APPENDIX X

DRUG ENFORCEMENT ADMINISTRATION'S RESPONSE TO THE DRAFT REPORT

U. S. Department of Justice
Drug Enforcement Administration

JUL 22 2002

MEMORANDUM

TO: Guy K. Zimmerman
Assistant Inspector General for Audit
U.S. Department of Justice

FROM: Asa Hutchinson
Administrator

SUBJECT: Comments on the Audit Report, "The Drug Enforcement Administration's Control Over Weapons and Laptop Computers"

The Drug Enforcement Administration (DEA) has reviewed the Office of the Inspector General's (OIG) final draft report ***The DEA's Control Over Weapons and Laptop Computers.*** The technical report comments, including language and factual corrections, were provided on July 2, 2002, in a memorandum to Dan Strohl, Regional Audit Manager.

The DEA provides the following comments regarding the draft report. Overall, DEA concurs with the findings and recommendations made by the OIG. The OIG recognizes the extensive actions that DEA has taken to manage its inventories for weapons and laptop computers. The OIG notes that the DEA had previously identified problems with its inventory systems and that efforts were underway to address issues well in advance of the initiation of the DOJ-wide audit.

DEA has been proactive in addressing the concerns raised by the OIG audit and continues to take actions to improve the management of its sensitive property. The OIG's recommendations in the report primarily reflect actions recommended by the DEA or that DEA was in the process of implementing. The internal control weaknesses noted in the audit report had been identified by DEA prior to the OIG's audit and DEA management had initiated actions to address these inventory concerns.

This draft audit report contains 22 recommendations for DEA action. The DEA has developed a Corrective Action Plan (CAP) to address all of the OIG's recommendations (attached). Each recommendation is addressed and corrective actions and scheduled completion dates have been established. The DEA has completed several actions since the completion of the OIG's on-site audit in November 2001. DEA requests that the OIG close Recommendations 1, 4, 8 and 15, based on the CAP and the supporting documentation of completed corrective actions.

The CAP contains target due dates for the completion of the remaining open recommendations. DEA will continue to provide the OIG with documentation upon completion of the corrective actions.

In addition, the DEA requests modifications to the final report on the following points.

- National Security. All references to national security should be removed from the DEA audit report. The OIG should make it clear in both the report and the executive summary that DEA laptop computers have not compromised national security. The report should also clearly state that there is **no** threat of compromise to the national security as DEA does not process any classified information on its laptops. This should also be made clear in the OIG's summary report, to differentiate the DEA from other DOJ components.

- Indications of Public Harm. The report should state at the outset that there was no apparent indication of public harm that resulted from the DEA weapons that were lost or stolen. This is not clearly stated in the report. This point is extremely significant. Other DOJ components have had documented harm incurred by its weapons; the DEA has not.

- Weapons Accountability. As a result of the OIG audit, there were no DEA weapons discovered missing.

- Statistical Measures. The use of the terminology "significant deficiencies" is misleading. This term would generally indicate a measurably large number of missing weapons when, in fact, the OIG discovered no weapons missing during their audit. During the time frame examined by the OIG, October 1, 1999 to November 15, 2001, DEA reported 16 weapons as lost or stolen. Five of these weapons were recovered leaving only 11 lost or stolen weapons unaccounted for in the scope of the OIG audit. Statistically this represents only a small percentage of weapons that were lost or stolen (16 out of 15,000 or .1%) during the timeframe of the review. The OIG's sample audit of weapons at the Office of Training and selected field divisions noted no discrepancies. Therefore, the statement that the OIG audit revealed significant deficiencies should be revised to state that the OIG found "minimal deficiencies" in the DEA's policies and procedures.

- Comparative Language. The OIG should not apply the same terminology to both DEA and other DOJ components with much more serious issues of accountability and significantly greater numbers of missing weapons. Other DOJ components have had weapons used in the commission of crimes that have caused verified public harm. It is unfair and inaccurate to include DEA in these more serious findings. There should be some distinction in the report language to differentiate the degree of seriousness of the threat to public harm, actual versus potential, that has occurred as the result of missing weapons that are the responsibility of other DOJ components, not DEA.

The DEA is pleased that the OIG has recognized DEA's extensive efforts and adopted DEA's recommendations for the improvement of its property accountability. The DEA will continue to maintain its diligence and improve its controls over sensitive property.

Attachments

Office Abbreviations	
Office of Training, Firearms Training Unit	(TRDG)
Office of Security Programs	(IS)
Board of Professional Conduct	(HB)
Operational Support Division	(SC)
Property Management Unit	(SAOP)
Chief Financial Officer	(CFO)
Office of Inspections	(IN)

07/16/02

Office of the Inspector General Audit Report
DEA's Control Over Weapons & Laptop Computers
CORRECTIVE ACTION PLAN

OIG RECOMMENDATION(S)	RESPONSIBLE DEA OFFICE	CORRECTIVE ACTIONS	TARGET DUE DATE	DATE COMPLETED	COMMENTS
1. Reiterate to all DEA employees the guidelines for the security, safety, and storage of weapons as outlined in the DEA Firearms Policy, Subsection 6122.42, Firearms Security, Safety, and Storage.	TRDG	DEA Headquarters Teletype No. 10990, dated June 14, 2002 (attached) reminded agents of their responsibility for the security, safety, and storage of weapons.	--	6/14/02	Completed. DEA requests the OIG close this recommendation based upon the attached documentation.
2. Reiterate to all DEA employees the policy for reporting losses of DEA property as outlined in the DEA Firearms Policy, Section 6122.13, Loss, Theft, or Destruction of a Firearm.	TRDG	TRDG will prepare a teletype for DEA-wide distribution reminding agents of the requirements of Agents Manual Subsection 6122.13, Loss, Theft, or Destruction of a Firearm.	7/31/02		
3. Provide semiannual Department Theft Reports for the reporting periods from July 1 to December 31, 1999, and January 1 to December 31, 2000.	IS	DEA will retroactively review its records to complete the Theft Reports for these time periods and submit them to the Department.	9/30/02		
4. Ensure the timely and complete submission of future semiannual Department Theft Reports.	IS	The most recent Theft Report was submitted to DOJ well in advance of the July 31, 2002 due date.		6/6/02	DEA requests that the OIG close this recommendation based upon the attached Theft Report that was timely submitted.
5. Ensure that the missing weapons are promptly entered into the NCIC system.	TRDG	Prior to July 31, 2002, TRDG will prepare a teletype for DEA-wide distribution reminding agents of the requirements of Agents Manual Section 6122.13 B2 concerning the entering of weapons into NCIC.	7/31/02		
6. Ensure that appropriate action is taken on laptop computers that are identified as lost, stolen, or missing as a result of the reconciliation of the property inventory.	ALL DEA OFFICES	All DEA Headquarters, Domestic and Foreign offices will ensure HB is notified of all lost stolen or missing accountable property items (to include laptop computers) so that appropriate disciplinary action can be taken.	8/30/02		DEA will provide documentation of the most recent notifications at the conclusion of its current laptop inventory reconciliation.
7. Ensure that a perpetual list of lost, missing, or stolen laptop computers is maintained and that notifications and investigative procedures are performed.	SAOP ALL DEA OFFICES	DEA will establish a list of missing laptops after the reconciliation of the current accountable property inventory. All DEA Headquarters, Domestic and Foreign offices will conduct a Board of Survey and notify HB of any lost, missing or stolen accountable property (to include laptops) identified as a result of the reconciliation of the property inventory.	9/30/02		
8. Develop internal controls, operating manuals, audit trails, and system requirements appropriate to ensure the reliability of inventory data in the Weapons Database.	TRDG	DEA has completed the following: Internal Controls • All entries into the database are restricted to TRDG staff. • Field components are e-mailed their respective inventories for reconciliation purposes on a quarterly basis. • The accuracy of the inventory system is checked quarterly by division Primary Firearms Instructors (PFIs) and annually by a physical inventory. Quarterly reviews are used to facilitate an accurate annual inventory as required by the DEA Agents		10/1/01 quarterly 10/1/02	Effective on October 1, 2001, DEA/TRDG developed a new inventory database as an interim measure to tighten controls over its weapons inventory until problems with the Fixed Asset System (FAS) could be resolved. DEA established necessary internal controls and guidance for this system.

OIG RECOMMENDATION(S)	RESPONSIBLE DEA OFFICE	CORRECTIVE ACTIONS	TARGET DUE DATE	DATE COMPLETED	COMMENTS
		Manual. • The Office of Inspections (IN) reconciles the Weapons Database to a physical inventory at a division during routine scheduled inspections. Operating Manuals • Operating instructions for the new inventory program were provided DEA-wide in Headquarters Teletype No. 02224, dated February 7, 2001 (attached). • Inventory procedures and requirements were also provided to Primary Firearms Instructors (PFIs) in the April 2002 Firearms Training Directive (attached). Audit Trail • Beginning October 2001, TRDG has maintained all DEA-17s, current and previously completed, for each weapon. Therefore, a manual history exists and can be recreated from October 2001 forward. To provide a nexus between the purchasing and inventory records, the Office of Training (TR) implemented Divisional Order 47 (attached) that require a binder be established for all weapons purchases. The binder contains a copy of the weapons receipt document listing the make, model, and serial number of all weapons received, along with a copy of the weapons inventory record for each weapon. The binder is reviewed and signed off by the Unit Chief for completeness.		Ongoing 2/7/01 4/4/02 3/15/02	Neither the old weapons inventory system (M204) nor the new Weapons Database was designed to provide an automated audit trail for a weapon. The current system cannot be programmed to provide an audit trail; however, a manual audit trail is currently available and DEA will maintain the audit information manually until the automated audit trail can be established via the integration of the Weapons Database into the FAS.
9. Ensure that a valid inventory is available to all PCAs, based on completed reconciliation of FAS inventory records to correct the problems created from the conversion from the M-204 system.	SAOP	SAOP is currently correcting problems resulting from the M-204 conversion. The results of the completed reconciliation will provide all PCAs with a valid inventory of property in their areas.	8/31/02		The validated inventory will be provided to the OIG after its completion.
10. Integrate the DEA's financial system with the property management systems so that the inventory is routinely and timely updated when a weapon or laptop computer is purchased.	CFO SC AD/TRDG		TBD	10/1/00	Administrative Property was integrated with DEA's financial system on 10/01/00. Weapons will be integrated at a later date.
11. Ensure that all purchases are entered timely into the FAS inventory.	CFO/SC TRDG	The CFO issued a memorandum reiterating DEA's policy that requires newly acquired accountable Administrative Property and Laboratory Equipment items to be entered into FAS within 10 days of receipt.		7/5/02	Completed per attached memorandum.
12. Ensure that employees who receive shipments of weapons do not have access to the Weapons Database.	TRDG	TRDG ships weapons to PFIs in the field. Field components do not have access to the main inventory database. With the implementation of Divisional Order 47, TRDG has separated the duties of the DEA Armorer, who receives weapons, and the Firearms Control Officer, who enters the weapons into the database, and to the Unit Chief, who confirms the entry. However, DEA's only Armorer must maintain access to the database for weapons repair purposes.		3/15/02	Completed per attached Divisional Order 47.

OIG RECOMMENDATION(S)	RESPONSIBLE DEA OFFICE	CORRECTIVE ACTIONS	TARGET DUE DATE	DATE COMPLETED	COMMENTS
13. Record in FAS the names of the individuals who are accountable for laptop computers instead of the names of the PCAs.	SAOP SI	SAOP will work in conjunction with SI to determine if FAS can be modified to add a data field to accept the names of individuals who are assigned laptop computers.	8-30-02		Currently, FAS does not provide for the recording of Personal Issue Property assigned to individuals. Accountable Officers (e.g., SACs/CAs/LDs, /OHs) are accountable for all property (including laptop computers) recorded in their FAS inventory.
14. Ensure PCAs maintain adequate property records to show current assignment of laptop computers.	SC	SC will reiterate the policy requiring PCAs to maintain hand receipts to show current assignment of laptop computers. SI will reiterate to PCAs the policy to maintain adequate property records each time it approves requests to purchase IT equipment (to include laptop computers).	8-30-02		
15. Ensure that field division level PCAs are advised timely by DEA Headquarters of purchases and transfers of property items that pertain to their division.	SC	In a memorandum SC issued to offices worldwide regarding retention of documents for accountable Administrative Property and Laboratory Equipment, Headquarters purchasing offices are instructed to provide receiving PCAs with copies of source documents for items purchased, and delivered to them.		6-5-02	
16. Ensure that hand receipts for transfers are used throughout the DEA.	SC TRDG	**Laptops**. SC will revise the policy for recording the transfers of property throughout DEA to require the use of hand receipts for all accountable property transfers. **Weapons**. The DEA Form 17 is a hand receipt that shows custody of a weapon. It is the only document that authorizes TRDG staff changing the custody status of a weapon in the database.	8-30-02	3/15/02	Completed per Division Order 47.
17. Ensure that details such as property descriptions, DEA property numbers, and weapon serial numbers are included on Employee Clearance Records.	IN	IN will formally request changes to Form DEA-171a based upon the OIG audit. Item 8 of the Employee Clearance Record is reserved for weapons. The PFI's signature will be required on the Employee Clearance Record (attached). This signature authority can be delegated after consultation with the PFI to determine the status of the weapons that the departing agent is accountable for in the Weapons Database. This procedure will be covered in the PFI Conference on July 15, 2002.	8/30/02		
18. Ensure that updates to the property system are made timely.	ALL DEA OFFICES SAOP	**Laptops.** All DEA Headquarters, Domestic and Foreign offices will provide prompt notification to SAOP when changes in PCAs occur in their office. SAOP will ensure that the changes are reflected in FAS within 5 days of notification so that new PCAs can immediately process updates to the property system. **Weapons**. Updates to the inventory system are made within 48 hours of receipt at TRDG. The only chance of delay rests with the field component. Field components are encouraged to fax DEA-17s to TRDG and mail the original upon completion. Field components are required to send all completed DEA-17s to TRDG with their quarterly report.	Ongoing 10/1/02		
19. Ensure that the physical inventory of weapons is performed annually as required by DEA headquarters.	ALL DEA DIVISIONS	All Country and Divisional Offices are required to conduct annual physical weapons inventories. This requirement is set forth in Section 6122.22b of the	10/1/02		

OIG RECOMMENDATION(S)	RESPONSIBLE DEA OFFICE	CORRECTIVE ACTIONS	TARGET DUE DATE	DATE COMPLETED	COMMENTS
		Agents Manual and in the Firearms Training Directive.			
20. Segregate the duties of staff who take physical inventories, perform reconciliations, and modify the property management systems.	SAOP TRDG	**Laptops**. SAOP will issue a memorandum to each of DEA's Program Managers of property systems reiterating existing segregation of duties policy which requires individuals other than system access personnel to conduct physical inventories. SAOP will include in the memorandum that system access personnel are to reconcile physical inventory results, and that Program Managers are to validate and if necessary, modify system reconciliation adjustment made by system access personnel. **Weapons** The DEA Agents Manual, Section 6122.22c, requires an impartial party to inventory stock/office use weapons. The TRDG inventory completed September 30, 2001, was conducted by the Unit Chief, Armorer, and Unit Training Technician. The inventory and reconciliation of over 4,000 weapons took three weeks to complete. Future inventories will be conducted in accordance with the listed manual section.	7-31-02		
21. Ensure that inventories are validated as required for each unit within DEA headquarters.	SAOP	This recommendation is linked to item 9 above. Inventories for each unit within DEA Headquarters will be validated when item 9 is complete.	8-31-02		
22. Ensure that confirmations from law enforcement entities are received and forwarded to the FTU when weapons are excessed.	Deputy Administrator	The Deputy Administrator will issue a directive to ensure that all Headquarters Office Heads assist the Headquarters PFI in complying with Agents Manual Section 6122.22c concerning the report of annual inventory of DEA weapons. Divisional Order 47 requires TRDG to obtain a signed receipt (DEA 12) from the law enforcement agency in which weapons were excessed.	9/30/02	3/15/02	