - Within the Second Chance Act Program, 86 percent of total funding is administered by OJP's Bureau of Justice Assistance (BJA), and the remaining 14 percent is administered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP).
 - The funds managed by BJA support State and Local Assistance (2 percent), Treatment (46 percent), Harm Reduction (6 percent), and Recovery (46 percent) activities; and
 - The funds managed by OJJDP support Recovery (100 percent) activities.
 - The Project Hope Opportunity Probation with Enforcement program supports Treatment (25 percent), Harm Reduction (50 percent), and Recovery (25 percent) activities.



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- The Edward Byrne Memorial Justice Assistance Grant Program supports State and Local Assistance (92 percent) and Recovery (8 percent) activities.
- The Tribal Youth Program supports Treatment (12 percent) and Prevention (88 percent) activities.
- Veterans Treatment Courts Program supports State and Local Assistance (2 percent), Treatment (31 percent), Harm Reduction (27 percent), and Recovery (40 percent) activities.
- The Comprehensive Opioid, Stimulant, and Substance Use Program supports State and Local Assistance (4 percent), Treatment (26 percent), Harm Reduction (30 percent), and Recovery (40 percent) activities.
- The Tribal Assistance program supports Treatment (52 percent) and Recovery (48 percent) activities.
- The Opioid-Affected Youth Initiative supports Treatment (15 percent), Harm Reduction (3 percent), Recovery (9 percent), and Prevention (73 percent) activities.

Decision Unit:

In accordance with the ONDCP Circulars and OJP's revised drug budget methodology, 100 percent of the actual obligations for 7 of the 16 budget decision units are included in the Table of Drug Control Obligations.

As specified in the current OJP drug budget methodology:

- Only 37 percent of the actual obligations for the Regional Information Sharing System Program are included;
- Only 22 percent of the actual obligations for the Justice and Mental Health Collaboration Program are included;
- Only 62 percent of the actual obligations administered by the Bureau of Justice Assistance (BJA) and 69 percent of the actual obligations administered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) under the Second Chance Act are included;
- Only 58 percent of the actual obligations for Project Hope Opportunity Probation with Enforcement are included;
- Only 44 percent of the actual obligations for the Byrne Criminal Justice Innovation are included;
- Only 16 percent of the actual obligations for the Edward Byrne Memorial Justice Assistance Grants Program are included;



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- Only 89 percent of the actual obligations for the Tribal Courts Program and Indian Alcohol and Substance Abuse Program are included;
- Only 30 percent of the actual obligations for the Tribal Youth Program are included; and
- Only 49 percent of total actual obligations for the Paul Coverdell Forensic Science Improvement Grants Program are included to represent the activity under the Forensic Support for Opioid and Synthetic Drug Investigations decision unit.

Disclosure 2: Methodology Modifications

The new methodology used in the FY 2023 DAR fully implements the revised drug-related funding percentages for some of OJP's drug related programs established in the FY 2022 drug budget methodology agreement and the revised drug budget function and the revised drug control budget function allocations proposed by OJP in January of 2024. (For more details, please see the discussions of "Function" and "Decision Unit" under Disclosure 1.) As noted above, this interim methodology was submitted to ONDCP for review and approval.

The new methodology used in the FY 2023 attestation process implements two sets of changes:

- The new methodology implements the updated percentages of funding scored as drug related for certain OJP drug related programs that were agreed to in the FY 2022 methodology agreement. (These percentages *were not used in the FY 2022 attestation* to ensure that the percentages used in the FY 2022 attestation matched those that OP used in reporting all its FY 2022 data to ONDCP.)

The new methodology implements an updated allocation of program funding among the various drug control budget function areas (including Harm Reduction and Recovery) for certain OJP programs. OJP attempted to implement the budget function allocations agreed to in the FY 2022 methodology agreement during the FY 2022 attestation process. However, OIG and ONDCP decided that these allocations were no longer acceptable to them since drug budget function totals for some programs added up to a number greater than the total funding for those programs. It was ultimately decided to adopt a compromise on the display of funding for the drug control budget functions (as shown in the FY 2022 Attestation) and that OJP and ONDCP would develop a revised system for allocating funding among the drug control budget functions for the OJP programs in question (resulting in the new allocations being implemented in this attestation – see Appendix A).



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Disclosure 3: Material Weaknesses or Other Findings

For FY 2023, OJP was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2022 *Independent Auditors' Report* revealed no material weaknesses or significant deficiencies directed at OJP. Additionally, the Department's assessment of risk and internal controls in FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

In accordance with the ONDCP's Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, OJP has provided the attached Table of Reprogrammings and Transfers. In FY 2023, for the reported decision units and programs, OJP had no reprogrammings, and \$100.95 million and \$113.46 million in drug-related transfers-in and transfers-out, respectively. The transfers-in amounts include OJP's FY 2023 prior-year recoveries associated with the reported budget decision units. The transfers-out amounts reflect the assessments for the 2.0 percent Research, Evaluation, and Statistics (RES) set aside and M&A assessments against OJP programs.

The RES 2.0 percent set-aside was directed by Congress for funds to be transferred to and merged with funds provided to the National Institute of Justice and the Bureau of Justice Statistics to be used for research, evaluation, or statistical purposes. In FY 2023, Congress provided OJP the authority to assess programs for administrative purposes.

Disclosure 5: Other Disclosures

In FY 2023, OJP's drug-related programs were supported by \$56.96 million in unobligated resources carried forward from previous fiscal years. Of this amount, \$32.72 million was rescinded to assist in addressing rescission against OJP's past years' unobligated balances that was included in the Consolidated Appropriations Act of 2023. (For a program-by-program breakdown of carryforward and rescission amounts, please refer to the Funding Crosswalk for Drug Programs table.)



Appendix A
 OJP Drug Budget Methodology for FY 2025 President's Budget Request:
 New Drug Budget Program Functions

OJP Drug Budget Program	Amount Scored as Drug-Related – FY 2022 Attestation	Amount Scored as Drug-Related – FY 2023 Attestation	Program Function Alignment – FY 2022 Methodology Agreement	Program Function Alignment – FY 2022 Attestation	Updated Interim Program Function Alignment – FY 2023 Attestation
Regional Information Sharing System Program	35% of total funding scored as drug-related	37% of total funding scored as drug-related	100% State and Local Assistance	100% State and Local Assistance	100% State and Local Assistance
Drug Court Program	100% of total funding scored as drug-related	100% of total funding scored as drug-related	100% Treatment 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	63% Treatment 4% Harm Reduction 28% Recovery 5% Prevention
Justice and Mental Health Collaboration Program	15% of total funding scored as drug-related	22% of total funding scored as drug-related	100% Treatment 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	6% State and Local Assistance 71% Treatment 13% Harm Reduction 10% Recovery
Residential Substance Abuse Treatment Program	100% of total funding scored as drug-related	100% of total funding scored as drug-related	100% Treatment 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	75% Treatment 3% Harm Reduction 22% Recovery
Harold Rogers' Prescription Drug Monitoring Program	35% of total funding scored as drug-related	35% of total funding scored as drug-related	100% State and Local Assistance	100% State and Local Assistance	100% State and Local Assistance



Appendix A
OJP Drug Budget Methodology for FY 2025 President's Budget Request:
New Drug Budget Program Functions

OJP Drug Budget Program	Amount Scored as Drug-Related – FY 2022 Attestation	Amount Scored as Drug-Related – FY 2023 Attestation	Program Function Alignment – FY 2022 Methodology Agreement	Program Function Alignment – FY 2022 Attestation	Updated Interim Program Function Alignment – FY 2023 Attestation
Second Chance Act Program	Of total funding less Project Hope carve-out (see below), BJA will manage approximately 86% and OJJDP will manage the remaining 14%. Of the total SCA funding managed by BJA, 35 percent of this total is reported as drug related. Of the total managed by OJJDP, 12 percent is reported as drug related.	Of total funding less Project Hope carve-out (see below), BJA will manage approximately 86% and OJJDP will manage the remaining 14%. Of the total SCA funding managed by BJA, 62 percent of this total is reported as drug related. Of the total managed by OJJDP, 69 percent is reported as drug related.	Of the total drug-related SCA funding managed by BJA, 100% of drug-related funding aligned as Treatment and 100% aligned as Recovery. Of the total drug-related SCA funding managed by OJJDP, 100% of drug-related funding aligned as Treatment and 16% aligned as Recovery.	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	Of the total drug related SCA funding managed by BJA: 2% State and Local 46% Treatment 6% Harm Reduction 46% Recovery Of the total drug related SCA funding managed by OJJDP: 100% Recovery
Project Hope Opportunity Probation with Enforcement	100% of total funding scored as drug-related	58% of total funding scored as drug-related	100% State and Local Assistance 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	25% Treatment 50% Harm Reduction 25% Recovery
Byrne Criminal Justice Innovation Program	30% of total funding scored as drug-related	44% of total funding scored as drug-related	100% State and Local Assistance	100% State and Local Assistance	N/A – Program Not Included in FY24
Edward Byrne Memorial Justice Assistance Grant Program	10% of total funding scored as drug-related	16% of total funding scored as drug-related	92% State and Local Assistance 8% Recovery	92% State and Local Assistance 8% Recovery	92% State and Local Assistance 8% Recovery
Veterans Treatment Courts Program	100% of total funding scored as drug-related	100% of total funding scored as drug-related	100% Treatment 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	3% State and Local 31% Treatment 27% Harm Reduction 40% Recovery
Comprehensive Opioid, Stimulant, and Substance Abuse Program	100% of total funding scored as drug-related	100% of total funding scored as drug-related	30% Treatment 42% Harm Reduction 62% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	4% State and Local 26% Treatment 30% Harm Reduction 40% Recovery



**Appendix A
OJP Drug Budget Methodology for FY 2025 President's Budget Request:
New Drug Budget Program Functions**

OJP Drug Budget Program	Amount Scored as Drug-Related – FY 2022 Attestation	Amount Scored as Drug-Related – FY 2023 Attestation	Program Function Alignment – FY 2022 Methodology Agreement	Program Function Alignment – FY 2022 Attestation	Updated Interim Program Function Alignment – FY 2023 Attestation
CTAS Purpose Area 3: Justice Systems and Alcohol and Substance Abuse	Amounts of awards for this purpose areas estimated based on funding for the Tribal Assistance appropriation and prior years' awards data. -Of this total, 80% is scored as drug related.	Amounts of awards for this purpose areas estimated based on funding for the Tribal Assistance appropriation and prior years' awards data. -Of this total, 89% is scored as drug related.	52% Treatment 48% Recovery	52% Treatment 48% Recovery	52% Treatment 48% Recovery
CTAS Purpose Area 9: Tribal Youth Program	Amounts of awards for this purpose areas estimated based on funding for the Tribal Youth Program carve-out under the Delinquency Prevention Program appropriation. Of this amount, 30% is scored as drug related.	Amounts of awards for this purpose areas estimated based on funding for the Tribal Youth Program carve-out under the Delinquency Prevention Program appropriation. Of this amount, 30% is scored as drug related.	100% Prevention 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	12% Treatment 88% Prevention
COPS Anti-Heroin Task Forces	100% of total funding scored as drug-related	100% of total funding scored as drug-related	COPS - 100% State and Local Assistance	COPS - 100% State and Local Assistance	COPS - 100% State and Local Assistance
COPS Anti-Methamphetamine Task Forces	100% of total funding scored as drug-related	100% of total funding scored as drug-related	COPS - 100% State and Local Assistance	COPS - 100% State and Local Assistance	COPS - 100% State and Local Assistance
Forensic Support for Opioid and Synthetic Drug Investigations	49% of total funding scored as drug-related	49% of total funding scored as drug-related	100% State and Local Assistance	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	100% State and Local Assistance



Appendix A
 OJP Drug Budget Methodology for FY 2025 President's Budget Request:
 New Drug Budget Program Functions

OJP Drug Budget Program	Amount Scored as Drug-Related – FY 2022 Attestation	Amount Scored as Drug-Related – FY 2023 Attestation	Program Function Alignment – FY 2022 Methodology Agreement	Program Function Alignment – FY 2022 Attestation	Updated Interim Program Function Alignment – FY 2023 Attestation
Opioid-Affected Youth Initiative	100% of total funding scored as drug-related	100% of total funding scored as drug-related	100% Prevention 60% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	15% Treatment 3% Harm Reduction 9% Recovery 73% Prevention
Mentoring for Youth Affected by the Opioid Crisis	15% of total funding scored as drug-related	15% of total funding scored as drug-related	100% Prevention 100% Recovery	No alignment shown in table – footnotes indicate function area alignments per the FY 2022 methodology agreement.	100% Prevention



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 For Fiscal Year Ended September 30, 2023
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Drug Resources by Budget Decision Unit and Function:	Reprogrammings ^{1/}	Transfers-in ^{2/}	Transfers-out ^{3/}	Total
Decision Unit #1: Regional Information Sharing System Program				
State and Local Assistance	\$ -	\$ 44.03	\$ (2.64)	\$ 41.39
Total, Regional Information Sharing System Program	\$ -	\$ 44.03	\$ (2.64)	\$ 41.39
Decision Unit #2: Drug Court Program				
Treatment	\$ -	\$ 8.94	\$ (5.95)	\$ 2.99
Harm Reduction	\$ -	\$ 0.57	\$ (0.38)	\$ 0.19
Recovery	\$ -	\$ 3.97	\$ (2.65)	\$ 1.33
Prevention	\$ -	\$ 0.71	\$ (0.47)	\$ 0.24
Total, Drug Court Program	\$ -	\$ 14.19	\$ (9.45)	\$ 4.74
Decision Unit #3: Justice and Mental Health Collaboration Program				
State and Local Assistance	\$ -	\$ 0.15	\$ (0.27)	\$ (0.11)
Treatment	\$ -	\$ 1.83	\$ (3.17)	\$ (1.34)
Harm Reduction	\$ -	\$ 0.34	\$ (0.58)	\$ (0.25)
Recovery	\$ -	\$ 0.26	\$ (0.45)	\$ (0.19)
Total, Justice and Mental Health Collaboration Program	\$ -	\$ 2.58	\$ (4.47)	\$ (1.89)
Decision Unit #4: Residential Substance Abuse Treatment Program				
Treatment	\$ -	\$ 0.57	\$ (3.35)	\$ (2.78)
Harm Reduction	\$ -	\$ 0.02	\$ (0.13)	\$ (0.11)
Recovery	\$ -	\$ 0.17	\$ (0.98)	\$ (0.82)
Total, Residential Substance Abuse Treatment Program	\$ -	\$ 0.76	\$ (4.47)	\$ (3.71)



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Drug Resources by Budget Decision Unit and Function:	Reprogrammings ^{1/}	Transfers-in ^{2/}	Transfers-out ^{3/}	Total
Decision Unit #5: Harold Rogers' Prescription Drug Monitoring Program				
State and Local Assistance	\$ -	\$ 2.50	\$ (3.48)	\$ (0.98)
Total, Prescription Drug Monitoring Program	\$ -	\$ 2.50	\$ (3.48)	\$ (0.98)
Decision Unit #6: Second Chance Act Program				
State and Local Assistance	\$ -	\$ 0.11	\$ (0.19)	\$ (0.08)
Treatment	\$ -	\$ 2.55	\$ (4.33)	\$ (1.78)
Harm Reduction	\$ -	\$ 0.33	\$ (0.56)	\$ (0.23)
Recovery	\$ -	\$ 3.45	\$ (5.86)	\$ (2.40)
Total, Second Chance Act Program	\$ -	\$ 6.45	\$ (10.94)	\$ (4.49)
Decision Unit #7: Project Hope Opportunity Probation with Enforcement (HOPE)				
Treatment	\$ -	\$ 0.11	\$ (0.13)	\$ (0.02)
Harm Reduction	\$ -	\$ 0.21	\$ (0.25)	\$ (0.04)
Recovery	\$ -	\$ 0.11	\$ (0.13)	\$ (0.02)
Total, Project Hope	\$ -	\$ 0.42	\$ (0.50)	\$ (0.08)
Decision Unit #8: Byrne Criminal Justice Innovation Program				
State and Local Assistance	\$ -	\$ 3.01	\$ -	\$ 3.01
Total, Byrne Criminal Justice Innovation Program	\$ -	\$ 3.01	\$ -	\$ 3.01



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(Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Reprogrammings ^{1/}	Transfers-in ^{2/}	Transfers-out ^{3/}	Total
Decision Unit #9: Edward Byrne Memorial Justice Assistance Grant Program				
State and Local Assistance	\$ -	\$ 13.62	\$ (37.72)	\$ (24.10)
Recovery	\$ -	\$ 1.18	\$ (3.28)	\$ (2.10)
Total, Justice Assistance Grant Program	\$ -	\$ 14.80	\$ (41.00)	\$ (26.20)
Decision Unit #10: Tribal Youth Program				
Treatment	\$ -	\$ 0.10	\$ (0.20)	\$ (0.10)
Prevention	\$ -	\$ 0.72	\$ (1.49)	\$ (0.77)
Total, Tribal Youth Program	\$ -	\$ 0.82	\$ (1.69)	\$ (0.87)
Decision Unit #11: Veterans Treatment Courts Program				
State and Local Assistance	\$ -	\$ 0.04	\$ (0.10)	\$ (0.07)
Treatment	\$ -	\$ 0.60	\$ (1.62)	\$ (1.02)
Harm Reduction	\$ -	\$ 0.52	\$ (1.41)	\$ (0.89)
Recovery	\$ -	\$ 0.77	\$ (2.09)	\$ (1.32)
Total, Veterans Treatment Courts Program	\$ -	\$ 1.93	\$ (5.23)	\$ (3.30)
Decision Unit #12: Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP)				
State and Local Assistance	\$ -	\$ 0.20	\$ (0.76)	\$ (0.55)
Treatment	\$ -	\$ 1.32	\$ (4.91)	\$ (3.60)
Harm Reduction	\$ -	\$ 1.52	\$ (5.67)	\$ (4.15)
Recovery	\$ -	\$ 2.03	\$ (7.56)	\$ (5.53)
Total, COSSUP	\$ -	\$ 5.07	\$ (18.90)	\$ (13.83)



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For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	Reprogrammings ^{1/}	Transfers-in ^{2/}	Transfers-out ^{3/}	Total
Decision Unit #13: Tribal Assistance				
Treatment	\$ -	\$ 1.65	\$ (3.10)	\$ (1.45)
Recovery	\$ -	\$ 1.53	\$ (2.87)	\$ (1.34)
Total, Tribal Assistance	\$ -	\$ 3.18	\$ (5.97)	\$ (2.79)
Decision Unit #14: Forensic Support for Opioid and Synthetic Drug Investigations:				
State and Local Assistance	\$ -	\$ 1.19	\$ (3.48)	\$ (2.29)
Total, Forensic Support	\$ -	\$ 1.19	\$ (3.48)	\$ (2.29)
Decision Unit #15: Opioid-Affected Youth Initiative				
Treatment	\$ -	\$ -	\$ (0.19)	\$ (0.19)
Harm Reduction	\$ -	\$ -	\$ (0.04)	\$ (0.04)
Recovery	\$ -	\$ -	\$ (0.11)	\$ (0.11)
Prevention	\$ -	\$ -	\$ (0.91)	\$ (0.91)
Total, Opioid-Affected Youth Initiative	\$ -	\$ -	\$ (1.24)	\$ (1.24)
Decision Unit #16: Mentoring for Youth Affected by the Opioid Crisis:				
Prevention	\$ -	\$ 0.02	\$ -	\$ 0.02
Total, Youth Mentoring	\$ -	\$ 0.02	\$ -	\$ 0.02
Total Funding	\$ -	\$ 100.95	\$ (113.46)	\$ (12.51)



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High-Intensity Drug Trafficking Area (HIDTA) Transfer	\$ -	\$ -	\$ -	\$ -
Organized Crime Drug Enforcement Task Force (OCDEF)	\$ -	\$ -	-	\$ -

^{1/} There were no reprogrammings related to the programs displayed in this table in FY 2023.

^{2/} Amounts shown for Transfers In reflect a Congressionally directed \$44 million transfer from COPS to fund the Regional Information Sharing System and another \$0.5 million transfer from COPS to support the Tribal Assistance program, as well as FY 2023 recoveries.

^{3/} Amounts shown for Transfers Out include all funding assessed from these programs to support OJP Management and Administration and the 2.0 percent Research, Evaluation, and Statistics set aside, as well as a transfer of \$1.8 million to the United States Marshals Service (USMS) to support Federal Prisoner Detention (FPD) activities.



Office of the United States Attorneys



U.S. Department of Justice

Executive Office for United States Attorneys

Resource Management and Planning Staff


Suite 6.500, 5CON Building
175 N Street, NE
Washington, DC 20530

(202) 252-5600
FAX (202) 252-5601

Detailed Accounting Report Management's Assertion Statement For Fiscal Year Ended September 30, 2023

On the basis of the United States Attorneys management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, we assert that the United States Attorneys' system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the United States Attorneys accounting system of record for these Budget Decision Units.
2. The drug methodology used by the United States Attorneys to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.
7. The United States Attorneys did not have any ONDCP Fund Control Notices issued in FY 2023.



JONATHAN PELLETIER
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Jonathan Pelletier
Chief Financial Officer

1/18/24

Date



U.S. Department of Justice
United States Attorneys
Detailed Accounting Report
Table of Drug Control Obligations
For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

	FY 2023 Actual Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit #1: Criminal	
Prosecution	\$ 126.06
Total Criminal	\$ 126.06
Total Obligations	\$ 126.06
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 1.14
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ 159.90



**U.S. Department of Justice
United States Attorneys
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Related Disclosures
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Disclosure 1: Drug Methodology

The United States Attorneys work in conjunction with law enforcement to disrupt domestic and international drug trafficking and narcotics production through comprehensive investigations and prosecutions of criminal organizations. A core mission of each of the United States Attorneys' offices (USAOs) is to prosecute violations of Federal drug trafficking, controlled substance, money laundering, and related Federal laws in order to deter continued illicit drug distribution and use in the United States. This mission includes utilizing the grand jury process to investigate and uncover criminal conduct and subsequently presenting the evidence in court as part of prosecution of individuals and organizations who violate Federal law. The USAOs also work to dismantle criminal drug organizations through asset forfeiture, thereby depriving drug traffickers of the proceeds of illegal activities.

In addition to this traditional prosecutorial role, efforts to discourage illegal drug use and to prevent recidivism by convicted drug offenders also form important parts of the USAO's drug control mission. Each USAO is encouraged to become involved in reentry programs that may help prevent future crime, including drug crimes. Reentry programs, such as reentry courts, typically include access to drug treatment and support for recovery. Prosecutors and USAO staff also participate in community outreach through initiatives that educate communities about the hazards of drug abuse.

The United States Attorneys community does not receive a specific appropriation for drug-related work in support of the National Drug Control Strategy. The United States Attorneys drug resources are part of, and included within, the United States Attorneys Annual Salaries and Expenses (S&E) Appropriation. As a result of not having a specific line item for drug resources within our appropriation, the United States Attorneys have developed a drug budget methodology based on workload data. The number of work years dedicated to non-OCDEF drug related prosecutions is taken as a percentage of total workload. This percentage is then multiplied against total obligations to derive estimated drug related obligations.

Data – In FY 2023, all financial information for the United States Attorneys was derived from Department of Justice's (DOJ's) Unified Financial Management System (UFMS). Workload information was derived from the United States Attorneys' USA-5 Reporting System.

Financial Systems –UFMS is DOJ's financial system. Obligations in this system can also be reconciled with the enacted appropriation.



Disclosure 2: Methodology Modifications

No modifications were made to the drug methodology from prior years.

Disclosure 3: Material Weaknesses or Other Findings

The United States Attorneys community is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2023, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The fiscal year 2023 audit resulted in an unmodified opinion on the financial statements. The DOJ's consolidated FY 2023 Independent Auditor's Report revealed no material weaknesses or significant deficiencies directed to the USAOs. Additionally, the Department's assessment of risk and internal control in FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There was no drug related reprogrammings or transfers that affected drug-related budgetary resources in FY 2023.



Organized Crime Drug Enforcement Task Forces Program



U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces

OCDETF Executive Office

Washington, D.C. 20530

Detailed Accounting Submission Management's Assertion Statement For Fiscal Year Ended September 30, 2023

On the basis of the Organized Crime Drug Enforcement Task Forces (OCDETF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the OCDETF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations reported by budget decision unit represents the actual obligations derived from OCDETF's accounting system of record for these Budget Decision Units.
2. The drug methodology used by OCDETF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.



Disclosure 2: Methodology Modifications

No modifications were made to the drug methodology from prior years.

Disclosure 3: Material Weaknesses or Other Findings

The United States Attorneys community is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2023, the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statement audit. The fiscal year 2023 audit resulted in an unmodified opinion on the financial statements. The DOJ's consolidated FY 2023 Independent Auditor's Report revealed no material weaknesses or significant deficiencies directed to the USAOs. Additionally, the Department's assessment of risk and internal control in FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There was no drug related reprogrammings or transfers that affected drug-related budgetary resources in FY 2023.



U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces

OCDETF Executive Office

Washington, D.C. 20530

**Detailed Accounting Submission
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the Organized Crime Drug Enforcement Task Forces (OCDETF) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the OCDETF system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations reported by budget decision unit represents the actual obligations derived from OCDETF's accounting system of record for these Budget Decision Units.
2. The drug methodology used by OCDETF to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.



7. OCDETF did not have any ONDCP Fund Control Notices issued in FY 2023.

**JESSICA
CROWLEY**

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JESSICA CROWLEY
Date: 2024.01.18
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Jessica Crowley, Budget Officer



U.S. Department of Justice
 Organized Crime Drug Enforcement Task Force (OCDETF) Program
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	FY 2023 Actual Obligations
Decision Unit #1: Investigations	
Drug Enforcement Administration (DEA)	\$ 185.94
Federal Bureau of Investigation (FBI)	126.29
U.S. Marshals Service (USMS)	11.00
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	13.06
OCDETF Fusion Center (OFC)	36.52
International Organized Crime Intelligence and Operations Center (IOC-2)	6.44
National Emerging Threats	1.75
Co-Located Strike Forces Operations	5.74
Total Investigations	\$ 386.74
Decision Unit #2: Prosecutions	
U.S. Attorneys (USAs)	\$ 162.64
Criminal Division (CRM)	2.53
EXO Threat Response Unit (TRU)	-
Total Prosecutions	\$ 165.17
Total Obligations	\$ 551.91
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ -
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ -



**U.S. Department of Justice
Organized Crime Drug Enforcement Task Forces Program
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 1: Drug 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, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021. 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 the DOJ United Financial Management System (UFMS). ICDE resources are reported as 100 percent drug-related because the entire focus of the OCDETF Program is drug control.



Financial Systems - UFMS 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 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. Additionally, Drug Intelligence Costs is reported as part of the Investigations Decision Unit.

The OCDETF Program's Decision Units are divided according to the two major activities of the Task Force – Investigations and Prosecutions – 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 UFMS 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; the U.S. Marshals Service; the OCDETF Fusion Center; and the International Organized Crime Intelligence and Operations Center. The methodology applies 100 percent of the resources that support the OCDETF Program's investigative activities.
- b. Prosecution Function - This decision unit includes the reimbursable prosecution resources for the following participating DOJ agencies: the U.S. Attorneys; the Criminal Division; and the OCDETF Executive Office Threat Response Unit. The methodology applies 100 percent of the OCDETF Program's Prosecution resources to the Prosecution Decision Unit.

Disclosure 2: Methodology Modifications

The overall methodology to calculate drug control obligations has not been modified from previous years.

Disclosure 3: Material Weaknesses or Other Findings

The OCDETF Program is a component within the DOJ Offices, Boards and Divisions (OBDs). For FY 2023 the OBDs were included in the DOJ consolidated audit and did not receive a separate financial statements audit. The DOJ's consolidated FY 2023 *Independent Auditors' Report* revealed no material weaknesses or significant deficiencies directed at OCDETF. Additionally, the Department's assessment of risk and internal control in FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings which may materially affect the presentation of prior year drug-related obligations data.

Disclosure 4: Reprogrammings or Transfers

There were no reprogrammings or transfers in FY 2023.



United States Marshals Service



U.S. Department of Justice

United States Marshals Service

Office of the Chief Financial Officer

Washington, DC 20530-0001

**Detailed Accounting Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of the U.S. Marshals Service (USMS) management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that the USMS' system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug control obligations are consistent with the application of the approved methodology for calculating drug control funding against the USMS' accounting system of record for these Budget Decision Units.
2. The drug methodology used by the USMS to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
3. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
4. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
5. There were no modifications to the methodology used to report drug control resources.
6. The data presented are associated with obligations against a financial plan that was revised during the fiscal year to properly reflect the changes, including ONDCP's approval for reprogrammings and transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program.
7. The USMS did not have any ONDCP Fund Control Notices issued in FY 2023.


Holley O'Brien
Chief Financial Officer

1/18/2024
Date



U.S. Department of Justice
 U.S. Marshals Service
 Detailed Accounting Report
 Table of Drug Control Obligations
 For Fiscal Year Ended September 30, 2023
 (Dollars in Millions)

Drug Resources by Budget Decision Unit and Function:	FY 2023 Actual Obligations
Decision Unit #1: Fugitive Apprehension	
International	\$ 1.52
Investigations	\$ 150.44
Total Fugitive Apprehension	\$ 151.96
Decision Unit #2: Judicial and Courthouse Security	
Prosecutions	\$ 169.51
Total Judicial and Courthouse Security	\$ 169.51
Decision Unit #3: Prisoner Security and Transportation	
Prosecutions	\$ 79.46
Total Prisoner Security and Transportation	\$ 79.46
Decision Unit #4: Tactical Operations	
Harm Reduction	\$ 0.01
Total Tactical Operations	\$ 0.01
Decision Unit #5: Detention	
Corrections	\$ 689.74
Total Detention	\$ 689.74
Total Obligations	\$ 1,090.67
High-Intensity Drug Trafficking Area (HIDTA) Obligations	\$ 0.85
Organized Crime Drug Enforcement Task Force (OCDETF) Resources	\$ 10.99



**U.S. Department of Justice
U.S. Marshals Service
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 1: Drug Methodology

The USMS does not receive a specific appropriation for drug-related work in support of the National Drug Control Strategy. Therefore, the USMS uses drug-related workload data to develop drug control ratios for some of its decision units, and the average daily population (ADP) for drug offenses to determine the drug prisoner population cost for the Detention Services decision unit.

Three decision units, Fugitive Apprehension, Judicial and Courthouse Security, and Prisoner Security and Transportation, are calculated using drug-related workload ratios applied to the Salaries and Expenses (S&E) appropriation.

A fourth decision unit, Tactical Operations, utilizes a projected annual cost for Naloxone (also known as Narcan) as part of the Operation Medical Support Unit (OMSU). The OMSU issues naloxone kits to its medically trained Deputy/Medic workforce as part of its routine medication issuance. The total actual cost is applied to the drug resources under Tactical Operations.

For the Fugitive Apprehension decision unit, the USMS uses drug-related workload ratios based on the number of all warrants cleared, including felony offense classifications for Federal, state, and local warrants such as narcotics possession, manufacturing, and distribution. To calculate the drug-related workload percentage for this decision unit, the USMS divides the number of drug-related warrants cleared by the total number of warrants cleared. For the Judicial & Courthouse Security, and Prisoner Security & Transportation decision units, the USMS uses drug-related workload ratios based only on in custody, drug-related, primary Federal offenses, such as various narcotics possession, manufacturing, and distribution charges. Primary offense refers to the crime with which the accused is charged that usually carries the most severe sentence. To calculate the drug-related workload percentages for these two decision units, the USMS divides the number of drug-related offenses in custody by the total number of offenses in custody. The USMS derives its drug related obligations for these three decision units starting with the USMS S&E appropriation actual obligations at fiscal year-end as reported in the Standard Form-133, Report on Budget Execution and Budgetary Resources. The previously discussed drug workload ratios by decision unit are then applied to the total S&E annual appropriation to derive the drug-related obligations.

Detention Services obligations are funded through the Federal Prisoner Detention (FPD) Appropriation. The USMS is responsible for Federal detention services relating to the housing and care of Federal detainees remanded to USMS custody, including detainees booked for drug offenses. The FPD appropriation funds the housing, transportation, medical care, and medical guard services for the detainees. FPD resources are expended from the time a prisoner is brought into USMS custody through termination of the criminal proceeding and/or commitment to the Federal Bureau of Prisons. The FPD appropriation does not include specific resources dedicated to the housing and care of the drug prisoner population. Therefore, for the Detention Services decision unit, the methodology used to determine the cost associated with the drug prisoner



**U.S. Department of Justice
U.S. Marshals Service
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

population is to multiply the ADP for drug offenses by the per diem rate (housing cost per day), which is then multiplied by the number of days in the year.

Data – All accounting information for the USMS, to include S&E and FPD appropriations, is derived from the USMS Unified Financial Management System (UFMS). The population counts and the daily rates paid for each detention facility housing USMS prisoners are maintained by the USMS Capture operational information and case management system. The data describe the actual price charged by state, local, and private detention facility operators and is updated on an as needed, case-by-case basis when rate changes are implemented. In conjunction with daily reports of prisoners housed, a report is compiled describing the price paid for non-federal detention space on a weekly and monthly basis. Data are reported on both district and national levels. The daily population counts and corresponding per diem rate data capture actuals for the detention population count and for the expenditures to house the population.

The drug-related statistical data are also queried from the USMS Capture operational information and case management system. System administrators perform a variety of checks and updates to ensure that accurate information is contained. The information on offenses and warrants is live, so information queried for year-end reporting is a snapshot-in-time. Due to continuous user activity in Capture, the statistics in this report cannot be exactly replicated. The data in Capture is dynamic, and the statistics are only current as of the date and time the report was compiled.¹

Financial Systems – UFMS and the USMS' Financial Data Allocation Platform (FDAP) are the financial systems that provides the USMS with obligation data. UFMS is the primary financial system and FDAP is a reporting tool of the financial data recorded in UFMS. Obligations in these systems can also be reconciled with the enacted appropriation.

Disclosure 2: Methodology Modifications

No modifications, all methods are the same as FY 2022.

Disclosure 3: Material Weaknesses or Other Findings

For FY 2023, the USMS was included in the DOJ consolidated financial statements audit and did not receive a separate financial statements audit opinion. The DOJ's consolidated FY 2023 Independent Auditors' Report, which was performed in Accordance with *Government Auditing Standards*, revealed no material weaknesses, significant deficiencies, or other findings for the USMS. Additionally, the Department's review of the USMS internal controls as well as program activity for FY 2023 conducted in accordance with OMB Circular A-123 did not identify any findings that adversely affected the functioning of existing controls, or the integrity of the data used in published financial reports.

¹ Capture data reports were generated in October 2023.



**U.S. Department of Justice
U.S. Marshals Service
Detailed Accounting Report
Related Disclosures
For Fiscal Year Ended September 30, 2023**

Disclosure 4: Reprogrammings or Transfers

In FY 2023, the USMS reprogrammed funds from the Fugitive Apprehension and the Prisoner Security and Transportation decision units of \$19 million and \$1 million, respectively, to the Judicial and Courthouse Security decision unit. The Judicial and Courthouse Security decision unit received a total of \$23.5 million, but only \$20 million was reprogrammed from applicable decision units as indicated in the Detailed Accounting Report "Table of Reprogrammings or Transfers." The USMS uses drug-related workload ratios and applies them to the actual obligations. When reviewing the changes to the drug budget due to the reprogramming, the overall impact to the USMS drug budget was minimal, increasing the drug resources by approximately \$2 million.

The FPD appropriation received transfers of \$48 million from external sources. The transfers came from the following organizations: \$5 million from the Community Oriented Policing Services (COPS), \$2.3 million from the Office of Justice Programs (OJP), \$39.4 million from the Federal Bureau of Investigation (FBI), and \$1.3 million from Community Relations Service (CRS). Due to the methodology for calculating drug resources for FPD, these transfers did not impact the drug budget.

Disclosure 5: Other Disclosures

None.



Department of Labor

U.S. Department of Labor

Office of the Assistant Secretary
for Administration and Management
Washington, D.C. 20210



February 7, 2024

Mr. Jon Rice
Assistant Director
Office of Performance and Budget
Office of National Drug Control Policy
Executive Office of the President
Washington, D.C. 20503

Mr. Rice:

Please find attached the Department of Labor's (DOL) FY 2023 Compliance Reports (Report), consisting of the Budget Formulation Compliance Report and Detailed Accounting Report. In accordance with the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews* (Circular), issued September 9, 2021, DOL affirms the assertions identified below are fairly presented in all material respects with the ONDCP established criteria.

Statements in this document are assertions to the effect of what is required by the Circular.

Budget Formulation Compliance Report Assertions

DOL affirms that the FY 2025 Summer Drug Budget (Budget) was not submitted to ONDCP. Per Section 9.a.(1) of ONDCP Circular: Budget Formulation (issued September 9, 2021), DOL provided a letter documenting that the Department of Labor would not be submitting any budget proposal, budget formulation data, or other pre-decisional budget information to ONDCP for review or adjudication prior to the development of the OMB-level, fall budget submission. To align with OMB's FY 2025 guidance funding levels and the strict budget caps enacted as part of the Fiscal Responsibility Act of 2023, DOL requested that sub-agencies not develop any new major initiatives for the FY 2025 budget.

Detailed Accounting Report Assertions

DOL affirms that the data and information presented on prior year obligations has been reported accurately.

DOL affirms obligations reported by budget decision unit are the actual obligations derived from the bureau's accounting system of record for these Budget Decision Units or are consistent with the application of the approved methodology, as required by *ONDCP Circular: Budget Formulation* (Section 7).

DOL affirms the reasonableness and accuracy of the drug methodology used to calculate obligations of prior year budgetary resources by decision unit and by function.

DOL affirms that the drug methodology disclosed in Section 7.a.(2) was the actual methodology used to generate the table required by Section 7.a.(1) of the Circular.



U.S. Department of Labor

Office of the Assistant Secretary
for Administration and Management
Washington, D.C. 20210



DOL affirms that all material weaknesses or other findings by independent sources, or other known weaknesses, which may affect the presentation of prior year drug-related obligations as required by Section 7.a.(4) have been disclosed.

DOL affirms that any modifications made to methodology for reporting drug control resources from the previous year's reporting are disclosed and, if a modification is reported, whether the modification was approved by ONDCP.

DOL affirms 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 all reprogrammings or transfers affecting drug-related resources that individually or in aggregate for the fiscal year exceed \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget (21 U.S.C. § 1703(c)(4)(A)).

DOL affirms that the data presented are associated with obligations against a financial plan that fully complied with all Fund Control Notices issued by the Director of National Drug Control Policy under 21 U.S.C. § 1703(f) and Section 9 of the *ONDCP Circular: Budget Execution*.

Inspector General Authentication Exemption

As the Department's FY 2022 obligations for drug-related activities fall below the threshold of \$50 million, compliance with the Inspector General Authentication requirements of Section 8 of Circular would constitute an unreasonable reporting burden. Therefore, an Inspector General attestation review does not accompany the DOL Report.

If you have any questions, please contact Emily Page at (202) 693-4076.

Sincerely,

Geoffrey Kenyon
Deputy Assistant Secretary for Budget and Performance



Employment and Training Administration

Compliance Report Resource Summary Table

DEPARTMENT OF LABOR Employment and Training Administration

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 Request
Drug Resources by Function		
Prevention	\$4.200	\$6.000
Treatment and Recovery	\$18.822	\$18.822
Total Drug Resources by Function	\$23.022	\$24.822
Drug Resources by Decision Unit		
Job Corps	\$4.200	\$6.000
<i>Operations</i>	\$4.200	\$6.000
<i>Construction, Rehabilitation, and Acquisition (CRA)</i>	\$0	\$0
<i>Administration</i>	\$0	\$0
Training and Employment Services	\$18.822	\$18.822
<i>Adult Employment and Training Activities</i>	\$0	\$0
<i>Dislocated Worker Employment and Training Activities</i>	\$18.822	\$18.822
<i>Youth Activities</i>	\$0	\$0
<i>Reintegration of Ex-Offenders</i>	\$0	\$0
<i>Native Americans</i>	\$0	\$0
<i>Migrant and Seasonal Farmworkers</i>	\$0	\$0
<i>H-1B Job Training Grants</i>	\$0	\$0
<i>Data Quality Initiative</i>	\$0	\$0
<i>Apprenticeship Grants</i>	\$0	\$0
Total Drug Resources by Decision Unit	\$23.022	\$24.822
Drug Resources Personnel Summary		
Total FTEs (direct only)	—	—
Drug Resources as a percent of Budget		
Total Agency Budget (in Billions)*	\$10.5	\$10.5
Drug Resources percentage	0.004	0.004

* Agency budget includes all ETA discretionary funding. Budget does not reflect Reemployment Services and Eligibility Assessment adjustments.



DEPARTMENT OF LABOR
Employment and Training Administration
Training and Employment Services
Detailed Accounting Report

Resource Summary	Budget Authority (in Millions)	FY 2023 Enacted BA	FY 2023 Final Obligations
Drug Resources by Function			
Treatment and Recovery		\$18.822	\$18.822
Drug Resources by Decision Unit			
Adult Employment and Training Activities		\$0	\$0
Dislocated Worker Employment and Training Activities		\$18.822	\$18.822
Youth Activities		\$0	\$0
Reintegration of Ex-Offenders		\$0	\$0
Native Americans		\$0	\$0
Migrant and Seasonal Farmworkers		\$0	\$0
H-1B Job Training Grants		\$0	\$0
Data Quality Initiative		\$0	\$0
Apprenticeship Grants		\$0	\$0
Drug Resources Personnel Summary			
Total FTEs (direct only)		0	0

The HHS declaration of opioid abuse as a national health emergency permits the Department to award Disaster Recovery Dislocated Worker grants. This appropriation may be used for these grants until HHS's health emergency declaration expires. Because no funding is appropriated specifically for the National Health Emergency Grants, the funding amount in the "Enacted BA" column is equal to the final obligations.

MISSION

National Dislocated Worker Grants (DWGs), formerly known as National Emergency Grants, are discretionary grants awarded by the Secretary of Labor, under Section 170 of the Workforce Innovation and Opportunity Act (WIOA). This funding is intended to temporarily expand capacity to serve dislocated workers, including military service members, and meet the increased demand for WIOA employment and training services, with a purpose to reemploy laid off workers and enhance their employability and earnings. Disaster DWGs provide funding to create temporary employment opportunities to assist with recovery efforts when an area is declared eligible for public assistance by a federal agency with authority or jurisdiction over Federal response to the emergency or disaster. The Department of Health and Human Services' declaration of opioid abuse as a national health emergency permits the Department of Labor to award Disaster Recovery Dislocated Worker grants. This appropriation may be used for these grants until HHS's health emergency declaration expires.



DRUG METHODOLOGY

The National Reserve operates on a program year (PY), and funds appropriated to this account in FY 2023 are available for federal obligation from July 1, 2023 through September 30, 2024. The total amount of money that will be utilized for the opioid crisis DWGs will depend on the number of states that provide qualified applications and the availability of funds. Because Program Year 2023 is still in progress, the Department cannot provide an accurate estimate of how much money will be awarded with the FY 2023 appropriation. As of December 31, 2023, the Department has awarded \$5.6 million in PY 2023 opioid-related DWGs. These were all funded from ETA's FY 2023 appropriation. During FY 2023, ETA awarded \$18.8 million opioid-related DWGs. This included funding from both ETA's FY 2022 and FY 2023 appropriations. In total, Congress appropriated \$325.9 million that can be used for the National Dislocated Worker Grants and other authorized purposes in PY 2023.

METHODOLOGY MODIFICATIONS

The Department has no information to report for this section.

MATERIAL WEAKNESSES OR OTHER FINDINGS

The Department has no information to report for this section.

REPROGRAMMINGS OR TRANSFERS

The Department has no information to report for this section.

OTHER DISCLOSURES

The Department has no information to report for this section.



DEPARTMENT OF LABOR
Employment and Training Administration
Office of Job Corps
Detailed Accounting Report

Budget Authority (in Millions)		
Resource Summary	FY 2023 Enacted BA	FY 2023 Final Obligations
Drug Resources by Function		
Prevention	\$4.200	\$4.200
Drug Resources by Decision Unit		
Operations	\$4.200	\$4.200
Construction, Rehabilitation, and Acquisition (CRA)	\$0	\$0
Administration	\$0	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	0	0

MISSION

The Job Corps program is administered by the Department of Labor's Employment and Training Administration (ETA). Established in 1964, the Job Corps program is a comprehensive, primarily residential, academic and career technical training program for opportunity youth, ages 16-24. Currently there are 123 Job Corps centers across all 50 states, Puerto Rico, and the District of Columbia. These centers collectively serve around 30,000 opportunity youth annually. The mission is to equip Job Corps students with essential skills by combining academic and career technical training, offering comprehensive personal and career counseling, and ultimately providing support for job placement. The ultimate goal is to prepare them for successful entry into the workforce, registered apprenticeships, military service, or further pursuit of post-secondary education. An integral facet of this initiative, designed to impart essential life skills, is the Trainee Employment Assistance Program (TEAP). TEAP incorporates elements focused on drug prevention and education, specifically tailored to enhance job preparation for participants in the Job Corps program. Emphasizing a commitment to a drug-free environment, Job Corps aims to cultivate a healthy learning atmosphere, enabling students to thrive in their educational pursuits.

The Jobs Corps program operates on a program year (PY) basis – as opposed to a fiscal year (FY) basis. Funds appropriated for Program Year 2023 are available for obligation from July 1, 2023 through June 30, 2024.

DRUG METHODOLOGY



The Office of Job Corps' expenditures for the TEAP program are for health specialists to prepare Job Corps program participants for employment, including: education on the implications of alcohol, drug and tobacco use; substance misuse and prevention awareness activities; development of programs to prevent alcohol, drug and tobacco use and abuse among the student population; development and coordination of community resources to educate students on substance misuse ; and identification of and provision of counseling services to students with substance misuse problems and arrangement of appropriate treatment. In addition, the budget includes the full cost of drug testing each individual student upon entry.

METHODOLOGY MODIFICATIONS

The Department has no information to report for this section.

MATERIAL WEAKNESSES OR OTHER FINDINGS

The Department has no information to report for this section.

REPROGRAMMINGS OR TRANSFERS

The Department has no information to report for this section.

OTHER DISCLOSURES

The Department has no information to report for this section..



Office of Workers' Compensation Programs

Compliance Report Resource Summary Table

DEPARTMENT OF LABOR
Office of Workers' Compensation Programs

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 Request
Drug Resources by Function		
Prevention	\$5.119	\$5.360
Total Drug Resources by Function	5.119	5.36
Drug Resources by Decision Unit		
<i>Federal programs for workers' compensation</i>	\$5.119	\$5.360
<i>American Rescue Plan Act</i>	\$0	\$0
Total Drug Resources by Decision Unit	5.119	5.36
Drug Resources Personnel Summary		
Total FTEs (direct only)	26	26
Drug Resources as a Percent of Budget		
Total Special Benefits Budget (in Billions)	\$0.082	\$0.083
Drug Resources Percentage	0.062	0.065

DEPARTMENT OF LABOR
Office of Inspector General

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 Request
Drug Resources by Function		
Investigations	\$1.800	\$1.800
Total Drug Resources by Function	\$1.800	\$1.800
Drug Resources by Decision Unit		
<i>Program and Trust Funds</i>	\$1.800	\$1.800
<i>OIG American Rescue Plan</i>	\$0	\$0
<i>CARES Act</i>	\$0	\$0
Total Drug Resources by Decision Unit	\$1.800	\$1.800
Drug Resources Personnel Summary		
Total FTEs (direct only)	9	9
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$0.097	\$0.112
Drug Resources Percentage	0.019	0.016



DEPARTMENT OF LABOR
Office of Workers' Compensation Programs
Special Benefits
Detailed Accounting Report

Resource Summary	Budget Authority (in Millions)	
	FY 2023 Enacted BA	FY 2023 Final Obligations
Drug Resources by Function	\$5.119	\$5.119
Prevention		
Drug Resources by Decision Unit		
Federal programs for workers' compensation	\$5.119	\$5.119
American Rescue Plan Act	\$0	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	26	26

MISSION

The Special Benefits program is administered by the Department of Labor's Office of Workers' Compensation Programs (OWCP). The Special Benefits fund, administered by OWCP, comprises two accounts representing obligations for benefits under the Federal Employees' Compensation Act (FECA), as amended, with extensions, and the Longshore and Harbor Workers' Compensation Act (LHWCA), as amended, with extensions. The requested funding provides resources necessary to meet required payments for compensation, medical costs, vocational rehabilitation, and other benefits made to eligible claimants or their survivors as mandated by each of the Acts. Under extensions of FECA, the program pays benefits to certain groups, such as War Hazards Compensation Act claimants, non-Federal law enforcement officers, Job Corps enrollees, and certain Federally supported volunteers.

Spending authority is also provided for FECA program administration out of annual "Fair Share" collections. Fair Share assessments are mandated under Section 8147(c) of the FECA for 23 nonappropriated agencies, including the United States Postal Service, with each paying a pro rata share of OWCP's cost to administer FECA claims filed by their employees.

Section 10(h) of the amended LHWCA authorized annual adjustments in compensation to beneficiaries in cases of permanent total disability or death occurring on or prior to October 27, 1972, with the Federal Government paying half the costs of the annual increase for compensation of those cases. A direct appropriation provides the necessary resources to meet the required annual increase in benefits for the Federal share of the costs for compensation and related benefits for the pre-1972 cases. Private insurance companies and/or employers pay the remaining 50 percent of the compensation.



DRUG METHODOLOGY

In the FY 2022 ONDCP Detailed Accounting Report, the OWCP reported that, beginning with the FY 2025 budget cycle, a new detailed ONDCP-related funding level method will be used. For the FY 2025 Budget Request, the OWCP is using FY 2023 activities/costs to calculate the approximate funding directed towards improving the safety and quality of care as it relates to prescription drugs. This includes the cost of estimated time spent by federal personnel from the Program Integrity, Prescription Management, and Fraud Prevention Branch; the Information Technology Branch; and the OWCP's Division of Administrative Operations. This also includes contract costs of estimated time spent on medical/pharmaceutical data analysis and the cost of procured datasets. The new method tracks FY 2025 costs by OWCP federal FTE that are associated with drug control activities and by contracts that are associated with the OWCP's drug control activities. The FY 2023 and FY 2024 amounts have not been changed since they were derived prior to implementation of this new method. The FY 2023 and FY 2024 FTE figures include effort expended by OWCP federal and contract staff. The FY 2025 FTE figure only shows effort expended by OWCP federal staff.

METHODOLOGY MODIFICATIONS

The Department has no information to report for this section.

MATERIAL WEAKNESSES OR OTHER FINDINGS

The Department has no information to report for this section.

REPROGRAMMINGS OR TRANSFERS

The Department has no information to report for this section.

OTHER DISCLOSURES

The Department has no information to report for this section.



Office of Inspector General

DEPARTMENT OF LABOR Office of Inspector General Detailed Accounting Report

Budget Authority (in Millions)		
Resource Summary	FY 2023 Enacted BA	FY 2023 Final Obligations
Drug Resources by Function	\$1.800	\$1.800
Investigations		
Drug Resources by Decision Unit		
Program and Trust Funds	\$1.800	\$1.800
OIG American Rescue Plan	\$0	\$0
CARES Act	\$0	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	9	9

MISSION

The Office of Inspector General (OIG) has dedicated significant audit and investigative resources over the years to improve the FECA program because of its significant cost to taxpayers and impact on injured Federal workers and their dependents. In particular, the FECA program, along with other Federal government workers' compensation programs, is highly susceptible to abuse and fraud due to risks associated with prescription drugs. Previous OIG work has highlighted the high reimbursement costs of compounded drug medications and safety concerns with overprescribing opioids. In addition, the OIG continues to initiate criminal investigations relating to fraudulent activity involving opioids in the FECA program.

DRUG METHODOLOGY

The OIG will continue work with the Office of Workers' Compensation Programs (OWCP) to identify and investigate the most egregious health care providers who attempt to defraud the OWCP program and, in particular, those relating to the fraudulent activity involving opioids in the FECA program.

The OIG will also continue working with OWCP and other OIGs facing similar problems with compounded drug medications and opioids in an effort to identify best practices and programmatic changes that reduce susceptibility to fraud. In addition, the OIG's focus on using data analytics will increase the ability of the OIG to identify new and changing trends in criminal activity more quickly and end fraud sooner, thus saving taxpayer funds.



METHODOLOGY MODIFICATIONS

The Department has no information to report for this section.

MATERIAL WEAKNESSES OR OTHER FINDINGS

The Department has no information to report for this section.

REPROGRAMMINGS OR TRANSFERS

The Department has no information to report for this section.

OTHER DISCLOSURES

The Department has no information to report for this section.



Employee Benefits Security Administration

Compliance Report Resource Summary Table

DEPARTMENT OF LABOR Employee Benefits Security Administration

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 Request
Drug Resources by Function		
Building a Recovery Ready Nation	\$0	\$0
Total Drug Resources by Function	\$0	\$0
Drug Resources by Decision Unit		
<i>Enforcement and participant assistance</i>	\$0	\$0
<i>Policy and compliance assistance</i>	\$0	\$0
<i>Executive leadership, program oversight and administration</i>	\$0	\$0
Total Drug Resources by Decision Unit	\$0	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	0	0
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$0.186	\$0.191
Drug Resources Percentage	0.0	0.0

DEPARTMENT OF LABOR Office of Disability Employment Policy

Resource Summary

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 Request
Drug Resources by Function		
Recovery	\$0.800	\$0
Total Drug Resources by Function	\$0.800	\$0
Drug Resources by Decision Unit		
<i>Office of Disability Employment Policy</i>	\$0.800	\$0
<i>Reimbursable program activity</i>	\$0	\$0
Total Drug Resources by Decision Unit	\$0.800	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	0	0
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$0.043	\$0.043
Drug Resources Percentage	0.019	0.0



DEPARTMENT OF LABOR
Employee Benefits Security Administration
Detailed Accounting Report

Budget Authority (in Millions)		
Resource Summary	FY 2023 Enacted BA	FY 2023 Final Obligations
Drug Resources by Function	\$0	\$0
Building a Recovery Ready Nation		
Drug Resources by Decision Unit		
Enforcement and participant assistance	\$0	\$0
Policy and compliance assistance	\$0	\$0
Executive leadership, program oversight and administration	\$0	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	0	0

MISSION

EBSA’s mission is to ensure the security of the retirement, health and other workplace-related benefits of America’s workers and their families. Although EBSA is a small agency, currently employing approximately 850 people, it is responsible for protecting more than 153 million workers, retirees, and their families, who are covered by approximately 765,000 private retirement plans, 2.8 million health plans, and 619,000 other welfare benefit plans. Together, these plans hold estimated assets of \$12.7 trillion.

Employment-based benefit plans are vital to the financial security and physical well-being of millions of workers, retirees, and their families. EBSA’s work supports the Secretary’s policy priorities to *Invest and Value the Nation’s Care Economy* and *Support a Lifetime of Worker Empowerment* by protecting the public interest in retirement, health, and other benefits, and increasing confidence that promised benefits will be available when needed. EBSA carries out its mission in a complex and evolving economic and regulatory environment, in support of the Secretary’s vision to *Advance Equity, Build the Team, and Unleash Agencies’ Full Power*.

DRUG METHODOLOGY

The base, annual appropriation or budget requests of EBSA do not contain resources for ONDCP-related initiatives.

In FY 2024, EBSA was apportioned \$25.779 million in carryover funding to address mental health and substance use disorder (SUD) parity enforcement efforts and bolster audits of plans’ and issuers’ comparative analyses of their non-quantitative treatment limitations (NQTLs),



pursuant to the FY 2021 Consolidated Appropriations Act (CAA) P.L. 116-260. In support of building a recovery ready nation, EBSA plans to continue similar efforts (where possible) to obligate approximately \$5.5 million of overall CAA enforcement resources for NQTL provisions and SUD in FY 2023.

METHODOLOGY MODIFICATIONS

The Department has no information to report for this section.

MATERIAL WEAKNESSES OR OTHER FINDINGS

The Department has no information to report for this section.

REPROGRAMMINGS OR TRANSFERS

The Department has no information to report for this section.

OTHER DISCLOSURES

The Department has no information to report for this section.



Office of Disability Employment Policy

DEPARTMENT OF LABOR Office of Disability Employment Policy Detailed Accounting Report

Budget Authority (in Millions)		
Resource Summary	FY 2023 Enacted BA	FY 2023 Final Obligations
Drug Resources by Function		
Recovery	\$0.800	\$0.800
Drug Resources by Decision Unit		
Office of Disability Employment Policy	\$0.800	\$0.800
Reimbursable program activity	\$0	\$0
Drug Resources Personnel Summary		
Total FTEs (direct only)	0	0

MISSION

The Office of Disability Employment Policy's (ODEP) mission is to develop and influence policies and practices to increase employment opportunities for people with disabilities. This mission is in response to stark inequities between the employment and earnings of people with disabilities in comparison to people without disabilities. One ODEP pilot project, Advancing State Policy Integration for Recovery and Employment (ASPIRE), works to support and expand [competitive integrated employment \(CIE\)](#) for people with mental health conditions. As part of this initiative, ASPIRE includes individuals with mental health conditions who also have co-occurring substance use disorders. Ensuring that the employment needs of this population are met is an important consideration and component of this project. In addition, there is a growing research base to support the validity of Individual Placement and Support (IPS) Supported Employment, the primary intervention strategy and focus of ASPIRE activities, as an evidence-based practice for individuals with substance use disorders. The ASPIRE pilot is ending in FY 2024.

DRUG METHODOLOGY

The drug resources cost estimates are based on the total estimated spending for the competitive contract. The contractor selected states to receive supports from ASPIRE in FY 2024. To qualify for selection in FY 2024, state applicants had to include a representative from at least one key state or local mental health stakeholder organization, and one state-level substance/addiction treatment agency/entity representative, or one behavioral health representative. Including these representatives assists with reducing potential barriers and ensuring more consistent strategies across the state. The targeted population for the new ASPIRE contract includes individuals with mental health conditions as well as those with co-occurring substance use disorder. The FY 2024 work on ASPIRE is funded through a contract awarded in FY 2023. The pilot project will end in summer of 2024.



METHODOLOGY MODIFICATIONS

The Department has no information to report for this section.

MATERIAL WEAKNESSES OR OTHER FINDINGS

The Department has no information to report for this section.

REPROGRAMMINGS OR TRANSFERS

The Department has no information to report for this section.

OTHER DISCLOSURES

The Department has no information to report for this section.



Department of State

Bureau of International Narcotics and Law Enforcement Affairs




Office of Inspector General
United States Department of State

UNCLASSIFIED

February 16, 2024

MEMORANDUM

TO: INL/FO – Todd Robinson

FROM: OIG/AUD – Norman P. Brown 

SUBJECT: Report on *Independent Review of the U.S. Department of State Accounting and Authentication of FY 2023 Budget Formulation Compliance and Detailed Accounting Report* (AUD-FM-24-10)

The subject Office of Inspector General report is attached for your information. If you have any questions about this report, please contact Director Sherry K. Fullwood, Financial Management Division, at Sherry.K.Fullwood@stateoig.gov.

Attachment: As stated.

cc: INL/EX – Jeffery Lee
INL/EX/MCO – Laiza Reidenbach



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Office of Inspector General
United States Department of State

Independent Review of the U.S. Department of State
Accounting and Authentication of FY 2023 Budget Formulation
Compliance and Detailed Accounting Report
AUD-FM-24-10, February 16, 2024

To the Acting Executive Director of the Executive Office of the Bureau of International Narcotics and Law Enforcement Affairs of the U.S. Department of State:

The Office of Inspector General (OIG) has reviewed the management assertions that are included in the U.S. Department of State (Department) report *Accounting and Authentication of FY 2023 Budget Formulation Compliance and Detailed Accounting Report*. The Department's Bureau of International Narcotics and Law Enforcement Affairs' management is responsible for preparing this report, in accordance with "[Office of National Drug Control Policy (ONDCP)] Circular: National Drug Control Program Agency Compliance Reviews" (September 9, 2021). OIG is responsible for expressing a conclusion on management's assertions based on its review.

OIG's review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that OIG plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertions in order for them to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects, in order to express an opinion. Accordingly, OIG does not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. OIG believes that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for its conclusion.

OIG is required to be independent and to meet its other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

OIG reviewed "ONDCP Circular: National Drug Control Program Agency Compliance Reviews" to ascertain an understanding of the Department's reporting requirements and required management's assertions. OIG requested, obtained, and analyzed supporting documentation from the Department to form its conclusion.

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Based on its review, OIG is not aware of any material modifications that should be made to management's assertions included in the report in order for it to be fairly stated. The Department's Bureau of International Narcotics and Law Enforcement Affairs issued its final report to OIG after the agreed-upon date of January 12, 2024, therefore OIG was unable to complete its review and issue this report to meet the February 1, 2024, deadline required by the ONDCP circular.

Norman P. Brown
Assistant Inspector General for Audits



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

January 23, 2024

Dr. Rahul Gupta, Director
Office of National Drug Control Policy
Washington, D.C. 20503

Dear Dr. Gupta:

In accordance with the Office of National Drug Control Policy (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) is submitting its Accounting and Authentication of FY 2023 Budget Formulation Compliance and Detailed Accounting Report.

In accordance with Section 6 on Budget Formulation Compliance, I certify that INL's FY 2025 Summer Budget Submission transmittal letter was submitted to ONDCP on September 13, 2023.

In accordance with Section 7(b) in the same ONDCP Circular, to the best of my knowledge all of the information presented for INL is true, accurate and I concur with all of the assertions. For the purposes of Section 8, the Department's Office of the Inspector General will provide via separate memo the conclusion of their assertion review.

Please reach out if you have any questions.

Sincerely,

Jeffrey C. Lee
Acting Executive Director
Bureau of International
Narcotics and Law
Enforcement Affairs

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Attachments:

- Tab 1 – INL FY 2023 Compliance Report
- Tab 2 – INL FY 2025 ONDCP Summer Budget Transmittal Letter
- Tab 3 – INL FY 2025 ONDCP Summer Budget Submission

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

**Accounting and Authentication of FY 2023
Budget Formulation Compliance and Detailed Accounting Report**

Reference: Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews, released September 9, 2021.

SECTION 6. Budget Formulation Compliance Report

Section 6(a). Summer Budget Formulation Information

Section 6(a)(1). Summer Drug Budget Transmittal

A copy of the FY 2025 Summer Drug Budget Submission provided to ONDCP on September 13, 2023 is attached at Tab 3.

Section 6(a)(2). Summer Drug Budget Resource Summary Table

Below is the funding table submitted by the Department of State's Office of Foreign Assistance (F) to ONDCP per ONDCP Circular: Budget Formulation 9(a)(2).

Budget Authority (in Millions)		
	FY 2023 Request**	FY 2024 Request
Drug Resources by Function		
International	\$374.679	\$343.369
Total Drug Resources by Function	\$374.879	\$343.369
Drug Resources by Decision Unit		
INCLE	\$374.679	\$343.369



Total Drug Resources by Decision Unit	\$374.679	\$343.369	
Drug Resources Personnel Summary			
Total FTEs	130	134	
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)*	\$42.9	\$45.5	
Department of State Drug Resources Percentage	0.87%	0.75%	

* Total Agency Budget is the entire foreign assistance budget (both State and USAID).

** Allocations are not yet available for the enacted FY 2023 appropriation. The FY 2023 counternarcotics level is an estimate based on the FY 2023 Congressional Budget Justification and does not reflect final decisions on funding allocations.

Note: The Bureau of International Narcotics and Law Enforcement Affairs (INL) does not process transfers or reimbursements related to the Organized Crime Drug Enforcement Task Forces Program (OCDETF) and the High Intensity Drug Trafficking Areas (HIDTA).

Section 6(b). Assertions

Section 6(b)(1). Timeliness of Summer Budget Submission

I assert that the Bureau of International Narcotics and Law Enforcement Affairs (INL) submitted the Summer Drug Budget submission referenced in section 6(a)(1) to ONDCP on September 13, 2023, two days beyond the statutory deadline, under the attached cover letter provided in response to section 9(a)(1) of ONDCP Circular: Budget Formulation. The Summer Drug Budget submission was provided to ONDCP during the timeframe that the budget request was submitted to OMB for review once counternarcotics levels were determined.

Section 6(b)(2). Funding Levels Represent Bureau-Level Request

I assert that the International Narcotics Control and Law Enforcement (INCLE) funding request submitted to ONDCP provided in section 6(a)(2) of this circular represents the budget submission made by F to the Secretary of State without



alteration or adjustment by any official at the Department.

SECTION 7. Detailed Accounting Report

The Department is providing a Detailed Accounting Report on the drug control program obligations of the INL bureau in accordance with Section 7 of the ONDCP Circular: National Drug Control Program Agency Compliance Reviews. The Detailed Accounting Report consists of (a) the drug control funding obligations, and (b) assertions by the accountable senior executive relating to the data and information presented on prior year obligations.

Section 7(a). Drug Control Funding Obligations

Section 7(a)(1). Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

The following table presents the obligations of the drug control budgetary resources appropriated and available during FY 2023 by Drug Control Function and Budget Decision Unit.

**INL
Drug Control Obligations**

		<u>Actual Obligations Occurring During FY 2023</u>
Drug Resources by Drug Control Function		
FY 2018		\$10,726,635.18
FY 2019		-
FY 2022		\$329,731,174.43
FY 2023		\$150,570,971.13
International (INCLE)	Total	\$491,028,780.74
Drug Resources by Decision Unit		
FY 2018		\$10,726,635.18
FY 2019		-
FY 2022		\$329,731,174.43
FY 2023		\$150,570,971.13
International (INCLE)	Total	\$491,028,780.74



Total INCLE Budget for Identified Appropriations		
	FY 2018	\$102,841,425.00
	FY 2019	\$11,244,718.00
	FY 2022	\$1,845,340,218.77
	FY 2023	\$1,786,133,113.16
INCLE	Total	\$3,745,559,474.93

Section 7(a)(2). Drug Methodology

The Department and USAID are required to categorize foreign assistance by the Office of Foreign Assistance (F) Standardized Program Structure and Definitions (SPSD) throughout the budget formulation and execution processes. The data is recorded in F's Foreign Assistance Coordination and Tracking System (FACTS Info) Next Generation (NextGen) system. FACTS Info NextGen serves as the central information system for all foreign assistance budgeting, operational planning, and performance management processes overseen by F and stands at the nexus of F and operating units worldwide. It is used to create, store, and analyze budgets, Operational Plans, and performance information for Department and USAID programs, as well as for generating reports for OMB, ONDCP, and Congress. Funds that support drug-related activities are categorized in the F SPSPD under the Peace and Security Objective, Counternarcotics Program Area (PS.3). INL calculates the drug control funding levels reported to ONDCP using data from the FACTS Info NextGen system. INCLE funds are obligated using project codes that include strategic goal codes that align to the F SPSPD so the accounting system is able to report obligations for drug related activities for ONDCP.

The Department's accounting system of record, Global Business Intelligence (GBI), tracks obligations through a combination of the appropriation point limitation, function code, allotment code, and project code. This arrangement enables the separation of all the drug control obligations being reported from other funds managed by INL. The accounting reports reflect net negative amounts when obligations and their associated expenditures and de-obligations occur in different fiscal years. Thus, all expenditures and de-obligations that occurred in the current year (i.e., FY 2023 for the purposes of this report) that are associated with original obligations that occurred in a prior year (e.g., FY 2022), would result in a negative obligation.

For the drug control obligations report, the *Drug Resources by Control Function* and *Drug Resources by Decision Unit* obligations levels were produced using GBI.



The levels reported reflected INCLE program and Program Development and Support (PD&S) funds (account code 1022) that were obligated in FY 2023 for all project codes aligned with drug control activities. PD&S funds support administrative costs for INL programming. The *Total INCLE Budget for Identified Appropriations* amount was also produced using GBI and reflects INCLE funding from all active appropriations for drug control activities during FY 2023.

Section 7(a)(3). Methodology Modifications

There are no modifications to INL's methodology from previous years.

Section 7(a)(4). Material Weaknesses or Other Findings

The Department received an unmodified ("clean") audit opinion of its FY 2023 Financial Statements, with no material weaknesses in internal controls over financial reporting identified by the Independent Auditor. The Department maintains a robust system of internal controls that are validated by senior leadership. For FY 2023, no material weaknesses in internal controls were identified by senior leadership and no material weaknesses in internal controls over financial reporting were identified by the Senior Assessment Team or the Management Control Steering Committee. As a result, the Secretary was able to provide reasonable assurance on the effectiveness of the Department's overall internal controls and the internal controls over financial reporting in accordance with the Federal Managers' Financial Integrity Act.

Section 7(a)(5). Reprogrammings or Transfers

Per ONDCP guidance (21 U.S.C. 1703 (c)(4)(A)), counternarcotics-related reprogramming actions that individually or in aggregate exceed \$5,000,000 or more than 10 percent of the program require ONDCP approval. For this reporting period (during FY 2023), INL and the Department processed one reprogramming action that resulted in a decrease of drug-related budgetary resources by a total of \$9,360,000 in FY 2022 funding. This decrease is the result of a reprogramming action between the drug-related program area, i.e., Counternarcotics (PS.3), and a non-drug-related program area, i.e., Citizen Security and Law Enforcement (PS.9) necessary to support critical anti-gang assistance for Haiti. This reprogramming received ONDCP approval as required.



Section 7(a)(6). Other Disclosures

No other disclosures.

Section 7(b). Assertions

Section 7(b)(1). Obligations by Budget Decision Unit

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

Section 7(b)(2). Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources is reasonable and accurate, that the data presented is complete and reliable, and that the financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations presented in the Table of Prior Year Obligations.

Section 7(b)(3). Application of Drug Methodology

I assert that the drug methodology disclosed in section 7(a)(2) was the actual methodology used to generate the table required by section 7(a)(1), that the calculations are sufficiently documented to independently reproduce these data, and the calculations provide a means to ensure consistency of data between reporting years.

Section 7(b)(4). Material Weaknesses or Other Findings

I assert that there are no material weaknesses or other findings by independent sources, or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance, that may affect the presentation of prior year drug-related obligations as required by section 7(a)(4). There is therefore nothing to disclose.

Section 7(b)(5). Methodology Modifications

I assert that there were no modifications made to the methodology for reporting drug control resources from the previous year's reporting and there is therefore



nothing to disclose.

Section 7(b)(6). Reprogrammings or Transfers

I assert that the data presented are associated with obligations against a budget that was approved by ONDCP for all drug-related resources. Additionally, I assert, that in accordance with ONDCP's policy to approve counternarcotics-related reprogramming actions that individually or in aggregate exceed \$5,000,000 or more than 10 percent of the program (21 U.S.C. 1703 (c)(4)(A)), INL has informed ONDCP of these required changes.

Section 7(b)(7). Fund Control Notices

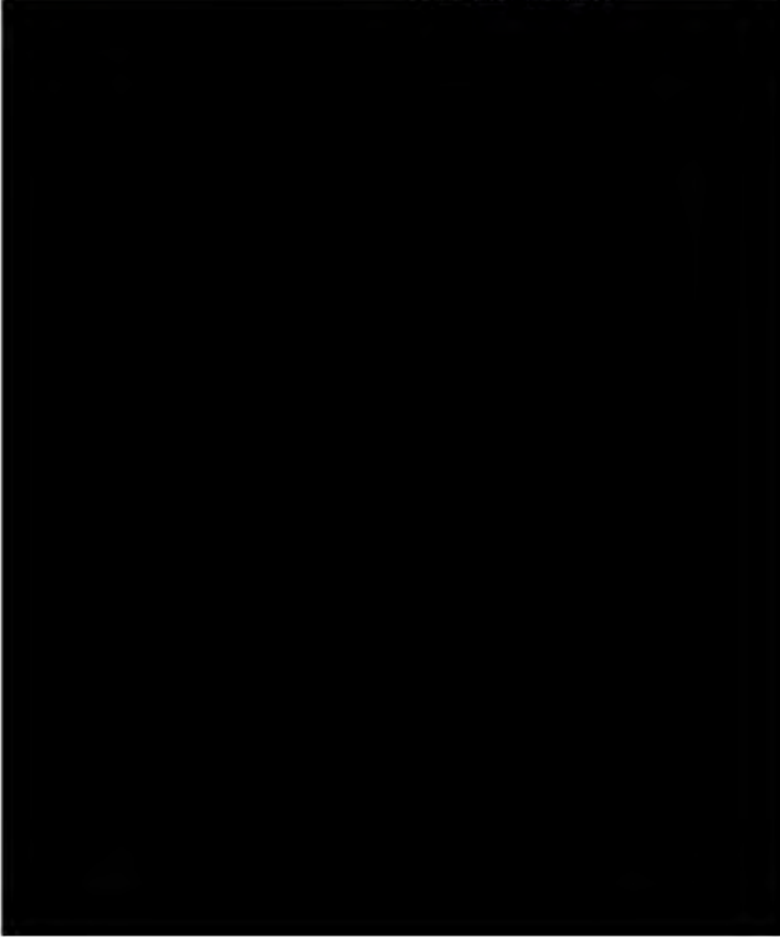
I assert that the data presented are associated with obligations against a financial plan that was approved by ONDCP. ONDCP did not issue any Fund Control Notices to the Department in FY 2023.

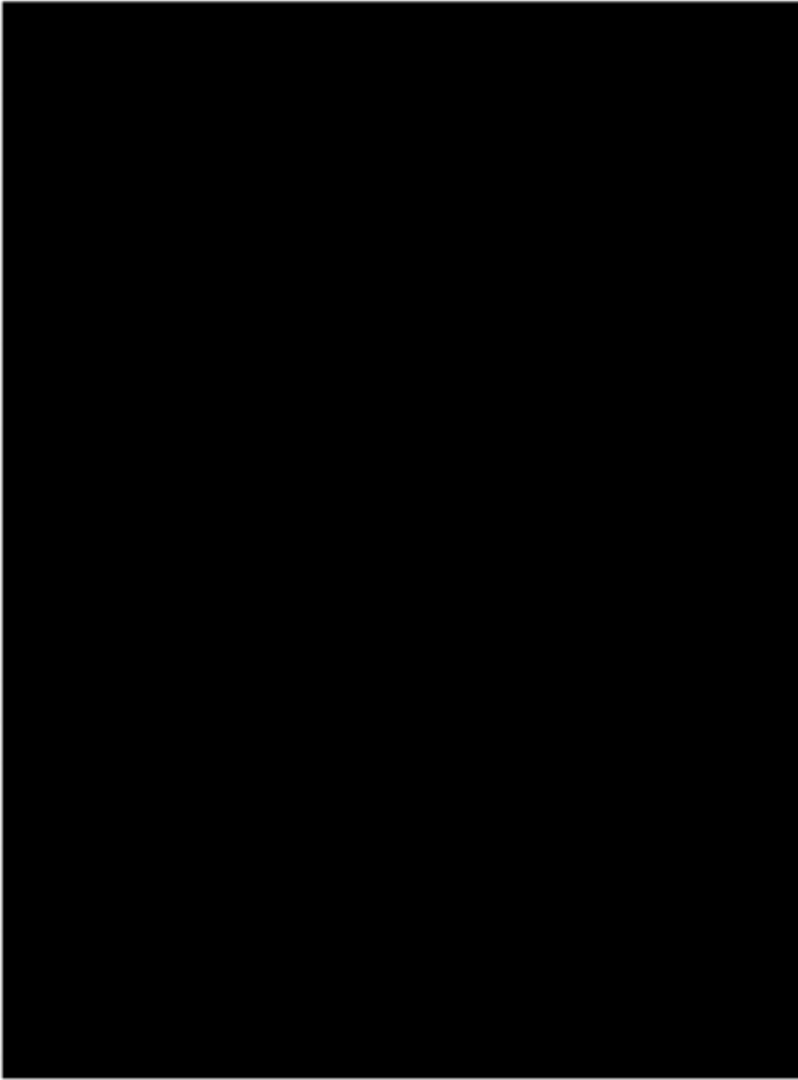


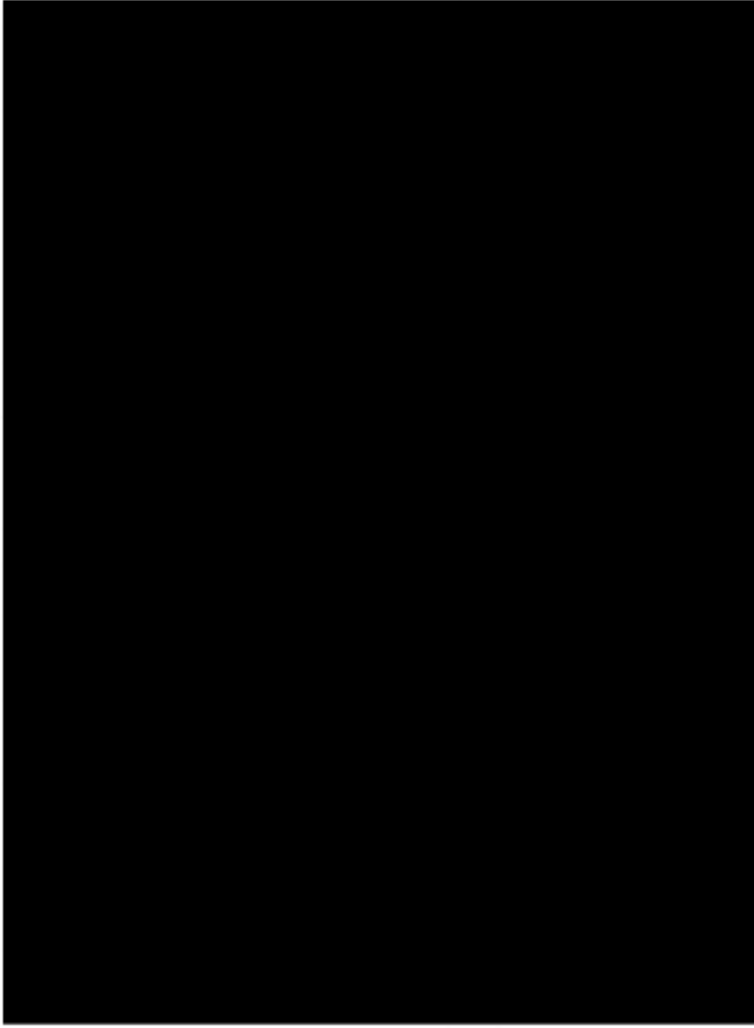
United States Department of State

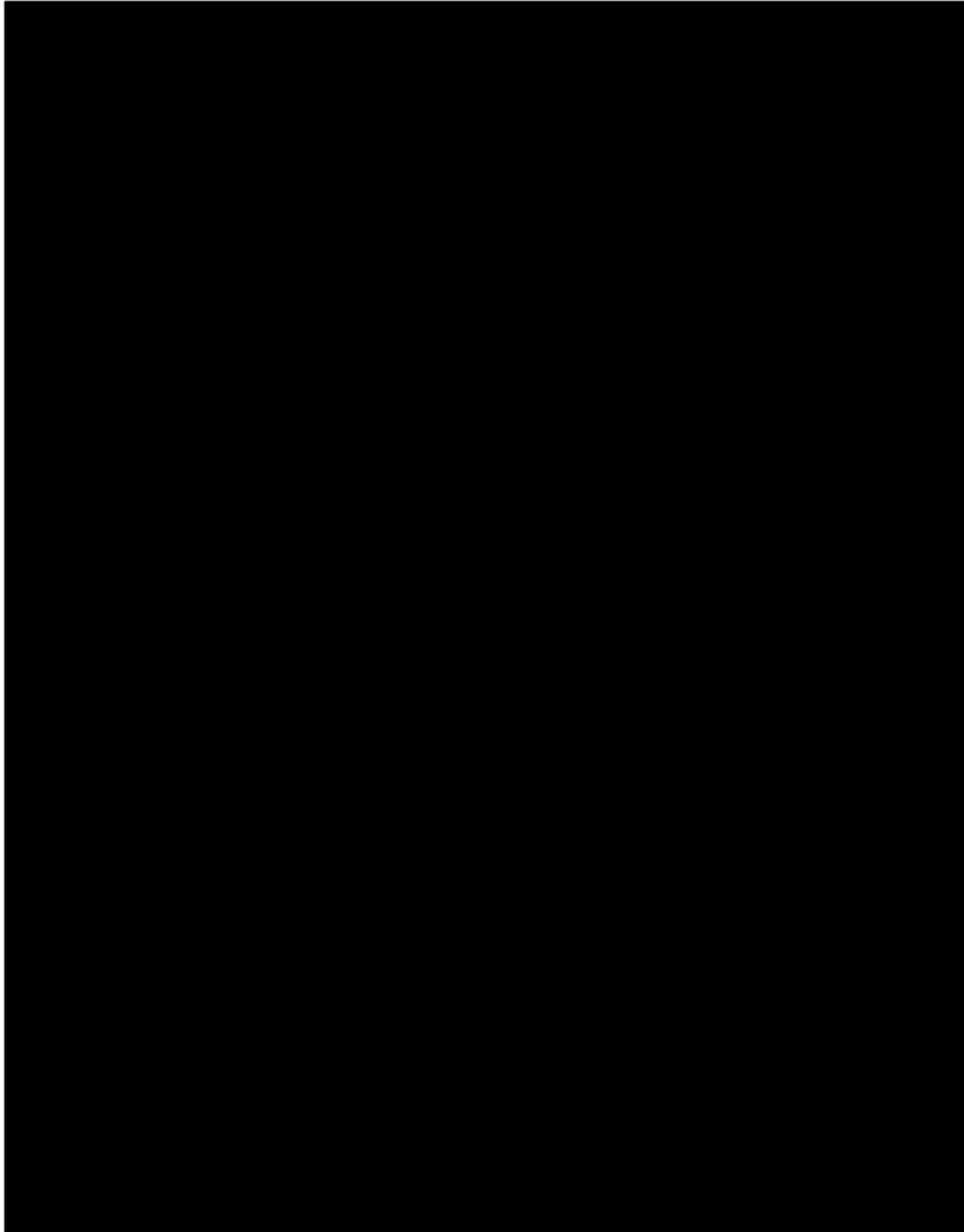
*Assistant Secretary of State
for International Narcotics and
Law Enforcement Affairs*

Washington, D.C. 20530











United States Agency for International Development



January 3, 2024

Regina LaBelle
Acting Director
Office of National Drug Control Policy
Washington, D.C. 20503

Dear Ms. LaBelle:

In accordance with the Office of National Drug Control Policy (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, the United States Agency for International Development (USAID) is submitting its Budget Formulation Compliance package.

In accordance with Section 6 on Budget Formulation Compliance, I certify that USAID's FY 2025 Summer Budget Submission was submitted to ONDCP on a timely basis and that the funding levels therein represent USAID's request provided to OMB on September 11, 2023.

Please reach out if you have any questions.

Sincerely,

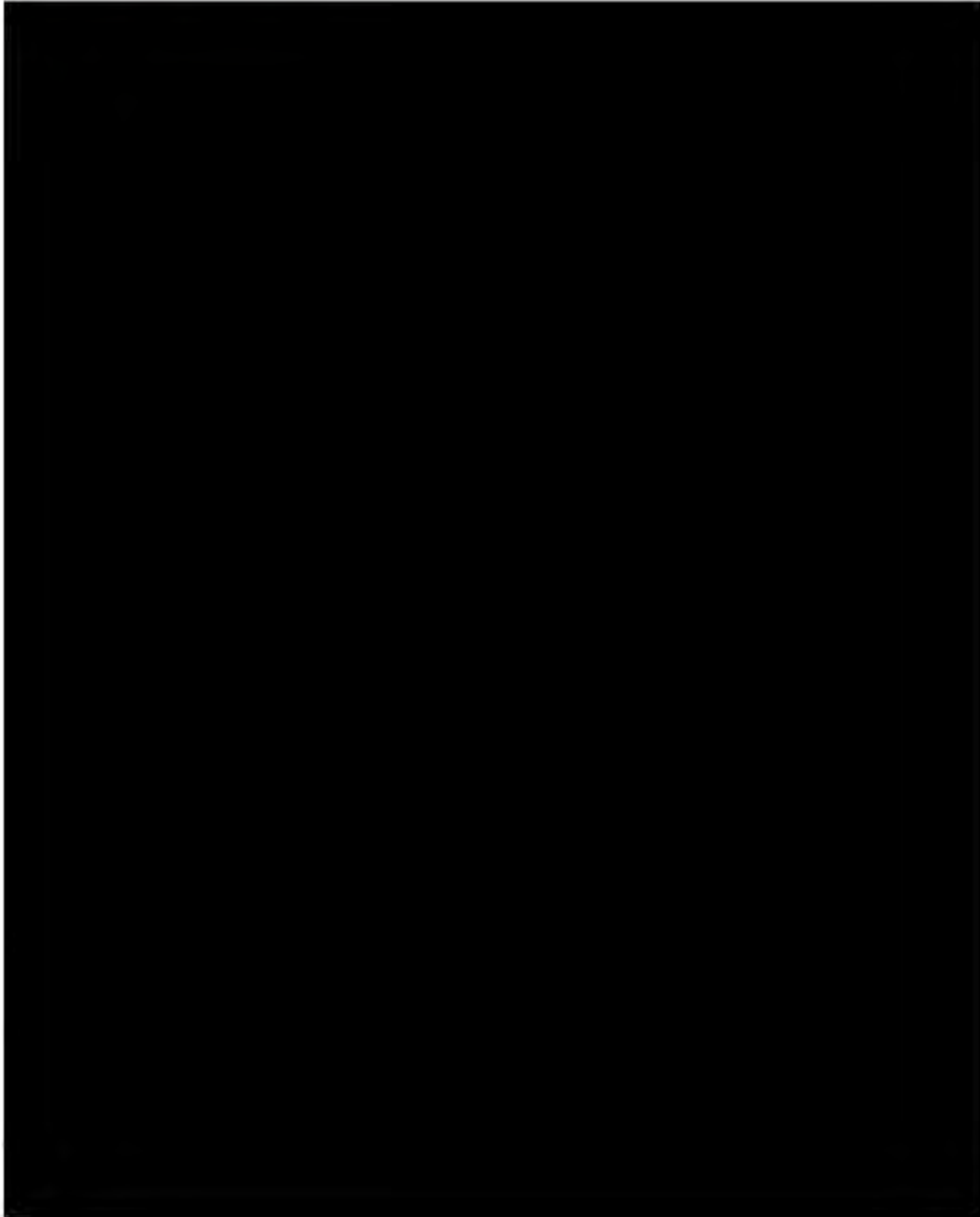
Anne Womer /s/

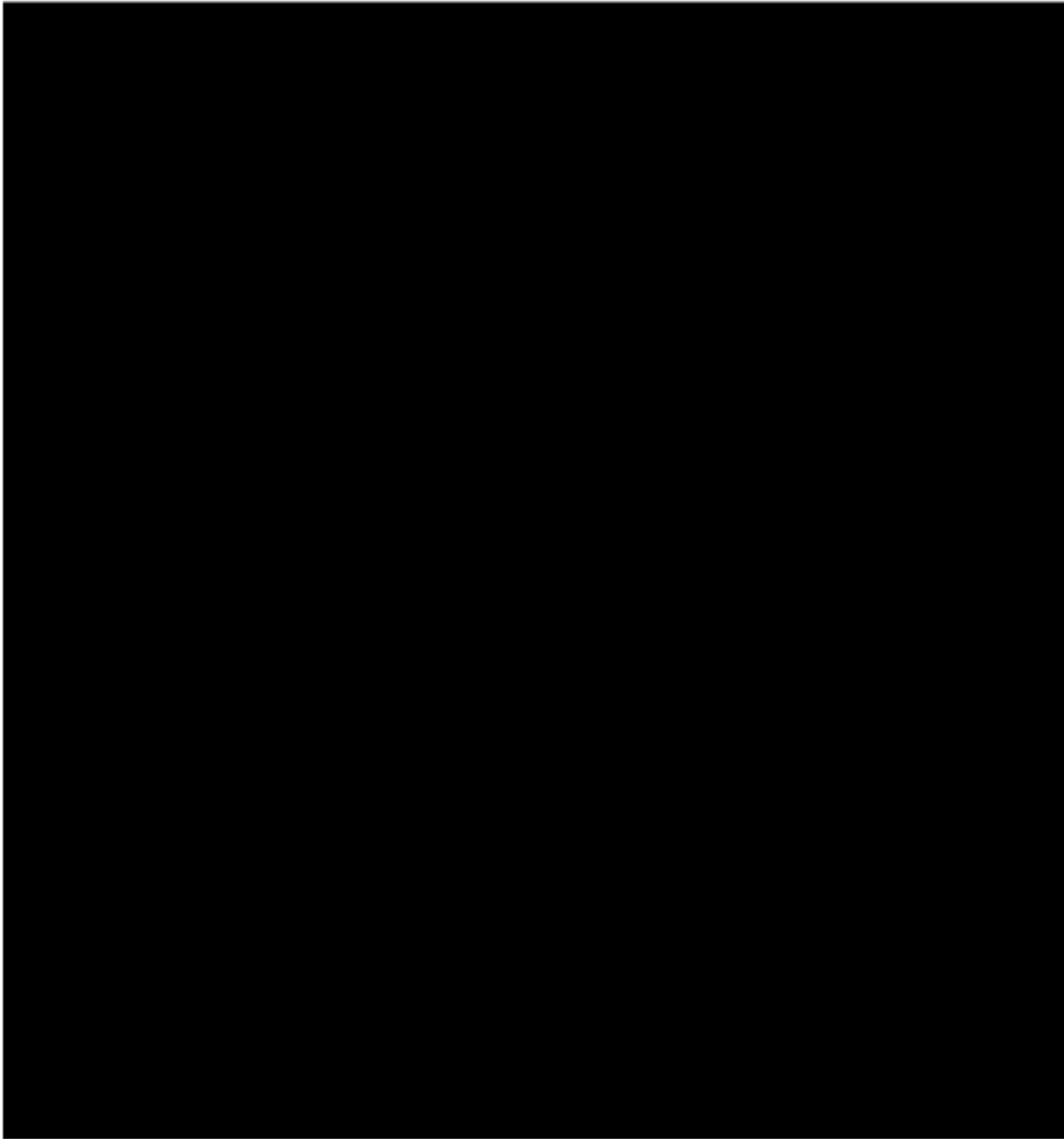
Acting Director,
Office of Budget and Resource Management
Bureau for Planning, Learning and Resource
Management
U.S. Agency for International Development



Enclosures:

- 1) USAID FY 2025 ONDCP Summer Transmittal Letter
- 2) USAID FY 2025 ONDCP Budget and Performance Summary







SENSITIVE BUT UNCLASSIFIED

DEPARTMENT OF STATE
United States Agency for International Development

Resource Summary

Budget Authority (in Thousands)			
	FY 2023 Estimates*	FY 2024 Request	
Drug Resources by Function			
International	\$65.938	\$56.569	
Total Drug Resources by Function	\$65.938	\$56.569	
Drug Resources by Decision Unit			
Development Assistance	\$14.500	\$23.535	
Economic Support Fund	\$51.438	\$33.034	
Total Drug Resources by Decision Unit	\$65.938	\$56.569	
Drug Resources Personnel Summary			
Total FTEs (direct only)	16	17	
Andean Region (Total)			
Peru	6	6	
Colombia	10	11	
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)**	\$27.9	\$32.0	
USAID Drug Resources Percentage	0.2%	0.2%	

*The FY 2023 level is an estimate based on FY 2022 levels that does not reflect decisions on funding priorities. Final allocations are not yet available for the enacted FY 2023 appropriations.

**Total Agency Budget is the USAID fully and partially managed foreign assistance accounts, including DA, ESF, among others.

Program Summary

MISSION

The United States Agency for International Development (USAID) is the agency responsible for implementing most of the economic and development foreign assistance provided by the U.S. Government. It receives overall foreign policy guidance from the U.S. Secretary of State. USAID advances U.S. foreign policy objectives by supporting economic growth, environmental conservation, agriculture, trade, health, democracy, conflict prevention, and providing humanitarian assistance. USAID's Alternative Development programs support U.S. counter-narcotics objectives by helping countries develop economically viable, sustainable alternatives to narcotics production. Specifically, USAID implements alternative livelihood programs that focus on licit livelihoods, improving commercial agricultural production and



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market linkages in drug production-prone areas and offering farmers incentives to discontinue planting coca, poppy, and other illicit crops. USAID also works to facilitate private sector investment, improve access to digital and financial services, improve basic public services, improve transportation systems, develop agricultural processing facilities and storage networks, and expand irrigation in targeted areas to create and grow a viable agribusiness industry. These efforts help to catalyze economic growth and job creation in post-eradication zones while also providing support to incentivize and facilitate participation in the licit economy rather than in illicit drug production, with the objective of reducing the cultivation and production of illicit drugs that contribute to crime and instability in key U.S. partner countries.

METHODOLOGY

For programs related to counter-narcotics, USAID receives appropriated foreign assistance funds from the Economic Support Fund and Development Assistance accounts. In preparing the annual foreign assistance budget request, USAID and the Department of State allocate all funding according to the Foreign Assistance Standardized Program Structure, which contains a Program Area for counter-narcotics. All USAID-managed counter-narcotics programming is for alternative development and alternative livelihoods programs, which support economic development that is not reliant on the cultivation, production, and sale of illicit drugs.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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[REDACTED]

PERFORMANCE

Information regarding the performance of the drug control efforts of USAID is based on data reported in each U.S. embassy's 2022 Performance Plan and Report, as entered into the Foreign Affairs Coordination and Tracking System and other program information. The table and accompanying text represent highlights of their achievements during FY 2022.

United States Agency for International Development		
Selected Measures of Performance***	FY 2022 Achieved	FY 2023 Target
» Hectares of alternative crops targeted by USG programs under cultivation (Peru)	114,814	50,000
Total sales of licit farm and non-farm products in USG assisted areas (Peru)	\$145,007,691	\$40,000,000
Percentage of female participants in USG-assisted programs designed to increase productive economic resources (Peru)	46%	33%
Number of families benefiting from alternative development (AD) activities in the Andean region (Peru)	87,219	40,000
» Number of rural households benefiting directly from USG interventions (Colombia)***	58,8414	18,6059



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Value of of annual sales of producers and firms receiving USG assistance (Colombia)***	\$63,766,230	\$7,269,839
Number of additional hectares of licit crops under improved technologies or management practices as a result of USG assistance (Colombia)***	135,275	577

*** FY2023 target doesn't include values for USAID/Colombia Sustainable Agriculture Activity, that will be the main activity contributing to these three indicators, because it was awarded in February 2023, and the targets have not yet been settled.

Equity

On his first day in office, President Biden issued Executive Order (E.O.) 13985 on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. This E.O. mandates embedding equity in government programming and decision-making processes for the leadership and staff of every department and agency in the Executive Branch to deliver tangible changes. The White House's Domestic Policy Council charged each U.S. federal agency with forming an Agency Equity Team to implement E.O. 13985 according to their respective missions. President Biden expanded this EO in February 2023 with the "The Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government" EO.

Inequity is a national security challenge with global consequences. The enterprise-wide implementation of E.O. 13985 is a historic shift for the U.S. Department of State, as it requires advancing racial equity and support for underserved communities across all dimensions of U.S. foreign policy and the broader foreign affairs mission. Principally, this means embedding E.O. 13985 into our externally-facing efforts.

On behalf of Secretary Blinken, the Deputy Secretary of State for Management and Resources, Brian P. McKeon, has led our implementation of E.O. 13985. On March 29, 2021, Deputy Secretary McKeon established our Agency Equity Team, which serves as an enterprise-wide effort to implement E.O. 13985 in our foreign affairs mission. Our Agency Equity Team has over 80 colleagues from across our institution, which includes civil service and foreign service employees, political appointees, and contracted employees. The Agency Equity Team's objective is to identify how we can advance racial equity and support for underserved communities through U.S. foreign policy and assistance, public engagements and exchanges, grants, procurement, contracts, and consular services. Our Equity Action Plan provides a roadmap for the U.S. Department of State to generate better-informed policies, programs, and processes to address barriers to equity worldwide and achieve our foreign policy goals. This includes sustained engagement with individuals from marginalized racial and ethnics groups and other underserved communities domestically and overseas.

USAID is strongly committed to expanding Diversity, Equity, Inclusion, Accessibility. The Agency is making changes to our internal functions and addressing issues in our work place and culture, as well as expanding our relationships with external partners, such as HBCUs and other MSIs. USAID promotes inclusion of traditionally marginalized groups in many of our development programs in the region. For example, in Colombia, we strengthen and defend Afro-Colombian and Indigenous Peoples' human rights and territories, promote inclusive economic and



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environmental projects, support cultural heritage, and combat racism and discrimination to ensure that all Colombians can take part in the country's journey toward peaceful prosperity. And in Peru, we are working with indigenous communities and women to protect precious natural resources, particularly tropical forests. We are also seeking to build a workforce and broader international development community that is more representative of the areas we serve by expanding our successful Afro and Indigenous fellowships including in Colombia and Peru.



Chief Financial Officer

December 22, 2023

Dr. Rahul Gupta, Director
Office of National Drug Control Policy
Washington, D.C. 20503

Dear Dr. Gupta:

In accordance with the Office of National Drug Control Policy Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021, the United States Agency for International Development (USAID) is submitting its Accounting and Authentication of Fiscal Year (FY) 2023 Drug Control Funds. A memorandum from the USAID Office of Inspector General is also enclosed for the Inspector General Authentication.

In accordance with ONDCP Circular dated September 9, 2021, Section 7 financial disclosures and assertions in the attached report: To the best of my knowledge, all the information presented for USAID is true and correct, and I concur with all assertions associated with USAID in Section 7.

If you would like to address any questions associated with our submission, please call me on 202-916-2679.

Sincerely,

**Reginald
W. Mitchell**

Digitally signed by
Reginald W. Mitchell
Date: 2023.12.22
10:50:29 -05'00'

Reginald W. Mitchell

Enclosures:

- 1) Accounting and Authentication of Drug Control Funds for FY 2023
- 2) Memorandum from the USAID Office of Inspector General
- 3) FY 2023 Independent Auditor's report
- 4) CFO letter and Management Comments (Financial Section, USAID FY 2023 Agency Financial Report)

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
www.usaid.gov



**U.S. Agency for International Development
Accounting and Authentication of
Drug Control Funds for 2023**

Reference: ONDCP Circular: National Drug Control Program Agency Compliance Reviews (September 9, 2021)

SECTION 7 REPORTING - Detailed Accounting Report

7. a. Drug Control Funding Obligations

7. a. (1) Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function

The following table presents the obligations of the drug control budgetary resources appropriated and available in FY 2023 by Decision Unit and by Drug Control Function.

FY 2023 U.S. Agency for International Development Drug Control Obligations		\$ In Millions
		FY 2023 Actual
A. Drug Resources by Decision Unit		
Alternative Development and Alternative Livelihoods-Andean Region		61.20
Alternative Development and Alternative Livelihoods-Afghanistan		0.66
	Total	<u>61.86</u>
B. Drug Resources by Drug Control Function		
International		61.86
	Total	<u>61.86</u>
Total Agency Budget**		34,187
Drug Related Percentage***		0.18%

** USAID 2023 Agency-wide Appropriations per 2023 Statement of Budgetary Resources
*** Total Drug Control Obligations divided by Total Agency Budget



7. a. (2) Drug Methodology

All obligations provided in the table were made from funds available during FY 2023, including any non-expired (multiyear) appropriations and are classified in USAID's accounting system of record in program areas "A04 – Counter-Narcotics" and "PS.3 - Counter-Narcotics." The Agency's accounting system tracks the Drug Control Obligations in the program elements, "PS.3.2- Alternative Development and Alternative Livelihood" and "A016- Alternative Development and Alternative Livelihood," under program area, "Counter-Narcotics." At the request of ONDCP, we also report herein that during FY 2023 USAID did not make any obligations from funds appropriated in FY 2023.

7. a. (3) Methodology Modifications

The drug methodology for 2023 has not been modified from the previous year, 2022.

7. a. (4) Material Weaknesses or Other Findings

In the FY 2023 Independent Auditor's report, USAID's independent auditors identified no material weaknesses; however, one significant deficiency remains open that pertains to USAID's internal control over financial reporting related to calculating accrued expenses (Enclosure 3). Over the past year, the Agency has automated its process for reporting accruals, and is awaiting the Office of the Inspector General's response on closing these findings (Enclosure 4). USAID made an unmodified Statement of Assurance under the Federal Managers' Financial Integrity Act (FMFIA) and assured compliance with the Federal Financial Management Improvement Act (FFMIA). Moreover, the independent auditor found no reportable instances of noncompliance with laws and regulations during FY 2023.

7. a. (5) Reprogrammings or Transfers

For Peru, there was a Bilateral Budget Realignment Action in the amount of \$1,410,000 from PO.2.1 Administration and Oversight to PS 3.2 Alternative Development and Alternative Livelihoods. By this action, USAID/Peru is reprogramming funding previously assigned and obligated under Administration and Oversight line item, which will permit the Mission to return the funds to the original program area Counternarcotics, and these funding changes did not constitute a change in the scope of the Bilateral Agreement.

For Afghanistan, \$660, 491.17 was reprogrammed from the canceling 2013 funds in program area and element A26, A140 Program Design and Learning back to its original program area and element A04, A016 1.4.2 Alternative Development and Alternative Livelihoods and then there was a fund swapping, where the reprogrammed fund was



then sub obligated into implementing mechanisms where they would be disbursed upon obligation by replacing previously sub obligated funds from later fiscal years, which will then be de-sub obligated and will become available for future sub obligations for other activities. This reprogramming will not require a re-notification as these funds will be used for purposes described in their original notification.

7. a. (6) Other Disclosures

There is no other disclosure necessary to clarify any issues regarding the data reported under this circular.

7. b. Assertions

7. 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.

7. 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 (b) 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.

7. b. (3) Application of Drug Methodology

The drug methodology disclosed in section 7 a. (2) Drug Methodology, above, was the actual methodology used to generate Table above.

7. b. (4) Material Weaknesses or Other Findings

In the FY 2023 Independent Auditor's report, USAID's independent auditors identified no material weaknesses; however, one significant deficiency remains open that pertains to USAID's internal control over financial reporting related to calculating accrued expenses.

7. b. (5) Methodology Modifications

The drug methodology for 2023 has not been modified from the previous year, 2022.

7. b. (6) Reprogrammings or Transfers



The data presented in Table above are associated with 2023 obligations against a financial plan. Also, as shown above in section 6. a. **(5) Reprogrammings or Transfers**, the individual or in aggregate reprogramming/transfer amounts for the fiscal year do not exceed \$5 million or 10 percent of a specific program or account that would require ONDCP's approval.

The financial plans against which the obligations in Table, above, are associated are USAID's Colombia FY 2022 Operational Plan and Peru FY 2022 Operational Plan. USAID Drug-Related activities in that plan are identified as part of the Category "Peace and Security," PS.3.2- "Alternative Development and Alternative Livelihoods." Funds in Program Area PS.3 – "Counter-Narcotics" are posted in USAID's accounting system at the Activity level using Program Elements A016 and PS.3.2 (Alternative Development and Alternative Livelihoods).

7. b. (7) Fund Control Notices

Not applicable. ONDCP did not issue any Fund Control Notices to USAID in FY 2023.

8. Inspector General Authentication

See Memorandum from the USAID Office of Inspector General, attached.



OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

DATE: January 31, 2024
TO: USAID, Chief Financial Officer, Reginald W. Mitchell
FROM: Assistant Inspector General for Audits, Inspections, and Evaluations, Toayoa D. Aldridge /s/
SUBJECT: Review of USAID's Reporting on Its Drug Control Program Budget and Accounting for Fiscal Year 2023 (0-000-24-005-X)

We have reviewed USAID's management assertions in the accompanying "Budget Formulation Compliance Report" and "Detailed Accounting Report" for fiscal year 2023. USAID's management is responsible for the preparation of the reports and related assertions in accordance with the Office of National Drug Control Policy (ONDCP) circular, "National Drug Control Program Agency Compliance Reviews," September 9, 2021. Our responsibility is to express a conclusion on the reliability of each assertion made in USAID's reports based on our review.

Our review was conducted in accordance with generally accepted government auditing standards for attestation review engagements. These standards incorporate, by reference, the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to USAID's management assertions in its "Budget Formulation Compliance Report" and "Detailed Accounting Report" in order to be in agreement with the criteria. The procedures performed in a review vary in nature and timing and are substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management assertions are fairly stated, in all material respects, to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that our review, and the evidence obtained, is sufficient and appropriate, and provides a reasonable basis for our conclusion.

We are required to be independent and to meet our other responsibilities in accordance with relevant ethical requirements related to the engagement.

Based on our review, we are not aware of any material modifications that should be made to USAID's reported management assertions for fiscal year 2023 for them to be fairly stated.

USAID Office of Inspector General
Washington, DC
oig.usaid.gov



Although this memorandum is an unrestricted public document, it is for the information and use of the ONDCP in meeting its statutory reporting obligation to Congress. This memorandum is not suitable for any other purpose.

Thank you for the cooperation and participation of USAID personnel in completing the review.



OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

MEMORANDUM

DATE: November 14, 2023
TO: USAID, Chief Financial Officer, Reginald W. Mitchell
FROM: Assistant Inspector General, Office of Audits, Inspections, and Evaluations,
Toayoa D. Aldridge /s/
SUBJECT: Audit of USAID's Financial Statements for Fiscal Years 2023 and 2022 (0-000-24-001-C)

Enclosed is the final report on the audit of USAID's financial statements for fiscal years 2023 and 2022.¹ The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of GKA P.C. Certified Public Accountants and Consultants (GKA) to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and Office of Management and Budget Bulletin 24-01, Audit Requirements for Federal Financial Statements.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and inquired of its representatives. Our review, which was different from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on USAID's financial statements. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We found no instances in which GKA did not comply, in all material respects, with applicable standards.

The audit objectives were to: (1) express an opinion on whether the financial statements as of September 30, 2023 and 2022, were presented fairly, in all material respects; (2) evaluate USAID's internal control over financial reporting; and (3) determine whether USAID complied with applicable laws, regulations, contracts, and grant agreements. To answer the audit objectives, the audit firm assessed risk, considered internal controls, and designed audit

¹ Pursuant to the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 5274, which amends the Inspector General Act of 1978, when USAID OIG contracts with an audit firm to perform the work, USAID OIG provides non-governmental organizations and/or business entities specifically identified in the accompanying report, if any, 30 days from the date of report publication to review the final report and submit a written response to USAID OIG that clarifies or provides additional context for each instance within the report in which the non-governmental organization and/or business entity is specifically identified. Any comments received to this effect are posted for public viewing on <https://usaid.oig.gov> with USAID OIG's final transmittal. Please direct related inquiries to ojnnotice.ndaa5274@usaid.gov.

USAID Office of Inspector General
Washington, DC
oig.usaid.gov



procedures relevant to USAID's fair presentation of its fiscal years 2023 and 2022 financial statements.

The audit firm concluded that USAID's financial statements for fiscal years ended September 30, 2023 and 2022, are presented fairly, in all material respects, and in accordance with U.S. generally accepted accounting principles. The audit firm found no reportable noncompliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements. The audit firm also found no material weaknesses but reported one significant deficiency related to USAID's internal control process for calculating and recording accrued expenses. GKA determined that USAID has not completed the final action on the prior year's recommendation¹ to address this repeated significant deficiency and therefore we did not make new recommendations to address it.

In finalizing the report, the audit firm acknowledged the USAID's response to the report. We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.

¹ USAID OIG, "[Audit of USAID's Financial Statements for Fiscal Years 2022 and 2021](#)" (0-000-23-001-C), November 12, 2022, Recommendation 1.



Member of the American Institute of Certified Public Accountants

November 6, 2023

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

RE: Audit of the U.S. Agency for International Development (USAID) Financial Statements for Fiscal Years 2023 and 2022

This letter transmits the final report on our audit of USAID's financial statements for fiscal years 2023 and 2022. The Government Management Reform Act of 1994, Public Law 103-356, requires USAID to prepare consolidated financial statements for each fiscal year. Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, requires USAID to submit a Performance and Accountability Report or an Agency Financial Report, including audited financial statements to OMB, Congress, and the Government Accountability Office. USAID has prepared an Agency Financial Report with an agency head message, management's discussion, and analysis, "other information" and a financial section. GKA is responsible for auditing the Agency's financial statements and preparing the independent auditor's report, which appears in the financial section.

GKA has issued an unmodified opinion on USAID's principal financial statements for fiscal years 2023 and 2022.

With respect to internal control, we identified one deficiency that we consider significant. The significant deficiency pertains to USAID's processes for calculating and recording accrued expenses.

The results of our tests of compliance disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-01. We identified no instances of substantial noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), Public Law 104-208.

We made no new recommendations for fiscal year 2023.

We appreciate the assistance you and your staff extended to us during the audit.

GKA, P.C. /s/

1920 L Street, NW || Suite 425 || Washington, DC 20036 || (202) 857-1777 || www.gkacpa.com



Member of the American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

In our audits of the fiscal years 2023 and 2022 financial statements of the U.S. Agency for International Development (USAID), we found:

- USAID's financial statements as of and for the fiscal years ended September 30, 2023, and 2022, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- No material weaknesses, but found one significant deficiency in internal control over financial reporting for fiscal year 2023 based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)¹ and other information included with the financial statements; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements; and (4) agency comments.

Report on the Financial Statements

Opinion

In accordance with Government Auditing Standards, we have audited the accompanying financial statements of USAID which comprise the consolidated balance sheets as of September 30, 2023 and 2022, the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements (hereinafter referred to as the "consolidated financial statements").

In our opinion, USAID's financial statements present fairly, in all material respects, USAID's financial position as of September 30, 2023 and 2022, and its net costs of operations, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

¹ The RSI is information that a designated accounting standard-setter requires to accompany the basic financial statements, consists of the Management Discussion and Analysis (MD&A).

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Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USAID and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

USAID management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in USAID's financial report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement or material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USAID's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

USAID's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in USAID's financial report. The other information comprises the historical information but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Report on Internal Control over Financial Reporting

In connection with our audit of USAID's financial statements, we considered USAID's internal control over financial reporting, consistent with our auditor's responsibility discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of USAID's internal control over financial reporting. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we identified one deficiency in USAID's internal control, summarized below and described in Appendix A, that we consider to be a significant deficiency related to USAID's controls over calculating and recording of accrued expenses.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of USAID's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our 2023 audit, we identified deficiencies in USAID's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant USAID management's attention. We have communicated these matters to USAID management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to USAID's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Internal Control over Financial Reporting

USAID management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of USAID's financial statements as of and for the year ended September 30, 2023 and 2022, in accordance with U.S. generally accepted government auditing standards, we considered USAID's internal control relevant to the financial statement audit in



order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USAID's internal control over financial reporting. Accordingly, we do not express an opinion on USAID's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of USAID's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of USAID's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of USAID's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to USAID. Accordingly, we do not express such an opinion.



Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreement

USAID's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to USAID.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to USAID that have a direct effect on the determination of material amounts and disclosures in USAID's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to USAID. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

USAID's Response to Audit Findings and Recommendations

USAID's response to the findings and recommendations identified in our report is described in Appendix C. USAID's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Status of Prior Year Recommendations

We have reviewed the status of USAID's corrective actions with respect to the findings and recommendations included in the prior year's Independent Auditors' Report, dated November 8, 2022. The status of prior year recommendations is presented in Appendix D.

GKA, P.C. /s/

Washington, DC
November 6, 2023



APPENDIX A. SIGNIFICANT DEFICIENCY

Significant Deficiency in Internal Control Over Calculating and Recording Accrued Expenses (Repeat)

USAID's methodology for estimating and recording accrued expenses begins with a system generated estimated accrual amount. The Contracting Officer Representative (COR) reviews this amount, modifies it if necessary, before approving the "modified accrual amount" for posting to the general ledger.

USAID/WASHINGTON

We selected a judgmental sample of 45 modified accruals as of March 31, 2023, for testing. We noted that:

- For 2 out of 45 sampled items, COR Quarterly Accrual Worksheets supporting the modified accrual amount in Phoenix were not provided by the CORs. The total amount is \$1,552,308.
- For 3 out of the 45 sampled items, COR Quarterly Accrual Worksheets had incorrect calculations and did not match the modified accrual amount in Phoenix. Based on the difference noted, the Q2 accruals were overstated by the amount of \$818,796.

USAID/MISSIONS

Mission A

During our testing as of March 31, 2023, one (1) of the 45 sampled items did not have supporting documentation to justify the transaction – total amount of \$752,804.

Mission B

During our testing as of June 30, 2023, we noted that:

- For six (6) of the 22 sampled items, COR Quarterly Accrual Worksheets had incorrect calculations and did not match the modified accrual amount in Phoenix totaling (\$62,994).
- Additionally, the modified accrual amount calculated for one of the sample items (72066922D00001) was more than the unliquidated balance by approximately (\$5,717).

Mission C

During our audit as of June 30, 2023, we obtained the Mission's Accruals Item Status Count and Items Not Reviewed report to determine whether the mission posted all their specified quarterly accruals and cleared unprocessed Intragovernmental Payments and Collections (IPAC). We noted that three (3) of the 87 accruals were not reviewed.



Even though the quantitative amount may be considered immaterial, our testing determined that the control issues are pervasive throughout USAID.

ADS 631.3.3.1, Basis for Recognition of Accruals – General, Effective Date: 10/20/2022 states as follows:

Obligation Managers or CORs/AORs/ GATRs must recognize accruals in the accounting period in which the title to goods is accepted, services are rendered, wages are earned, progress is made in contract performance, or revenue is generated. For example, if USAID accepts the title to goods (whether the goods are delivered or USAID has received documented notification that the goods are in transit) then USAID must recognize an accrual and liability for the unpaid amount of the goods. Assuming invoices are not available at the end of the period, Obligation Managers or CORs/AORs/GATRs must estimate the amounts owed using available documentation.

Accruals must be based on the best available information on expenditures for the obligation activity. At the same time, Obligation Managers or CORs/AORs/GATRs must base the accruals for expenditures on an analysis of the projected expenditure rate or actual expenditures to the end of the quarter and use estimates when documentation is not available. Additionally, accruals can be based on completion and delivery of each milestone/stage, or a percentage of completion of the milestone/stage, if the completed part can stand on its own as a deliverable which USAID can sufficiently benefit from.

Obligation Managers or CORs/AORs/GATRs must make every effort to ensure reasonable estimates are documented for support when using estimating techniques. Obligation Managers or CORs/AORs/GATRs must verify the accruals amount in the Phoenix Accruals Query based on an analysis comparing the system-generated accruals to first-hand knowledge of project activities. In Washington B/IOs, Obligation Managers, CORs/AORs/GATRs, or someone with the recording role must accept the system-generated accrual or record a modified accrual in the Phoenix Accruals Query, as necessary. The FM staff in the Missions performs this function.

The COR generates a worksheet detailing the approved modified accrual amount. Someone other than the COR is responsible for posting the amount to the general ledger. However, the controls for checking to ensure that the amount posted to the general ledger is the amount approved by the COR was not consistently implemented. Also, there were instances where the worksheets were not adequately reviewed to identify errors in the calculation before they were posted.

Additionally, some CORs did not respond to multiple requests to provide their COR worksheets that support the modified accrual amount recorded in Phoenix.

Failure to ensure that only the modified accrual amounts approved by the COR are posted to the general ledger could cause the financial statements to be materially misstated due to error - or for other reasons.



We are not making any new recommendation in fiscal year 2023. Below is the restated fiscal year 2022 recommendation also indicated in Appendix D.

Recommendation 1:

Update its methodology for reporting and posting quarterly accruals to eliminate or mitigate the human factor while increasing automation by developing a system generated accrual estimation amount for financial reporting purpose.



APPENDIX B. SCOPE AND METHODOLOGY

USAID's management is responsible for (1) preparing the financial statements in accordance with U.S. generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act (FMFIA) are met; (3) ensuring that USAID's financial management systems substantially comply with the requirements of the Federal Financial Management Improvement Act (FFMIA) section 803(a); and (4) complying with other applicable laws and regulations.

GKA, P.C. (GKA) is responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. GKA is also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit; (2) testing and reporting whether USAID's financial management systems substantially comply with FFMIA section 803(a) requirements; (3) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements, and laws for which OMB audit guidance requires testing; and (4) performing limited procedures with respect to certain other information appearing in the Agency Financial Report.

To fulfill these responsibilities, GKA:

- Obtained an understanding of USAID's design of internal control components related to financial reporting and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- Tested relevant internal controls over financial reporting and compliance, and evaluated the design and operating effectiveness of these internal controls;
- Selected transactions, including, advances, accrued expenditures, disbursements, payroll, accounts receivable, direct loans and loan guarantees, and obligations;
- Examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Evaluated the overall presentation of the financial statements;
- Considered the process for evaluating and reporting on internal control and financial management systems under FMFIA; and
- Tested USAID's compliance with FFMIA section 803(a) requirements.

We also tested USAID's compliance with selected provisions of the following:

- Anti-Deficiency Act, July 12, 1870 (codified at 31 U.S.C. 1341(a)(1)(A), (B) and (C) and 1517(a)
- Improper Payments Elimination and Recovery Act, Public Law 112-248, sections 5 (a)(1) and (b)(4);



- Payment Integrity Information Act of 2019, Public Law 116-117;
- Prompt Payment Act, Public Law 97-177) (codified at 31 U.S.C. 3901(a)(4)(A), 3903(a)(1)(A) and (B), 3902 (a), (b), and (f); and 3904
- Debt Collection Improvement Act of 1996, Public Law 104-134
- Federal Credit Reform Act of 1990, Public Law 93-344
- OMB Circular A-136
- OMB Circular A-123
- Federal Financial Management Improvement Act of 1996, Public Law 104-208
- Pay and Allowance System for Civilian Employees

We did not evaluate all internal controls relevant to operating objectives as broadly defined by FMFLA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error, fraud, losses, or noncompliance may occur and may not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to USAID. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2023 and 2022. We caution that noncompliance may occur and may not be detected by these tests, and that such testing may not be sufficient for other purposes.

We conducted our audit from February 2023 through November 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed whether USAID was substantially compliant with section 803(a) of the FFMLA, which requires agencies to implement and maintain financial management systems that substantially comply with (1) Federal financial management system requirements; (2) applicable Federal accounting standards; and (3) USSGL at the transaction level. We evaluated USAID's financial transactions recorded in USAID's financial management system to determine whether they were compatible with Federal accounting standards and USSGL at the transaction level.



LETTER FROM THE CHIEF FINANCIAL OFFICER



Reginald W. Mitchell

Developed and deployed a new ERM technology platform across the Agency to improve our risk monitoring capabilities while reducing burdens on staff.

As the Agency's Chief Financial Officer (CFO), I am pleased to join Administrator Power in presenting the USAID Agency Financial Report (AFR) for FY 2023. The AFR illustrates our Agency's continued strong financial performance and reinforces our commitment to transparency and accountability for the funds entrusted to us by the American people. The Agency's priorities include our continued responses to global health emergencies, the global food crisis, and the humanitarian emergency affecting the people of Ukraine.

AUDIT OF THE AGENCY'S FINANCIAL STATEMENTS

For FY 2023, USAID's independent auditor issued its audit report with an unmodified (or clean) audit opinion on the Agency's consolidated financial statements. In addition, USAID made an unmodified Statement of Assurance under the Federal Managers' Financial Integrity Act and assured compliance with the Federal Financial Management Improvement Act. Moreover, the independent auditor found no reportable instances of noncompliance with laws and regulations during FY 2023.

Sound financial management continues to be an Agency priority. Our strong and sustainable internal control posture has provided for process improvements in financial management activities that resulted in the closure of all prior years' Government Management Reform Act audit findings and recommendations. For the FY 2023 audit report, USAID's independent auditors identified no material weaknesses; however, one significant deficiency remains open that pertains to USAID's internal control over financial reporting related to

calculating accrued expenses. Over the past year, the Agency has automated its process for reporting accruals, and is awaiting the Office of the Inspector General's response on closing these findings.

KEY ACCOMPLISHMENTS

I am honored to announce USAID is the recipient of the prestigious *Certificate of Excellence in Accountability Reporting (CEAR) Award for Fiscal Year 2022*, which recognizes the Agency's integration of performance and financial reporting. This is the ninth year the Agency's report received the CEAR award. I want to sincerely thank all USAID staff for their dedication and diligence in contributing to the FY 2023 AFR, which presents the Agency's use of resources, operating performance, financial stewardship, and assessment of risks in a clear and effective manner.

In addition to the notable financial milestones, my staff and I sought opportunities to contribute, promote, and advance activities that support the Administrator's anti-corruption, Localization, and Sustainability priorities, including the following highlights:

- Developed and deployed a new ERM technology platform across the Agency to improve our risk monitoring capabilities while reducing burdens on staff. In FY 2023, for the first time, the Agency's Missions, Bureaus, and Independent Offices used this IT solution—called the ERM Tool—to share with USAID leadership the top risks they face. USAID's ERM Secretariat, which is housed within the Office of the CFO (M/OCFO), then



APPENDIX C. AGENCY'S RESPONSE TO AUDIT



Chief Financial Officer

October 31, 2023

MEMORANDUM FOR OFFICE OF THE INSPECTOR GENERAL

TO: Toayoa Aldridge, Assistant Inspector General for Audits, Evaluations, and Inspections

FROM: Reginald W. Mitchell /s/

SUBJECT: Management Comment(s) to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, Audit of USAID's Financial Statements for Fiscal Years 2023 and 2022 (0-000-24-001-C) (Task No. 00150823)

The U.S. Agency for International Development (USAID) would like to thank the Office of Inspector General (OIG) for the Opportunity to provide comments on the subject draft report. The Report does not indicate any new recommendations.

After review of the Draft Audit Report management has no comments.



APPENDIX D. STATUS OF PRIOR-YEARS FINDINGS AND RECOMMENDATIONS

OMB Circular A-50, "Audit Follow-up," states that a management decision on audit recommendations shall be made within 6 months after a final report is issued. Corrective action should proceed as rapidly as possible.

Status of 2022 Findings and Recommendations

Recommendation 1: Update its methodology for reporting and posting quarterly accruals to eliminate the human factor while increasing automation by developing a system generated accrual estimation amount for financial reporting purpose.

Status: Open as of November 6, 2023. Repeated in FY2023.

Recommendation 2: Issue written guidance for Agreement Officer Representatives/Contracting Officer Representatives to contact Office of the Chief Financial Officer if they need to post an accrual over and above the amount allowed in the current Phoenix accruals system.

Status: Closed as of September 26, 2023

Recommendation 3: Update the Phoenix system security plan to include National Institute of Standards and Technology 800-53 Revision 5 controls.

Status: Closed as of October 19, 2023

Recommendation 4: Perform a Security Control Assessment and use the results to update the Phoenix system security plan and create plans of action and milestones for any planned controls.

Status: Closed as of October 19, 2023

Recommendation 5: Provide the results of the Phoenix Security Control Assessment and the updated system security plan to the Authorizing Official for review and approval.

Status: Closed as of October 19, 2023

Recommendation 6: Review and, if needed, update the Memorandum of Understanding with the Department of State to include changes and obtain approval of the Agency officials.

Status: Closed as of September 26, 2023



Recommendation 7: Review and update the Service Level Agreement with the Department of State. Additionally, USAID should implement a process to ensure that the Service Level Agreement is reviewed annually.

Status: Closed as of October 19, 2023



Department of Transportation

National Highway Traffic Safety Administration

DEPARTMENT OF TRANSPORTATION

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
NATIONAL DRUG CONTROL
FY 2023 BUDGET FORMULATION COMPLIANCE REPORT





U.S. DEPARTMENT OF TRANSPORTATION
National Highway Traffic Safety Administration

Budget Formulation Compliance Report (BFCR) Table of Contents

- BFCR, Part A: Summer Budget Formulation Information
1. Summer Drug Budget Transmittal
 2. Summer Drug Budget Resource Summary Table



Part A: FY 2023 Summer Drug Budget Transmittal from DOT to ONDCP

From: [Bonen-Clark, Jacob \(OST\)](#)
To: [Zaidi, Paul P. #OP/ONDCP](#)
Cc: [Wald, Kara \(OST\)](#); [Moammar, Edn \(OST\)](#); [Ziff, Laura \(OST\)](#); [Chao, Robert \(OST\)](#)
Subject: FY 2025 Budget Submission for NHTSA + NHTSA and FAA Analysis report templates
Date: Wednesday, July 12, 2023 4:38:00 PM
Attachments: [DOT-NHTSA FY25 ONDCP Summer Budget Analysis.docx](#)
[FAA FY25 ONDCP Summer Budget Analysis v1.docx](#)
[FY 2025 Summer - ONDCP 7.12.23.xlsx](#)
[NHTSA FY 2025 Summer Drug Budget 7.12.2023.docx](#)
[NHTSA FY 2025 Summer Drug Budget 7.12.2023.pdf](#)

Good afternoon Paul –

Please see the attached submission for NHTSA plus the two analysis reports. As you'll see in the transmittal letter from NHTSA, the \$1.4 million decrease from 2024 President's Budget is not a reflection of decreased program activity but rather a quirk of how the contracting and obligation timing works.

I will flag for you that NHTSA has revised its FY 2023 Enacted number now that it has received the actual amounts spent on Communications and Consumer Information. The current number reflects a more accurate situation than the previous summary.

Let me know if you have further questions or if we are still missing any documents.
Thanks so much,

Jacob Bonen-Clark

Department of Transportation
OST | Office of the Assistant Secretary for Budget and Programs/CFO
office: 202.913.2467 | email: jacob.bonen-clark@dot.gov



Part A: FY 2023 Summer Drug Budget Resource Summary Table submitted to ONDCP

Resource Summary Table

Drug Resources by Function		
Prevention	\$16.152	\$18.100
Drug Resources by Decision Unit		
Office of Research and Program Delivery		
Drug-Impaired Driving Program	\$2.000	\$2.000
Highway Safety Research	\$2.900	\$2.900
Emergency Medical Services	\$0.500	\$0.500
Communications and Consumer Information	\$10.752	\$12.700
Drug Resources Personnel Summary		
Total FTEs (direct only)	3	3
Drug Resources as a percent of Budget		
Total Agency Budget (in Billions)	\$1.651	\$1.640
Drug Resources percentage	1%	1%



Dr. Rahul Gupta
Office of National Drug Control Policy
Executive Office of the President
1800 G Street, NW
Washington, DC 20006

Dear Director Gupta:

In accordance with the *Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews*, issued September 9, 2021, the National Highway Traffic Safety Administration (NHTSA) has enclosed its Fiscal Year (FY) 2023 Budget Formulation Compliance Report. NHTSA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

As specified by the Circular, the report states the date the summer budget was submitted to ONDCP and includes a copy of the funding table submitted to ONDCP. The summer drug budget submitted to ONDCP on July 12, 2023, was provided to ONDCP concurrent with our FY 2025 budget submission to the Office of the Secretary. The funding request represents the funding levels in budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department. The resource table has since been updated, and the current table is attached. The table only includes the drug budget *request* from the Department of Transportation since a formal President's Budget has not yet been approved for FY 2025.

NHTSA's point of contact for this report is Brian Killheffer, Director of the Office of Budget. He can be reached at (202) 366-7209 if further assistance is required.

Sincerely,

Jon Gatti
Acting Chief Financial Officer
NHTSA

Enclosures:

Updated FY 2025 Resource Summary Table



NHTSA Updated Drug Budget Resource Summary Table

	Budget Authority (in Millions)	
	FY 2023 Final	FY 2024 CR
Drug Resources by Function		
Prevention	\$17.813	\$18.100
Total Drug Resources by Function	\$17.813	\$18.100
Drug Resources by Decision Unit		
Office of Research and Program Delivery		
Drug-Impaired Driving Program	\$3.624	\$2.000
Highway Safety Research	\$2.937	\$2.900
Emergency Medical Services	\$0.500	\$0.500
Communications and Consumer Information	\$10.752	\$12.700
Communications and Consumer Information		
Total Drug Resources by Decision Unit	\$17.813	\$18.100
Drug Resources Personnel Summary		
Total FTEs (direct only)	3	3
Drug Resources as a percent of Budget		
Total Agency Budget (in Billions)	\$1.652	\$1.546
Drug Resources percentage	1.0%	1.2%



DEPARTMENT OF TRANSPORTATION

**NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
NATIONAL DRUG CONTROL
FY 2023 DETAILED ACCOUNTING REPORT**





U.S. DEPARTMENT OF TRANSPORTATION
National Highway Traffic Safety Administration

Detailed Accounting Report (DAR) Table of Contents

DAR, Part A: Drug Control Funding Obligations

1. Table of Prior Year Drug Control Obligations by Decision Unit and Drug Control Function
2. Drug Methodology
3. Methodology Modifications
4. Material Weaknesses or Other Findings
5. Reprogrammings or Transfers
6. Other Disclosures

DAR, Part B: Assertions

1. Obligations by Budget Decision Unit
2. Drug Methodology
3. Application of Drug Methodology
4. Material Weaknesses or Other Findings
5. Methodology Modifications
6. Reprogrammings or Transfers
7. Fund Control Notices



1. Table of FY 2023 Drug Control Obligations by Decision Unit and Drug Control Function

Decision Unit and Drug Control Function	Vendor	Project	Fund/FY/BPAC/Org	Amount
Drug-Impaired Driving	Ohio State University	Collegiate Impaired Driving Learning Collaborative	80162326HS.2023.200 2010000.NPD0110000	163,100.00
	National Association of Drug Court Professionals	DWI Court Training and Technical Assistance	80162326HS.2023.200 2010000.NPD0110000	764,499.00
	Vanesse Hagen Brustlin Inc	Impaired Driving Assessments	06702225BR.2023.200 2010000.NSA0220000 80162225HS.2023.200 2010000.NSA0220000 80162326HS.2023.200 2010000.NSA0220000	90,000.00
	Toxcel LLC	Impaired Driving Countermeasures Technical Assistance	80202326PS.2023.200 2010000.NPD0110000	444,166.02
	2M Research Services LLC	Impaired Driving Tracking System	80162326HS.2023.200 2010000.NPD0110000	324,991.29
	National Association of Prosecutor Coordinators	Prosecutor Support for Impaired Driving	80162326HS.2023.200 2010000.NPD0110000	250,150.00
	Society of Forensic Toxicologists Inc	Regional Toxicology Liaison Program	80162326HS.2023.200 2010000.NPD0110000	358,740.00
	National Liquor Law Enforcement Association	Support for Alcohol Law Enforcement to Prevent Impaired Driving	80162326HS.2023.200 2010000.NPD0110000	92,942.00
	The Council of State Governments	Support for Probation Services for DWI Offenders	80162326HS.2023.200 2010000.NPD0110000	135,013.00
	HHS CDC	Tribal Impaired Driving Prevention	06702225BR.2023.200 2010000.NPD0110000	1,000,000.00
Total, Drug-Impaired Driving				\$3,623,601.31
Safety Countermeasures	DOT OST-R TSI	Training Courses 5 Year	80162225HS.2023.200 2070000.NPD0220000	50,876.00
	DOT OST-R TSI	Training Courses 2 Year	80162225HS.2023.200 2070000.NPD0220000	136,230.00
Total, Safety Countermeasures				\$187,106.00
Enforcement & Justice Services	International Association of Chiefs of Police	Development of the Drug Evaluation and Classification Program	80162326HS.2023.200 2070000.NPD0220000	923,633.19
		Technical Support for Annual Drug, Alcohol, and Impaired Driving Conference	80162326HS.2023.200 2070000.NPD0220000	70,000.00



1. Drug Methodology

Although NHTSA lacks a formal, written methodology for identifying drug control obligations, the Agency implements standard procedures and controls. NHTSA follows a budget strategy planning process to develop projects each fiscal year. Projects by Decision Unit and Function that address drug-control activities are identified and tracked in accordance with ONDCP Circulars.

NHTSA uses DOT's financial management system, Delphi, to account for all program expenditures, including funds dedicated to drug-impaired driving initiatives. As part of its annual budget execution process, NHTSA assigns Budget Program Activity Codes (BPACs), unique accounting codes for each program area. In conjunction with individual agreement/contract numbers, BPACs are used to record and track all obligations and expenditures through Delphi. Monthly reconciliation of data recorded in the Delphi accounting system is the key to the program's financial oversight to ensure complete and timely recording.

Drug control fund spending plans are reviewed by Contracting Officer's Representatives, Division Chiefs, Office Directors, the Associate Administrator for Research and Program Development, and the Chief Financial Officer. NHTSA's Office of Acquisition Management (OAM) also reviews this information prior to issuing funds. Once OAM approves, obligating documents (e.g., agreements and contracts) are entered into Delphi and subsequently tracked. Approved invoices are recorded as expenditures against the obligations.

2. Methodology Modifications:

3. Material Weaknesses or Other Findings: None

4. Reprogrammings or Transfers: None

5. Other Disclosures:

The approved methodology was used to derive the totals reported in the included Table of FY 2023 Drug Control Obligations by Decision Unit and Drug Control Function. The \$17.8 million total reported here is \$1.67 million higher from previous FY 2023 final reporting to ONDCP. NHTSA's drug control obligations were higher than previously reported in the Drug-Impaired Driving program and in Highway Safety Research decision units.



Dr. Rahul Gupta
Office of National Drug Control Policy
Executive Office of the President
1800 G Street, NW
Washington, DC 20006

Dear Director Gupta:

In accordance with the *Office of National Drug Control Policy (ONDCP) Circular: National Drug Control Program Agency Compliance Reviews*, issued September 9, 2021, the National Highway Traffic Safety Administration (NHTSA) has enclosed its Fiscal Year (FY) 2023 **Detailed Accounting Report**. NHTSA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

As specified by the Circular, the report details how each drug control unit reports obligation data in support of National Drug Control Program activities. NHTSA uses the Department of Transportation's Delphi accounting system when identifying, tracking, and reporting drug budget obligations. NHTSA and DOT guidance ensures that a repeatable process is used in tracking drug funds through the accounting cycle. The attached accounting report explains the methodology NHTSA uses.

Assertions

- Obligations by Budget Decision Unit**
Obligations reported by budget decision unit are consistent with the application of the approved methodology.
- Drug Methodology:**
 - Data**
The methodology is based on reliable data. NHTSA annually reviews the resources necessary to maintain and improve programs that reduce drug-impaired driving.
 - Financial Systems**
NHTSA applies the approved methodology to obligations data reported in DOT's accounting system, Delphi to yield data that fairly present aggregate obligations presented in the table of prior year obligations.
- Application of Drug Methodology**
The disclosed drug methodology was used to generate the Table of Prior Year (FY 2023) Drug Control Obligations by Decision Unit and Drug Control Function.
- Material Weaknesses or Other Findings**
None reported
- Methodology Modifications**
- Reprogrammings or Transfers**
None reported
- Fund Control Notices**
The data presented are associated with obligations against a financial plan that fully complied with all Fund Control Notices.



NHTSA's point of contact for this report is Brian Killheffer, Director of the Office of Budget. He can be reached at (202) 366-7209 if further assistance is required.

Sincerely,

A handwritten signature in black ink that reads "Jon Gatti".

Jon Gatti
Acting Chief Financial Officer
NHTSA



Federal Aviation Administration

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION
NATIONAL DRUG CONTROL
FY 2023 BUDGET FORMULATION COMPLIANCE REPORT





DEPARTMENT OF TRANSPORTATION
Federal Aviation Administration

Budget Formulation Compliance Report (BFCR) Table of Contents

BFCR, Part A: Summer Budget Formulation Information

1. Copy of the FY 2025 Summer Drug Budget Transmittal Letter submitted to ONDCP
2. Copy of the FY 2025 Summer Drug Budget Resource Summary Table submitted to ONDCP

BFCR, Part B: Assertions – Timeliness and Accurate Reporting of Budget Levels

1. Letter with signed assertions by the Chief Financial Officer (CFO)



Federal Aviation Administration

The Honorable Rahul Gupta
Director
Office of National Drug Control Policy
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Director Gupta:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Sincerely,

DAVID RICKARD
Digitally signed by DAVID RICKARD
Date: 2023.06.26 08:49:08 -0400

David Rickard
Chief Financial Officer, FAA



DRUG CONTROL BUDGET RESOURCE SUMMARY TABLE
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
(Dollars in Millions)

	FY 2023 Enacted	FY 2024 PB
Drug Resources by Budget Decision Unit and Function:		
Decision Unit: Aviation Safety/Aerospace Medicine		
Intelligence Interdiction	\$0.000	\$0.000
International	\$0.000	\$0.000
Investigations	\$1.535	\$1.541
Prevention	\$17.760	\$17.710
<i>Industry</i>	\$12.510	\$12.287
<i>Internal</i>	\$5.250	\$5.423
Prosecution	\$0.000	\$0.000
Recovery	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
Total, Aviation Safety/Aerospace Medicine	\$19.295	\$19.251
Decision Unit: Security and Hazardous Material Safety		
Intelligence Interdiction	\$2.550	\$2.650
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Recovery	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$2.550	\$2.650
Treatment	\$0.000	\$0.000
Total, Security and Hazardous Material Safety	\$5.100	\$5.300
Drug Resources by Function:		
Intelligence Interdiction	\$2.550	\$2.650
International	\$0.000	\$0.000
Investigations	\$1.535	\$1.541
Prevention	\$17.760	\$17.710
Prosecution	\$0.000	\$0.000
Recovery	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$2.550	\$2.650
Treatment	\$0.000	\$0.000
Total Funding	\$24.395	\$24.551
Drug Resources Personnel Summary		
Aviation Safety/Aerospace Medicine	94	94
<i>Investigations: Industry Drug Abatement</i>	8	9
<i>Prevention: Industry Drug Abatement</i>	72	71
<i>Prevention: Internal Substance Abuse Program</i>	14	14
Security & Hazardous Materials	25	26
Total FTEs (direct only)	119	120
Drug Resources as a Percent of Budget		
Total Agency Budget	\$ 19,023	\$ 19,808
Drug Resources Percentage	0.13%	0.12%



**Federal Aviation
Administration**

December 12, 2023

The Honorable Rahul Gupta
Director
Office of National Drug Control Policy
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Director Gupta:

In accordance with the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, issued September 9, 2021, the Federal Aviation Administration's (FAA) Fiscal Year 2023 Budget Formulation Compliance Report is enclosed.

As specified by the Circular, the report consists of the transmittal letter as well as the drug budget resource summary table for the Summer FY 2025 submission. The table only includes the drug budget request from the Department of Transportation since a formal President's Budget had not been approved for FY 2025.

Assertions

1. **Timeliness of budget submission.**
The FAA's summer drug budget was provided to ONDCP concurrent with our FY 2025 budget submission to the Office of the Secretary.
2. **Funding levels represent bureau level requests.**
The funding request represents the funding levels in the budget submission made by the FAA bureaus to the FAA Budget Office without alteration or adjustment by the FAA or Department of Transportation.
FY 2025 funding levels for the President's Budget have not been established. A formal President's Budget for FY 2025 has not been approved so the table included in this report only includes the Department of Transportation's budget request for FY 2025.



3. Unreasonable burden exception.

In accordance with section 8.d.(1) of the ONDCP Circular: *National Drug Control Program Agency Compliance Reviews*, issued September 9, 2021, the FAA finds that complying with the Inspector General Authentication requirements for a budget below \$50 million constitutes an unreasonable reporting burden and has requested and received exemption from the Inspector General review as detailed in section 8.

FAA's point of contact for this report is Peter Toman. He can be reached at (202) 267-5451, if further assistance is required.

Sincerely,

DAVID RICKARD

Digitally signed by DAVID
RICKARD
Date: 2023.12.14 14:57:54 -05'00'

David Rickard
Chief Financial Officer
Federal Aviation Administration



DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION
NATIONAL DRUG CONTROL
FY 2023 DETAILED ACCOUNTING REPORT





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 - c. Material Weaknesses or Other Findings
 - d. Reprogrammings or Transfers
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3. Security and Hazardous Materials Safety (ASH) Report
 - a. Drug Methodology
 - b. Methodology Modifications
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DAR, Part B: Assertions

1. Letter with signed assertions by the CFO



1. Table of Prior Year Drug Control Obligations

DRUG CONTROL BUDGET RESOURCE SUMMARY TABLE
 DEPARTMENT OF TRANSPORTATION
 FEDERAL AVIATION ADMINISTRATION
 (Dollars in Millions)

	FY 2023 PB	FY 2023 Enacted	FY 2023 Actuals
Drug Resources by Budget Decision Unit and Function:			
Decision Unit: Aviation Safety/Aerospace Medicine			
Intelligence Interdiction	\$0.000	\$0.000	\$0.000
International	\$0.000	\$0.000	\$0.000
Investigations	\$1.535	\$1.535	\$2.015
Prevention	\$17.760	\$17.760	\$19.365
<i>Industry</i>	\$12.510	\$12.510	\$13.050
<i>Internal</i>	\$5.250	\$5.250	\$6.315
Prosecution	\$0.000	\$0.000	\$0.000
Recovery	\$0.000	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000	\$0.000
Treatment	\$0.000	\$0.000	\$0.000
Total, Aviation Safety/Aerospace Medicine	\$19.295	\$19.295	\$21.380
Decision Unit: Security and Hazardous Material Safety			
Intelligence Interdiction	\$2.540	\$2.550	\$2.490
International	\$0.000	\$0.000	\$0.000
Investigations	\$0.000	\$0.000	\$0.000
Prevention	\$0.000	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000	\$0.000
Recovery	\$0.000	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000	\$0.000
State & Local Assistance	\$2.540	\$2.550	\$2.490
Treatment	\$0.000	\$0.000	\$0.000
Total, Security and Hazardous Material Safety	\$8.080	\$8.100	\$4.980
Drug Resources by Function:			
Intelligence Interdiction	\$2.540	\$2.550	\$2.490
International	\$0.000	\$0.000	\$0.000
Investigations	\$1.535	\$1.535	\$2.015
Prevention	\$17.760	\$17.760	\$19.365
Prosecution	\$0.000	\$0.000	\$0.000
Recovery	\$0.000	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000	\$0.000
State & Local Assistance	\$2.540	\$2.550	\$2.490
Treatment	\$0.000	\$0.000	\$0.000
Total Funding	\$24.375	\$24.395	\$26.360
Drug Resources Personnel Summary			
Aviation Safety/Aerospace Medicine	94	94	92
Security & Hazardous Materials	25	25	25
Total FTEs (direct only)	119	119	117
Drug Resources as a Percent of Budget			
Total Agency Budget	\$ 18.559	\$ 19.023	\$ 19.023
Drug Resources Percentage	0.13%	0.13%	0.14%



2. Aviation Safety/Office of Aerospace Medicine (AVS/AAM) Report

(a) Drug Control Methodology:

The FAA has written procedures to identify their drug control obligations. The Office of Aerospace Medicine's (AAM) drug control obligations are properly identified in Delphi, the Department of Transportation's (DOT) accounting system, and follow DOT's and FAA's OMB-A123 procedures.

AVS AAM's drug control fund information is identified and tracked in Delphi using unique accounting project Codes, task codes, organization expenditure codes, and program elements. AAM's Drug Control Funds are assigned a separate allocation code for accounting of project funds in Delphi. AVS-AAM used the Delphi OBIEE report AGL99001-B2R Status of Fund YTD report to isolate obligations for FY 2023. The report was run for FY 2023 obligations as of the end of September 30, 2023. The following parameters were used, as well as several additional columns that provided more information (e.g., organization, etc.):

- Fund: 1240100230 (the FY 2023 fund code)
- Allotment Fund Code (AFC): 24 (AAM's AFC)
- Major Object Class: All
- Internal Substance Abuse:
 - BLI 483000
- Industry Substance Abuse:
 - Cost Center B390, B391, B392, and B393
 - BLI 484000
- Investigations:
 - Cost Center B394
 - BLI 484000

Staffing FTE numbers are actual as of PP2023-20. This is the last full pay period in FY2023, which is what is used by AFN for reporting.

AAM is sent an automated Oracle Staffing report each pay period, which is a direct feed from the Federal Payroll Processing System (FPPS) and was set up by the FAA's Human Resources Office.

AAM does not use information received from outside the Department of Transportation to record drug control obligations.

An AAM four-step process is in place to monitor AAM's Drug Control Program obligations (not including personnel compensation and benefits) obligations:

- Administrative Assistant review;
- Program Manager approval;
- AAM Finance Branch fund certification; and
- Delphi reconciliation.

Monthly reconciliation of data recorded in the Delphi accounting system is the key to the program's office financial oversight to ensure complete and timely recording of the transactions.



2. Aviation Safety/Office of Aerospace Medicine (AVS/AAM) Report

AAM determines drug control amounts on the basis of estimates supported by (1) historical data obtained from the agency accounting system, and (2) requirements for the year. AAM ultimately compares these estimates to actual amounts when they become available. AAM accounts for the Drug Control expenditures using our internal cuff record system, signed documentation, and Delphi reconciliation.

(b) Methodology Modifications:

None

(c) Material Weaknesses or Other Findings:

None

(d) Reprogramming or Other Transfers:

None

(e) Other Disclosures:

AAM determines its out-year estimates based on historical data and requirements for the year. In FY2023, there are unanticipated activities such as the enhancements of the Compliance and Enforcement Tracking System (CETS) to align the program laid out in the Compliance and AVS Strategic Goals, as well as the Working Capital Fund – Substance Abuse Awareness & Testing payment. These unanticipated requirements impacted the increase in AAM's actual obligation for FY 2023.



3. Security and Hazardous Materials Safety (ASH) Report

(a) Drug Control Methodology:

FAA's Office of Security and Hazardous Materials Safety (ASH) follows the guidance established by the FAA (e.g., the FAA Financial Manual) for all obligations.

ASH's Law Enforcement Assistance Program (LEAP) accounting information can be segregated in DELPHI because LEAP has a unique Budget Line Item (BLI), 464000, which enables ASH to identify total payroll and other object class obligations associated with the program. In addition, we are adding data from the Platform for Unified Reports for the Enterprise (PURE) for LEAP Project, task codes activities from other ASH programs.

The FAA utilizes Delphi, Oracle Business Intelligence Enterprise Edition (OBIEE), and Labor Distribution Reporting (LDR) data PURE to acquire financial obligation data. ASH used the Delphi OBIEE report AGL99001-B2R Status of Fund YTD report to isolate obligations for FY 2023. The following parameters were used, as well as several additional columns that provided more information (e.g., organization, etc.):

- Fiscal Year 2023; Fund: 1240100230 (FY 2023 fund code) & 1230100220 (FY22 fund code)
- BLI: 464000 (LEAP BLI)
- Allotment Fund Code (AFC): 79 (ASH's AFC)
- Major Object Class: All

The LEAP PC&B and other object class funds are assigned to the 464000 Budget Line Item. No other ASH program financial obligations are assigned to 464000.

ASH employees conducting LEAP activities are assigned to LEAP and therefore, employee costs are associated with the 464000 BLI. Delphi financial reports are system generated and available in perpetuity. Delphi data cannot be manipulated. When using the same parameters, the reported data will be the same.

For FY 2023, ASH determined the total cost of regular and paid overtime hours by Delphi Project-Task Code pair for LEAP employees from RLCR1500, Labor Cost by Organization, by Employee LDR reports.

ASH's LEAP division was initially structured to devote 100 percent of its staff time to ONDCP-related work. Since then, responding to incidents related to Unmanned Aircraft Systems (UAS) and Laser pointers has been added to the division's responsibilities, reducing the capacity to conduct ONDCP work. Based on input from the program office, descriptive information in the ASH LDR Dictionary, and Delphi Project and Task Code descriptions, ASH determined the cost of UAS and Laser activities reported by LEAP employees. Therefore, the cost of LEAP is the cost remaining after subtracting the cost of UAS and Laser activities from the total cost of LEAP employees.

ASH's LEAP out-year estimates are based on historical cost data and future expectations for the number of staff that will be assigned to LEAP. When there is unanticipated growth in activities such as UAS and/or Laser activities, additional agents are authorized, vacancies may not be filled because of funding



3. Security and Hazardous Materials Safety Report

issues (e.g., continuing resolutions, hiring freezes, etc.), or there is unanticipated attrition, the out-year estimates are impacted because the bulk of the costs are payroll and benefits based. Thus, it is critical to have close working relationships among the ASH LEAP, budget, and ASH and FAA HR offices so that everyone is continuously aware of LEAP developments and changes in personnel needs.

(b) Methodology Modifications:

Not Applicable.

(c) Material Weaknesses or Other Findings:

Not Applicable.

(d) Reprogramming or Other Transfers:

Not Applicable.

(e) Other Disclosures:

Not Applicable.



Federal Aviation Administration

December 12, 2023

The Honorable Rahul Gupta
Director
Office of National Drug Control Policy
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Director Gupta:

In accordance with the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, issued September 9, 2021, the Federal Aviation Administration's (FAA) Fiscal Year 2023 Detailed Accounting Report is enclosed. FAA's obligations for drug-related activities fall below the reporting threshold of \$50 million; therefore, only a limited report is required to satisfy the statutory requirement.

As specified by the Circular, the report details how each drug control unit reports obligation data in support of National Drug Control program activities. The Offices of Aviation Safety (AVS) and Security and Hazardous Materials (ASH) utilize financial systems such as the Department of Transportation's (DOT) Delphi accounting system and Oracle Business Intelligence Enterprise Edition (OBIEE) when accounting for drug budget obligations. FAA and DOT guidance ensures that a repeatable process is utilized in tracking drug funds through the accounting cycle. The attached accounting report explains the methodology utilized by AVS and ASH.

Assertions

- 1. Obligations by budget decision unit.**
Obligations reported by AVS and ASH are the actual obligations derived from the FAA's accounting system of record or are consistent with the application of the approved methodology, as required by ONDCP Circular: Budget Formulation, Section 7.
- 2. Drug methodology data and financial systems.**
The methodology is based on reliable data with a methodology that describes the relationship of decision units reported to ONDCP and the programs/activities as reported in the financial system.



3. **Application of drug methodology.**
The drug methodology disclosed in Section 7.a.(2) was the actual methodology used to generate the table required by Section 7.a.(1).
4. **Material weakness or other findings.**
None reported.
5. **Methodology modifications.**
None reported.
6. **Reprogrammings or transfers.**
None reported.
7. **Fund control notices.**
None reported.
8. **Unreasonable burden exception.**
In accordance with section 8.d.(1) of the ONDCP Circular: *National Drug Control Program Agency Compliance Reviews*, issued September 9, 2021, the FAA finds that complying with the Inspector General Authentication requirements for a budget below \$50 million constitutes an unreasonable reporting burden and has requested and received exemption from the Inspector General review as detailed in section 8.

FAA's point of contact for this report is Peter Toman. He can be reached at (202) 267-5451, if further assistance is required.

Sincerely,

DAVID RICKARD

Digitally signed by DAVID
RICKARD
Date: 2023.12.14 14:56:59
-05'00'

David Rickard
Chief Financial Officer
Federal Aviation Administration



Department of the Treasury

Internal Revenue Service



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

12/12/2023

MEMORANDUM FOR Matthew A. Weir
Acting Deputy Inspector General for Audit

FROM Teresa R. Hunter Teresa R. Hunter Digitally signed by
Teresa R. Hunter
Date: 2023.12.08
10:45:55 -0500
IRS Chief Financial Officer Hunter

SUBJECT: Attestation Review of the Internal Revenue Service's Fiscal
Year 2023 Accounting of Drug Control Funds (Audit #
2024100005)

The purpose of this memorandum is to transmit the IRS FY 2023 Budget Formulation Compliance Report and Detailed Accounting Submission. The Budget Formulation Compliance Report includes the summer budget formulation transmittal email and resource summary table.

If you have any questions, please contact please contact Jason Bumiller, Director of Budget Execution at (202) 317-4307 or Adam Kreidman, Acting Director, Budget Formulation, at (202) 317-4182.

Attachment A: Summer Drug Budget Transmittal Email
Attachment B: Summer Drug Budget Resource Summary Table
Attachment C: Detailed Accounting Submission



Attachment A:

Summer Drug Budget Transmittal Email

On June 22, 2023 the summer budget was submitted to ONDCP.

Assertions

- The agency provided the FY 2025 Summer Drug Budget Transmittal email and FY 2025 Summer Budget Resource Summary Table to ONDCP on June 22, 2023, in response to Sections 6.a.(1) the ONDCP Circular: National Drug Control Program Agency Compliance Reviews and 9.a.(1) in the ONDCP Circular: Budget Formulation. The FY 2025 Summer Drug Budget was provided to ONDCP approximately one month after the budget request was submitted to Agency superiors. No changes were made by Agency superiors. The FY 2025 Summer Drug Budget Transmittal email and Summer Budget Resource Summary Table are provided in Attachments A and B.
- The funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the Criminal Investigation Division to the IRS without alteration or adjustment by any official at the IRS.



Attachment B:

Summer Drug Budget Resource Summary

Resource Summary

	Budget Authority (in Mill)		P
	FY 2023 Enacted	FY 2024 Request	
Drug Resources by Decision Unit			
Narcotic Crimes	\$60.257	\$60.257	
Total Drug Resources by Decision Unit			
Drug Resources by Function			
Investigations	\$60.257	\$60.257	
Total Drug Resources by Function			
Drug Resources Personnel Summary			
Total FTEs (direct only)	295	295	
Drug Resources as a Percent of Budget			
Total Bureau's Budget (in Billions)	\$12.3	\$14.1	
Drug Resources Percentage	0.49%	0.43%	



Attachment C:

Detailed Accounting Report

a. FY 2023 Drug Control Funding Obligations

(1) Table of Fiscal Year (FY) 2023 Drug Control Obligations

Narcotics	
Drug Resources by Decision Unit	
Narcotics Crimes	<u>\$85,156,050</u>
Total	\$85,156,050
Drug Resources by Control Function	
Investigations	<u>\$85,156,050</u>
Total	\$85,156,050

(2) Drug Methodology

- a) All Drug Control Obligations (the resources appropriated and available for these activities) are reported under one Decision Unit and one Control Function, as shown in the above chart.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation's (CI) Narcotics Program¹. CI's overall Direct Investigative Time (DIT) applied to narcotics investigations for FY 2023 was 11.35 percent of the agency's total DIT.

The methodology for computing the resources appropriated and realized for the Narcotics Program is the application of DIT attributable to narcotics investigations. The Narcotics DIT percentage is applied to the total realized appropriated resources for a year, excluding reimbursable and Earned Income Tax Credit (EITC) funds, for which the resources are being reported. The result is determined to be the amount of resources expended on the Narcotics Program. This methodology was approved by CI, the IRS Chief Financial Officer, and the Office of National Drug Control Policy(ONDCP) during FY 2014 and was effective for FY 2014 and all subsequent fiscal years.

¹ The IRS-CI Narcotics Program consist of five sub-programs that includes: 1. Organized Crime Drug Enforcement Task Forces (OCDETF); 2. High Intensity Drug Trafficking Area (HIDTA); 3. HIDTA-OCDETF; 4. Terrorism-OCDETF; and 5. Narcotics-Other.



(3) Methodology Modifications

No changes or modifications in the DIT computation methodology from the prior year were made.

(4) Material Weaknesses or Other Findings

None

(5) Reprogramming or Transfers

None

(6) Other Disclosures

None

b. Assertions

(1) Obligations by Budget Decision Unit

Obligations reported by the Budget Decision Unit are a result of applying DIT data derived from Criminal Investigation's Management Information System (CIMIS) to the actual obligations from the CI realized Financial Plan, excluding reimbursables and EITC funds.

(2) Drug Methodology

The drug control methodology used is reasonable and accurate. The current methodology used to calculate obligations of prior-year budgetary resources has not changed. There was no impact in the methodology in FY 2023 since the methodology in FY 2022 did not change.

a) Data

Data is derived from CIMIS to determine the DIT applied to CI's Narcotics Program. Each CI 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 to determine the total resources expended to support the U.S. Government's National Drug Control Strategy. The annual percentage of DIT relating to all narcotics sub-programs is applied to the total resources expended for FY 2023 in the CI Appropriated Enforcement Budget (excluding reimbursables and EITC funds).

**b) 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 7a (2) of the ONDCP Circular: National Drug Control Program Agency Compliance Reviews. Calculations made using this methodology are sufficiently documented to independently reproduce all data and ensure consistency between reporting years.

(4) Material Weakness or Other Findings

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 as required by Section 7.a.(4) have been disclosed.

(5) Methodology Modifications

No modifications were made to the methodology for reporting drug control resources from the previous year's reporting.

(6) Reprogramming or Transfers

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

(7) Fund Control Notices

Criminal Investigation asserts the data presented is associated with obligations against a financial plan that fully complied with all fund control notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular: Budget Execution, as applicable.



Financial Crimes Enforcement Network



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY**

Washington, D.C. 20503

January 17, 2024

Peter D. Bergstrom
Chief Financial Officer
Financial Crimes Enforcement Network
Department of the Treasury
Washington, DC 20220

Mr. Bergstrom,

ONDCP has reviewed and approved the request from Financial Crimes Enforcement Network for an exception from the Inspector General Authentication requirements as outlined in the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews, September 9, 2021* (Circular). Please note that the requirements remain for the Budget Formulation Compliance and Detailed Accounting Reports identified in Sections 6 and 7 of the Circular.

Thank you for your efforts in support of the President's National Drug Control Strategy. If you have questions, please feel free to reach to me at performancebudgetcoordinator@ondcp.eop.gov.

Regards,

Scott Chronister
Chief, Interagency Budget Division
Office of National Drug Control Policy



Financial Crimes Enforcement Network
U.S. Department of the Treasury

Office of the Director

Washington, D.C. 20220

January 16, 2024

**MEMORANDUM FOR THE FY 2025 NATIONAL DRUG CONTROL BUDGET
COMPLIANCE REPORT AND DETAILED ACCOUNTING REPORT**

FROM: Peter Bergstrom
Chief Financial Officer
Associate Director, Management Division
Financial Crimes Enforcement Network

TO: Jon E. Rice
Budget Coordinator & Assistant Director for the Office of Performance
and Budget
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

SUBJECT: FY 2025 National Drug Control Budget Compliance Report and Detailed
Accounting Report

Dear Mr. Rice,

Attached is Financial Crimes Enforcement Network's (FinCEN) FY 2025 national drug control budget compliance report and detailed accounting report for FY 2023 actuals.

www.fincen.gov



**Financial Crimes Enforcement Network (FinCEN)
Budget Formulation Compliance Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of FinCEN's management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that FinCEN's system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The summer drug budget submitted to ONDCP in response to ONDCP Circular: Budget Formulation, Section 9.a.(1) was submitted to Main Treasury for a unified submission via email on July 17, 2023 at the same time the budget was submitted to the DCFO in accordance with 21 U.S.C. § 1703(c)(1)(A).
2. The funding request in the submission provided to ONDCP in the summer drug budget resource table represents the funding levels in the budget submission made by FinCEN without alteration or adjustment by any official at FinCEN.

**Peter D.
Bergstrom**

Digitally signed by
Peter D. Bergstrom
Date: 2024.01.17
08:01:18 -05'00'

Peter Bergstrom, Chief Financial Officer
Financial Crimes Enforcement Network

_____ Date



Department of the Treasury – Financial Crimes Enforcement Network

	Budget Authority (in millions)	
	FY 2023 Current	FY 2024 PB
Drug Resources by Function		
Investigations	\$2.12	\$ 2.30
Total Drug Resources by Function	\$2.12	\$ 2.30
Drug Resources by Decision Unit		
Salaries and Expenses	\$2.12	\$ 2.30
Total Drug Resources by Decision Unit	\$2.12	\$ 2.30
Drug Resources Personnel Summary		
Total FTEs (direct only)	14	14
Drug Resources as a Percent of Budget		
Total Agency Budget (in Billions)	\$190.2M	\$228.9M
Drug Resources Percentage	1.11%	1.00%



**Financial Crimes Enforcement Network (FinCEN)
Detailed Accounting Report
Management's Assertion Statement
For Fiscal Year Ended September 30, 2023**

On the basis of FinCEN's management control program, and in accordance with the guidance of the Office of National Drug Control Policy's (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, we assert that FinCEN's system of accounting, use of estimates, and systems of internal controls provide reasonable assurance that:

1. The drug methodology used by FinCEN to calculate obligations of budgetary resources by function and budget decision unit is reasonable and accurate in all material respects.
2. The drug methodology disclosed in this statement was the actual drug methodology used to generate the Table of Drug Control Obligations.
3. There were no material weaknesses or other findings by independent sources identified which may affect the presentation of drug-related obligations.
4. There were no modifications to the methodology used to report drug control resources.
5. The data presented are associated with obligations against a financial plan that did not require revision for reprogrammings or transfers during FY 2023.
6. FinCEN did not have any ONDCP Fund Control Notices issued in FY 2023.
7. Compliance with the Inspector General Authentication requirements of Section 8 of this Circular would constitute an unreasonable reporting burden.

**Peter D.
Bergstrom**
Peter Bergstrom, Chief Financial Officer
Financial Crimes Enforcement Network

Digitally signed by
Peter D. Bergstrom
Date: 2024.01.17
08:02:01 -05'00'

_____ Date



Financial Crimes Enforcement Network (FinCEN)
Detailed Accounting Submission
Drug Control Funding Obligations
For Fiscal Year Ended September 30, 2023
(Dollars in Millions)

	FY 2023 Actual Obligations
Drug Obligations by Budget Decision Unit and Function:	
Decision Unit: Investigations	
Salaries and Expenses	\$ 0.99
Total Investigations	\$ 0.99
Total Drug Control Obligations	\$ 0.99

Disclosure 1: Drug Methodology

The FTE estimate was based on staff working on transnational criminal organizations with a demonstrated drug nexus, including opioids. The funding level was estimated using the salary and benefit costs for GS 13/5 personnel.

Data – All accounting information for FinCEN is derived from Oracle.

Financial System – Oracle is FinCEN’s financial system that provides obligation data.

Disclosure 2: Application of Drug Methodology

The drug methodology disclosed was the actual methodology used to generate the table.

Disclosure 3: Methodology Modifications

No modifications were made to the methodology from the prior year.

Disclosure 4: Material Weaknesses or Other Findings

There were no material weaknesses or other findings by independent sources, or other known weaknesses, including those identified in FinCEN’s Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations data.



Disclosure 5: Reprogrammings or Transfers

No reprogrammings or transfers occurred that affected FinCEN's drug-related budgetary resources.

Disclosure 6: Inspector General Authentication

With less than \$50 million in prior year drug-related obligations, compliance with the Inspector General Authentication requirements of Section 8 of this Circular would constitute an unreasonable reporting burden.



Office of Foreign Assets Control



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

January 23, 2024

MEMORANDUM FOR RAHUL GUPTA, DIRECTOR

FROM: William Sessions, Treasury Departmental Budget Director William T. Sessions III

SUBJECT: FY 2025 OFAC Budget Formulation Compliance Report and Detailed Accounting Report

This memorandum provides the OFAC FY 2025 Budget Formulation Compliance Report, which is required in the ONDCP Circular: National Drug Control Program Agency Compliance Reviews, 9 September 2021). This report is being submitted along with the fall budget formulation transmittal memo and table.

I assert that:

- The FY 2025 Fall Budget Resource Summary Table was submitted to ONDCP on September 20, 2023, and is provided in Attachment A.
- OFAC did not submit its FY 2025 budget request to ONDCP at the same time it submitted its request to OFAC's parent organization, the Office of Terrorism and Financial Intelligence (TFI). OFAC is neither a bureau nor an agency; it is an office within TFI. TFI is an office within Treasury's Departmental Offices' bureau. Treasury's Departmental Offices' bureau's budget office did not provide ONDCP OFAC's FY 2025 budget request the same day they received it from TFI. However, it was submitted on the day the Departmental Offices budget was settled, of which TFI is a component.
- OFAC's FY 2025 Fall Drug Budget Request represents the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department.

Additionally, OFAC's Detailed Accounting Report is included in Attachment B and the Inspector General Authentication Exemption Request is included in Attachment C.

If you have any questions, please contact me at William.Sessions@Treasury.gov, or your staff can contact Starrlese Butcher at Starrlese.Butcher@Treasury.gov.

ATTACHMENTS

- A. FY 2025 Fall Budget Resource Summary Table
- B. Detailed Accounting Report
- C. Inspector General Authentication Exemption Request

FY 2025 OFAC Budget Formulation Compliance Report and Detailed Accounting Report 1



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Attachment A: FY 2025 Fall Budget Resource Summary Table

DEPARTMENT OF THE TREASURY
The Office of Foreign Assets Control

Resource Summary

	Budget Authority (in millions)		
	FY 2023 Enacted	FY 2024 President's Budget	
Drug Resources by Decision Unit			
Salaries and Expenses	\$0.911	\$1.054	
Total Drug Resources by Decision Unit	\$0.911	\$1.054	
Drug Resources Personnel Summary			
Total FTEs (direct only)	6	6	



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Attachment B: Detailed Accounting Report

OFAC Detailed Accounting Report

A. Drug Control Funding Obligations

1. Prior Year (FY 2023) Drug Control Obligations

	Budget Amounts (in Millions)		
	FY 2023 Authority	FY 2023 Obligations	Difference
Drug Resources by Decision Unit and Function			
OFAC	\$0.911	\$0.876	\$0.035
Total Drug Resources by Decision Unit and Function	\$0.911	\$0.876	\$0.035

2. Drug Methodology

OFAC assessed the number of FTEs working on drug-related matters as a total of 6 full-time positions. When the FY 2023 budget was formulated, the employees' salaries filling those six positions were used to derive the \$0.911 million estimate. The obligations amount was derived by pulling the actual FY 2023 labor costs from the financial system for the employees filling the six drug-related positions working on drug-related matters.

3. Methodology Modifications

No methodology modifications were made.

4. Material Weaknesses or Other Findings

Treasury is not aware of any material weaknesses or other findings.

5. Reprogrammings or Transfers

No official reprogrammings or transfers occurred during FY 2023 as OFAC's drug control budget is within its overall budget amount and not controlled separately.

6. Other Disclosures

Treasury does not have any other disclosures.

B. Assertions

1. Obligations by Budget Decision Unit

Treasury asserts that obligations reported by budget decision unit are the actual obligations derived from the bureau's financial reports and are consistent with the application of the above methodology, as required by ONDCP Circular: *Budget*



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Formulation, Section 7, for calculating drug control funding against the bureau's accounting system of record for these Budget Decision Units.

2. Drug Methodology

Treasury asserts that the obligations reported by budget decision unit are accurate and follow the methodology outlined in the previous section.

- a) **Data** – The data reported is based on the above methodology and financial reporting actuals for the identified employees filling the six full-time positions that OFAC has identified as drug-control related.
- b) **Financial Systems** – OFAC pulls the obligations data reported above from a data download report from the bureau's budget office (Assistant Secretary for Management, Office of Financial Management). The bureau's budget office pulls this data directly from the bureau's official financial reporting system.

3. Application of Drug Methodology

Treasury asserts that the methodology described above was the actual methodology used to produce the obligations amount. OFAC has specified which positions are drug-control related and pulls the actual labor costs for the employees filling those positions from the financial system in order to produce the obligations amount.

4. Material Weaknesses or Other Findings

Treasury asserts that no material weaknesses or other findings have been reported.

5. Methodology Modifications

No methodology modifications were made.

6. Reprogrammings or Transfers

Treasury asserts that no reprogrammings or transfers took place during FY 2023.

7. Fund Control Notices

Treasury asserts 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 9 of the ONDCP Circular, *Budget Execution*.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Attachment C: Inspector General Authentication Exemption Request

January 23, 2024

Scott Chronister
Director, Interagency Budget Division
Office of Performance and Budget
Office of National Drug Control Policy
Washington, DC 20500

Mr. Chronister,

Treasury, Office of Foreign Assets Control (OFAC) requests an exemption under the ONDCP Circular: National Drug Compliance Control Program Agency Compliance Review dated September 9, 2021. Under Section 8 (d) of this Circular, the Unreasonable Burden Exception states that "An agency or bureau in the National Drug Control Budget with prior year drug-related obligations of less than \$50 million may request an exemption from the Inspector General Authentication review required by Section 8." OFAC has not had an OIG review, however, OFAC's FY 2023 drug-related actual obligations were \$0.876 million, which is below the \$50 million threshold for exemption.

OFAC understands that it will still be required to report under Section 6 and 7 of the Circular, as well as provide budget formulation information to ONDCP.

Should you have any questions or concerns, please contact me at me at William.Sessions@Treasury.gov, or your staff can contact Starrlese Butcher at Starrlese.Butcher@Treasury.gov.

Regards,

William T. Sessions III
Digitally signed by
William T. Sessions III
Date: 2024.01.24
09:42:45 -0500

William Sessions
Departmental Budget Director
U.S. Department of the Treasury



Department of Veterans Affairs

Veterans Health Administration

DEPARTMENT OF VETERANS AFFAIRS Veterans Health Administration Annual Budget Formulation Compliance Report of ONDCP Funds

A. Summer Budget Information

1. Summer Budget Transmittal – Summer drug budget was submitted to ONDCP on July 15, 2023 in accordance with ONDCP Circular, Budget Formulation, Section 9.a (1), dated September 9, 2021.

2. Resource Summary Table

	Budget Authority (in Millions)	
	FY 2023 Enacted	FY 2024 President's Budget
Drug Resources by Budget Decision Unit		
Medical Care	\$1,233.285	\$1,283.850
Medical & Prosthetic Research	\$28.000	\$28.000
Total Funding	\$1,261.285	\$1,311.850
Drug Resources by Budget Function ^{1/}		
Treatment	\$1,233.285	\$1,283.850
Research and Development	\$28.000	\$28.000
Total Funding	\$1,261.285	\$1,311.850
Drug Resources Personnel Summary		
Total FTEs (Medical Care - direct only)	3,088	3,095
Total FTEs (Research - direct only)	-	-
Drug Resources as a Percent of Budget		
Total Agency Budget (in billions)	\$129.2	\$143.5
Drug Resources Percentage	1.0%	0.9%

^{1/} VA does not have a discrete ONDCP appropriation; VA forecasts obligations anticipated to support substance use disorder treatment programs, including opioid use disorder treatment programs, for Veterans.

^{2/} FY2023-2024 ONDCP estimates are consistent with FY2024 ONDCP Annual Budget Submissions. FY2023-2024 estimates will be updated based on FY 2023 Actuals for the FY 2025 Detailed Accounting Submission.

^{3/} Agency Budget for FY 2025 includes the Toxic Exposure Fund mandatory appropriations for both Medical Care and Medical & Prosthetic Research. Agency budget estimates are not final and subject to change following the budget/appropriation process.



B. Assertions

1. **Timeliness of Summer Budget Submission** – VA asserts that the FY 2025 summer drug budget was submitted to ONDCP on the date provided in Section A.1 (page 2) based on the criteria set forth in the ONDCP Circular, Budget Formulation, dated September 9, 2021 and was provided to ONDCP at the same time as the budget request was submitted to superiors in accordance with 21 U.S.C. § 1703(c)(1)(A). VA affirms the accuracy of the summer budget submission contained in the transmittal email to ONDCP.
2. **Funding Levels** – VA asserts the estimated obligations by Budget Decision Unit and Drug Resources as a Percent of Budget represent the funding levels in the budget submission made to the Department without alteration or adjustment by any official at the Department.

Laura Duke Digitally signed by LAURA DUKE
Date: 2024.02.09 17:55:12 -05'00'

Laura Duke
Chief Financial Officer
VHA Office of Finance (104)

Date

Charles J. Stepanek Digitally signed by Charles J.
Stepanek 105156
Date: 2024.02.09 16:34:49 -05'00'

Charles Stepanek
Budget Analyst
VHA Office of Finance (104)

Date



Statement of Disclosures and Assertions for FY 2023 Drug Control Obligations Submitted to Office of National Drug Control Policy (ONDCP) for Fiscal Year Ending September 30, 2023

In accordance with ONDCP's Circular, National Drug Control Program Agency Compliance Reviews, dated September 09, 2021, the Veterans Health Administration asserts that the VHA system of accounting, use of obligations, and systems of internal controls provide reasonable assurance that:

Obligations are based upon the actual expenditures as reported by the Decision Support System (DSS), which is the designated Managerial Cost Accounting (MCA) System of the Department of Veterans Affairs.

The methodology used to calculate obligations of budgetary resources is reasonable and accurate in all material respects and as described herein was the actual methodology used to generate the costs.

Accounting changes are as shown in the disclosures that follow.



DEPARTMENT OF VETERANS AFFAIRS
 VETERANS HEALTH ADMINISTRATION
 Annual Reporting of FY 2023 Drug Control Funds

A. Detailed Accounting Submission

1. Table of FY 2023 Drug Control Obligations

(In Millions)	
Description	FY 2023 Actual
Drug Resources by Budget Decision Unit:	
Medical Care.....	\$1,315.927
Medical & Prosthetic Research.....	\$29.824
Total.....	\$1,345.751
Drug Resources by Drug Control Function:	
Treatment.....	\$1,315.927
Research & Development.....	\$29.824
Total.....	\$1,345.751

2. Drug Control Methodology

Medical Care: The obligation tables for the FY 2023 Drug Control Obligations (above) and the Resource Summary (page 28) showing obligations and FTE (Full-Time Equivalent) for substance use disorder (SUD) treatment in Veterans Health Administration (VHA) are based on specific patient encounters. The specific patient encounters include all inpatient and outpatient episodes of care either provided by VHA staff or purchased in the community. The source data for VHA inpatient care is the Patient Treatment File (PTF). For outpatient care, it is the National Patient Care Database Encounter file (SEFILE). For contract care, it is either the PTF or the hospital payment file. For contract care, it is the PTF, the ViSTA payment file from Austin, and CCRS & eCAMS payment files from Corporate Data Warehouse (CDW).

All patient encounters have an associated diagnosis. The primary diagnosis is considered the reason the patient is being treated and is used to determine whether the treatment provided is a substance use disorder treatment and which type of substance use disorder. A list of the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) and International Statistical Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) Diagnosis groups used for substance use disorders are shown in the following table:

Diagnosis Code	Description (DSM-5 and ICD-10-CM)
F11xx	Opioid Related Disorders
F12xx	Cannabis Related Disorders
F13xx	Sedative Hypnotic/Anxiolytic Related Disorders
F14xx	Cocaine Related Disorders



F15xx	Other Stimulant Related Disorders
F16xx	Hallucinogen Related Disorders
F19xx	Other Psychoactive Substance Related Disorders

It should be noted that Prescriptions and Lab tests do not have linkages to a specific diagnosis and are not included in the report.

The cost of VHA provided services is calculated by the Managerial Cost Accounting (MCA) System of the Department of Veterans Affairs (VA). MCA cost data is used at all levels of the VA for important functions, such as cost recovery (billing), budgeting and resource allocation. Additionally, the system contains a rich repository of clinical information, which is used to promote a more proactive approach to the care of high risk (i.e., diabetes and acute coronary patients) and high-cost patients. VA MCA data is also used to calculate and measure the productivity of physicians and other care providers.

The basic unit of MCA cost is the product. For VHA a product can range from a prescription fill made through a mail-out pharmacy, to an outpatient dental exam, to a bed-day of care in an Intensive Care Unit. Every product that is delivered is fully costed. This means that all direct labor, direct supply, and associated indirect costs (to include local and national overhead costs) are applied. Once they are fully costed, products are then assigned to the applicable patient encounter.

MCA costs are the basis for the obligations displayed in the ONDCP report. The Allocation Resource Center (ARC) develops ARC cost, which is computed by taking the MCA cost and removing the non-patient specific costs, such as Operating costs for Headquarters, Veterans Integrated Service Network (VISN) Support, National Programs, and Capital and State Home costs, and adding in the community care payments.

For budget purposes, ARC costs are transformed into obligations to account for the entire VHA Budget. It is a multi-step methodology that is implemented to compute obligations.

- The ARC costs are divided into their appropriations using cost centers identified in their Monthly Program Cost Report (MPCR), which is a MCA Account Level Budget (ALB) based report that accounts for all the costs that comprise the MCA system.
- A facility specific ratio of obligations to ARC cost for non-capital costs is created and multiplied by the expenditures to create medical center specific obligations.
- Assign the medical center capital obligations to VHA services proportional to cost.
- Aggregate the national overhead obligations by cost center into their appropriations and assign them to patient services proportional to cost.
- Balance the final obligations nationally to the SF133 Report on Budget Execution total proportionately.

Medical and Prosthetic Research: The obligation tables for the FY 2023 Drug Control Obligations (above) and the Resource Summary (page 28) showing Medical Research and Prosthetics obligations reflects the budget for addiction research recorded in VA's Research Allocation Forecasting System (RAFT) used for planning and budgeting. Medical and Prosthetic Research budget supports all addiction research, both prevention and treatment, including alcohol and tobacco.



MEDICAL CARE

Year in Review

In FY 2023, 258,722 Veterans who received services within VHA were diagnosed with a drug use disorder. Of these Veterans, VHA provided services by mental health clinicians in various of settings and modalities, including outpatient, clinical video telehealth, or telephone care to nearly 85% (218,877) of Veterans with any diagnosis of a drug use disorder. Among Veterans receiving services for drug use disorders within VHA in FY 2023, approximately 16% (41,736) used amphetamines, around 24% (61,922) used cocaine, around 26% (66,463) used opioids, and around 56% (146,177) used cannabis. (These categories are not mutually exclusive.)

Fewer Veterans with substance use concerns used VHA specialty SUD services beginning in 2020 because of COVID 19. The decrease in the number of Veterans seen in specialty SUD programs served is not believed to reflect a change in need for SUD services (Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic — United States, June 24–30, 2020 | MMWR (cdc.gov)). The number of patients treated for a SUD diagnosis across VHA health care settings was greater in FY 2023 (559,600) than in FY 2019 (546,300). VHA moved rapidly to ensure sustainment of treatment services, rapidly transitioning SUD specialty services to telehealth platforms. VHA also worked closely with the Substance Abuse and Mental Health Services Administration (SAMHSA) to ensure continued access to medications for the treatment of opioid use disorder (M-OUD). VA is focusing efforts on returning utilization of intensive SUD treatment services to pre-pandemic norms (e.g., reopening residential treatment beds and in-person group therapy). Though fewer patients received intensive SUD treatment services in FY 2023 than prior to the COVID pandemic, the number of patients who received intensive SUD treatment increased 24% from FYs 2021 through 2023. Consistent with expansion in use of telehealth since the start of the pandemic, VHA continued to utilize telehealth (telephone only and audio/visual, dependent on Veteran preference and access to technology) to support provision of SUD specialty treatment.

As requested, VHA is exploring available data that would allow for more precise information related to Veteran requests for SUD treatment and subsequent engagement in care. At the current time, this information is not available. Development of SUD-specific content for the new electronic health record is continuing with the expectation that this information will be available in the future. Further, during FY 2023, VHA implemented processes that will allow for capture of information regarding referrals for residential SUD treatment and subsequent disposition beginning in FY 2024. VHA has made significant progress in identifying patients with clinical signs or mentions of substance use in the electronic medical record to support clinical case-finding and engagement in evidence-based services. VHA has developed and is clinically piloting a case-finding tool to identify patients with signs of possible injection drug use to support proactive efforts to engage appropriate patients in SUD treatment, harm reduction efforts, and infectious disease prevention and treatment interventions.

Expanding Access to Evidence-Based Treatment

VHA SUD Service Care Delivery

National policy and expectations for managing SUD within VHA is guided by VHA Handbook 1160.04 and the VA / Department of Defense (DoD) Clinical Practice Guidelines for the Management of SUD (<https://www.healthquality.va.gov>). VHA is a leader in the prevention and treatment of SUD and uses a stepped care approach to SUD treatment (in which collaborative (patient and provider) selection of treatment intensity is matched to patient characteristics and informed by data from ongoing monitoring of the patient's condition. Patients with at-risk alcohol use or the least severe SUDs may be treated with evidence-based brief interventions and/or medical management in primary care or general mental health. For those with more severe disorders, specialty SUD treatment programs provide intensive services



including withdrawal management, evidence-based psychosocial treatments, SUD medication, case management and relapse prevention, all provided across various settings including outpatient, intensive outpatient, residential, and inpatient/hospital. Although the [US Preventive Services Taskforce](#) recommends population-based screening of unhealthy drug use, the [2021 VA/DoD SUD CPGs](#) found there is insufficient evidence to recommend for or against screening for drug use disorders in primary care to facilitate enrollment in treatment. VHA is nevertheless exploring the provision of universal drug screening through primary care, as it already does for alcohol use disorder, in a manner that balances the need to better identify and engage Veterans in SUD treatment while mitigating the potential burden that such screening would bring to primary care. As an integrated healthcare system, VHA is uniquely situated to address the needs of Veterans diagnosed with a SUD, including providing support to address co-occurring medical, mental health, and psychosocial needs (e.g., housing, employment). Treatment for SUD occurs across settings and with policy-defining expectations for access to SUD treatment, including expectations for access through Community Based Outpatient Clinics (CBOC) and Health Care Centers (HCC).

VHA also continues to improve service delivery and efficiency by integrating services for mental health disorders, including SUD, into primary care settings. Veterans from Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn/Operation Inherent Resolve (OEF/OIF/OND/OIR) and Veterans from other eras are served in primary care teams (Patient Aligned Care Teams: PACTs) that have co-located mental health staff to identify and address potential mental health and substance use treatment needs. Secondary prevention services include diagnosis and assessment of possible substance use disorders in patients presenting medical problems that suggest elevated risk of substance use disorders (e.g., those being treated for Hepatitis C or prescribed opioid medications). Recognizing the importance of PACT-based care, VHA is implementing the Behavioral Health Interdisciplinary Program – Collaborative Chronic Care Model (BHIP-CCM) at every VHA facility. BHIP – CCM is an “evidence-based approach to structuring clinical care to ensure coordinated, patient-centered, and anticipatory care” (available at <https://www.ncbi.nlm.nih.gov>). Implementation of BHIP – CCM teams within general mental health further supports VA’s commitment to providing access to chronic disease management and treatment for substance use disorders beyond specialty SUD treatment settings.

In addition, VA has funded SUD providers in Primary Care Mental Health Integration (PCMHI) programs. PCMHI provides mental and behavioral health expertise for Veterans whose conditions can be managed collaboratively in primary care with the Veteran’s PACT. The goal of PCMHI is to provide high-quality, collaborative mental and behavioral health care including SUD to improve the health of both individual Veterans and the Veteran population as a whole. PCMHI implementation includes two required components: Co-located Collaborative Care and Collaborative Care Management. Co-located Collaborative Care (CCC) providers provide consultative advice, brief assessment, and problem-focused treatment. Mental Health Collaborative Care Managers (CoCM) use the evidence-based Mental Health Collaborative Care Management Model to provide longitudinal follow-up and decision support for specific mental health conditions. PCMHI can also connect Veterans with care in general and specialty mental health and SUD services to ensure they receive the right level of care in the most appropriate setting based on symptom severity, functional impairment, and Veteran preference.

Most Veterans with substance use disorders are treated in outpatient programs. Outpatient withdrawal management is available for patients who are medically stable and who have sufficient social support systems to monitor their status. Standard outpatient programs typically treat patients one or two hours per session and patients are generally seen once or twice a week. Intensive SUD outpatient programs generally provide at least three hours of clinical programming per day and patients attend three or more days per week. At the same time, providers in these outpatient and intensive outpatient SUD treatment settings are expected to collaborate with colleagues in inpatient and residential SUD care settings to coordinate Veterans’ transitions across these levels of SUD care. Such efforts are necessary for helping ensure



continuity of SUD care that is consistent with a chronic disease model of care and responsive to changes in Veterans' clinical status.

Considering the frequent co-occurrence of SUDs with posttraumatic stress disorder (PTSD), VHA also has assigned a SUD specialist to each of its hospital-level PTSD services or teams. The staff person is an integral member of the PTSD clinical services team and works to integrate substance use disorder care with all other aspects of PTSD-related care. Among the specialists' responsibilities are the identification and treatment of Veterans with co-occurring SUD and PTSD. Specialists also promote preventive services for Veterans with PTSD who are at risk for developing a SUD.

VHA provides two types of 24-hour care to patients with severe or complex substance use disorders. These include inpatient withdrawal management and stabilization in numerous medical and general mental health units, equivalent to Level 4, Medically Managed Intensive Inpatient Treatment as specified by the American Society of Addiction Medicine Patient Placement Criteria (<https://www.asam.org/asam-criteria/about-the-asam-criteria>), and provision of care in Mental Health Residential Rehabilitation Treatment Programs (otherwise referred to as Domiciliary beds). VHA offers care in Mental Health Residential Rehabilitation Treatment Programs (MH RRTPs) to Veterans with complex, co-occurring mental health, substance use, medical, and psychosocial needs. Specialty Domiciliary SUD programs provide treatment equivalent to Level 3.7, Medically Monitored Intensive Inpatient Services as specified by the American Society of Addiction Medicine Patient Placement Criteria. At the end of 2022, 72 Domiciliary SUD programs were in operation with roughly 1,800 beds focused specifically on intensive, medically monitored residential SUD treatment. In addition to those MH RRTPs formally designated as Domiciliary SUD programs, additional SUD specialized services are offered through tracks in other MH RRTPs with services equivalent to those provided by the Domiciliary SUD programs (16 programs during FY 2023). Across the more than 200 MH RRTPs serving Veterans across the country, the majority of Veterans served (more than 95%) by MH RRTPs are diagnosed with a SUD. Several new Domiciliary SUD programs are under development with the number of programs expected to grow over the next few years.

Homeless program SUD coordinator positions were also awarded enterprise-wide to engage homeless Veterans with SUD into VA SUD outpatient and residential services. In addition, because people experiencing unstable housing or homelessness are at high risk of overdose, a complementary aim aligned with the National Drug Control Strategy is the already announced objective that VA and its community partners would place at least 38,000 Veterans experiencing homelessness into permanent housing by the end of calendar year 2023. As of November 30, 2023, 42,526 Veterans have been permanently housed, representing 111.9% of the goal. VA has met this goal and will continue to connect homeless Veterans to the permanent housing and supportive services they need.

SSVF awards grants to private non-profit organizations and consumer cooperatives that assist very low-income Veteran families residing in or transitioning to permanent housing grantees provide a wide range of supportive services to eligible Veteran families that are designed to promote housing stability through rapid re-housing and homelessness prevention. SSVF Grantees cannot provide direct health care services. Additionally, clinical SUD services and other clinical type care is not an eligible SSVF activity. The addition of the SUD SSVF position has helped ensure eligible Veterans in need of SUD services are connected to VA SUD services through coordination and collaboration. Grantees are typically a first contact with the Veteran so seamless coordination can assist with improving outcomes associated with receiving SUD care and improvement of housing outcomes.

The foundation of HCHV programs is the provision of outreach services to Veterans who are homeless and assisting them in obtaining permanent housing as expeditiously as possible. The central goal of HCHV programs is to reduce homelessness among Veterans by conducting outreach to those who are the most vulnerable and who are not currently receiving VA services. Once Veterans are engaged through outreach,



the goal is to connect them to treatment and rehabilitation services as well as to other VA programs and non-VA community programs that provide prevention, supportive services, and permanent housing. HCHV programs are also vital for providing a gateway to VA and community-based supportive services for eligible Veterans who are homeless. The HCHV National Program Office expects that each VA medical facility (including those who do not have an assigned HCHV Outreach Services staff) will provide HCHV Outreach Services within that VA medical facility's catchment area, either directly or in collaboration with community partners. This includes ensuring that chronically homeless Veterans and those with serious mental health diagnoses can be placed in VA and community-based programs that provide quality housing and services that meet the needs of these special populations. In addition to outreach services, HCHV programs provide care, treatment, and rehabilitative services, including case management and therapeutic transitional housing assistance by contracting with community providers.

The Grant and Per Diem (GPD) program allows VA to award grants to community-based organizations to provide transitional housing with wraparound supportive services to assist vulnerable Veterans as they move into permanent housing.

GPD's programs serve a wide variety of Veteran populations with diverse needs. Therefore, GPD offers several models of transitional housing, each filling a focused purpose within the continuum of homeless services and addressing various needs of Veterans. One example is the Clinical Treatment housing model which is designed for Veterans experiencing homelessness who have a specific diagnosis related to a substance-use disorder or mental-health diagnosis. These Veterans actively choose to engage in clinical services. In this model, GPD grantees provide clinically focused treatment and services to help Veterans secure permanent housing and increase income through benefits and/or employment. Another example is the Low Demand housing model which uses high engagement and harm reduction to better accommodate Veterans experiencing chronic homelessness and Veterans who were unsuccessful in traditional treatment settings. Programming under this model does not require sobriety or compliance with mental health treatment as a condition of admission or continued stay. Overall, demands are kept to a minimum; however, services are made widely available and are actively promoted by program staff with the goal of establishing permanent housing while providing for the safety of staff and residents.

HUD-VASH is a collaborative program that provides housing and supportive services to homeless Veterans. HUD provides eligible homeless Veterans with a Housing Choice rental voucher, and VA provides case management and supportive services so that Veterans can gain housing stability and recover from physical and mental health problems, substance use disorders, and other issues contributing to or resulting from homelessness. HUD-VASH subscribes to the principles of the Housing First model of care. Housing First is an evidence-based practice model that rapidly moves homeless individuals into housing and wraps supportive services around them as needed to help them exit homelessness and achieve housing stability as well as improve their ability and motivation to engage in treatment (available <https://endhomelessness.org/resource/housing-first/>). The program's goals are to help Veterans and their families gain stable housing while promoting full recovery and independence in their community.

SUD Specialists in HUD-VASH programs are an essential part of programs designed to end homelessness among Veterans. All HUD-VASH programs are encouraged to have SUD specialists as a part of their multidisciplinary teams. SUD specialists working in HUD-VASH actively participate as team members with direct interaction with SUD specialty services. SUD Specialists provide case management services and promote integration with SUD care providers across VA. They also engage HUD-VASH Veterans with SUDs to discuss the impact of their substance use and developing a therapeutic relationship that assists Veteran participants with exploring, as ready, the impact of their use on health, functioning, relationships, and housing access/maintenance, and develop strategies to decrease or end such use. This is accomplished through direct clinical care, education on Harm Reduction as it related to substance use disorder and recovery, and through liaison and consultation with VA SUD programs. Peer Specialists within HUD-



VASH also provide essential services to Veterans experiencing SUD and co-occurring mental health conditions which include providing emotional support to encourage positive change during the Veteran's recovery process, including checking in with the Veteran on how he/she is feeling and managing and regularly asking about the Veteran's current needs. Peer supports also accompany the Veteran to clinical appointments, self-help group meetings, and other meetings that directly support the Veteran's preferences for care.

Incarceration as an adult male is the most powerful predictor of homelessness. VA therefore also conducts outreach to justice-involved Veterans through two dedicated national programs, both prevention-oriented components of VA's Homeless Programs: Health Care for Reentry Veterans (HCRV) and Veterans Justice Outreach (VJO). Known collectively as the Veterans Justice Programs (VJP), HCRV and VJO facilitate access to needed VA health care and other services for Veterans at all stages of the criminal justice process, from initial contact with law enforcement through community reentry following extended incarceration.

In addition, an Enhanced Use Lease (EUL) program provides a mechanism for a non-VA entity to develop and operate supportive housing for homeless and at-risk Veterans and their families on VA property. VA enters into a long-term ground lease with a private, not-for-profit, or local government entity, which develops, constructs/rehabilitates, finances, operates and maintains the housing. This innovative tool provides Veterans with housing and an expanded range of services that would not otherwise be available on medical center campuses. VA's EUL program and implementation process are aligned with the Housing First philosophy. Since 1991, VA has executed 105 EULs, including 49 operational housing EULs nationwide comprised of more than 3,300 housing units. In addition, VA housing EULs have raised over \$1.5 billion of non-VA funding. These EUL projects provide safe, affordable living arrangements near health care providers, which contribute to positive health care outcomes for Veterans. The EUL program is managed by the Office of Asset Enterprise Management (OAEM). A list of awarded EUL projects, including EUL housing projects, can be found at: <http://www.va.gov/assetmanagement/>.

Methamphetamine

VA recognizes the emerging threat that methamphetamine poses to our nation's Veterans. Specific data on the rates of methamphetamine use disorder are not available. However, the overall rates of amphetamine use disorder have been increasing over the past several years. The number of Veterans who received care for amphetamine use disorder increased over the past year with 41,736 Veterans who received care in VHA during FY 2023 having an amphetamine use disorder diagnosis. VA's commitment to provision of evidence-based treatment has positioned VA well to respond to this emerging threat. Contingency Management (CM) is an evidence-based treatment with demonstrated efficacy in treating stimulant use disorder. VHA has been able to support CM including its associated costs of toxicology surveillance and incentives to strengthen Veterans' recovery behavior. VHA implemented CM in 2011, and through the end of FY 2023, VHA has provided CM to over 6,400 Veterans, with 92% of the more than 83,000 urine samples testing negative for the target drug(s) (e.g., stimulants or cannabis). VHA has launched a stimulant safety initiative that focus on expanding access to evidence-based interventions such as CM and Cognitive Behavioral Therapy (CBT) for Veterans with stimulant use disorder. In addition, VA is exploring models for implementing digital therapeutics into the treatment of stimulant use disorder (as well as other SUD care). Given that almost half of stimulant overdose deaths involve opioids, VA has also mandated that Opioid Overdose Education and Naloxone Distribution (OEND) be offered to VHA patients diagnosed with stimulant use disorder (see OEND section below).

Opioid Use Disorder

Slightly less than 66,500 Veterans with an opioid use disorder (OUD) diagnosis were seen in VHA in FY 2023 Medication for OUD (M-OUD) has historically been provided in SUD specialty-care clinics, but a significant number of Veterans with clinically diagnosed OUD do not access SUD specialty care. By disseminating evidence-based models for delivery of M-OUD in primary care, mental health, and pain



management clinics, Veterans are expected to have timely access to the right treatment at their preferred point of care. In August 2018, VHA launched the Stepped Care for Opioid Use Disorder Train the Trainer (SCOUTT) initiative with the intent of supporting the expansion of M-ODU in level 1 clinics (primary care, general mental health, and pain management clinics). Phase One sites in each VISN implemented this expansion during FY 2019. From August 2018 through September 2023 there was a 196% increase in the number of patients receiving buprenorphine in the Phase One level clinics and 291% increase in the number of providers prescribing buprenorphine in these clinics. Further, Veterans are being retained in care with 72% of Veterans retained on buprenorphine for more than 90 days. Phase Two of the SCOUTT initiative was launched in the Fall of 2020 and three regional conferences occurred in April 2021, attracting over 500 participants. Since the launch of Phase Two in October 2020, there has been a 39% increase in the number of patients receiving buprenorphine and a 100% increase in the number of providers prescribing buprenorphine. Among Phase Two sites, 73% of patients are retained on buprenorphine for more than 90 days. Across both Phases, over 4,400 patients have initiated buprenorphine. Further, the infrastructure developed to support Phase 1 and 2 of the SCOUTT initiative also supports level one clinics at facilities that are not formally involved in the SCOUTT initiative, including national clinical templates in the medical record that support assessment, buprenorphine initiation and buprenorphine medication management. Phase 3 facilities are now voluntarily being enrolled such that the SCOUTT initiative is within 80 clinics in over 40 facilities. In FY 2023, a pilot collaboration four Comprehensive Health Women's Clinics and four SCOUTT initiative facilities was initiated to improve the access and quality of care of women Veterans who have substance use disorders.

SCOUTT also supports 1) ongoing provider education to all (SCOUTT and non-SCOUTT) health care providers with monthly webinars reaching thousands of webinar participants annually; 2) ad hoc consultation and resource provision to clinicians; 3) resource guides, standing operating procedures, and a library of hundreds of prior presentations/webinars to guide implementation of SCOUTT/stepped care models of care; and 4) evaluation of patient-, provider-, and system impacts. SCOUTT has demonstrated (and published/disseminated) unique models of care delivery for M-ODU in its network. These care models include nurse care management, pharmacy care management, and hub and spoke models. Almost all SCOUTT initiative clinics are involved in telehealth provision of care, proceeding and after the start of the COVID pandemic. Through a collaborative care model, clinical pharmacy practitioners within SCOUTT are now prescribing M-ODU in States that allow this provision of care. The initiative is extremely popular and valued by clinicians and growing.

In 2021, evidence-based M-ODU, including office-based treatment with buprenorphine and extended-release injectable naltrexone, was accessible to patients seen at 100% of VHA medical centers. VHA operates federally regulated opioid treatment programs that can provide methadone maintenance on-site at 33 larger urban locations and at a growing number of VHA facilities that maintain contractual arrangements or arrange non-VA care for providing care through community-based licensed opioid treatment programs. VA monitors the percent of patients with OUD who receive M-ODU (48.1% in FY 2023) as part of the Psychotropic Drug Safety Initiative (PDSI). PDSI is a nationwide psychopharmacology quality improvement (QI) program that supports facility-level QI through quarterly quality metrics, clinical decision support tools, technical assistance for QI strategic implementation, and a virtual learning collaborative. Since fourth quarter of 2019, VA has seen a 4.1% increase in the number of Veterans that received M-ODU (total of 27,516 for FY 2023).

The number of providers prescribing buprenorphine to patients with an OUD increased 14.1% from FY 2021 to FY 2022 (from 2,673 to 3,050) and 57.0% from FY 2022 to FY 2023 (from 3,050 to 4,787). Over the same two-year period, the number of patients receiving buprenorphine increased 2.5% from FY 2021 to FY 2022 (from 20,591 to 21,104) and 1.5% from FY 2022 to FY 2023 (from 21,104 to 21,416).



While the number of providers is increasing, VA continues to focus efforts to remove barriers to prescribing and to support the initiation of buprenorphine when indicated. VHA Notice 2019-18, Buprenorphine Prescribing for Opioid Use Disorder was published in October 2019 (as VHA Notice 2020-30) and re-issued in September 2020 and again in February 2022 (as VHA Notice 2022-02) by the Undersecretary with the intent of clarifying national policy and tasking facilities to remove potential barriers to prescribing if present. In December of 2022, the guidance in these memoranda was included in VHA Directive 1160.04 (*VHA Programs For Veterans With Substance Use Disorders*). VHA also removed the requirement for written consent to provide buprenorphine for the treatment of OUD. In addition, the VA pharmacy benefits management program recently eliminated any formal criteria for use for the provision of buprenorphine treatment for opioid use disorder. In addition, in July 2020, VA formalized efforts to provide training to support efforts to ensure that all providers eligible to obtain an X-waiver had access to the training utilizing primarily an 8-hour half and half (four hours online and four hours live training) for physicians and a 24-hour training model for eligible non-physician prescribing providers. Between the SCOUTT initiative and Medication Addiction Treatment in the VA (MAT-VA) initiative, four monthly one-hour monthly webinars regarding substance use disorder education and training have been attended by 10,625 participants from January 2021 through September 2023. With the X-waiver repeal in December 2022, VA has pivoted from certified x-waiver trainings (8 hours) to 60- to-120 minute “Buprenorphine 101” trainings. These trainings provide the basics to allow prescribers to prescribe buprenorphine for opioid use disorder. Buprenorphine 101 trainings occur either nationally (webinar) or locally (in person or webinars). Since the start of 2023, ten buprenorphine 101 trainings have occurred with 1,409 total in attendance. Demand for these Buprenorphine 101 trainings has been high, and in 2024 the VA will continue at least quarterly Buprenorphine 101 trainings on national webinars. The VA has also started offering “office hour” sessions for M-OUD treatment consultation with subject matter experts (SMEs) where providers can discuss cases and ask question of SMEs in live sessions as well as continuing consultation via e-mail through the VHA “Ask the Expert Program” and direct live-to-patient consultation through the Substance-related and other Addictions program of the National Expert Consultation and Specialized Services – Mental Health (NEXCSS-MH SRAD, formerly known as the National TeleMental Health Center). In FY 2023, SUD experts fielded email questions from 362 unique providers (73% increase over FY 2022) and completed 158 live-to-patient encounters (7% increase over FY 2022) with 102 unique patients (19% increase over FY 2022).

VHA also recognizes the importance of capturing more detailed information on providers most likely to prescribe buprenorphine for OUD and has developed tools that will allow for improved understanding of availability of buprenorphine prescribers by practice settings through initiatives such as SCOUTT, MAT-VA, and SUD VHA “Ask the Expert Program” initiatives. VHA’s Office of Mental Health and Suicide Prevention’s SUD Office and Office of Research Development, have supported numerous research and evaluations of these national initiatives (e.g., SCOUTT) and the system-, provider-, and patient-outcomes of M-OUD provision of care. These dedicated research and evaluations continue to inform interventions and initiatives to improve M-OUD access and quality of care. As examples, the VA is supporting an evaluation of the provision of methadone treatment using mobile services, examining the impact of telehealth in the provision of SUD services, examining retention outcomes within the SCOUTT, and developing and training a cadre of new investigators in the M-OUD scholarly field.

To expand connect Veterans to the soonest and best SUD care, VA continues to retain, invest in, and support a complement of team members to increase access to evidence-based treatment for SUD. Specifically, Clinical Pharmacist Practitioners (CPP) are scaling best practice and driving innovation both within and outside specialty SUD care. The CPP serves as the medication expert delivering comprehensive medication management (CMM) to our Veterans using a patient-centered, collaborative approach in conjunction with the health care team. In partnership with the VA Office of Rural Health (ORH), the VA Pharmacy Benefits Management (PBM) Clinical Pharmacy Practice Office (CPPO) launched a nationwide initiative in 2020 to expand the CPPs workforce focused on improving access to evidence-based treatment in OUD and



alcohol use disorder (AUD) for rural Veterans. Since initiation, 51 VA facilities were awarded funding (FY 2020-FY 2023) to hire 64 CPPs across Mental Health, Pain Management, Primary Care and SUD Specialty Care settings. As part of this project, three regional train-the-trainer clinical pharmacy boot camps were held virtually in June and July 2020 to scale best practices and drive innovation for the 234 VA-CPPs in attendance. The primary goal was to advance CPPs practice in SUD care and harm reduction principles across level one clinics, in alignment with the SCOUTT initiative. All boot camp participants completed 24-hour DEA X-waiver training prior to the boot camp in anticipation that future legislation may include pharmacist practitioners as potential providers of buprenorphine-based therapy, furthering access to M- OUD. From Q4 FY 2022 – Q4 FY 2023, 200 CPPs delivered OUD care to over 26,000 Veterans totaling 43,000 patient care encounters. This represents double the number of CPPs practicing OUD care delivery since the implementation of the SCOUTT initiative. To further expand access to MOUD and since the removal of the X-waiver program, from January to December 2023, ninety-eight (98) CPP with controlled substance prescriptive authority have prescribed buprenorphine indicated for OUD to 1,124 Veterans across 49 VA facilities. When looking at SUD care broadly during the same time, 609 CPPs routinely delivered SUD care to over 100,000 Veterans and over 178,000 patient care encounters. In an additional partnership with the Pain Management Opioid Safety and Prescription drug Monitoring Program (PMOP), CPPO and PMOP launched the Medication Management in Pain Management Teams (MMPMT) initiative in FY 2022 to include screening and treating OUD, when co-existing with chronic pain, as part of comprehensive chronic pain care. This initiative awarded funding for 130 FTEE across 75 VA facilities to hire a CPP and Nurse Practitioner/Physician Assistant who provide medication management and opioid risk mitigation as part of the collaborative Pain Management Team (PMT) services. In 2023, five in-person, three-day multi-disciplinary training workshops, that included case-based SUD treatment didactics, were held for 258 participants, including MMPMT and other PMT practitioners. These workshops support successful MMPMT implementation by scaling best practices and driving innovation that will connect Veterans with the soonest and best pain care with a focus on preventing Veteran overdoses and suicide and driving health equity. Given the collaboration with ORH and PMOP, VA expects significant CPP practice growth in OUD (as well as general SUD), to continue in 2024 and beyond.

Related to, but not specific to OUD treatment, VHA has also mandated that OEND be offered to all patients with OUD (see OEND section below) and is also expanding the number of Syringe Service Programs (SSPs) enterprise wide (see section on SSPs under harm reduction efforts below). Through SSPs, VA plans to support SUD treatment engagement among Veterans who use drug by injection, and, among those Veterans, increase its capacity for low threshold buprenorphine treatment for Veterans with OUD. As VA expands its implementation of SSP, it is applying lessons learned from its award-winning OEND program and plans to evaluate SSP expansion to identify best practices and challenges experienced by early adopters. It is using the same evaluation team that was key in VA's groundbreaking hepatitis C virus elimination efforts.

Advancing racial equity and diversity in our approach to drug policy

To identify and mitigate differences in access to evidence-based SUD treatment among patients from marginalized ethnic, racial, gender, LGBTQ+ groups, VHA brought together a workgroup in June of 2021 whose goals were to investigate such differences and establish a pilot in 2022 for targeting interventions that mitigate the largest differences. Based on the results of this pilot, VHA plans to disseminate best practices to the field. The workgroup is comprised of SUD subject matter experts, researchers, and clinical leaders from VA SUD treatment programs. The workgroup currently is focusing its attention on racial and gender disparities in access to medications for opioid use disorder (M-OUD). The workgroup is currently conducting a quality improvement project to identify factors that differentiate sites with higher and lower disparities in access to MOUD. The quality improvement project aims to identify challenges to equitable access to M-OUD as well as best practices to resolve such disparities and promote equity in SUD care in general across the enterprise. The first report from this quality improvement project has been submitted and is currently under review by VHA SUD leadership. We expect findings from the report to result in



actionable initiatives including continued promotion of low-barrier buprenorphine treatment and making unconscious bias training available to providers. Furthermore, VA continues to educate its workforce about the intersection of disparities in access to SUD care and stigma surrounding SUD.

In addition, Mental Health residential treatment services, including SUD residential services for women Veterans are available in every VISN. Across the residential programs that serve women Veterans, 61% offer gender specific mental health services and 60% offer a separate, secure wing or unit for women Veterans. For those women Veterans requesting a residential program for women Veterans only, there are currently 12 programs that serve as national resources available to meet that need. Five of the women-only programs provide intensive specialty treatment for substance use. Finally, VA is developing at least two additional women only residential SUD treatment programs that will serve as national referral resources for women Veterans.

VHA also has pursued educational efforts to promote culturally competent SUD care, e.g., its Best SUD Care Anywhere webinar series has convened webinars on SUD care for women (in 2019), culturally competent SUD care (in 2020), SUD care for Native Americans (in January 2022), and Deconstructing Addiction Stigma (in July 2022).

For the past several years, the Office of Mental Health and Suicide Prevention (OMHSP) has been working collaboratively with VHA's Office of Health Equity (OHE) in identifying issues related to capturing Veteran demographic data in our current electronic health record so that disparities in mental health services can be accurately assessed. Further, OMHSP has been examining data related to staffing and disparities in provision of mental health services. More recently, OMHSP is planning expansion of the collaboration with OHE.

Work by OMHSP and OHE are part of broader VA strategies to improve equity. These strategies include improving data to understand and track disparities especially for sexual minority Veterans and Veterans with health-related social risks; supporting recruitment, professional development, and advancement of diverse groups of leaders to ensure an inclusive workforce; establishing safe workplaces that leverage diversity and empower all staff, ensuring equity in pay and contracting; promoting special emphasis programs and employee resource groups to advance equity for all employees; and delivering training and learning to support diversity, equity, and inclusion.

Addressing stigma in SUD treatment

VA has included language in its SUD policy (published in December 2022) aimed at stressing the importance of adopting a consistent, Veteran-centric, science-based language regarding substance use. In addition, this concept is being stressed at multiple community of practice meetings which reach SUD leadership and front-line providers across the VA enterprise. Stigma is also a topic that continues to be addressed in the VA webinar series, "Best SUD Care Anywhere!" open to federal partners including the Department of Defense and is being addressed in our national SUD virtual conference scheduled for January 2024, which is expected to reach over 1,200 staff. Furthermore, VA continues to educate its workforce about the intersection of disparities in access to SUD care and stigma surrounding SUD.

Strategic Communication Outreach Efforts for SUD

More than 105,000 people died of a drug overdose in the U.S. in 2022, according to data released by the Centers for Disease Control and Prevention. The number of drug overdose deaths involving synthetic opioids (including fentanyl) and stimulants (such as methamphetamine) continued to increase compared to the previous year. Each year in the U.S. excessive alcohol use is responsible for 140,000 deaths, shortening lives by an average of 26 years. On top of this, the stigma that some associate with SUDs and treatment already prevents many from seeking the care they need.



The primary goals of VA's communication and outreach efforts include (1) to raise awareness of substance use disorder (SUD) among Veterans and their family members and (2) to encourage them to seek treatment at VA and access the many resources available to them. More specifically, the goals for this communications effort are to:

- Educate Veterans and their loved ones about alcohol, drug, opioid, and stimulant use disorders, informing them of warning signs and symptoms and letting them know that SUDs are treatable.
- Increase awareness of VA's many resources and evidence-based treatment options for SUDs generally and alcohol, opioid, and stimulant use disorder specifically.
- Highlight the risk of overdose due to opioid use and the rise in overdose deaths due to opioid-laced stimulants.
- Build awareness of VA's harm reduction strategies and associated programs and resources.

Other Communication Efforts

VA continues to utilize various communication channels to provide education and awareness as it relates to de-stigmatize SUD care and providing resources. Among those efforts include the following:

- The Make the Connection campaign, available at <https://www.maketheconnection.net/>, is an online resource featuring over 700 Veterans who have shared their stories of strength and resilience in the hopes of encouraging others to reach out for support. The campaign connects Veterans, their family members and friends, and other supporters with information, resources, and solutions to mental health challenges affecting their lives. Make the Connection is VA's premier mental health literacy and anti-stigma website allowing users to explore mental health conditions and their signs and symptoms in plain language and find resources in their community. A variety of pages and videos are dedicated to SUD and include information on signs and symptoms of SUD. Additionally, individuals can use built in search and filtering functionality on the site to highlight hundreds of SUD specific videos and find one that is relevant to them. Resources available at Make the Connection include education on mental health and SUD treatment, self-assessments (including Alcohol Use and Substance Abuse screenings), self-help guidance, and how to access formal care. Resources are specific to Veterans, their loved ones, clinicians, active-duty service members, and reservists, but the messages and videos themselves for how mental health support can improve a person's life are universal.
- VA's Mental Health Website – A website that provides several resources, information on treatment options, and more related to mental health. The site includes specific SUD information and further expands on topics about opioid overdose and Stimulant Use Disorder, and finally provides help and resource information for Veterans ready to take the next step.
- Utilization of VA communication channels such as posting on VA's Facebook, Instagram and Twitter platform as well as authoring blogs for VA News related to:
 - Alcohol: VA posts VantagePoint blogs intended to educate the public about safer and risky drinking levels as well as treatment available through VA.
 - Overdose prevention: VA also posts VantagePoint blogs related to overdose protection.

Enhancing evidence-based harm reduction efforts

Opioid Safety Initiative

VHA continues to pursue a comprehensive strategy to promote safe prescribing of opioids when indicated for effective pain management. The purpose of the Opioid Safety Initiative (OSI) is to ensure pain management is addressed thoughtfully, compassionately, and safely. The OSI makes the totality of opioid use visible at all levels in the organization. Based on comparisons of national data between the quarter



beginning in quarter four of 2012 (beginning in July 2012) to quarter four of 2023 (ending in September 2023), many aspects of the OSI continue to show positive results. 408,666 fewer Veterans are receiving on long-term opioid therapy. 62,269 fewer patients received morphine equivalent daily doses greater than or equal to 90 milligrams, demonstrating that prescribing and consumption behaviors are changing. The desired results of OSI have been achieved while VHA has seen a 7% increase in Veterans that have utilized VHA outpatient pharmacy services.

According to the Centers for Disease Control and Prevention (CDC), 50 million adults in the United States have chronic daily pain, with 19.6 million adults experiencing high-impact chronic pain that interferes with daily life or work activities. Chronic pain is a national public health problem as outlined in the 2011 study by the Institute of Medicine (IOM). The IOM study describes in detail many concerns of pain management, including system-wide deficits in the training of our Nation's health care professionals in pain management and substance use disorders prevention and management, and the problems caused by a fragmented health care system. The overuse and misuse of opioids for pain management in the United States is a consequence of a health care system that, until recently, was less than fully prepared to respond to these challenges.

VHA has identified and broadly responded to the many challenges of pain management through policies supporting clinical monitoring, education, and training of health professionals and teams with the expansion of clinical resources and programs. VHA's Pain Management Directive defines and describes policy expectations and responsibilities for the overall National Pain Management Strategy and Stepped Care pain model, which is evidence-based and has been adopted by the DoD as well. Our approach to managing opioid overuse fits into this plan, and the VA has employed broad strategies to address the opioid epidemic: education, pain management, risk mitigation, and addiction treatment. First, VHA addressed the problem of clinically inappropriate high-dose prescribing of opioids through the VA's national program, OSI. Second, VHA developed an effective system of interdisciplinary, patient-aligned pain management with the competency to provide safe and effective pain control and quality of life for Veterans for the remainder of their lives.

VHA has reduced the reliance on opioid medication for pain management by more than 60% since 2012, largely by starting fewer patients newly on long-term opioid therapy and by offering pain care options that are safer and more effective in the long run. Most of the decline in VHA opioid prescriptions is not due to Veterans "getting by" with fewer opioids, but by following a Stepped Care Model for Pain treatment addressing the causes of pain with fewer Veterans requiring the initiation of long-term opioid therapy. VHA has been recognized by many as a leader in the pain management field for the responsible use of opioids. Notably, VHA has organized many types of interdisciplinary pain care teams to help with medication safety, patient education, pain schools, cognitive behavioral therapy and helping patients transition from a biomedical to a biopsychosocial model of pain care. As VHA continues its efforts to address opioid overuse, non-opioid treatments, and complementary and integrative medicine treatments (such as massage therapy, yoga, meditation, occupational therapy, physical therapy, recreational therapy, acupuncture, tai chi, etc.) are an important component to VHA's Pain Management Strategy.

Additionally, VHA has formalized a system-wide Academic Detailing program that is in the process of being implemented throughout the organization. Academic Detailing provides specialty teams to visit facilities and provide on-site support and education to providers to further enhance pain management efforts. The Academic Detailing program is another important step to improve mental health, substance use disorder, and pain management medication therapy across all VHA medical centers. As of September 30, 2023, academic detailers (specially trained VA Pharmacists) have held 96,588 outreach visits related to Opioid Safety, Overdose Education and Naloxone Distribution, opioid use disorder, and suicide prevention.

As VHA continues its efforts to address opioid over-use, non-pharmacological treatments are an important component to VHA's Pain Management Strategy. VHA currently offers many complementary and



integrative medicine treatments, many of which may be useful in chronic pain. These treatments include acupressure, acupuncture, biofeedback, clinical hypnosis/ hypnotherapy, massage therapy, meditation, tai chi, yoga, and other services. Additionally, VHA offers other non-pharmacological treatments for chronic pain including but not limited to occupational therapy, physical therapy, exercise, heated pool therapy, chiropractic services, recreational therapy, and transcutaneous electrical nerve stimulation.

VHA has several other programs that are complementary to the Opioid Safety Initiative and include:

- **Prescription Drug Monitoring Programs (PDMPs):** VA controlled substance prescription data are shared with 50 states, the District of Columbia, and Puerto Rico. This sharing of controlled substance prescription data can help prevent dangerous medication interaction effects and utilization of multiple sources of controlled substance medications as well as inform coordinated care efforts. VHA has made querying the PDMP easy for providers by integrating it into the electronic health record with 52 of 54 individual states/regional/territories PDMPs supporting this effort. Since integration across VA on November 9, 2020, over 7.9 million PDMP queries have been executed to help guide treatment. This does not include queries that are done manually, for example, from those states that are not yet integrated into VHA's integrated PDMP platform.
- **Medication Take-Back Program:** To reduce the supply of medications that could contribute to overdose, VA offers free medication take back services to Veterans through mail-back envelopes and on-site receptacles compliant with Drug Enforcement Administration (DEA) regulations. As of Q1 FY 2024, Veterans have returned 430 tons of unwanted or unneeded medication using these services. In October 2022, VA also commenced its implementation of the Dispose Unused Medications and Prescription (DUMP) Opioids Act (P.L. 117-29) with its inaugural controlled substance prescription medication take-back days on October 28 and 29. VA's bi-annual take-back days will coincide with DEA's medication take-back days in April and October of each year, thus expanding opportunities for Veterans and members of the general public to safely and securely dispose of unused medications in VA locations.

Opioid Overdose Education and Naloxone Distribution

The VA OEND program aims to decrease opioid-related overdose deaths among VHA patients by providing education on opioid overdose prevention, recognition of opioid overdose, and training on the rescue response, including provision of naloxone. All Food and Drug Administration (FDA)-approved forms of naloxone (e.g., injectable, nasal spray) that the FDA states can be considered as options for community distribution were added to the VA National Formulary as soon as they were available. VHA assembled injectable naloxone kits as part of its initial OEND program. These were replaced by the auto-injector—specifically designed for layperson use—when that formulation became available. However, the auto-injector was abruptly discontinued by the pharmaceutical manufacturer on September 30, 2020. In response, VHA began re-assembling the injectable (intramuscular) naloxone kits and has the higher dose Zimhi® injection formulation available. VHA recommends offering OEND to Veterans prescribed or using opioids who are at increased risk for opioid overdose or whose provider deems it clinically indicated. To ensure Veterans at high-risk for opioid overdose receive OEND, VHA has mandated that OEND be offered to VHA patients diagnosed with opioid use disorder, diagnosed with stimulant use disorder, with a non-fatal opioid- or stimulant-overdose, and/or who are identified as being at very high risk per the VHA Stratification Tool for Opioid Risk Mitigation (STORM). Academic Detailing has promoted OEND through individualized, evidence-based educational outreach visits and consultation for clinicians by clinicians. Through December 2023, academic detailers had completed more than 37,100 such visits with more than 25,200 health care professionals nationwide.

In July 2016, Congress took the important step of eliminating copayment requirements for opioid antagonists (e.g., naloxone) furnished to Veterans at high risk for overdose and for education on their use (per P. L. 114-98, title IX, the Jason Simcakoski Memorial and Promise Act). This change has been



implemented throughout VHA and a final rule has been published in the Federal Register that amended two of VA's copayment regulations, 38 CFR 17.108 and 17.110, to accurately implement these changes into the Code of Federal Regulations. The proposed rule also defines who VHA considers to be at high risk for overdose. This definition has assisted in the implementation of the public law and facilitated identification of high-risk Veterans. Early identification of these Veterans can facilitate provision of lifesaving opioid antagonist medication. Since implementation of the OEND program in 2014, over 59,900 VHA prescribers, representing all VHA facilities, have prescribed naloxone, and more than 1,214,600 naloxone prescriptions have been dispensed to over 524,900 Veterans (as of December 2023). Through December 2023, as documented through spontaneous reporting of overdose reversal events as well as through a national note, over 4,700 overdose reversals with naloxone have been reported.

Since April 2021, 129 VHA facilities had equipped 3,552 VA Police officers with naloxone, with 146 reported opioid overdose reversals with VA Police naloxone, and 77 VHA facilities had equipped 1,095 External Defibrillator Automated (AED) cabinets with naloxone, with 10 reported opioid overdose reversals with AED cabinet naloxone. VHA's Rapid Naloxone Initiative received the 2020 John M. Eisenberg National Level Innovation in Patient Safety and Quality Award. This prestigious award from The Joint Commission (TJC) and National Quality Forum recognizes those who have made significant and long-lasting contributions to improving patient safety and health care quality. Notably, in 2018 VHA dispensed a naloxone prescription for 1 in 6 patients on high-dose opioids, as compared to 1 in 69 patients in the private sector.

Finally, as part of the broader OEND effort, VHA has established a community of practice for sharing innovative and promising practices which has included discussion of post-overdose engagement in treatment. Materials developed in support of the OEND initiative also are available to Veterans, their family members, and the broader public.

Syringe Service Programs

In May of 2021, and re-issued in June 2023, the Assistant Under Secretary for Clinical Services issued interim guidance on Syringe Services Programs (SSPs) recommending that VA medical Centers develop SSPs or otherwise ensure Veterans enrolled in VHA care have access to SSPs where such programs are not prohibited under state, county, or local law. In addition to providing access to sterile needles, syringes, and other supplies, SSPs provide the opportunity to link to other important services, such as low barrier buprenorphine initiation, and programs such as OEND, screening and treatment for viral hepatitis and HIV, screening for sexually transmitted infections and referral to social work, mental health, and other medical services. An SSP directive requiring the expanded implementation of SSPs has been drafted and is close to being published. VHA centrally funded and standardized six types of SSP kits via a contract. These six standardized VHA SSP kits help facilities stand up SSPs and facilitate consistent practices in assembling and dispensing a specified set of essential sterile items to Veterans who inject drugs. These SSP kits have also been added to VHA's national formulary which supports provision of SSP kits via pharmacy prescriptions.

In July 2023, VHA deployed an electronic medical record note for SSPs to standardize and facilitate implementation. This note supports standardized education and linkages to care, including screening for infectious diseases associated with injection drug use, vaccination services, referrals based on individualized healthcare needs (including for substance use disorder treatment), and dispensing of SSP kits along with other harm reduction products such as naloxone, fentanyl test strips, and infection prevention and safer sex supplies (e.g., condoms). VHA developed a Talent Management System (TMS) training to enhance provider knowledge about harm reduction and SSPs and give them the information they need to educate Veterans on safer injection practices and safer drug use. This TMS training, "Harm Reduction in SUD Care" is now available as enduring continuing education for providers. At the start of 2022, there were



only four VHA facilities operating SSPs. As of early January 2024, there are over 30 VHA facilities operating SSPs with about 20 facilities preparing for implementation.

Fentanyl Adulterated or Associated Xylazine

In April 2023 the Biden-Harris Administration Designated Fentanyl Combined with Xylazine as an Emerging Threat to the United States. VA is committed to addressing three major pillars of the Federal Response to this emerging threat—specifically, (1) testing, (2) evidence-based prevention, harm reduction, and treatment implementation and capacity building, and (3) basic and applied research. VA’s efforts will be informed by its award-winning approach to implementing VA’s Rapid Naloxone Initiative which also utilized a theory-based approach to mapping barriers to implementation strategies (available at: <https://www.querl.research.va.gov/tools/QUERI-Implementation-Roadmap-Guide.pdf>).

VA’s approach to addressing fentanyl combined with xylazine as an emerging threat includes:

- mandating that fentanyl be included as part of VA’s basic panel for urine drug tests, which is critical given that up to 99% of xylazine-related overdose deaths involve fentanyl.
- the development of standardized patient and provider education.
- working with Office of Nursing Services to develop xylazine-related wound care guidance.
- disseminating the most up-to-date best practices related to clinical care of patients exposed to xylazine—including the most promising overdose response, clinical stabilization, withdrawal management, and treatment guidance—to relevant national communities of practices and listservs (e.g., Emergency Medicine, Nursing, Substance Use Disorder Treatment, Pain Management, Surgery, Primary Care).
- enlisting VA’s Academic Detailing Services to deliver knowledge translation services to support dissemination across the enterprise.
- leveraging standardized VA clinical notes to support systemic tracking of xylazine exposure (e.g., xylazine is included in VA’s national Syringe Services Program note which allows for standardized identification of whether xylazine has been used in the past year among patients seeking syringe services).
- using Natural Language Processing (NLP) to help identify patients with potential xylazine exposure to track localities and populations with emerging cases. This information will be integrated into clinical dashboards to improve treatment for Veterans.
- VA’s Office of Research and Development (ORD) amending funding announcements in its Pain and Opioid Use Actively Managed Portfolio to include studies of fentanyl adulterated or associated with xylazine as a research area of special interest, thus allowing special consideration for research in this area.

Stratification Tool for Opioid Risk Mitigation (STORM)

To further strengthen the aforementioned OSI and OEND, VHA has deployed state-of-the-art tools to help protect Veteran patients using high-doses of opioids or with other SUD or medical risk factors that put them at an increased risk of complications from opioid overdose. These tools include information about the dosages of opioids and other sedative medication, significant medical problems that could contribute to an adverse reaction and monitoring data to aid in the review and management of complex patients. Among the tools is the Stratification Tool for Opioid Risk Mitigation (STORM), which is available to all clinical staff in the VHA. STORM allows VHA providers to view information about risk factors for opioid overdose, suicide-related events and other harms and recommends patient-specific risk mitigation strategies. The STORM model, which estimates risk of overdose or suicide events or death for all patients,



has been incorporated in a decision support tool to support population management and individual patient risk review aimed at reducing fatal overdoses. This system encourages and facilitates naloxone distribution to patients at elevated risk of overdose. In addition to this general decision support, VA mandated that all patients identified as very high risk, per the STORM risk estimates, receive a case review by an interdisciplinary team of providers with expertise spanning pain, mental health, addiction, pharmacy and rehabilitation.

Since VA mandated case reviews for all Veterans identified as very high risk for overdose or suicide by STORM, a randomized program evaluation found a 22% reduction in all-cause mortality among patients targeted by this prevention program. Given these findings, efforts to improve implementation of this prevention program have continued. The policy was modified on December 1, 2021, to additionally require interdisciplinary case reviews of patients with past year overdoses and patients who were very high risk and recently discontinued opioids analgesics. Completion of interdisciplinary team reviews for patients on opioid analgesics estimated at very high risk increased from 29.8%, at the time of the evaluation to 78.0% in FY 2023. More than 10,000 reviews were completed in FY 2023. Completion of reviews for patients with past year overdoses also increased to 79.1% in FY 2023.

Post-Overdose Assessment and Care Planning

VHA has aligned the required processes for reporting non-fatal overdoses with the already required reporting and post-event treatment interventions for Veterans who make a suicide attempt. This involves a national medical record note template designed to standardize and streamline the process of overdose reporting across VHA, enhancing the visibility of accidental overdoses within the Veteran's medical record, improving clinical care after the suicide/overdose event, and facilitating real-time tracking of overdose event data for use in clinical decision support tools and local/national aggregate reports. Specifically, in 2019, VHA implemented a process for documenting all overdoses, including accidental and severe adverse effect overdoses as a component of suicide prevention efforts. Implementation of standardized reporting (e.g., via Suicide Behavior and Overdose Report [SBOR] note template) provides a foundation for VHA to implement strategies designed specifically to address the myriad of overdose risk factors from a patient-centered perspective and to support Veteran engagement in timely treatment following a non-fatal overdose (opioid and non-opioid related). In July 2021, VHA mandated use of a national medical record note template to report overdose (e.g., SBOR), with a focus on improving post-overdose care. As past non-fatal overdoses increase the risk of future overdose events, VHA also mandated that facilities have a process to ensure that overdose events are reviewed by an interdisciplinary team with a focus on making care recommendations and engaging patients in treatment. Moreover, when completing the SBOR, in addition to including the patient's primary care and mental health providers, as applicable, as additional note signers, if the patient has immediate care needs, the person filling out the note should contact the patient's primary care and mental health or SUD providers (e.g., by phone, instant message, email). In addition, for Veterans hospitalized for an overdose or with Emergency Department or Urgent Care Center discharges for an overdose, there must be at least four mental health or SUD outreach efforts/clinical contacts within 30 days of discharge. By FY 2023, VA interdisciplinary teams had reviewed 79.1% of patients with a past year overdose.

Advancing recovery-ready workplaces and expanding the addiction workforce/ Expanding access to recovery support services.

Increasing Peer Support Services to Veterans with SUD

VHA peer specialists are professionally trained, through their required peer specialist certification, to effectively use their personal lived experience with recovery to inspire hope and serve as relatable role models of recovery for other Veterans with substance use disorders and/or mental health conditions. They assist Veterans with identifying their personal strengths, needed resources, and desirable skills that support their personal goals. Peer specialists use a host of recovery tools to help Veterans to enhance healthy coping



strategies and improve self-management skills over their health conditions. They support Veterans to empower themselves to address self-care, advocate for themselves, access available resources in and outside VA, reconnect with others and find a sense of belonging in their communities. As part of the community connection work that peer specialists do with Veterans, peer specialists help Veterans connect with AA, NA, and other mutual support self-help organizations in their local communities that are of interest to the Veterans.

To close the treatment gap as required by the NDCS/NDCA and to provide a recovery environment as detailed in the Biden-Harris priorities, NDCS and PRS, services specific to Veteran engagement are required. The NDCS emphasizes that unmet needs for staffing harm reduction programs should primarily be addressed by recruiting and training new staff to serve as peer specialists. In addition, the PRS identifies the need to expand peer-led recovery. VHA supports peer specialist-delivered recovery support services and continuing outreach, engagement, and intervention efforts by peer specialists to support Veterans' treatment engagement and progress on their recovery and personal wellness goals. Since 2005, peer support staff have been working in the VA health care system. VHA Handbook 1160.01 mandated the availability of peer support services for Veterans stating, "Peer support is one of the 10 fundamental components of recovery according to the National Consensus Statement on Mental Health Recovery" (p. 4) and "All Veterans with SMI (Serious Mental Illness) must have access to peer support services, either on-site or within the community" (p. 28). That same year, P.L. 110-387, The Veterans' Mental Health and Other Care Improvements Act Of 2008 established the requirement for the use of peer specialists and their qualifications in VHA. Through this legislation, peer specialists in VHA became defined as Veterans discharged under other than dishonorable conditions who are in recovery from a mental health and/or SUD and who are certified to provide peer support services. Over the years since that time, VHA has hired hundreds of Veterans as peer specialists and continues to hire new peer specialists each year. The peer specialist hiring expansion is supported through Congressional legislation, the SUD funding, and also VHA policies such as VHA Directive 1160.01 (2023), Uniform Mental Health Services in VHA Medical Points of Services, which requires that access to peer support services must be made available to Veterans either via telehealth or referral to community service if it cannot be provided on-site. Additionally, very large VA community-based outpatient clinics are required to provide peer support services within their general mental health services. Staffing models for several VA health care service programs have evolved to now stipulate including peer specialists as part of the interdisciplinary teams that provide health care services to Veterans with mental illnesses, substance use disorders, and/or chronic health conditions, as well as Veterans experiencing homelessness, unemployment, and those involved with the criminal justice system.

As part of the President's budget, beginning in fiscal year 2022, VHA committed to hiring 279 Veterans as peer specialists to support Veterans engaged in substance use disorders (SUD) treatment. As of December 2023, 185 of these positions had been filled, bringing the total VA peer specialist workforce to more than 1,420. VHA continues to be the largest single employer of peer specialists in the United States.

To address the challenge posed by variability in state-issued peer specialist certifications, VHA implemented time-limited, peer support apprentice positions. VHA has the peer support apprentices complete a VHA-contracted peer specialist certification course, designed to VHA's specifications, and assists them with obtaining the necessary peer specialist certification and specialized experience to qualify for permanent peer specialist positions after successfully completing their one-year, time-limited appointment as a peer support apprentice. To assist staff members helping Veterans make informed decisions about pursuing a career as a VHA peer specialist, VHA also developed the VHA-Approved Peer Specialist Certifications Guide that details the peer specialist certification requirements and provides available information about states' requirements for obtaining and maintaining state-issued peer specialist certifications.



Specific training in SUD is continuing to be planned and presented for peer specialists. Specific training focused on peer specialists' roles in assisting Veterans with SUD was provided to peer specialists and their supervisors at the annual four-day VHA Peer Specialist and Peer Support Services Virtual National Conference which took place in August 2022 and again in August 2023. Additional training for staff regarding hiring, training, and supervision of peer specialists, and examples of peer specialists' interventions for Veterans with SUD was presented at the VHA Substance Use Disorder Treatment Virtual Conference that occurred in October 2022, as well as at three in-person VHA Substance Use Disorder Treatment Regional Conferences in June, August, and September 2023. Additional trainings for peer specialists, peer support supervisors, and program leaders are planned for FY 2024.

In an effort to build and strengthen relations with peer-led organizations serving Veterans who are in or seeking recovery from SUD, VHA Office of Mental Health and Suicide Prevention's Peer Support Services Section participates in collaborations with several organizations regarding efforts to provide peer support services to Veterans to support their recovery from substance misuse and mental health challenges. Examples include:

- Provided consultation to Wounded Warriors Project in response to their request to learn more about VHA's model for the peer specialist health care profession and ways that VHA research studies have measured outcomes for Veterans who receive peer support services as part of their health care services in VHA.
- Participated as part of an interagency subject matter team to provide input into SAMHSA's development of national standards for peer specialist certification which will increase standards and the availability of state-issued peer specialist certifications that VHA and other agencies will accept to hire the peer specialists who will provide peer support services to Veterans and others struggling with substance misuse and mental health challenges.
- Provided consultation and written guidance about VHA's peer specialist health care profession multiple times to an interagency team that is being led by the Department of Health and Human Services (DHHS) Office of Minority Health to develop national standards for community health workers, a role that has some similarities to what peer specialists do to support the recovery and wellness of individuals with substance use disorders and/or mental health conditions. The OMHSP Peer Support Services Section was informed that the peer specialist career ladder document that we shared with the DHHS Office of Minority Health was "shared with several states (e.g., community health worker associations and/or state community health worker offices) developing similar career ladders for community health workers" to assist with expansion of hiring for these roles in many agencies across the U.S.
- Participated in interagency subject matter team to provide input when National Association of Peer Supporters developed their National Ethical Practice Guidelines for Peer Supporters. In FY 2023, we also sought feedback from the National Association of Peer Supporters on the drafted national practice guidelines that were developed for VHA peer specialists as part of VHA's Federal Supremacy effort.
- Continues to provide consultation to Vet-to-Vet, a grassroots peer support volunteer organization that operates throughout the U.S. and is run by Veterans in recovery from substance use disorders and co-occurring mental health conditions. The peer support recovery groups that the Vet-to-Vet facilitators lead are for fellow Veterans in recovery from health challenges.

Other Initiatives

Veterans Justice Programs



VA's policy on Uniform Mental Health Services in VA Medical Centers and Clinics (VHA Handbook 1160.01) affirmed that "Police encounters and pre-trial court proceedings are often missed opportunities to connect Veterans with VA mental health services as a negotiated alternative to incarceration or other criminal sanctions." To improve efforts at making SUD treatment available to justice-involved Veterans, VA medical centers provide outreach to such Veterans in the communities they serve.

Access to VA SUD services for justice-involved Veterans is facilitated through two dedicated national programs, both of VA's Homeless Programs: HCRV and VJO (known collectively as VJP). HCRV and VJO facilitate access to needed VA health care and other services for Veterans at all stages of the criminal justice process, from initial contact with law enforcement through community reentry following extended incarceration.

HCRV Specialists provide outreach to Veterans approaching release from state and Federal prisons. They briefly assess reentry Veterans' probable treatment needs, help Veterans plan to access responsive services upon release, and provide post-release follow-up as needed to ensure that Veterans are engaged with needed services. Most HCRV Specialists are based at VA medical centers, but they typically serve Veterans across a large area, often conducting outreach to prison facilities in at least one entire state, and sometimes an entire VISN.

VJO Specialists serve Veterans at earlier stages of the criminal justice process, with a three-pronged focus on outreach to community law enforcement, jails, and courts. VJO Specialists at each VAMC work with Veterans in the local criminal courts (including, but not limited to, the Veterans Treatment Courts, or VTCs), conduct outreach in local jails, and engage with local law enforcement by delivering VA-focused training sessions and other informational presentations. Each VA medical center has at least one VJO Specialist who serves as a liaison between VA and the local criminal justice system.

Veterans who are seen by HCRV and VJO Specialists access VA mental health and substance use treatment at high rates. Most Veterans seen in these programs in FY 2023 had a mental health (66%) or SUD (49%) diagnosis, or both (42%). Among Veterans seen in VJP in FY 2023, 94% connected to face-to-face VHA treatment that same year, including 67% of Veterans with mental health diagnoses and 36% of Veterans with SUD diagnoses.

In communities where justice programs relevant to Veterans exist (Veterans courts, drug courts, mental health courts, and police crisis intervention teams), VA has taken the initiative in building working relationships to ensure that eligible justice-involved Veterans get needed care. In communities where no such programs exist, VA has reached out to potential justice system partners (judges, prosecutors, police, and jail administrators) to connect eligible justice-involved Veterans with needed VA services, including addiction treatment. VJO specialists currently serve Veterans in 680 VTCs and other Veteran-focused courts, with more planned. Their duties in a Veterans Treatment Court include linkage to VHA treatment services. These specialists also educate and advocate for the availability of evidence-based SUD treatments, especially M-ODU, in criminal justice settings and in preparation for transition of patients from those settings to community living. In communities without VTCs, VAMCs have established relationships with a range of justice system and community partners, including police and sheriff's departments, local jail administrators, judges, prosecutors, public defenders, probation officers, and community mental health providers.

Collaboration with Federal Partners

VHA is committed to working collaboratively with other Federal Partners in support of the National Drug Control Strategy and will continue to share insights of VHA efforts and input into the national drug strategy agenda to address SUD care with ONDCP and other interagency partners. Consistent with the NDCS, in 2023, VA participated in a taskforce convened by SAMHSA to develop national guidance on the



implementation of contingency management. VA also provided consultation to HHS in the development of its Report to Congress on contingency management. VA collaborates with a variety of Federal Agencies on several Interagency Policy Committees (IPCs) and Work Groups (IWGs) including the ONDCP Substance Use Disorder Data IWG; Methadone IPC and IWG, Pregnant People, Substance Use Disorder and Child Welfare Substance Use Disorder in Pregnancy sub-IPC, Fentanyl Adulterated with Xylazine IWG, the ONDCP-DPC Recovery-Ready Workplace IWG, and the ONDCP-IWG on Language and Stigma Reduction. In addition, VA joined the ONDCP Harm Reduction Interagency Working Group whose purpose is to help drive action in support of the Biden-Harris Administration’s goal of increasing access to evidence-based harm reduction services through expanded Medicaid reimbursement, comprehensive federal grant funding, research, and workforce training. VHA also works closely with The Department of Health and Human Services/ Substance Abuse and Mental Health Services Administration (SAMHSA) on issues related to OTPs, SUD treatment and harm reduction initiatives. Through VHA’s interagency work, VA is participating or expects to participate in solutions to a variety of areas in the NDCS including enhancing federal harm reduction efforts to support state and local partners; assessing current evidence base on harm reduction strategies and developing a plan for additional translational research; conducting a national harm reduction needs assessment; consulting with experts on harm reduction; and implementing a national case-finding initiative.

Furthermore, VHA has worked collaboratively with the Indian Health Service (IHS) and the Department of Defense (DoD) on joint training opportunities in the SUD lane including overdose prevention, opioid safety and evidence-based SUD practice. VHA continues collaborating actively with Health and Human Services (HSS)/ Substance Abuse and Mental Health Services Administration (SAMHSA) on education related to Contingency Management and oversight of the VA Opioid Treatment programs. VHA is currently working collaboratively with the DoD to share lessons learned across the agencies to support access to M-OUT, particularly for transitioning service members. To this end, VA has funded a position with its Transitions and Care Management team in the Office of Care Management and Social Work. In 2021 VHA along with DoD updated the VA/DoD Clinical Practice Guidelines for the Management of Substance Use Disorders.

The accompanying Department of Veterans Affairs Resource Summary (page 28) was prepared in accordance with the following ONDCP circulars (a) National Drug Control Program Agency Compliance Reviews dated September 9, 2021, (b) Budget Formulation, dated September 9, 2021, and (c) Budget Execution, dated September 9, 2021. In accordance with the guidance provided in the Office of National Drug Control Policy’s letter of September 7, 2004, VA’s methodology only incorporates Specialized Treatment costs. Further, in accordance with guidance provided in the Office of National Drug Control Policy’s FY 2012 certification letter of November 24, 2010, incorporates Specialized Treatment costs regardless of setting.

Specialized Treatment Costs (Dollars in Millions)^a

Specialized Treatment	VHA Obligations	Care in the Community Obligations	Total Obligations	FTE
Inpatient	\$254.742	\$322.330	\$577.072	827
Outpatient	\$371.615	\$67.652	\$439.267	1,180
Residential Rehabilitation & Treatment	\$299.588	\$0.000	\$299.588	1,104
Total	\$925.945	\$389.982	\$1,315.927	3,111

^aNumbers may not add due to rounding.

VA does not track obligations by ONDCP function. In the absence of such capability, obligations by specialized treatment costs have been furnished, as indicated.



MEDICAL & PROSTHETIC RESEARCH

VHA research supports the generation of new knowledge to improve prevention, diagnosis, and treatment of substance use disorders (SUD) (e.g., opioids, alcohol, tobacco, cocaine, cannabis, methamphetamine, etc.), the harms associated with SUD and recovery from SUD. Veterans have experienced many of the problems of SUD that is further complicated with the co-existence of mental health and other conditions, including pain, Post Traumatic Stress Disorder (PTSD) and traumatic brain injury. VHA's Office of Research and Development (ORD) continues to support research on SUD by maintaining existing efforts, and by developing new programs.

Pain and Opioid Use (POU) Actively Managed Portfolio (AMP). The POU AMP is a new ORD program created to coordinate research efforts between VHA's clinical service lines and ORD to facilitate timely translation and implementation of research evidence to the Veteran while minimizing duplication of effort. A key area of study within POU AMP in addition to pain management is opioid use disorder (OUD), its treatment and prevention of harms (e.g., overdose, etc.)

Harm Reduction

- **Naloxone distribution.** Studies examining the effectiveness of naloxone kits are ongoing. In addition, utilization of the Suicide Behavior and Overdose Report by clinicians is being studied to improve post-overdose care, including receipt of naloxone and SUD treatment (medication for OUD and contingency management). This study will identify barrier and facilitators of implementation, as well as disparities in receipt of these interventions and the contributing roles of stigma and social determinants of health.
- **Assessing current evidence base on harm reduction strategies and develop a plan for additional translational research.** VHA and ORD have solicited the Health Services Research and Development's Evidence Synthesis Program to conduct a comprehensive analysis on this topic. Evidence based on pertinent publications will be compiled and analyzed then presented to VHA and ORD as an Evidence Compendium. A draft document has been created and reviewed for subsequent publication. Effectiveness of Syringe Services Programs: A Systematic Review (va.gov).
- **Supporting harm reduction training and education for the treatment workforce.** Stepped Care for Opioid Use Disorder (OUD) Train-the-Trainer (SCOUTT) is a model aiming to improve access to OUD treatment and prevent suicide by training non-SUD specialty-care teams to deliver buprenorphine and naltrexone. Once the practice is established, these trained providers then train other individuals at other VA Medical Centers using the same approach. A publication has resulted from this study: DOI: 10.1016/j.josat.2023.209175.
- **Promoting access to harm reduction services.** Comparing community care (CC) opioid treatment to VA-based care in Veterans with acute and chronic pain. This study examines whether Veterans receiving any CC opioids are more likely to be on higher-risk opioid therapy compared with Veterans receiving only VA-prescribed opioids. In addition, the study will collect self-reported pain outcomes (pain-related functioning, pain intensity, health-related quality of life, and patient satisfaction with pain care) in CC opioid treatment compared with VA-based care, as well as potential differences in self-reported rates of acute care episodes (hospitalizations and emergency department visits), including those occurring at non-VA facilities.
- **Comprehensive programs on harm reduction.** Identifying safe stimulant prescribing practices to protect patients. Initially prescribed for attention deficit and hyperactivity disorder, stimulants can lead to adverse events in certain patients. The goal of this project is to identify patients at risk (e.g., mental health and SUD), and develop risk scores to support patient safety and collaborative decision-making regarding stimulant prescribing.



Substance Use Disorder (SUD) Treatment

- Improving treatment engagement. Smartphone Apps to deliver psychosocial interventions that work in tandem with medication for alcohol use disorder (AUD). Step Away, an app for self-management of alcohol use problems, is designed to enhance an individual's motivation for changing drinking patterns and guide use of personalized strategies to moderate or abstain from drinking. The goals of the study are to determine efficacy of the program followed by implementation into primary care.
- Improving treatment quality. VHA ORD funds several studies examining the role of opioid or medication for OUD reduction or discontinuation focusing on the patient and risk for adverse events. Recent studies focus on non-pharmacologic treatments and determining which treatments are most effective at both reducing risks and managing pain for patients with prescription opioid misuse.
- Emphasizing care for Veterans living with co-existing SUD and mental health conditions. Written exposure therapy (WET) combined with residential SUD programs is being examined for feasibility and acceptability by Veterans with PTSD-SUD. This pilot study will evaluate the impact of residential WET on functional, behavioral, safety, and clinical outcomes in patients with PTSD-SUD diagnoses. The study will inform a larger randomized clinical trial on the subject (NCT05536908).
- Treatment for individuals leaving incarceration. Clinical trials NCT04366531 has a publication (DOI: 10.1016/j.evalprogplan.2023.102254) and NCT04523337 has a publication (DOI: 10.1016/j.ijlp.2023.101924). Both studies are ongoing.

Building a Recovery-Ready Nation

- Eliminating Barriers and Increasing Opportunities. VA researchers are identifying the barriers to and facilitators of sustained employment among Veterans with OUD/SUD. These studies examine the role of supported employment services on occupational and long-term employment outcomes, as well as sobriety, community integration and quality of life (NCT05388812 and NCT04969081). In addition, ORD has funded a multi-site clinical trial assessing the effects of individualized placement and support to treatment as usual for Veterans with OUD. The study will also assess barriers and facilitators to implementation of vocational rehabilitation services and to achieving steady employment in Veterans recovering from OUD.

In summary, VHA ORD continues its commitment to placing substance/opioid use disorders as an area of high priority in the hopes of stimulating the field to develop, test and implement novel strategies towards the treatment of SUD.

In addition, VHA continues to reduce excessive reliance on opioid medication, VA will maintain efforts in 2024 on pain-management research in areas responsive to the *Jason Simcakoski Memorial and Promise Act*, *Commander John Scott Hannon Veterans Mental Health Care Improvement Act*, and the *Comprehensive Addiction and Recovery Act*. Towards this goal, VA continues to invest in:

- Non-pharmaceutical strategies for painful conditions: VA is a member of the National Institute of Health/Department of Defense/Department of Veterans Affairs Pain Management Collaboratory and has funded the APPROACH trial examining Complementary and Integrative Health (CIH) self-care and clinician delivered CIH approaches versus clinician delivered or self-delivered CIH alone (NCT05097521 and The APPROACH Trial: Assessing Pain, Patient Reported Outcomes and Complementary and Integrative Health (A VA National Demonstration Project) – Pain Management Collaboratory). In addition, ORD has awarded a consortium of investigators at the



Philadelphia and Atlanta VA Medical Centers to develop and test a cell-based approach to reduce pain and repair cartilage tears associated with osteoarthritis of the knee.

- Development of non-opioid medications to treat pain: VA will continue to focus research on understanding the benefits and risks of non-opioid medications for pain management and alleviation. Examples include targeting: 1) Mutations in sodium and other ion channels which have been shown to cause pain associated with limb amputation, corneal neuralgia, chemotherapy, diabetes, small fiber neuropathy, knee osteoarthritis, and burns; 2) Blocking melanocortin-4 receptors to treat inflammatory pain common in certain musculoskeletal and arthritic conditions; 3) Endomorphins, naturally occurring molecules found in the brain with powerful pain-relieving effects (DOI: 10.1016/j.neuropharm.2023.109439); and 4) Repurposing FDA approved drugs (romidepsin) for treatment of pain and spasticity for people living with spinal cord injury. These studies are ongoing.
- Develop and test technologies providing access to treatment for chronic pain and opioid misuse: VA is testing the use of telehealth, smart-apps, web- and phone-based technology to provide outreach and care to Veterans living in rural areas. These interventions include peer coaching, treatment for OUD and alcohol use disorder (see above Improving Treatment Engagement), provision of biobehavioral approaches, as well as establishing best practices for delivery of care using these modalities. These studies are ongoing.
- Using precision medicine approaches to identify biomarkers for individuals with OUD to help guide the clinical course of action. VA investigators are studying the use of imaging-based brain connectivity data and genetic information (Million Veteran Program) to determine the best clinical course of action to treat OUD (e.g., buprenorphine or a switch to a different medication for OUD). This study is ongoing.

Specialized Function	Obligations (Millions)	Drug Control Related Percent	FTE
Research & Development	\$29.824	N/A	N/A

3. Methodology Modifications – In accordance with the guidance provided in the Office of National Drug Control Policy’s letter of September 7, 2004, VA’s methodology for calculating Substance Abuse Treatment Costs only incorporates Specialized Treatment costs and does not take into consideration Other Related Treatment costs. Further, VA’s methodology for calculating Substance Abuse Treatment Costs includes all costs of treating substance abuse, regardless of setting as stated in the Office of National Drug Control Policy FY 2012 certification letter of November 24, 2010. Drug control methodology detailed in A.1 was the actual methodology used to generate the Resource Summary (page 28).

4. Material Weaknesses or Other Findings – CliftonLarsonAllen LLP provided an unmodified opinion on VA’s FY 2023 consolidated financial statements. They identified three material weaknesses, three significant deficiencies, and certain conditions regarding noncompliance with laws and regulations. The material weaknesses relate to: 1) Controls over Significant Accounting Estimates (Repeat); 2) Financial Systems and Reporting (Repeat); and 3) Information Technology (IT) Security Controls (Repeat). The three significant deficiencies are: 1) Obligations, Undelivered Orders (UDOs), and Accrued Expenses (Repeat); 2) Entity Level Controls including CFO Organizational Structure (Repeat); and 3) Loan Guarantee Liability.

The conditions regarding noncompliance with laws and regulations include findings of noncompliance in: a) Federal Financial Management Improvement Act (FFMIA) (repeat comment); b) Federal Managers’ Financial Integrity Act (FMFIA) (repeat comment); c) Noncompliance with 38 USC 5315 -



collection of interest on debt owed by Veterans to VBA (repeat comment); d) Anti-deficiency Act (repeat comment); e) Payment Integrity Information Act (PIIA) for FY 2022, as reported by the Office of Inspector General (repeat comment).

5. Reprogrammings or Transfers – There were no reprogramming of funds or transfers that adjusted drug control-related funding because drug control expenditures are reported based on patients served in various VA clinical settings for specialized substance abuse treatment programs.
6. Other Disclosures – This budget accounts for drug control-related costs for VHA Medical Care and Research. It does not include all drug-related costs for the agency. VA incurs costs related to accounting and security of narcotics and other controlled substances and costs of law enforcement related to illegal drug activity; however, these costs are assumed to be relatively small and would not have a material effect on the reported costs.

B. Assertions

1. Obligations by Budget Decision Unit – VA asserts that the obligations reported by budget decision unit are the actual obligations from VA's accounting system and are consistent with the application of the approved methodology as required by ONDCP Circular, Budget Formulation, dated September 9, 2021.
2. Drug Methodology – VA asserts that the methodology used to calculate FY 2023 drug control obligations by function and budget decision unit is reasonable and accurate based on the criteria set forth in the ONDCP Circular, Budget Formulation, dated September 9, 2021.
3. Application of Methodology – VA asserts the methodology described in Section A.1 above was used to prepare the obligations contained in this report.
4. Material Weaknesses or Other Finding – VA asserts that all material weaknesses or finding by independent sources, or other known weaknesses have been disclosed.
5. Methodology Modifications – VA asserts no modifications were made to methodology for reporting drug control resources.
6. Reprogrammings or Transfers – VA asserts no changes were made to VA's Financial Plan that required ONDCP approval per the ONDCP Circular, Budget Execution, dated September 9, 2021.
7. Fund Control Notices – The data presented are associated with obligations against a financial plan that was based upon a methodology in accordance with all Fund Control Notices issued by the Director under 21 U.S.C. §1703 (f) and Section 9 of the ONDCP Circular, Budget Execution, dated September 9, 2021.



Subj: Statement of Disclosures and Assertions for FY 2023 Drug Control Obligations Submitted to Office of National Drug Control Policy (ONDCP) for Fiscal Year Ending September 30, 2023

LAURA DUKE Digitally signed by LAURA DUKE
Date: 2024.02.09 17:53:49 -05'00'

Laura Duke
Chief Financial Officer
VHA Office of Finance (104)

Date

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Date: 2024.02.09 16:45:46
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Andrea Brian
Associate CFO, Budget Formulation
VHA Office of Finance (104)

Date

Charles J. Stepanek 105156 Digitally signed by Charles J.
Stepanek 105156
Date: 2024.02.09 16:31:02 -05'00'

Charles Stepanek
Budget Analyst
VHA Office of Finance (104)

Date



Department of Veterans Affairs
Resource Summary
Obligations (In Millions)

	2023 Actual ¹
Medical Care:	
Specialized Treatment	
Inpatient	\$577.072
Outpatient	\$439.267
Residential Rehabilitation & Treatment	\$299.588
Specialized Treatment	\$1,315.927
Medical & Prosthetics Research:	
Research & Development	\$29.824
Drug Control Resources by Function & Decision Unit, Total	\$1345.751
Drug Control Resources Personnel Summary	
Total FTE	3,111
Total VHA Enacted Appropriations ^{2,3}	\$129,500
Drug Control Percentage	1.0%

¹Numbers may not add due to rounding.

²Includes VHA Medical Care Appropriations and Medical and Prosthetic Research Appropriation account, including supplemental appropriations only.

³Includes VHA Medical Care and Research portions of the Cost of War Toxic Exposures Fund and funds made available to VHA from section 707 of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022.



United States Inspection Postal Service



UNITED STATES POSTAL INSPECTION SERVICE
CONTRABAND INTERDICTION & INVESTIGATIONS

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Dan Adame
Inspector in Charge
United States Postal Inspection Service

DATE: January 02, 2024

SUBJECT: United States Postal Inspection Service
Budget Formulation Compliance Report for FY 2025

Daniel
Adame

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Daniel Adame
Date: 2023.12.29
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Summer Budget Request

Below is a copy of the funding tables submitted to ONDCP under ONDCP Circular: Budget Formulation, Section 9.a.(2):

USPIS Resource Summary			
	FY2022 (Actual)	FY2023 (Actual)	FY2024 (Estimate)
C12 Personnel Expenses	\$62,117,959	\$59,384,774	\$59,384,774
Asset Forfeiture Fund Expenditures	\$4,441,392	\$4,177,062	\$4,177,062
C12 Nonpersonnel Expenses	\$593,554	\$568,002	\$568,002
C12 Operating Expenses	\$4,715,919	\$5,092,827	\$5,092,827
C12 Capital Expenses	\$83,396	\$2,453,944	\$2,453,944
Total:	\$71,952,220	\$71,676,609	\$71,676,609

US Postal Inspection Service
2810 Concorde Pkwy Ste 1800
Charlottesville, VA 20151



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In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

I assert that the summer drug budget was submitted on July 21, 2023, to ONDCP in response to ONDCP Circular: Budget Formulation, Section 9.a.(1) and was provided to ONDCP at the same time as the budget request was submitted to our superiors in accordance with 21 U.S.C. § 1703(c)(1)(A).

Funding Levels Represent Bureau-Level Request

As a non-appropriated agency within the federal government, I assert that the funding submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the U.S. Postal Inspection Service without alteration or adjustment by any official within the U.S. Postal Inspection Service.



UNITED STATES POSTAL INSPECTION SERVICE
 CONTRABAND INTERDICTION & INVESTIGATIONS

MEMORANDUM TO: Director
 Office of National Drug Control Policy

FROM: Dan Adame
 Inspector in Charge
 United States Postal Inspection Service

DATE: January 02, 2024

SUBJECT: United States Postal Inspection Service
 Detailed Accounting Compliance Report for FY 2023

Daniel
 Adame

Digitally signed by
 Daniel Adame
 Date: 2023.12.29
 14:35:15 -05'00'

Drug Control Funding Obligations

FY 2023 Funding by Decision Unit (\$ millions)		
Decision Unit	FY 2023 Budget Authority	FY 2023 Obligations
CI2 Personnel Expenses	\$59,384,774	\$59,384,774
Asset Forfeiture Fund Expenditures	\$ 4,177,062	\$ 4,177,062
CI2 Nonpersonnel Expenses	\$ 568,002	\$ 568,002
CI2 Operating Expenses	\$ 5,092,827	\$ 5,092,827
CI2 Capital Expenses	\$ 2,453,944	\$ 2,453,944
Total	\$71,676,609	\$71,676,609

FY 2023 Funding by Drug Control Function (\$ millions)		
Decision Unit	FY 2023 Budget Authority	FY 2023 Obligations
Investigations	\$71,676,609	\$71,676,609

Drug Methodology

The U.S. Postal Inspection Service estimates the total number of work hours related to counter-drug efforts based on an assessment of total hours within the last fiscal year. The estimated funding is level based on the amount of work hours, CI2 operating expenses, CI2 capital expenses, Asset Forfeiture Fund expenditures, and CI2 nonpersonnel expenses.

US Postal Inspection Service
 3810 Concorde Pkwy Ste 1800
 Chantilly, VA 20151



Methodology Modifications

N/A

Material Weaknesses or Other Findings

N/A

Reprogrammings or Transfers

N/A

Other Disclosures

N/A

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, I make the following assertions regarding the attached Detailed Accounting Report:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are actual expenditures from the United States Postal Inspection Service (USPIS) financial accounting system for the Contraband Interdiction & Investigations (CI2) program.

Drug Methodology

I assert that the drug methodology used to calculate obligations of budget resources was reasonable and accurate in accordance with the criteria listed in Section 7.b.(2) of the Circular. In accordance with these criteria, I have documented data, which support the drug methodology, explained, and documented estimation methods and determined that the financial and programmatic systems supporting the drug methodology, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

Application of Drug Methodology

I assert that the drug methodology disclosed in this report was the actual methodology used to generate the table required by Section 7.a.(1) of the Circular.

Material Weakness or Other Findings

I assert that all material weaknesses 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 as required by Section 7.a.(4) of the Circular have been disclosed.



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Methodology Modifications

I assert that no modifications were made to the methodology for reporting drug control resources from the previous year's reporting.

Reprogramming or Transfers

I assert that the data presented are associated with obligations for USPIS CI2 financial plan. USPIS has no reportable reprogramming's or transfers in FY 2023 related to drug-control obligations.

Fund Control Notices

I assert that the data presented are associated with obligations against USPIS CI2's operating plan, which complied fully with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, Budget Execution.