
Office of Inspector General

Audit Report

INSPECTOR GENERAL REVIEW OF FISCAL YEAR 2016 DRUG CONTROL FUNDS AND PERFORMANCE SUMMARY REPORTING

Federal Aviation Administration

Report Number: FI2017022

Date Issued: January 31, 2017





**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, DC 20590

January 31, 2017

Director, Office of Policy, Research, and Budget
Office of National Drug Control Policy
750 17th St., N.W.
Washington, DC 20503

Dear Director:

This report presents the results of our independent review of the Federal Aviation Administration's (FAA) fiscal year 2016 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). We received FAA's reports on December 16, 2016. The reports and our review are required by 21 U.S.C. §1704(d) and ONDCP's Circular entitled Accounting of Drug Control Funding and Performance Summary (Circular), dated January 2013.

The Circular states that when drug-related obligations total less than \$50 million and a detailed accounting would constitute an unreasonable burden, agencies are permitted to submit alternative reports. Because its drug-related obligations for fiscal year 2016 totaled less than \$50 million, FAA submitted alternative reports. We reviewed FAA's reports 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. An attestation review is substantially more limited in scope than an examination, which would express 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 FAA's fiscal year 2016 Drug Control Obligation Summary (enclosure 1) according to the Circular's criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation

Report Number FI2017022

review. Specifically, we tested selected accounting internal controls to ensure drug control funds were properly identified in the accounting system.

We reviewed \$19,356,838 of obligations from two of FAA's drug control decision units—Aviation Safety/Aerospace Medicine and Security and Hazardous Material Safety—and traced those obligations to the Department of Transportation's accounting system. We found no exceptions.

Performance Reporting Summary and Assertions

FAA's performance targets for fiscal year 2016 were to: (1) initiate regulatory investigations on 95 percent of the airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge, notification by law enforcement, or a conviction; (2) ensure the aviation industry conducts random drug and alcohol testing of safety sensitive employees with results not exceeding 1 percent positives for drugs and 0.5 percent positives for alcohol; and (3) conduct 1,205 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 FAA's fiscal year 2016 Performance Summary Report and management's assertions (enclosure 2). We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria. 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 2016 Drug Control Obligation Summary and Performance Summary reports were not presented in conformity with ONDCP's Circular.

Sincerely,



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

Enclosures

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, DC 20591

Dr. Terry Zobeck
Associate Director for Research and Data Analysis
Office of the National Drug Control Policy
750 17th St., NW
Washington, DC 20503

Dear Dr. Zobeck:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Federal Aviation Administration's (FAA) Fiscal Year 2016 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 David Albersheim. He can be reached at (202) 267-8852, if further assistance is required.

Sincerely,

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

Mark House
Chief Financial Officer

Enclosure

**Department of Transportation
Office of Inspector General
Review of FY 2016 FAA Drug Control Obligation Summary and Performance Summary
Reports**

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

RESOURCE SUMMARY

	FY 2016 Actual
Drug Resources by Budget Decision Unit and Function:	
Decision Unit: Air Traffic Organization	
Total, Air Traffic Organization	\$ 10,950.00
Decision Unit: Aviation Safety/Aerospace Medicine	
Prevention	\$ 16,431.00
Total, Aviation Safety/Aerospace Medicine	\$ 16,431.00
Decision Unit: Security and Hazardous Material Safety	
Intelligence Interdiction & State/Local Assistance	\$ 2,925.50
Total, Security and Hazardous Material Safety	\$ 2,925.50
Total Funding	\$ 30,306.50
Drug Resources Personnel Summary	
Total FTEs (direct only)	168
Air Traffic Organization	59
Aviation Safety/Aerospace Medicine	89
<i>Investigations: Industry Drug Abatement</i>	[7]
<i>Prevention: Industry Drug Abatement</i>	[68]
<i>Prevention: Internal Substance Abuse Program</i>	[14]
Security & Hazardous Materials Safety	20



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

Dr. Terry Zobeck
Associate Director for Research and Data Analysis
Office of the National Drug Control Policy
750 17th St., NW
Washington, DC 20503

Dear Dr. Zobeck:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Federal Aviation Administration's (FAA) Fiscal Year 2016 Performance Summary Report is enclosed. As specified by the Circular, the Agency selected two performance measures for Aviation Safety (AVS) for FY 2016 and one performance measure for Security and Hazardous Materials (ASH) for FY 2016 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 2009 through 2015. 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 1,205 FAA drug and alcohol inspections of the aviation industry to ensure compliance with 14 CFR part 120 and 40 CFR part 49 (AVS).

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 the Air Traffic Organization 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.

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.

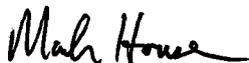
FAA's points of contact for this report are as follows:

ASH: Elena Loboda, (202) 267-4914

AVS: Brenda Peterson, (202) 267-9123

ATO: Robert Ridgeway, (202) 267-0546

Sincerely,



Mark House,
Chief Financial Officer

Enclosures

Federal Aviation Administration

Industry Drug and Alcohol Testing Program

Performance Summary Report

Fiscal Year 2016

(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 employ 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 2015 by March 15, 2016. In an effort to ensure the most accurate data, the DOT allowed for late submissions until October 1, 2016, at which time no more entries were allowed. The most current reported data available is for calendar year 2015.

(2) Prior Years' Performance Targets and Results

The prior year targets for 2008, 2009, 2010, 2011, 2012, 2013 and 2014 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%
2011	191,011	0.462%	50,324	0.097%
2012	181,804	0.456%	50,124	0.132%
2013	193,048	0.485%	52,662	0.091%
2014	197,450	0.534%	52,177	0.106%

(3) Current Performance Targets

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2015. For this calendar year, the total drug tests reported were 225,139, resulting in 0.523% positive drug tests. The total alcohol tests reported were 57,968, resulting in 0.083% positive alcohol tests.

(4) Quality of Performance Data

For calendar year 2015, the Drug Abatement Division required all employers to report their results for the year. As a result, the Division was able to clean up the database, and found that approximately 400 companies were no longer in business (since the beginning of the reporting year, another 400 companies (approximate) have applied for new programs, leaving the Division with 6,955 regulated employers as of November 14, 2016.)

During our compliance inspections of covered employers, our inspectors verify the data submitted to DAMIS to ensure its integrity. In FY 2016, the Drug Abatement Division conducted 1,677 inspections.

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%
2012	7,200	3,279	45%
2013	7,200	3,526	49%
2014	7,030	3,688	53%
2015	6,449	6,421	99.6%

**Federal Aviation Administration
Law Enforcement Assistance Program
Performance Summary Report
Fiscal Year 2016**

(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 (NAS) by airmen known to the FAA to be involved in the sale or distribution of illegal drugs. 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 (LE) agencies engaged in drug interdiction efforts. These LEAP Special Agents have access to FAA data, not available to other agencies, that is critical to the development of investigations on airmen involved in illegal drug trafficking. The information FAA provides to LE assists them in the arrest and conviction of airmen and/or the seizure of aircraft.

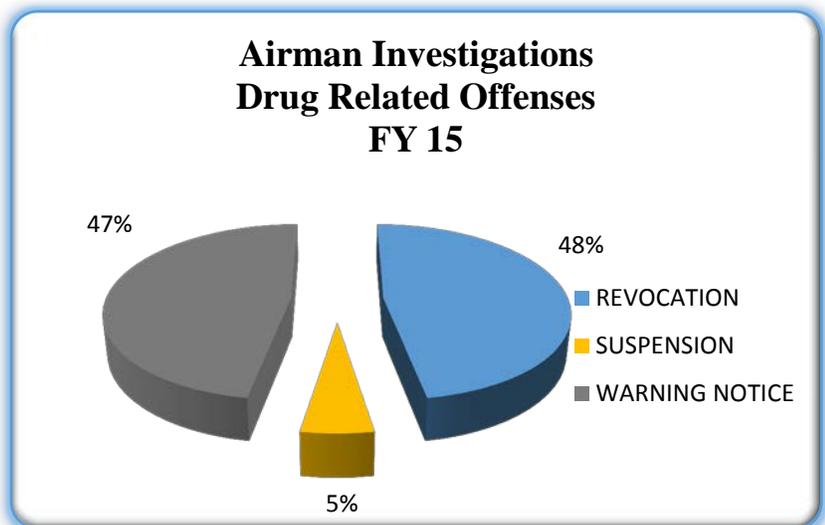
By working jointly with LE, FAA learns of investigations and information that enables FAA to initiate regulatory enforcement investigations on airman/aircraft suspected of drug trafficking; in many cases, these investigations result in the revocation of airmen certificates thus contributing to the safety and security of the national airspace system (NAS) and the flying public.

The FAA uses a single performance measure to assess the program. This performance measure reflects a critical milestone in the goal to promote the safety and security of the NAS and the flying public by restricting access to the NAS by airmen who have violated statutory and regulatory requirements for maintaining an airman certificate.

- **PERFORMANCE MEASURE:** 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.

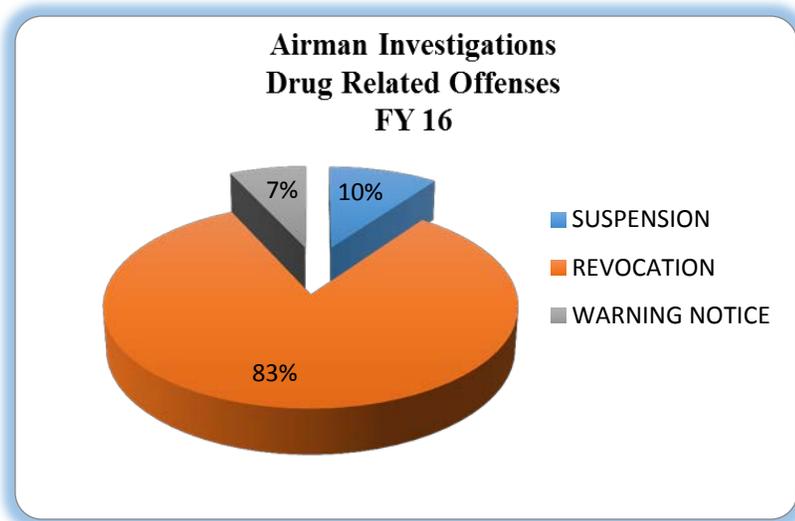
(2) Prior Year (2015) Performance Target and Results

In FY15, FAA LEAP Special Agents initiated 48 investigations based on 48 notifications (100%) regarding airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement. FAA later took regulatory actions against 48¹ of the airmen (100%) arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the left. Significant action (revocation/suspension) was taken 53% of the time.



¹ This includes regulatory action that was finalized from prior year investigations.

(3) Current Year (2016) Performance Target and Results



In FY16, FAA LEAP Special Agents initiated 109 investigations based on 109 notifications (100%) regarding airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement.² FAA later took regulatory actions against 42³ of the airmen (100%) arrested for drug related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the left. Significant action (revocation/suspension) was taken 93% of the time (39 of 42 investigations).

(4) Summary of 2015 and 2016 Results

FY 2015 Target	FY 2015 Achieved	FY 2016 Target	FY 2016 Achieved
95%	100%	95%	100%

(5) 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).⁴ Data resident in ITS/EIS includes: the date of the offense, when the FAA first became aware of the offense, the start date of the action, source of the information, and final sanction.

² This number includes 17 investigations, not previously accounted for in FY15, which commenced in FY15 but for which investigation record numbers were assigned in FY16.

³ This includes regulatory action that was finalized from prior year investigations.

⁴ ITS and EIS are FAA's system for tracking investigations and information about enforcement actions for statutory or regulatory violations.