



U.S. DEPARTMENT OF TRANSPORTATION

OFFICE OF INSPECTOR GENERAL

**Inspector General Review of the Federal
Aviation Administration's Fiscal Year 2019
Drug Control Funds and Performance
Summary Reporting**

Report No. FI2020017

January 31, 2020



Inspector General Review of the Federal Aviation Administration's Fiscal Year 2019 Drug Control Funds and Performance Summary Reporting

Required by the Office of National Drug Control Policy Circular, Accounting of Drug Control Funding and Performance Summary

FI2020017 | January 31, 2020

What We Looked At

Under the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary* (Circular), when drug-related obligations total less than \$50 million and a detailed accounting would be an unreasonable burden, agencies may submit alternative reports. For this reason, the Federal Aviation Administration (FAA) submitted alternative Drug Control Obligation Summary and the Performance Summary reports. We reviewed the reports and related management assertions to determine the reliability of those assertions compliance with the Circular in all material respects. We conducted our review in accordance with generally accepted Government auditing standards for attestation engagements. Specifically, we reviewed selected accounting internal controls to determine whether drug control funds were properly identified in the accounting system. In addition, we reviewed FAA's internal controls for performance measures to gain an understanding of how the measures were developed. We limited our review processes to inquiries and analytical procedures appropriate for an attestation review according to the Circular's criteria.

What We Found

FAA's Drug Control Obligation Summary identified \$20,516,000 of obligations from two of FAA's drug control decision units. When we traced those obligations, we found no material exceptions. FAA's performance targets for fiscal year 2019 were to: initiate regulatory investigations on 95 percent 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, 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 conduct 1,205 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met its performance targets.

Based on our review, we are not aware of any material modifications that should be made to FAA's fiscal year 2019 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with the Circular.



U.S. Department of
Transportation

January 31, 2020

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)'s fiscal year 2019 Drug Control Obligation Summary and Performance Summary reports to the Office of National Drug Control Policy (ONDCP). We received FAA's report on December 16, 2019. The report and our review are required by 21 USC § 1704(d) and ONDCP's Circular entitled *Accounting of Drug Control Funding and Performance Summary* (Circular), dated May 08, 2018.

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 2019 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 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 2019 Drug Control Obligation Summary (see enclosure) according to the Circular's criteria. 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 reviewed \$20,516,000 of obligations from two of FAA's drug control decision units—Aviation Safety/Aerospace Medicine and Security and Hazardous Materials Safety—and traced those obligations to the Department of Transportation's accounting system. We determined the reported obligations were \$12,000 more than the amounts recorded in the accounting system. We consider this to be immaterial and did not pursue the difference.

Additionally, we sampled 17 Aviation Safety/Aerospace Medicine obligation transactions totaling \$3.752M out of a universe of \$16.436M. We were able to verify the obligation amounts for all 17 sample items with supporting documentation. We also sampled 21 Security and Hazardous Materials Safety transactions for obligation amounts totaling \$3.135M out of the universe of \$4.080M. We were able to verify the obligation amounts for all 21 sample items with supporting documentation.

Performance Reporting Summary and Assertions

FAA's performance targets for fiscal year 2019 were to: initiate regulatory investigations on 95 percent of the airmen involved in the sale or distribution of illegal drugs within 30 days of knowledge of a conviction or notification by law enforcement, 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 conduct 1,205 drug and alcohol inspections of the aviation industry to ensure compliance with Federal regulations. FAA indicated that it met its performance targets.

We performed review procedures on FAA's fiscal year 2019 Performance Summary Report (see enclosure) and management's assertions. 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.

Based on our review, we are not aware of any material modifications that should be made to FAA's fiscal year 2019 Drug Control Obligation Summary and Performance Summary reports in order for them to be in accordance with the Circular.

We appreciate the cooperation and assistance of the Department of Transportation's representatives. If you have any questions about this report, please call me at (202) 366-1407, or George Banks, Program Director, at (202) 420-1116.

Sincerely,



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

cc: The Secretary
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

DEC 13 2019

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 (ONDCP) Circular: Accounting of Drug Control Funding and Performance Summary* issued May 8, 2018, the Federal Aviation Administration's (FAA) Fiscal Year 2019 Performance Summary Report 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.

As specified by the Circular, the Agency selected two performance measures for Aviation Safety (AVS) and one performance measure for Security and Hazardous Materials (ASH) for FY 2019 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. These performance measures reflect a critical milestone in the goal to promote the safety and security of the national airspace 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

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

employees. The latter provide to FAA an annual report of their testing results. The remaining employers with 49 or fewer safety-sensitive employees are randomly chosen to 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 national airspace system. These measures provide a meaningful assessment of progress toward the development of safe and reliable airspace.

FAA's point of contact for this report is Peter Toman. He can be reached at (202) 267-5451, if further assistance is required.

Sincerely,



Allison Ritman
Acting Chief Financial Officer

Enclosures

Obligations Summary
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
(Dollars in Millions)

RESOURCE SUMMARY

	FY 2019	FY 2019
	Enacted	Actual
Drug Resources by Budget Decision Unit and Function:		
Decision Unit: Air Traffic Organization		
Intelligence Interdiction	\$11.740	\$11.740
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
Total, Air Traffic Organization	\$11.740	\$11.740
 Decision Unit: Aviation Safety/Aerospace Medicine		
Intelligence Interdiction	\$0.000	\$0.000
International	\$0.000	\$0.000
Investigations	\$1.190	\$1.443
Prevention	\$17.500	\$14.992
<i>Industry</i>	\$11.900	\$10.031
<i>Internal</i>	\$5.600	\$4.962
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$0.000	\$0.000
Treatment	\$0.000	\$0.000
Total, Aviation Safety/Aerospace Medicine	\$18.690	\$16.436
 Decision Unit: Security and Hazardous Material Safety		
Intelligence Interdiction	\$1.700	\$2.040
International	\$0.000	\$0.000
Investigations	\$0.000	\$0.000
Prevention	\$0.000	\$0.000
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$1.700	\$2.040
Treatment	\$0.000	\$0.000
Total, Security and Hazardous Material Safety	\$3.400	\$4.080
 Drug Resources by Function:		
Intelligence Interdiction	\$13.440	\$13.780
International	\$0.000	\$0.000
Investigations	\$1.190	\$1.443
Prevention	\$17.500	\$14.992
Prosecution	\$0.000	\$0.000
Research & Development	\$0.000	\$0.000
State & Local Assistance	\$1.700	\$2.040
Treatment	\$0.000	\$0.000
Total Funding	\$33.830	\$32.255
 Drug Resources Personnel Summary		
Air Traffic Organization	59	59
Aviation Safety/Aerospace Medicine		
Investigations: Industry Drug Abatement	6	7
Prevention: Industry Drug Abatement	70	71
Prevention: Internal Substance Abuse Program	15	13
Security & Hazardous Materials	21	22
Total FTEs (direct only)	171	172



Federal Aviation Administration

Memorandum

Date: DEC 09 2019
To: Allison Ritman, Chief Financial Officer
From: Jeffrey T. Yarnell, Vice President (A), Management Services, AJG-0
Subject: ONDCP/FY19 Financial Data/Performance Metrics Assertion

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Air Traffic Organization asserts that its estimated obligation level in support of the Office of the National Drug Control Program (ONDCP) effort is \$11.74 Million. This correspondence is in response to the Office of the Inspector General's (OIG) notification to FAA of their intent to audit our agency's financial data in support of the ONDCP. It should be noted that the stated obligation level reported is a rough order of magnitude (ROM). The assertion made in this memo is based on the following factors:

- ATO does not receive *National Drug Control Program* monies.
- ATO does not have structured programs specific to operational drug control efforts.
- ATO does not have (nor have we been required) to develop specific performance metrics for drug control efforts.
- FAA's total drug control obligations in FY2019 were less than \$50 million
- ATO has not been required (nor has it established procedures) to capture and quantify workload in support of ONDCP.
- The FTE baseline of 59 was established from a historical FTE level dating back to FY 2003.
- The 59 FTE baseline estimates ATO's drug control workforce which assists law enforcement agencies (LEA) on drug control activities.
- The rough order of magnitude (ROM) for FY 2019 of \$11.74 Million was calculated by applying the average PC&B costs for 59 FTE in an Air Route Traffic Control Center facility.

ATO drug control 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.

**Federal Aviation Administration
Industry Drug and Alcohol Testing Program
Performance Summary Report
Fiscal Year 2019**

(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 2018 by March 15, 2019. In an effort to ensure the most accurate data, the DOT allowed for late submissions until October 1, 2019, at which time no more entries were allowed. The most current reported data available is for calendar year 2018.

(2) Prior Years' Performance Targets and Results

The prior year targets for 2013, 2014, 2015, 2016, and 2017 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 Random Positive Drug Tests	Total Alcohol Tests Reported	Percentage of Random Alcohol Violations
2013	193,048	0.485%	52,662	0.091%
2014	197,450	0.534%	52,177	0.106%
2015	225,139	0.523%	57,968	0.083%
2016	234,690	0.610%	58,581	0.121%
2017	240,254	0.659%	60,407	0.108%

(3) Current Performance Targets

Because the methodology requires test reporting to be one calendar year behind, the current year is considered calendar year 2018. For this calendar year, the total drug tests reported were 257,683, resulting in 0.731% positive random drug tests. The total alcohol tests reported were 65,400, resulting in 0.099% random alcohol violations.

(4) Quality of Performance Data

For calendar year 2018, 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 many companies were no longer in business (since the beginning of the reporting year, more have applied for new programs, leaving the Division with 6,719 regulated employers as of November 20, 2019.)

During our compliance inspections of covered employers, our inspectors verify the data submitted to DAMIS to ensure its integrity. In FY-2019, the Drug Abatement Division conducted 1,297 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
2013	7,200	3,526	49%
2014	7,030	3,688	53%
2015	6,449	6,421	99.6%
2016	6,350	6,350	100%
2017	6,434	6,437	99.98%
2018	6,457	6,451	99.91%

**Federal Aviation Administration
Law Enforcement Assistance Program
Performance Summary Report
Fiscal Year 2019**

(1) Performance Measure

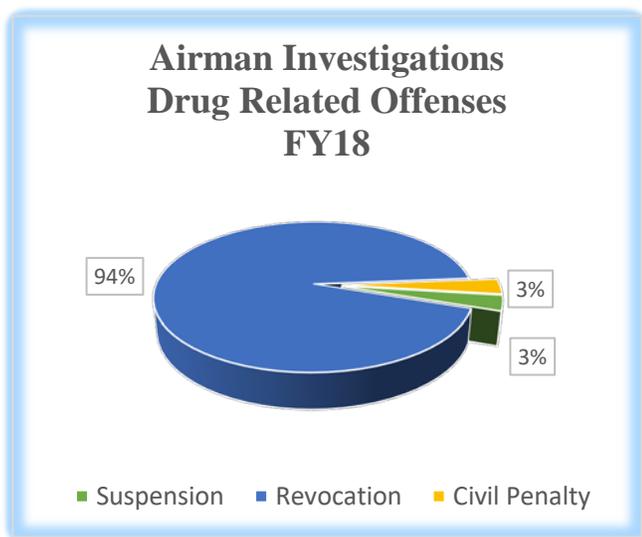
The Federal Aviation Administration’s (FAA) Law Enforcement Assistance Program (LEAP) contributes to the National Drug Control Strategy by reducing access to the National Airspace System (NAS) by airmen known to the FAA to be involved in the sale or distribution of illegal drugs. The LEAP special agents 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 airmen/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 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 (2018) Performance Target and Results

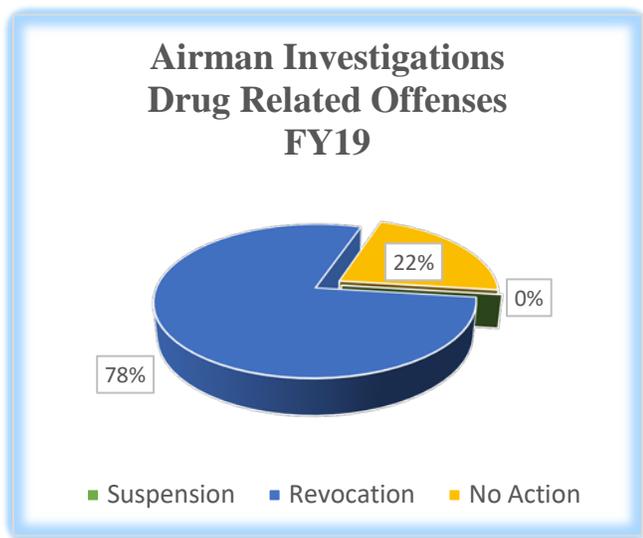


In FY 2018, FAA LEAP special agents initiated 16 investigations based on 16 notifications (100%) regarding airmen involved in the use, sale, or distribution of illegal drugs, within 30 days of knowledge of a conviction or notification by law enforcement.¹ FAA later took regulatory actions against 31² 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/civil penalty) was taken 100% of the time (31 of 31 investigations).

¹ This number includes 5 investigations, not previously accounted for in FY 2017, which commenced in FY 2018 but for which investigation record numbers were assigned in FY 2018.

² This includes regulatory action that was finalized from prior year investigations.

(3) Current Year (2019) Performance Target and Results



In FY 2019, FAA LEAP special agents initiated 23 investigations based on 23 notifications (100%) regarding airmen involved in the use, sale, or distribution of illegal drugs, within 30 days of knowledge of a conviction or notification by law enforcement. In FY 2019, FAA LEAP has recommended regulatory action against 18 of the airmen involved in drug-related offenses, thus impacting their ability to legally access the NAS. Those regulatory actions are depicted in the chart to the left. Significant actions (revocation/emergency revocation) were recommended 78% of the time (18 of 23 investigations).

(4) Summary of 2018 and 2019 Results

FY 2018 Target	FY 2018 Achieved	FY 2019 Target	FY 2019 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).³ 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.

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

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