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Testimony

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## DEPARTMENT OF JUSTICE

# Additional Actions Needed to Enhance Program Efficiency and Resource Management

Statement of David C. Maurer, Director  
Homeland Security and Justice



G A O

Accountability \* Integrity \* Reliability

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Highlights of [GAO-13-505T](#), a testimony before the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations, Committee on the Judiciary, House of Representatives

## Why GAO Did This Study

In fiscal year 2012, DOJ's \$27 billion budget funded a broad array of national security, law enforcement, and criminal justice system activities. GAO has examined a number of key programs where DOJ has sole responsibility or works with other departments and recommended actions to improve program efficiency and resource management. This statement summarizes findings and recommendations from recent GAO work in the following five areas: (1) overlap and potential duplication in DOJ grant programs; (2) DOJ's management of undisbursed funds from BVP grant awards whose terms have ended; (3) potential duplication in DOJ and Treasury asset forfeiture programs; (4) DOJ's management of asset forfeiture funds; and (5) overlap among DOJ and other federally funded field-based information sharing entities. This statement is based on prior products GAO issued from February 2012 through April 2013, along with selected updates obtained from April 2012 through April 2013. For the selected updates on DOJ's progress in implementing recommendations, GAO analyzed information provided by DOJ officials on taken and planned actions.

## What GAO Recommends

GAO has made several recommendations to DOJ in prior reports to help improve program efficiency and resource management. DOJ generally concurred with these recommendations and is taking actions to address them.

View [GAO-13-505T](#). For more information, contact David C. Maurer at (202) 512-8777 or [maurerd@gao.gov](mailto:maurerd@gao.gov)

April 10, 2013

## DEPARTMENT OF JUSTICE

### Additional Actions Needed to Enhance Program Efficiency and Resource Management

## What GAO Found

In July 2012, GAO reported that the Department of Justice's (DOJ) more than 200 grant programs overlapped across 10 key justice areas, and that this overlap contributed to the risk of unnecessarily duplicative grant awards for the same or similar purposes. GAO has recommended, among other steps, that DOJ conduct an assessment to better understand the extent of grant program overlap and determine if consolidation is possible. DOJ has begun taking related actions, but it is too early to assess their impact.

In February 2012, GAO reported that DOJ's Bulletproof Vest Partnership (BVP) Program—a source of funding for law enforcement ballistic- and stab-resistant body armor—had not taken steps to deobligate about \$27 million in unused funds from grant awards whose terms had ended. GAO recommended that DOJ deobligate these funds and, for example, apply the amounts to new awards or reduce requests for future budgets. DOJ officials have since deobligated \$2 million and plan to deobligate the rest by the end of April 2013. DOJ officials plan to apply the funds toward fiscal year 2014 BVP grants.

In September 2012, GAO reported that DOJ and the Department of the Treasury (Treasury) conducted potentially duplicative asset management activities related to the seizure and forfeiture of assets associated with federal crimes. For example, GAO reported that each agency maintains separate tracking systems for seized and forfeited property. GAO recommended that DOJ and Treasury conduct a study to determine the feasibility of consolidating their asset management activities. In March 2013, DOJ officials reported that DOJ and Treasury had agreed upon an approach to conduct the study and assess potential costs, but that meetings between the departments were still ongoing and the study had not been finalized.

In July 2012, GAO reported that annual revenues from DOJ's Assets Forfeiture Fund exceeded annual expenditures, allowing DOJ to carryover \$844 million at the end of fiscal year 2011, in part to reserve funds for the next fiscal year. However, DOJ does not clearly document how it determines the amounts that need to be carried over. GAO recommended that DOJ more clearly document how it determines the carryover amounts. DOJ officials reported that they plan to provide this information, but as of March 2013, had not yet determined how to present the information.

In April 2013, GAO reported on overlap in activities and services across field-based entities operated or supported by DOJ, the Department of Homeland Security, and the Office of National Drug Control Policy that may share terrorism-related information, among other things. GAO identified 91 instances of overlap in some analytical activities, such as disseminating information on similar issue areas, such as terrorism. GAO recommended, in part, that the federal agencies collaborate to hold the entities accountable for coordination and assess where practices that enhance coordination could be applied. DOJ generally agreed with the intent of the recommendations, but stated that DOJ has already taken steps to promote coordination. The steps, however, do not establish an accountability mechanism for monitoring coordination or assessing practices.



United States Government Accountability Office  
Washington, DC 20548

Chairman Sensenbrenner, Ranking Member Scott, and Members of the Subcommittee:

I appreciate the opportunity to participate in today's hearing to discuss our prior work on ways in which the Department of Justice (DOJ) can increase efficiencies and better manage its resources across key programs. In fiscal year 2012, DOJ's enacted budget was \$27 billion, and its appropriation was among the top ten of all federal agencies. As the fiscal pressures facing the nation continue, it is increasingly important for DOJ and other executive branch agencies to improve the efficiency and effectiveness of government programs. This is especially important given DOJ's leading role administering a wide array of programs to fulfill its mission to, among other things, enforce the law and to provide federal leadership in preventing and controlling crime.

As requested, my testimony today is based on our recent work examining programs across an array of DOJ components. In some of these program areas, DOJ has sole responsibility, while in others DOJ works with other departments and agencies. This statement addresses five key program areas where we highlighted opportunities for, and made recommendations to address, enhanced program efficiency and resource management:<sup>1</sup> (1) identifying and mitigating unnecessary overlap and duplication in DOJ grant programs,<sup>2</sup> (2) deobligating undisbursed grant funds from Bulletproof Vest Partnership (BVP) Program awards whose grant terms have ended,<sup>3</sup> (3) consolidating operations of DOJ and Department of the Treasury (Treasury) asset forfeiture programs,<sup>4</sup> (4)

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<sup>1</sup>Some of the reports included in this statement contain additional findings and recommendations that we do not address here because they did not specifically address improvements in program efficiency and resource management. Some of the recommendations are directed both to DOJ and other federal agencies with which joint efforts will be required to address necessary improvements.

<sup>2</sup>Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.

<sup>3</sup>A deobligation is the cancellation or downward adjustment of previously incurred obligations.

<sup>4</sup>Asset forfeiture refers to the process of confiscating money or property that represents either proceeds of crimes or property used in the commission of crimes.

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improving overall management of asset forfeiture funds, and (5) strengthening coordination and reducing unnecessary overlap across field-based entities (e.g., units, centers, and task forces) that may share law enforcement and terrorism-related information.

My statement is based on reports addressing each of these areas issued from February 2012 through April 2013, and includes selected updates obtained from April 2012 through April 2013. For our prior reports, we analyzed documentation, such as grant solicitations and program policies and procedures, and interviewed relevant DOJ officials responsible for managing DOJ's grant and asset forfeiture programs, and its field-based information-sharing entities. More information about the scope and methodology of our prior work can be found in those reports.<sup>5</sup> To update the status of DOJ's efforts to address the recommendations we made in these reports, we collected information from DOJ program officials on actions they have taken or planned in response. We conducted our work 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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DOJ Grants Administration	DOJ awards federal financial assistance to state and local governments, for-profit and nonprofit organizations, tribal jurisdictions, and educational
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<sup>5</sup>See, respectively, GAO, *Justice Grant Programs: DOJ Should Do More to Reduce the Risk of Unnecessary Duplication and Enhance Program Assessment*, [GAO-12-517](#) (Washington, D.C.: July 12, 2012); *Law Enforcement Body Armor: DOJ Could Enhance Grant Management Controls and Better Ensure Consistency in Grant Program Requirements*, [GAO-12-353](#) (Washington, D.C.: Feb. 15, 2012); *Asset Forfeiture Programs: Justice and Treasury Should Determine Costs and Benefits of Potential Consolidation*, [GAO-12-972](#) (Washington, D.C.: Sept. 12, 2012); *Justice Assets Forfeiture Fund: Transparency of Balances and Control over Equitable Sharing Should Be Improved*, [GAO-12-736](#) (Washington, D.C.: July 12, 2012); and *Information Sharing: Agencies Could Better Coordinate to Reduce Overlap in Field-Based Activities*, [GAO-13-471](#) (Washington, D.C.: Apr. 4, 2013).

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institutions, to help prevent crime, assist victims of crime, and promote innovative law enforcement efforts. Federal financial assistance programs provide funding pursuant to statutory authorization and annual appropriations through formula grants, discretionary grants, cooperative agreements, and other payment programs, but are all generally referred to as grants.<sup>6</sup> From fiscal year 2005 through fiscal year 2012, approximately \$33 billion has been appropriated to support the more than 200 grants programs that DOJ manages.<sup>7</sup>

DOJ administers its grant programs through three granting agencies—the Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Community Oriented Policing Services (COPS) Office. OJP is the largest of DOJ's granting agencies, and its mission to develop the nation's capacity to prevent and control crime, administer justice, and assist crime victims is broader than that of OVW or the COPS Office. OJP's bureaus and offices administer grant programs that address victim assistance, technology and forensics, and juvenile justice, among other things. One such grant program is the BVP program, which was created following enactment of the Bulletproof Vest Partnership Grant Act of 1998,<sup>8</sup> and provides grants on a competitive basis to state and local law enforcement agencies to assist in their purchasing of ballistic-resistant and stab-resistant body armor. The COPS Office grant programs focus on advancing community policing, which generally involves cooperation between police departments and community residents in identifying and developing solutions to crime problems. OVW administers grant programs related to domestic violence, dating violence, sexual assault, and stalking.

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<sup>6</sup>Formula grant programs are noncompetitive awards based on a predetermined formula, typically established in statute. Discretionary grants are usually awarded on the basis of a competitive selection process. A cooperative agreement is a type of federal financial assistance similar to a grant except the federal government is more substantially involved with the grant. Payment programs typically take the form of reimbursements to state and local law enforcement entities for purchases such as body armor.

<sup>7</sup>In addition to fiscal year funding from 2005 through 2012, this amount includes \$4 billion appropriated in fiscal year 2009 through the American Recovery and Reinvestment Act of 2009 (Recovery Act). Pub. L. No. 111-5, 123 Stat. 115, 129-30, which includes \$10 million for salaries and expenses to manage, administer, and oversee the grant programs. This approximate amount does not reflect amounts, if any, that have been rescinded, reprogrammed, or transferred.

<sup>8</sup> Pub. L. No. 105-181, 112 Stat. 512.

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## Asset Forfeiture

DOJ and Treasury both operate asset forfeiture programs that are designed to prevent and reduce crime through the seizure and forfeiture of assets that represent the proceeds of, or were used to facilitate, federal crimes. Each department also maintains a separate fund that is the receipt account for the deposit of forfeitures.<sup>9</sup> Over the years, a series of laws has been enacted that has expanded forfeiture from drug offenses to money laundering, financial crimes, and terrorism-related offenses. In addition to depriving criminals of property used or acquired through illegal activities, these programs are designed to enhance cooperation among foreign, federal, state, and local law enforcement agencies through the equitable sharing of assets recovered through the program, and, as a by-product, produce revenues in support of future law enforcement investigations and related forfeiture activities. A number of federal law enforcement organizations participate in DOJ's Assets Forfeiture Fund (AFF), including the U.S. Marshals Service, which serves as the primary custodian of seized and forfeited property for the program. Once property is forfeited to the government, it is subsequently sold, put into official use, destroyed, or transferred to another agency. Cash and monetary instruments that have been forfeited and property that has been forfeited and sold are subsequently deposited in the forfeiture fund. In fiscal year 2012, the value of total assets in the AFF was approximately \$5.97 billion.<sup>10</sup> Money collected in the funds is used to pay for expenses related to the asset forfeiture program and for other law enforcement initiatives.

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## Field-Based Information-Sharing Entities

DOJ, the Department of Homeland Security (DHS), and the Office of National Drug Control Policy (ONDCP) operate or support, through grant funding or personnel, five types of field-based information-sharing entities that may collect, process, analyze, or disseminate information in support of law enforcement and counterterrorism-related efforts, as shown in table 1.

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<sup>9</sup>The Comprehensive Crime Control Act of 1984 established the Department of Justice Assets Forfeiture Fund (AFF). Pub. L. No. 98-473, tit. II, §§ 310, 2302 (codified as amended at 28 U.S.C. § 524(c)). Likewise, the Treasury Forfeiture Fund Act of 1992 established the Treasury Forfeiture Fund (TFF) as a successor to what was then the Customs Forfeiture Fund. Pub. L. No. 102-393, § 638 (codified as amended at 31 U.S.C. § 9703).

<sup>10</sup>U.S. Department of Justice Office of the Inspector General, Audit Division, *Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statements, Fiscal Year 2012*. Audit Report 13-07, January 2013. Washington, D.C. Total assets include cash and noncash assets, net investments, and fund balances.

**Table 1: Field-Based Information-Sharing Entities**

Entity	Description
Joint Terrorism Task Forces	<ul style="list-style-type: none"><li>Funded and managed by DOJ's Federal Bureau of Investigation (FBI) to prevent, preempt, deter, and investigate terrorism, as well as to apprehend terrorists</li></ul>
Field Intelligence Groups	<ul style="list-style-type: none"><li>Part of the FBI that supports FBI investigations by collecting and analyzing intelligence and sharing this information with the FBI and, when applicable, its law enforcement and intelligence partners</li></ul>
Regional Information Sharing Systems centers	<ul style="list-style-type: none"><li>Funded through grants administered by DOJ's Bureau of Justice Assistance to help combat major crimes and terrorism, and promote officer safety by linking federal, state, local, and tribal criminal justice agencies through secure communications and providing information-sharing resources and investigative support</li></ul>
State and major urban area fusion centers <sup>a</sup>	<ul style="list-style-type: none"><li>Funded by a variety of state and federal sources—including DOJ and DHS grants—to serve as intermediaries for sharing terrorism and other threat-related information between the federal government and state, local, tribal, territorial, and private sector homeland security partners</li></ul>
High Intensity Drug Trafficking Areas (HIDTA) Investigative Support Centers	<ul style="list-style-type: none"><li>Supported by ONDCP grant funds to assist in the disruption and dismantlement of drug-trafficking and money-laundering organizations by preventing or mitigating associated criminal activity. HIDTA program resources may also be used for terrorism investigations and prevention activities</li></ul>

Source: GAO analysis of field-based information-sharing entities.

<sup>a</sup>A fusion center is a collaborative effort of two or more agencies that combines resources, expertise, or information at the center with the goal of maximizing the ability of such agencies to detect, prevent, investigate, and respond to criminal and terrorist activity. See 6 U.S.C. § 124h(j)(1).

In general, the five types of entities in our review were established under different authorities and have distinct missions, roles, and responsibilities. As of January 2013 there were a total of 268 of these field-based entities located throughout the United States, and DOJ, DHS, and ONDCP provided an estimated \$129 million in fiscal year 2011 to support three of the five types of entities.<sup>11</sup>

<sup>11</sup>The three types of field-based entities include Regional Information Sharing Systems centers, state and major urban area fusion centers, and High Intensity Drug Trafficking Areas Investigative Support Centers. The National Fusion Center Association reported fusion center funding based on self-reported responses from 57 of 77 fusion centers. Data on funding estimates for the other two types—Joint Terrorism Task Forces and Field Intelligence Groups—are classified.

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## DOJ Has Steps Under Way to Reduce the Risk of Unnecessary Duplication in Its Grant Programs

In July 2012, we reported that DOJ's more than 200 grant programs overlapped across 10 key justice areas, and that this overlap contributed to the risk of unnecessarily duplicative grant awards for the same or similar purposes.<sup>12</sup> We also recognized that overlapping grant programs across programmatic areas result in part from authorizing statutes. Further, we recognized that overlap among DOJ's grant programs may be desirable because such overlap can enable DOJ's granting agencies to leverage multiple funding streams to serve a single justice purpose. However, we found that the existence of overlapping grant programs is an indication that agencies should increase their ability to monitor where their funds are going and coordinate to ensure that any resulting duplication in grant award funding is purposeful rather than unnecessary, and we made recommendations to reflect these needed improvements.

In addition, we found that OJP, OVW, and the COPS Office did not routinely share lists of current and potential awardees to consider both the current and planned dispersion and purposes of all DOJ grant funding before finalizing new award decisions. Our work found instances where DOJ made multiple grant awards to applicants for the same or similar purposes without being aware of the potential for unnecessary duplication or whether funding from multiple streams was warranted. We also reported that OJP, OVW, and the COPS Office had not established policies and procedures requiring consistent coordination and information sharing among its granting agencies. Further, we found that OJP and OVW used a separate grants management system than the COPS Office, limiting their ability to share information on the funding they have awarded or are preparing to award to a recipient.<sup>13</sup> According to COPS Office officials, its mission and grant management processes are different enough to necessitate a separate system. However, OJP officials told us that its system has been and can be modified with minimal investment to accommodate different grant processes.

To better identify and address the challenges associated with potential unnecessary duplication, we made a total of eight recommendations. DOJ

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<sup>12</sup>We based this assessment on our review of all 253 grant award announcements that OJP, OVW, and the COPS Office published on their websites for fiscal year 2010. See [GAO-12-517](#).

<sup>13</sup>We included some of these related findings in GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap, and Fragmentation, Achieve Savings, and Enhance Revenue*, [GAO-12-342SP](#) (Washington, D.C.: Feb. 28, 2012).



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concluded with all eight of our recommendations. Five of the recommendations specifically relate to ways in which DOJ can improve program efficiency and resource management, and these are that DOJ

- conduct an assessment to better understand the extent to which the department's grant programs overlap with one another and determine if grant programs may be consolidated;
- coordinate within and among granting agencies on a consistent basis to review potential or recent grant awards from grant programs that DOJ identifies as overlapping, before awarding grants;
- require its grant applicants to report all federal grant funding, including all DOJ funding, that they are currently receiving or have recently applied for in their grant applications;
- provide appropriate OJP, COPS Office, and OVW staff access to both grant management systems; and
- ensure its comprehensive study of DOJ grant management systems assesses the feasibility, costs, and benefits of moving to a single grants management system, including the steps needed to harmonize DOJ grant processes, so that any variation in how granting agencies manage their portfolios is not an encumbrance to potential system unification.

DOJ has taken steps to partially address these recommendations. Specifically, DOJ has formed an assessment team, composed of OJP, OVW, and COPS Office representatives, to review all of the department's fiscal year 2012 grant program solicitations, or announcements, and categorize them by several elements. These elements include program type, eligible grant funding recipients (e.g., states, localities, tribes, and law enforcement agencies), target grant award beneficiaries (e.g., victims and juveniles), allowable uses of the funds, and locations funded. The assessment team is also developing criteria to identify potentially duplicative programs and then plans to assign risk levels of potential duplication to those that have multiple solicitations addressing similar key components. According to DOJ officials, the assessment team plans to conclude its work later in 2013.

In addition, OJP has granted read-only access of its grants management system to OVW and the COPS Office to allow pertinent staff in those offices to access the most up-to-date OJP grant information. Further, OJP officials said that they are exploring ways in which more data systems may be used for coordinating grants. DOJ officials anticipate that eventually, agencies can leverage the information in these systems during the preaward process to avoid funding potentially overlapping and duplicative grant activities; however, DOJ's plans rest upon completion of

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the assessment team's work. Officials told us that upon receipt of the assessment team's findings, they plan to work to develop and support a targeted and strategic approach to reviewing applications across all three granting agencies before making grant award decisions. DOJ officials noted that as part of this approach, DOJ plans to establish policies and procedures to govern coordination efforts. Thus, completion of this assessment could better position DOJ to take more systemic actions—such as improved coordination and potential consolidation of its programs—to limit overlap and mitigate the risk of unnecessary duplication.

DOJ has also initiated a feasibility study of moving to a single grants management system that includes the identification of the steps needed to harmonize grant processes, among other factors such as return on investment. Since this study—like DOJ's other efforts to address all of our recommendations—is still under way, it is too soon to tell whether the department's actions will fully address each of the recommendations.

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## DOJ Has Not Yet Deobligated Unused BVP Funds

We have also previously reported on and made recommendations related to DOJ's BVP grant program.<sup>14</sup> In February 2012, we reported that DOJ had designed several controls for the BVP program to ensure grantee compliance with program requirements, among other things, but could take additional action to further reduce management risk. For example, we found that from fiscal years 2002 to 2009, the BVP program had awarded about \$27 million in BVP grants to grant recipients who did not ultimately seek reimbursement.<sup>15</sup> Since the grant terms for each of these grantees had ended, the grantees were no longer eligible for reimbursement and DOJ could deobligate these funds.<sup>16</sup> To improve DOJ's resource management, we recommended that DOJ deobligate undisbursed funds from grants in the BVP program whose terms have

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<sup>14</sup>[GAO-12-353](#).

<sup>15</sup>The BVP program has generally funded, on a reimbursable basis, up to 50 percent of the cost of the body armor a jurisdiction procures with its available BVP funds.

<sup>16</sup>DOJ obligates the grant funding at the time it makes the award. When grantees request—and DOJ approves—more money than the grantees eventually use during the term of the grant, the money can be deobligated. Our original report describes a number of circumstances in which this situation can occur, including when grantees purchase body armor using other sources of funding.

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ended. Further, we noted that since the BVP program received about \$24 million in fiscal year 2012, deobligating this \$27 million could have significant benefits. For example, deobligating this funding could enable the department to apply the amounts to new awards or reduce requests for future budgets. The department concurred with this recommendation and has since deobligated \$2 million. In early April 2013, DOJ officials stated that they expect to complete the deobligation process before the end of April 2013. They also said the process is time-intensive because it has involved reconciliation among multiple data and financial management systems. DOJ officials stated that they plan to use the deobligated funds toward fiscal year 2014 BVP awards.

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## DOJ and Treasury Have Not Yet Studied the Feasibility of Consolidating Asset Forfeiture Activities

In September 2012, we found that DOJ and Treasury had made limited progress to consolidate their asset forfeiture property management activities.<sup>17</sup> Specifically, the departments had made limited progress in sharing storage facilities or contracts, and they had not fully explored the possibility of coordinating or consolidating the management of their assets to achieve greater efficiencies, effectiveness, and cost savings. As a result, each department maintained separate asset-tracking systems, separate contracts, and separate storage facilities, which we found to be potentially duplicative. For example, DOJ and Treasury maintain four separate asset-tracking systems—DOJ maintains one system and Treasury maintains three—to support their respective asset forfeiture program activities, and these four tracking systems have similar functionalities.<sup>18</sup> According to DOJ and Treasury data, the cost of developing, maintaining, and overseeing their four asset-tracking systems in fiscal year 2011 totaled \$16.2 million for DOJ's asset-tracking system and \$10.4 million for the three Treasury asset-tracking systems combined. Further, we found that in some cases, storage facilities are located in the same geographic area. For example, both the U.S. Marshals Service—the primary custodian of DOJ's seized assets—and

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<sup>17</sup>[GAO-12-972](#).

<sup>18</sup>The Consolidated Asset Tracking System (CATS) is the system of record for the DOJ program. Treasury uses three asset tracking systems: (1) the Treasury Seized Asset and Case Tracking System (SEACATS), which is the system of record for the Treasury program; (2) the Asset Forfeiture Tracking and Retrieval (AFTRAK) system that Treasury's Internal Revenue Service uses; and (3) the Forfeiture and Seizure Tracking (FASTRAK) system that DHS' U.S. Secret Service uses. Two of the three asset tracking systems used in the Treasury program—AFTRAK and FASTRAK—are owned and operated by the DHS.

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Treasury maintain vehicle storage facilities, 40 percent of which are within 20 miles of each other.

DOJ and Treasury officials noted that when Congress passed a law establishing the Treasury Forfeiture Fund in 1992, it recognized the differences in the programs' missions, which warranted creating separate programs, and this encouraged independent operational decisions that eventually created additional differences between the two programs. Both programs are designed to reduce and prevent crime. DOJ's asset forfeiture program represents the interests of law enforcement components within its department as well as several components outside the department, while Treasury's program represents the interests of Treasury and DHS components.<sup>19</sup> We recognized the separate legal authorities of the two funds, but noted that those legal authorities did not preclude enhanced coordination within programs. Thus, we recommended that DOJ and Treasury conduct a study to determine the feasibility of consolidating potentially duplicative asset management activities including, but not limited to, the use of asset-tracking systems and the sharing of vendor and contract resources. The departments concurred with this recommendation. As of March 2013, DOJ officials reported that DOJ and Treasury representatives had met several times in the fall of 2012 and thereafter agreed upon an approach to conduct the study and assess potential costs. DOJ officials noted that they would continue to meet with their Treasury partners to execute their plan. Since work remains under way, it is too soon to tell whether the departments' actions will fully address the recommendation.

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<sup>19</sup>The components outside of Justice are the United States Postal Inspection Service; the Food and Drug Administration; the United States Department of Agriculture, the Office of the Inspector General; the Department of State, Bureau of Diplomatic Security; and the Defense Criminal Investigative Service.

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## DOJ Has Not Documented the Process for Carrying Over Asset Forfeiture Funds from Year to Year

In July 2012, we reported on the growth of revenues and expenses in DOJ's AFF from fiscal years 2003 to 2011, and the need for transparency in DOJ's process for carrying over funds from one fiscal year to the next.<sup>20</sup> Each year, DOJ earns revenue from the proceeds of the forfeited assets it collects. It then pays its expenses, which include payments to victims and the costs of storing and maintaining forfeited assets. DOJ uses any balance to help cover anticipated expenses in the next fiscal year that may not be covered by that year's revenues, and this is known as carrying over funds. For example, at the end of fiscal year 2003, DOJ carried over approximately \$365 million to cover expenditures in the next fiscal year. In contrast, at the end of fiscal year 2011, DOJ carried over \$844 million to cover expenses into fiscal year 2012. After DOJ reserves funds to cover needed expenses, DOJ declares any remaining funds to be an excess unobligated balance and has the authority to use these funds for any of the department's authorized purposes.<sup>21</sup> In recent years, DOJ also used these excess unobligated balances to cover rescissions.<sup>22</sup> For example, in fiscal year 2011, DOJ used excess unobligated balances to help cover a \$495 million AFF program rescission. Also, in fiscal year 2012, DOJ used \$151 million of the remaining AFF funds identified at the end of the fiscal year to acquire the Thomson Correctional Center in Thomson, Illinois.<sup>23</sup>

At the time of our review, when determining the amounts to carryover, DOJ officials reviewed historical data on past program expenditures, analyzed known future expenses such as salaries and contracts, and estimated the costs of any potential new expenditures. However, as we concluded on the basis of our findings in July 2012, without a clearly documented and transparent process, it was difficult to determine whether DOJ's conclusions regarding the amounts that need to be carried

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<sup>20</sup> [GAO-12-736](#). Carryover consists of budget authority from the prior fiscal year that is available for obligation in the current fiscal year; that is, funds that are carried forward.

<sup>21</sup> 28 U.S.C. § 524(c)(8)(E).

<sup>22</sup> Rescissions cancel the availability of DOJ's previously enacted budget authority, making the funds involved no longer available for obligation.

<sup>23</sup> DOJ's appropriations act for fiscal year 2013 specifies that DOJ may only obligate up to \$10 million of the excess unobligated balances, and directs DOJ to use \$154.7 million of available amounts for payments associated with joint law enforcement operations, as authorized by 28 U.S.C. § 524(c)(1)(I). Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. No. 113-6, 127, tit. II, div. B, § 218 (c), (d) Stat. 198, 260,

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## DOJ and Other Agencies Could Improve Coordination to Help Reduce Unnecessary Overlap in Field-Based Information Sharing

over each year were well founded. We recommended that DOJ clearly document how it determined the amount of funds that it would need to be carried over for the next fiscal year, a recommendation with which DOJ concurred. DOJ officials stated that they plan to include information on the basis for its decisions concerning the amount of funds to be carried over in future Congressional Budget Justifications, but as of March 2013, the decision on how to present the information was still pending. Since this information has not yet been made available, it is too soon to tell whether it will fully address the recommendation.

In April 2013, we identified overlap in some activities of five types of field-based information-sharing entities and concluded that DOJ, DHS, and ONDCP could improve coordination among the entities to help reduce unnecessary overlap in activities.<sup>24</sup> In general, the five types of entities in our review were established under different authorities and have distinct missions, roles, and responsibilities. We reviewed their activities in eight urban areas and found overlap as each carried out its respective missions, roles, and responsibilities.<sup>25</sup> Specifically, we identified 91 instances of overlap in analytical activities and services, with more instances of overlap involving a fusion center and a Field Intelligence Group (54 of the 91 instances) compared with the other three types of entities.<sup>26</sup> For example, we found that in five of the eight urban areas, the fusion center, Regional Information Sharing Systems center, and the Field Intelligence Group disseminated information on all crimes—which can include terrorism and other high-risk threats as well as other types of crimes—for federal, state, and local customers including state and local police departments. In addition, we found 32 instances of overlap in investigative support activities across the eight urban areas reviewed,

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<sup>24</sup>[GAO-13-471](#).

<sup>25</sup>For the purposes of our review, “mission area” refers to the area of work in which an entity conducts an activity (all-crimes, counterterrorism, and counternarcotics).

<sup>26</sup>We defined six categories of analytical activities and services that entities can perform. Among these are collection management, which is the identification, location, and recording or storing of information used to support analysis; strategic analysis, which is the analysis of crime patterns, crime trends, or criminal organizations for the purpose of planning, decision making, and resource allocation; and analytical products, which involve the conversion of raw information into intelligence. We identified these categories by reviewing agency documents and interviewing agency officials to generate a list of analytical activities and services that entities potentially conduct.

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with more instances of overlap involving a Regional Information Sharing Systems center and a fusion center (18 of the 32 instances) compared with the other three entities.<sup>27</sup> For example in one urban area, the Regional Information Sharing Systems center and the fusion center both conducted tactical analysis, target deconfliction, and event deconfliction within the same mission area for federal, state, and local customers. We reported that overlap, in some cases, can be desirable. In particular, overlap across analytical activities and services can be beneficial if it validates information or allows for competing or complementary analysis. Nevertheless, overlap can also lead to inefficiencies if, for example, it burdens law enforcement customers with redundant information.

To promote coordination, we recommended two actions. First, we recommended that the Attorney General, the Secretary of Homeland Security, and the Director of ONDCP collaborate to develop a mechanism that would allow them to hold field-based information-sharing entities accountable for coordinating and monitor and evaluate the coordination results achieved. Second, we recommended that the Attorney General, the Secretary of Homeland Security, and the Director of ONDCP work together to assess opportunities where practices that enhance coordination can be further applied. DHS and ONDCP concurred with both recommendations. DOJ generally concurred with both recommendations, but asserted that it was already actively promoting coordination and routinely seeking to identify efficiency gains. For example, DOJ cited its participation in summits with other agencies, including DHS, and the colocation of certain field-based entities as evidence in support of this. While these efforts are positive steps for sharing information and coordinating, we noted and continue to believe that they do not fully address the recommendations. We maintain that an accountability mechanism to ensure coordination could add valuable context to any existing interagency discussions while encouraging entities to engage in coordination activities, such as leveraging resources to avoid

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<sup>27</sup>We defined five categories of investigative support activities and services that entities can perform. Among these are tactical analysis, which is the analysis of information regarding a specific criminal event that can be used immediately by operational units to further a criminal investigation, plan tactical operations, and provide for officer safety; target deconfliction, which is determining if multiple law enforcement agencies are investigating, for example, the same person, vehicle, weapon, or business; and event deconfliction, which is determining if multiple federal, state, or local law enforcement agencies are conducting an enforcement action (e.g., a raid, undercover operation, or surveillance) in proximity to one another during a specified time period.

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unnecessary overlap. Further, our recommendation calls for DOJ, DHS, and ONDCP to collectively assess opportunities to enhance coordination through whatever effective means they identify.

Chairman Sensenbrenner, Ranking Member Scott, and members of the subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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## Contacts and Staff Acknowledgments

For further information about this statement, please contact David C. Maurer, Director, Homeland Security and Justice Issues, at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition to the contact named above, the following individuals also made contributions to this testimony: Joy Booth, Assistant Director; Sylvia Bascope; Michele Fejfar; Heather May; Lara Miklozek; Linda Miller; and Janet Temko.



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