
Office of Inspector General

INSPECTOR GENERAL REVIEW OF FISCAL YEAR 2012 DRUG CONTROL FUNDS AND PERFORMANCE SUMMARY REPORTING

Federal Aviation Administration

Report Number: FI-2013-038

Date Issued: February 1, 2013





**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, DC 20590

February 1, 2013

Ms. U. Jane Sanville
Acting Associate Director, Office of Performance and Budget
Office of National Drug Control Policy
Washington, DC 20503

Dear Ms. Sanville:

This report presents the results of our independent review of the U.S. Department of Transportation, Federal Aviation Administration's (FAA) fiscal year 2012 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). Both reports are dated January 13, 2013. The reports and our review are required by 21 U.S.C. §1704 (d) and ONDCP's Circular, Annual Accounting and Authentication of Drug Control Funds and Related Performance, of May 2007 (Circular).

The Circular states that when drug-related obligations are less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit an alternative report. Because FAA's fiscal year 2012 drug-related obligations were less than \$50 million, FAA submitted an alternative report. In our attestation review, we (1) assessed whether providing a detailed accounting of funds expended on National Drug Control Program activities would constitute an unreasonable burden, and (2) reviewed FAA's report and related management assertions to determine the reliability of those assertions in compliance with the Circular, in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. However, a review is substantially more limited in scope than an examination, which expresses an opinion on the accuracy of FAA's Drug Control Obligation Summary and Performance Summary reports. Because we conducted an attestation review, we do not express such an opinion.

Drug Control Obligations Summary

We performed review procedures on the accompanying report (Enclosure 1), FAA's fiscal year 2012 Drug Control Obligation Summary, based on criteria specified in the Circular. Our work was limited to inquiries and analytical

procedures appropriate for an attestation review. Specifically, we tested selected accounting internal controls to ensure drug control funds were properly identified in the accounting system. We traced \$17 million of FAA's reported \$26.3 million in drug control obligations to the Department's accounting system. Because FAA is reporting a total amount in drug control obligations—\$26.3 million—below the Circular's \$50 million threshold for full reporting, we believe that full reporting compliance would constitute an unreasonable reporting burden.

Performance Reporting Summary and Assertions

FAA's fiscal year 2012 performance targets were to (1) initiate regulatory investigations on 95 percent of all pilots involved in the sale or distribution of illegal drugs within 30 days of knowledge, a conviction, or notification by law enforcement; (2) ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding one percent positives for drugs and one-half percent positives for alcohol; and, (3) conduct 1,650 FAA drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met all three performance targets.

We performed review procedures on the accompanying report (Enclosure 2), FAA's fiscal year 2012 Performance Summary Report, and management's assertions. Our review processes were limited to inquiries and analytical procedures appropriate for an attestation review based upon the criteria specified in the Circular. Specifically, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed.

During our review, no information came to our attention that the accompanying FAA fiscal year 2012 Drug Control Obligation Summary and Performance Summary reports were not presented in conformity with the ONDCP Circular.

Sincerely,



Louis C. King
Assistant Inspector General for Financial and
Information Technology Audits

Enclosure(s)

cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100



U.S. Department
of Transportation
**Federal Aviation
Administration**

Assistant Administrator for Financial Services and
Chief Financial Officer

800 Independence Ave. SW
Washington, D.C. 20591

January 13, 2013

Ms. U. Jane Sanville
Acting Associate Director for Performance and Budget
Office of the National Drug Control Policy
Washington, DC 20503

Dear Ms. Sanville:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued May 1, 2007, the Federal Aviation Administration's (FAA) Fiscal Year 2012 Drug Control Obligation Summary 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.

FAA's point of contact for this report is Dedra Goodman. She can be reached at (202) 267-3631, if further assistance is required.

Sincerely yours,

A handwritten signature in black ink that reads "Mark House".

Mark House
Chief Financial Officer

Enclosure

Obligations Summary
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
(\$ in thousands)

RESOURCE SUMMARY

	FY 2012 Obligations
Drug Resources by Budget Decision Unit and Function:	
Decision Unit: Air Traffic Organization	\$ 9,240
Subtotal, Air Traffic Organization	<u>9,240</u>
Decision Unit: Aviation Safety/Aerospace Medicine	
Prevention	\$ 15,213
Subtotal, Aviation Safety/Aerospace Medicine	<u>15,213</u>
Decision Unit: Security and Hazardous Material Safety	
Intelligence Interdiction & State/Local Assistance	\$ 1,801
Subtotal, Security and Hazardous Material Safety	<u>1,801</u>
Total Funding	<u><u>\$ 26,254</u></u>
Drug Resources Personnel Summary	
Total FTEs (direct only)	
Air Traffic Organization	59
<i>Investigations: Industry Drug Abatement</i>	50
<i>Prevention: Industry Drug Abatement</i>	20
<i>Prevention: Internal Substance Abuse Program</i>	17
Subtotal, Aviation Safety/Aerospace Medicine	87
Security & Hazardous Materials Safety	<u>16</u>
Total FTEs	<u><u>162</u></u>



U.S. Department
of Transportation
**Federal Aviation
Administration**

Assistant Administrator for Financial Services and
Chief Financial Officer

800 Independence Ave. SW
Washington, D.C. 20591

Ms. U. Jane Sanville
Acting Associate Director for Performance and
Budget Office of the National Drug Control Policy
Washington, DC 20503

Dear Ms. Sanville:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued May 1, 2007, the Federal Aviation Administration's (FAA) Fiscal Year 2012 Performance Summary Report is enclosed. As specified by the Circular and after conversations with ONDCP personnel, the Agency selected two performance measures for Aviation Safety (AVS) for FY 2011 and one performance measure for Security and Hazardous Materials (ASH) for FY 2012 to assess its success in reducing the prevalence of drug and alcohol-impaired personnel who perform sensitive duties within the aviation industry and in initiating regulatory action against airmen involved in the sale or distribution of illegal drugs. Additional metrics are included in the body of the enclosures for FYs 2008 through 2011. These performance measures reflect a critical milestone in the goal to promote the safety and security of the National Air Space (NAS) and the flying public. These performance measures are:

1. Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge or a conviction or notification by law enforcement (ASH).
2. Ensure the aviation industry conducts random drug and alcohol testing of safety-sensitive employees with results not exceeding one percent (1%) positives for drugs and one-half percent (0.5%) positives for alcohol (AVS),
3. Conduct 1,650 FAA drug and alcohol inspections of the aviation industry to ensure compliance with 14 C.F.R part 123 and 49 C.F.R. part 40.

Assertions

1. **Performance reporting system is appropriate and applied:** Performance information for the first measure relies on official Agency data residing in the Investigations Tracking System (ITS) and Enforcement Information System (EIS)¹. Data resident in ITS/EIS includes: the date of the offense, when first known to FAA, start date of the action, source of the information, and final sanction.

For measures two and three, the information relies on surveys conducted by the Agency of all part 121 operators and all other employers with 50 or more safety-sensitive employees. The latter provide to FAA annual report of their testing results. The remaining employers with 49 or fewer safety-sensitive employees are randomly chosen to

¹ ITS and EIS are FAA's system for tracking investigations and information about enforcement actions for statutory or regulatory violations.

submit an annual report.

No performance measure was reported for one of the three Lines of Business because its work structure does not lend itself to the development and tracking of such metrics and is not cost-effective to the government to do so. Consequently, FAA will work with ONDCP to develop a measure beneficial and cost effective to both organizations. Additional information can be found in enclosures.

2. **Explanations for not meeting performance targets are reasonable:** Targets met.
3. **Methodology to establish performance targets is reasonable and applied:** Data collection for the first measure is based on official FAA databases. For the last two measures, the Department of Transportation (DOT) requires the Agency to determine these measures using the Drug and Alcohol Management Information System (DAMIS) reporting. Due to the reporting methodology, this sampling of DAMIS reporting is always one calendar year behind. Additional information can be found in the enclosed Summary Reports.
4. **Adequate performance measures exist for all significant drug control activities:** The measures used to describe the Agency's performance adequately reflect key steps toward the prevention and detection of drug related activities in the NAS. These measures provide a meaningful assessment of progress toward the development of safe and reliable airspace.

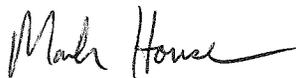
FAA's points of contact for this report are as follows:

ASH: Elaine K. Stone-Arthur, (202) 385-4890

AVS: Rafael Ramos (202) 267-8346

ATO: Ernest Barber, (202) 385-8499

Sincerely,



Mark House,
Chief Financial Officer

Enclosures

Federal Aviation Administration
Industry Drug and Alcohol Testing Program
Performance Summary Report
Fiscal Year 2012

(1) Performance Measures

The Federal Aviation Administration (FAA) contributes to the National Drug Control Strategy by reducing the prevalence of drug and alcohol-impaired personnel from performing safety-sensitive duties in the aviation industry.

The Department of Transportation (DOT) requires the Agency to determine these measures using the Drug and Alcohol Management Information System (DAMIS) reporting. Each year, the FAA conducts a survey of every aviation employer that employs 50 or more safety-sensitive employees, and a random selection of employers that employ 49 or fewer safety-sensitive employees. These employers are notified to report their data showing the number of drug and alcohol tests conducted, and the number of positive test results, along with other miscellaneous information. Due to the reporting methodology, this sampling of DAMIS reporting is always one calendar year behind. For example, employers were required to report all testing they accomplished for calendar year 2011 by March 15, 2012. In an effort to ensure the most accurate data, the DOT allows for late submissions until October 12, 2012, at which time no more entries were allowed. The most current reported data available is for calendar year 2011.

(2) Prior Years' Performance Targets and Results

The prior year targets for 2008, 2009 and 2010 were fully achieved. Annual targets are determined by the DOT and require the positive test results for drugs to be less than 1.0% and the percentage of positive alcohol tests to be less than 0.5%. The results for the prior years are as follows:

Calendar Year	Total Drug Tests Reported	Percentage of Positive Drug Tests	Total Alcohol Tests Reported	Percentage of Positive Alcohol Tests
2008	199,510	0.588%	53,939	0.123%
2009	164,356	0.534%	51,480	0.088%
2010	179,894	0.503%	50,580	0.11%

(3) Current Performance Targets

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2011. For this calendar year, the total drug tests reported were 191,011, resulting in a 0.462% positive drug tests. The total alcohol tests reported were 50,324, resulting in a 0.097% positive alcohol tests.

(4) Quality of Performance Data

As mentioned previously, the FAA does not require all regulated employers to report their MIS data. During our compliance inspections of covered employers, our inspectors verify the data submitted to DAMIS to ensure its integrity. In FY 2012, the Drug Abatement Division conducted 1,850 inspections and verified each DAMIS report.

The following chart indicates the number of employers that reported their data:

Calendar Year	Approximate Number of Total Regulated Employers	Number of Reporting Regulated Employers	Approximate Percentage of Reporting Employers Vs. Total Employers
2008	Unknown	2,340	Unknown
2009	7,250	2,694	37%
2010	7,270	3,240	44%
2011	7,200	3,137	43%

**Federal Aviation Administration
Law Enforcement Assistance Program
Performance Summary Report
Fiscal Year 2012**

(1) Performance Measure

The Federal Aviation Administration's (FAA) Law Enforcement Assistance Program (LEAP) contributes to the National Drug Control Strategy by reducing access to the National Airspace System of Airman known to the FAA to be involved in the sale or distribution of illegal drugs. The FAA will use one performance measure to assess the effectiveness of the program.

The LEAP Special Agents provide extensive technical and administrative assistance, on a timely and continuous basis, to all Federal, State, local, tribal, territorial, and international law enforcement agencies (LEAs) engaged in drug interdiction efforts. They have access to FAA data, not otherwise available to other agencies, that is critical to the development of investigations on airman involved in illegal drug trafficking. The information FAA provides to LEAs assists them in the arrest and conviction of airman and/or the seizure of aircraft.

Due to the joint work with LEAs, FAA becomes aware of investigations and information that enable/support initiation of FAA regulatory enforcement investigations on airman/aircraft suspected of drug trafficking; in many cases, these investigations result in the revocation of airman certificates thus contributing to the safety and security of the NAS.

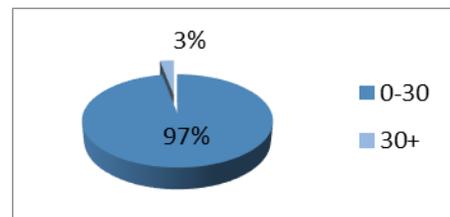
The performance measure selected reflects a critical milestone in the goal to promote the safety and security of the NAS and the flying public by restricting access of airmen who have violated statutory and regulatory requirements for maintaining an airman certificate. The performance measure being used is a valid and reliable method for capturing the efforts put forth in this area.

The ASH LEAP program will use the following measure to assess progress of the LEAP Program.

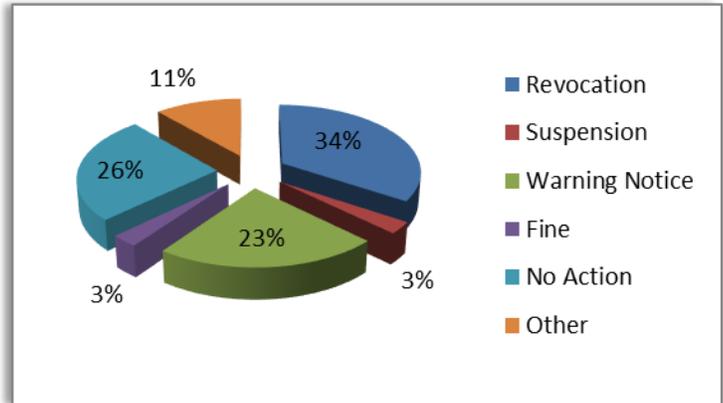
- Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement.

(2) Prior Year Performance Target and Results

The performance target for FY2011 was fully achieved. FAA LEAP Special Agents initiated 33 of 34 regulatory investigations or 97% of airman brought to the attention of ASH within 10 days.



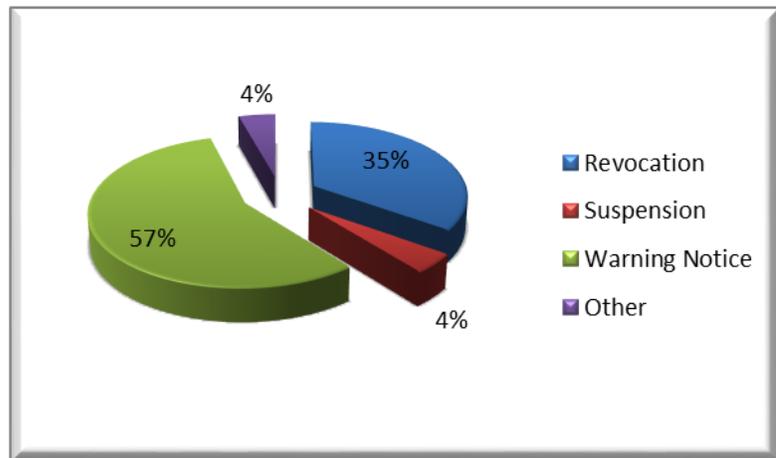
FAA took regulatory action against 63% of the airman investigated, impacting their ability to legally access the NAS. That regulatory action is depicted in the chart, and also resulted in significant action¹ taken against airman 40% of the time.



(3) Current Performance Target

Selected Measures of Performance	FY 2012 Target	FY 2012 Achieved
Initiate regulatory investigations on 95% of all airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement	95%	100%

FAA Special Agents initiated 18 regulatory investigations or 100% of airman brought to the attention of ASH within 30 days. In FY12 FAA also took regulatory actions against 56 or 88% of the airman arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart, and also resulted in significant action² taken against airman 39% of the time.



(4) Quality of Performance Data

Performance information for the measure relies on official agency data residing in the Investigations Tracking System (ITS) and Enforcement Information System (EIS).³ Data resident in ITS/EIS includes: the date of the offense, when first known to FAA, start date of the action, source of the information, and final sanction.

¹ Significant Action is defined as a fine or revocation/suspension of the airman certificate.

² Significant Action is defined as revocation/suspension of the airman certificate.

³ ITS and EIS are FAA's system for tracking investigations and information about enforcement actions for statutory or regulatory violations.

ATO Drug-Related Activities

1. The Air Traffic Organization (ATO), as the FAA's operations component, is the country's primary air navigation services provider and responsible for the operational control of nation's airspace. In addition to supporting the safety and efficiency of aviation for air commerce, ATO collaborates with interagency partners to support national defense, homeland security, and law enforcement missions. This interagency cooperation includes air traffic management (ATM) support to the North American Aerospace Defense Command (NORAD), Customs and Border Protection (CBP), and other partners carrying out drug control missions in the National Airspace System (NAS).
2. ATM related support to drug control missions includes: a) standard air traffic control (ATC) services for government aircraft on missions; b) special handling of those same aircraft, specifically including flights performing surveillance; c) facilitation, including ATC tracking of suspect flights, of intercept, surveillance, and other missions; and d) identification and facilitating the response to suspicious aircraft.
3. The above support for drug control efforts are integral to the daily duties carried out by the agency's air traffic controllers, as well as ATO's air traffic security coordinators. This operational support is not broken out as separate drug control programs. In many cases, this support is provided as routine support to NORAD, or CBP and other LEA partners. The ATO personnel involved may not be aware that they are specifically assisting a drug control effort versus supporting any other type of defense, homeland security, or law enforcement mission.

ATO's point of contact is Ernest Barber. He can be reached at (202) 385-8499.