
Office of Inspector General

INSPECTOR GENERAL REVIEW OF FISCAL YEAR 2013 DRUG CONTROL FUNDS AND PERFORMANCE SUMMARY REPORTING

Federal Aviation Administration

Report Number: FI-2014-028

Date Issued: January 31, 2014





**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, DC 20590

January 31, 2014

Ms. Michele Marx
Acting Associate Director, Office of Performance and Budget
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, DC 20503

Dear Ms. Marx:

This report presents the results of our independent review of the U.S. Department of Transportation, Federal Aviation Administration's (FAA) fiscal year 2013 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). Both reports were received on January 29, 2014. The reports and our review are required by 21 U.S.C. §1704 (d) and ONDCP's Circular, Accounting of Drug Control Funding and Performance Summary (Circular) of 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 FAA's fiscal year 2013 drug-related obligations totaled less than \$50 million, FAA submitted an alternative report. In our attestation review, we 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 FAA's fiscal year 2013 Drug Control Obligation Summary (Enclosure 1) according to the criteria in the Circular. We limited our work 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 \$17.1 million of FAA's reported \$27.1 million in drug control obligations to the Department of Transportation's accounting system.

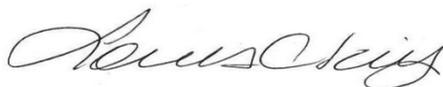
Performance Reporting Summary and Assertions

FAA's fiscal year 2013 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, 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 1,647 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 2013 Performance Summary Report (Enclosure 2), and management's assertions. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the criteria 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 2013 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, DC 20591

Ms. Michele Marx
Acting Associate Director
Office of the National Drug Control Policy
Washington, DC 20503

Dear Ms. Marx:

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issues January 18, 2013, the Federal Aviation Administration's (FAA) Fiscal Year 2013 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 Lilly Emmet. She can be reached at (202) 267-3765, if further assistance is required.

Sincerely,

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

		<u>FY 2013 Obligations</u>
Drug Resources by Budget Decision Unit and Function:		
Decision Unit: Air Traffic Organization		
Total, Air Traffic Organization	\$	9,999.00
Decision Unit: Aviation Safety/Aerospace Medicine		
Prevention	\$	14,553.07
Total, Aviation Safety/Aerospace Medicine	\$	14,553.07
Decision Unit: Security and Hazardous Material Safety		
Intelligence Interdiction & State/Local Assistance	\$	2,537.97
Total, Security and Hazardous Material Safety	\$	2,537.97
Total Funding	\$	27,090.04
Drug Resources Personnel Summary		
Total FTEs (direct only)		163
Air Traffic Organization		59
Aviation Safety/Aerospace Medicine		84
<i>Investigations: Industry Drug Abatement</i>	[5]
<i>Prevention: Industry Drug Abatement</i>	[63]
<i>Prevention: Internal Substance Abuse Program</i>	[16]
Security & Hazardous Materials Safety		20



U.S. Department
of Transportation

**Federal Aviation
Administration**

Assistant Administrator for Financial Services and
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800 Independence Ave. SW
Washington, D.C. 20591

Ms. Michele Marx
Acting Associate Director
Office of the National Drug Control Policy
Washington, DC 20503

Dear Ms. Marx:

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 2013 Performance Summary Report is enclosed. As specified by the Circular, the Agency selected two performance measures for Aviation Safety (AVS) for FY 2013 and one performance measure for Security and Hazardous Materials (ASH) for FY 2013 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 2012. 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 1,647 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 submit an annual report.

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

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: Mark Adams, (202) 267-3169

ATO: Ernest Barber, (202) 385-8499

Sincerely,



Mark House,
Chief Financial Officer

Enclosures

**Federal Aviation Administration
Law Enforcement Assistance Program
Performance Summary Report
Fiscal Year 2013**

(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 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 airmen involved in illegal drug trafficking. The information FAA provides to LEAs assists them in the arrest and conviction of airmen and/or the seizure of aircraft.

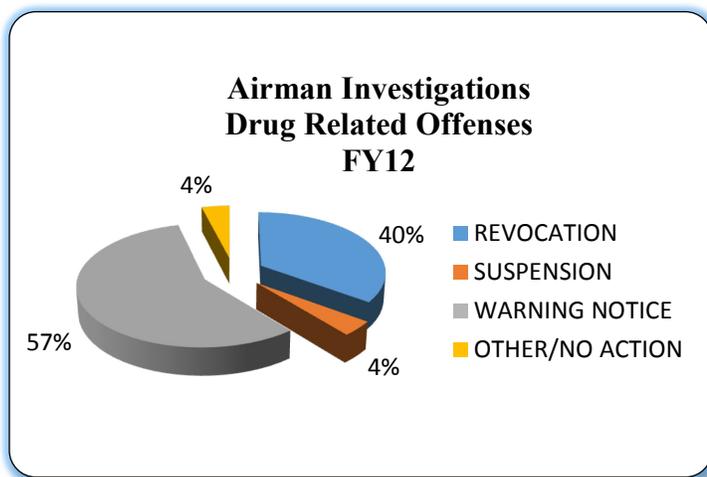
Due to the joint work with LEAs, FAA becomes aware of investigations and information that enable/support initiation of FAA regulatory enforcement investigations on airman/aircraft suspected of drug trafficking; in many cases, these investigations result in the revocation of airmen certificates thus contributing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

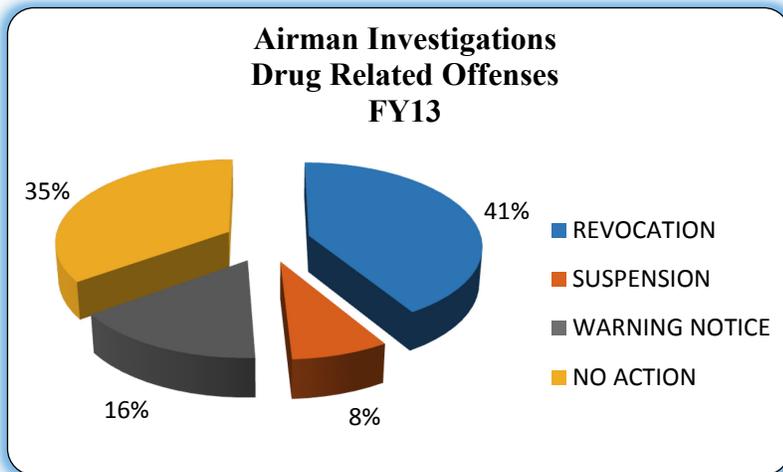


The performance target for FY12 was fully achieved. FAA LEAP Special Agents initiated 100% of investigations regarding airmen involved in the sale or distribution of illegal drugs within 30 days. In FY12 FAA Special Agents initiated 18 regulatory investigations or 100% of the airmen brought to the attention of ASH within 30 days. FAA also took regulatory action against 56¹ or 88% of the airmen 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 was taken in 40% of the time.²

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

(3) Current Performance Target

Selected Measures of Performance	FY 2013 Target	FY 2013 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 10 regulatory investigations or 100% of airmen brought to the attention of ASH within four days of knowledge of their conviction. In FY13 FAA also took regulatory actions against 41 airmen,³ thus impacting their ability to legally access the NAS. Those regulatory actions, depicted in the chart to the left, resulted in significant regulatory action taken against airmen 75% 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).⁴ 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.

² For the purposes of this report significant action is defined as revocation/suspension of the airman certificate.

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.

Federal Aviation Administration
Industry Drug and Alcohol Testing Program
Performance Summary Report
Fiscal Year 2013

(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 2012 by March 15, 2013. In an effort to ensure the most accurate data, the DOT allows for late submissions until October 12, 2013, at which time no more entries were allowed. The most current reported data available is for calendar year 2012.

(2) Prior Years' Performance Targets and Results

The prior year targets for 2008, 2009, 2010, and 2011 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%

(3) Current Performance Targets

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2012. For this calendar year, the total drug tests reported were 181,804, resulting in 0.456% positive drug tests. The total alcohol tests reported were 50,124, resulting in 0.132% 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 2013, the Drug Abatement Division conducted 1,647 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%

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.