**Office of the Inspector General**
U.S. Department of Justice

# Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014

# Executive Summary

*Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as amended by the Digital Accountability and Transparency Act of 2014*

## Objectives

The *Digital Accountability and Transparency Act of 2014* (DATA Act) requires each Office of the Inspector General to examine its department's compliance with the DATA Act. The Department of Justice Office of the Inspector General (OIG) reviewed a statistically valid sampling of the spending data submitted by the Department of Justice (Department or DOJ) to the Department of the Treasury's DATA Act broker system, which is used by agencies to upload and certify financial data. This system is also designed to extract data from certain source systems, and automatically validate the submitted data against the DATA Act Information Model Schema.

The OIG assessed the completeness, timeliness, quality, and accuracy of the data sampled; and the Department's implementation and use of the Government-wide financial data standards established by the Department of the Treasury.

The OIG results focus on DOJ-controlled data elements. Our results do not include areas where DOJ was not in control of the data inputs or in the extraction of the data, such as DATA Act broker system errors and third-party populated systems.

## Results in Brief

The OIG found that the Department submitted complete and timely data to the DATA Act broker system by May 9, 2017, as required by the DATA Act; and the Department successfully implemented and used the government-wide financial data standards. However, the OIG identified a material weakness in internal controls that contributed to the Department being materially noncompliant with standards for the quality and accuracy of the data submitted.

## Recommendations

The OIG provided the Department seven recommendations to enhance its internal controls and improve the quality and accuracy of the data it submits to the DATA Act broker system.

## Examination Results

The OIG examined DOJ spending data for January 2017 through March 2017 to determine DOJ compliance with the DATA Act. As a result of our testing, the OIG issued a qualified opinion, noting a material noncompliance with the quality and accuracy of data submitted to the DATA Act broker system. In addition, we noted a material weakness in DOJ internal controls that contributed to the noncompliance.

*Data Submission* - As required by the DATA Act, on May 9, 2017, the Department submitted its spending data to the DATA Act broker system, consisting of these required files: A: Appropriations Account; B: Object Class and Program Activity; C: Award Financial; and Award and Awardee Attributes D1: Procurement Awards and D2: Financial Assistance Awards.

*Implementation and Use of the Government-wide Data Standards* - The OIG determined that the DOJ implemented and used government-wide financial data standards in accordance with the Office of Management and Budget and Department of the Treasury guidance.

*Timeliness and Completeness of Data* - The OIG reviewed a sample of data submitted to the DATA Act broker system and noted material compliance with DOJ's timeliness and completeness of the data.

*Quality and Accuracy of Data* – The OIG identified a material noncompliance in the quality and accuracy of data submitted, including discrepancies with Treasury Account Symbols within file B, instances of no linkage between financial and award information, various reporting errors caused by a weakness in internal control, and limitations due to some components' use of a legacy accounting system. In reviewing the data sample we applied the Office of Management and Budget guidance, which provides that if any one standardized data element is inaccurate then the entire sample unit is considered to be an error, resulting in an accuracy error rate for DOJ estimated to be between 87 and 92 percent with a 95-percent confidence level. We identified multiple inaccurate data elements in 62 percent of the sample units.

# EXAMINATION OF THE U.S. DEPARTMENT OF JUSTICE'S COMPLIANCE WITH THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006, AS AMENDED BY THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014

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## INTRODUCTION

**Background Information**

On May 9, 2014, the President signed into law the *Digital Accountability and Transparency Act of 2014* (DATA Act), amending the *Federal Funding Accountability and Transparency Act of 2006* (FFATA). The DATA Act amended FFATA by adding new requirements for government-wide spending data standards, and full publication of all spending data.

The goal of the DATA Act is to provide Americans with the ability to explore, search, and better understand how the federal government spends taxpayer dollars. In addition, the DATA Act simplifies reporting for entities receiving federal funds; improves the quality of data submitted to USASpending.gov; and applies approaches developed by the Recovery Accountability and Transparency Board to spending across the federal government.

The DATA Act required the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) to jointly develop government-wide financial data standards for spending information and to publish this spending information for free access and download on the government's USASpending.gov website by May 9, 2017. The DATA Act also required OMB and Treasury to issue guidance to federal agencies. In coordination with Treasury, OMB issued memorandum M-15-12, Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable, to provide guidance to federal agencies on current reporting requirements pursuant to FFATA and new requirements that agencies must employ pursuant to the DATA Act.

The DATA Act mandates oversight by the Offices of the Inspectors General (OIG) and requires from them a series of oversight reports to include among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted. As stated in the DATA Act, the first set of OIG reports were due to Congress in November 2016. However, this requirement presented a reporting date anomaly because federal agencies were not required to submit spending data in compliance with the DATA Act until May 2017. As a result, the OIGs were not able to review and report on the spending data submitted under the DATA Act in November 2016, as this data did not exist until the following year.

The Department of Justice Office of the Inspector General (DOJ OIG) was committed to early oversight of the DATA Act implementation. The DOJ OIG worked with its OIG partners through the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to develop an approach to address the reporting date anomaly while maintaining early engagement with the federal agencies. CIGIE

recommended a plan to provide Congress with the first required reports in November 2017, 1 year after the due date included in the statute, with subsequent reports in November 2019 and November 2021.  CIGIE believes that this schedule will enable the OIGs to meet the intent of the provisions in the DATA Act by providing useful oversight and transparency, as early as possible, to the federal government's implementation of the DATA Act's requirements.

On December 22, 2015, CIGIE Chair Michael E. Horowitz (who is also the DOJ Inspector General) issued a letter on behalf of CIGIE memorializing the recommended approach for addressing the OIG reporting date anomaly in the DATA Act and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.[1]

**Previous OIG Reviews**

Treasury issued guidance to agencies in 2015 through the DATA Act Implementation Playbook (DATA Act Playbook).  The DATA Act Playbook outlines an Agency 8-Step Plan for successful maintenance of FFATA requirements and implementation of the DATA Act requirements.  Figure 1 shows the suggested Agency 8-Step Plan.  In 2016, we performed a review of the Department's DATA Act implementation plan and its progress as of August 31, 2016 in implementing steps 1 through 4 of Treasury's suggested Agency 8-Step Plan in order to evaluate whether the Department appeared to be on track to meet the requirements of FFATA, as amended.  We reviewed the Department's status through step 4 because the implementation of the DATA Act requires an iterative and agile approach, and the Department's initial implementation plan indicated that the majority of the resource requirements would occur between steps 3 and 4.  Our report, issued in December 2016[2], stated that nothing came to our attention that caused us to believe that a material modification should be made to the Department's assertion that it would be ready to implement the requirements of the DATA Act by May 2017.  However, we detailed five areas of concern relative to the Department's implementation progress as of August 31, 2016, that potentially could have impacted the Department's ability to most effectively meet all the requirements within the requisite timeframe.  We have provided an update on the status of these concerns in Appendix 1.  We reviewed the remaining steps, including the data submitted pursuant to the DATA Act, during this examination engagement and those conclusions are contained herein.

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[1]  Appendix 4 contains a copy of this letter.

[2]  U.S. Department of Justice Office of the Inspector General, *Review of the U.S. Department of Justice's Readiness to Implement the Digital Accountability and Transparency Act of 2014*, Audit Division 17-09 (December 2016).

## Figure 1

## Agency 8-Step Plan

| Steps for Agencies |
| --- |
| **1) Organize team**<br>*Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Official* |
| **2) Review elements**<br>*Review list of DATA Act elements and participate in data definitions standardization* |
| **3) Inventory data**<br>*Perform inventory of agency data and associated business processes* |
| **4) Design & strategize**<br>*Plan changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture data that are complete multi-level (e.g., Summary and award detail) fully-linked data* |
| **5) Prepare Data for Submission to the Broker**<br>*Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act Schema) iteratively* |
| **6) Test Broker implementation**<br>*Test Broker outputs to ensure data are valid iteratively* |
| **7) Update systems**<br>*Implement other changes iteratively (e.g., establish linkages between program and financial data, capture any new data)* |
| **8) Submit data**<br>*Update and refine process (repeat 5-7 as needed)* |

Source: *Figure 3: Agency 8-Step Plan* of DATA Act Program Management Office, U.S. Department of the Treasury, Bureau of Fiscal Service, DATA Act Playbook Version 2.0, last updated June 24, 2016.

**U.S. Department of Justice**

Office of the Inspector General

# OFFICE OF THE INSPECTOR GENERAL'S INDEPENDENT REPORT ON THE DEPARTMENT OF JUSTICE'S COMPLIANCE WITH THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006, AS AMENDED BY THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014

United States Attorney General
U.S. Department of Justice

We have examined the U.S. Department of Justice's (Department) compliance with the *Federal Funding Accountability and Transparency Act of 2006* (FFATA), as amended by the *Digital Accountability and Transparency Act of 2014* (DATA Act), in accordance with Office of Management and Budget (OMB) Memorandum M-15-12, Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable, for the 3 months ended March 31, 2017.  Management is responsible for the Department's compliance with these specified requirements and the submission of the financial and award data for the 3 months ended March 31, 2017.  Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with the attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.  Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied, in all material respects, with the specified requirements referenced above.  An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements.  The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error.  In accordance with the DATA Act, we reviewed a statistically valid sampling of the Department's spending data for the 3 months ended March 31, 2017, which was submitted by the Department on May 9, 2017, and assessed the completeness, timeliness, quality, and accuracy of the data sampled (except for the data submitted in files E: Additional Awardee Attributes and F: Sub-Award Attributes); and the Department's implementation and use of data standards.

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We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion. Our examination does not provide a legal determination on the Department's compliance with specified requirements.

Our examination disclosed material noncompliance with FFATA, as amended, in the quality and accuracy of the Department's spending data for the 3 months ended March 31, 2017, which was submitted on May 9, 2017. The material noncompliance is described in the accompanying Schedule of Findings.
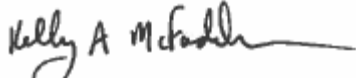
In our opinion, except for the material noncompliance described in the preceding paragraph, the Department complied, in all material respects, with the aforementioned requirements for the 3 months ended March 31, 2017.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Department's compliance with FFATA, as amended; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Department complied with FFATA, as amended, and not for the purpose of expressing an opinion on the internal control over the Department's compliance with FFATA, as amended, or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings are described in the accompanying Schedule of Findings.

The Department's response, presented in Appendix 6, to the material noncompliance and material weakness identified in our examination was not subjected to the examination procedures applied in the examination of the Department's compliance with FFATA, as amended, and, accordingly, we express no opinion on the response.

This purpose of this report is solely to provide results of our examination to Department management, Treasury, Office of Management and Budget, U.S. Government Accountability Office, and the U.S. Congress. This report is not suitable for any other purpose.

Kelly A. McFadden, CPA
Director, Financial Statement Audit Office
Office of the Inspector General
U.S. Department of Justice

November 1, 2017

## Schedule of Findings

We performed a test of the Department's spending data submitted on May 9, 2017, which contained files A: Appropriations Account, B: Object Class and Program Activity, C: Award Financial, D1: Award and Awardee Attributes – Procurement Awards, and D2: Award and Awardee Attributes – Financial Assistance Awards. These tests included, among other things, a reconciliation of files A with B, as well as a statistical sample of awards in file C.  The results of the statistical testing indicated a very high error rate for accuracy, estimated between 87 and 92 percent with a 95-percent confidence level.  For each of the 385 sample units selected from file C, we evaluated approximately 45 and 41 standardized data elements for procurement awards and financial assistance awards, respectively.  These data elements may have also contained sub-elements (e.g., Legal Entity Address would contain the sub-elements titled Legal Entity Address, Legal Entity City Name, Legal Entity State Code, and Legal Entity Zip+4).  An error in any one of these data elements resulted in an accuracy error for the entire sample unit.  Additionally, a data element that was missing due to no linkage would result in the entire sample unit being incomplete and inaccurate.  A summary of the results for each standardized data element can be found at Appendix 3.

The results of our tests disclosed material noncompliance in the quality and accuracy of the data submitted by the Department on May 9, 2017 for the 3 months ended March 31, 2017.  A material weakness in internal controls within the Department contributed to this material noncompliance.  This section discusses the errors we identified during our examination which resulted in the material noncompliance and material weakness.

*Strengthening of Processes and Reporting Guidance Needed*

The following conditions were a result of the need for the Department to strengthen its processes surrounding the DATA Act requirements and in providing reporting guidance to Department components.

Transaction Obligated Amounts

Transaction Obligated Amounts (TOA) in file C were inaccurately reported by six of the eight Department components. Table 1 summarizes Department-wide errors.

**Table 1**

**Transaction Obligated Amount Errors**

| Sample Size | TOAs disagreed with the underlying procurement action(s) as well as the Federal Action Obligation Amount in file D1. | | TOAs were incorrectly reported as a net amount of multiple procurement actions, or as the net obligation change. | |
|---|---|---|---|---|
| | Number of Errors | Percent of Sample | Number of Errors | Percent of Sample |
| 385 | 45 | 12% | 69 | 18% |

Note:  Procurement actions include initial contract awards, upward modifications, or downward modifications/de-obligations.

Source:  DOJ OIG analysis

The DATA Act Information Model Schema (DAIMS) Data Dictionary v1 refers to Section 20 of OMB Circular A-11, Preparation, Submission, and Execution of the Budget, for the definition of the TOA in file C.  Section 20.5 of OMB Circular A-11 states, an "Obligation means a legally binding agreement that will result in outlays, immediately or in the future.  When you place an order, sign a contract, award a grant, purchase a service, or take other actions that require the Government to make payments to the public or from one Government account to another, you incur an obligation."  In addition, the DAIMS Data Dictionary v1 defines the Federal Action Obligation as the "amount of federal government's obligation, de-obligation, or liability for an award transaction."

DAIMS, v1.0, Reporting Submission Specifications (RSS), dated April 29, 2016, provides instructions on how agencies are to prepare the DATA Act quarterly submissions.  The instructions for file C state that the TOA "includes each individual obligation transaction amount…"  The DATA Act Program Office also issued a separate document, FAQ and Examples Related to File C Transaction Obligated Amount (TOA), which provided further clarification and states, "File C should only report new obligations incurred, upward modifications to obligations, and downward modifications/de-obligations."  In addition, the Questions and Answers section states:

TOA should be reported for each individual financial obligation transaction incurred on an award.  For instance, if there is an additional obligation of $10 to Award A, and then a de-obligation of $10 to Award A, both TOAs would be reported in separate lines.

The movement from the original obligation, to delivered and payable, ultimately to delivered and invoice paid, would not be reported in Transaction Obligated Amount.

As a result of the errors in Table 1, the TOAs for 45 sample units reported in the Department's file C were misstated by approximately $1.3 million.  In addition, for 69 sample units, the TOAs were not presented in compliance with the DAIMS instructions on reporting obligations.

<u>Instances of No Linkage between Financial and Award Information</u>

OMB M-15-12 states that the linkage between the accounting transaction and an award "will facilitate timely reporting of award level financial data … and serve as the primary mechanism moving forward to associate expenditures with individual awards as required by FFATA and the DATA Act."  For financial awards in the Award Submission Portal (ASP), the ASP User Guide requires agencies "to submit any available data by the 5th of each month and ensure that prior month data be complete no later than the 20th of the month."  For procurement awards, federal Acquisition Regulations (FAR) 4.604, requires the contract action data "be completed in [the Federal Procurement Data System – Next Generation (FPDS or FPDS-NG)] within three business days after contract award."

Not all Award IDs were linked with files D1 or D2 for five of the eight Department components.  Table 2 summarizes Department-wide errors. [3]

**Table 2**

**Award ID Linkage Errors**

| Sample Size | PIID did not link from file C to file D1 | FAIN did not link from file C to file D2 | Total Errors | Percent of Sample |
|---|---|---|---|---|
| 385 | 51 | 5 | 56 | 15% |

Source:  DOJ OIG analysis

As a result of our test work, we found that 56 of the sample units did not link between their financial and award information.  Therefore, the Department's award data in D1 and D2 was not fully complete or accurate.

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[3]  Award IDs includes the Procurement Instrument Identifiers (PIIDs) for procurement awards and Federal Award Identification Numbers (FAINs) for financial assistance awards.

Treasury Account Symbols in File B

The DAIMS, v1.0 specifies that the sum of lines for each TAS in file B must equal the same line for file A.  The Department's file B did not match file A for 14 of 196 Treasury Account Symbols (TAS) resulting in an error of $103,000 for Gross Outlays; $235,000 for Obligations Incurred; and $459,000 for Deobligations, Recoveries, and Refunds.

Reasons that caused these items to be inaccurately reported in files B, C, D1, and D2 relate to the need for the Department to strengthen processes and reporting guidance.

- Some of the Department's components were unaware that the TOA was not to be a net amount.  Therefore, some of the Department's components extracted the net change in the accounting treatment of the obligation as it moved from an initial obligation to a paid obligation, rather than the separate procurement actions.

- The awards were either not entered or not timely entered into FPDS or ASP, and therefore not extracted into files D1 or D2.

- De-obligations were made in the accounting system without corresponding procurement actions being made and entered into FPDS.

- There were accounting entries that were not corrected prior to the submission (incorrect GLs were used, on-top adjustments were not taken into account, and beginning balances did not match pre-closing balances).

We recommend that the Justice Management Division (JMD):

1. Ensure that all components are aware of the correct reporting of the TOA in file C and that it is not to be a net amount, or a net obligation change amount, as well as verify that the components have updated the extraction query coding to address this.

2. Ensure all applicable components are aware of and are following the reporting timelines for FPDS as required by the FAR for procurement awards, and the newly established Federal Assistance Broker System for financial assistance awards.

3. Ensure all accounting entry corrections are addressed prior to submission of file B.

*Improvements Needed to Query Coding*

The Department submitted data to Treasury that included duplicative PIIDs, as well as inaccurately reported, or failed to report, information in the file C submission.  During our analytics of the financial award data in file C, we identified potential duplicative PIIDs and during our test work we identified file C reporting errors.  The breakdown of these is described in Table 3.

**Table 3**

**File C Duplicative PIIDs and Reporting Errors**

| Number of Errors | File C Duplicative PIIDs and Reporting Errors |
|---|---|
| 105 | Unique PIIDs having more than one record.  For each of the unique PIIDs, the data element fields contained the same financial information except for the Parent Award Identifier. |
| 2 | Unique PIIDs having more than one record.  For each of the unique PIIDs, the data element fields contained the same financial information in each data element field. |
| 31 | Incorrect Parent Award Identifiers reported in file C. |
| 46 | Parent Award Identifier fields that were blank in file C, although the data was available and should have been reported. |
| 45 | Unique PIIDs that should not have been reported in file C. (e.g., micro-purchases, intragovernmental transactions, government travel, payments made under court cases, etc.) |

Source:   DOJ OIG analysis

The DAIMS, v1.0 RSS document states that the PIID Data Element Label should be the unique identifier of the specific award being reported.  The DAIMS, v1.0 RSS document defines the Parent Award Identifier as "the identifier of the procurement award under which the specific award is issued (such as a Federal Supply Schedule)."  Therefore the duplication of these award identifiers in the submission is not in accordance with the DAIMS, v1.0 RSS.

OMB M-15-12 states that agencies will report "all procurement awards above the micro-purchase threshold to FPDS-NG, which are made available via USASpending.gov, in accordance with current policy."[4]  Also, FPDS-NG FAQ 1.5 states,

> What is not reported to FPDS-NG?  Agencies shall not report:  Imprest fund transactions, SF-44 purchases, training authorizations, and micro-purchases obtained through the use of the government purchase card.  The term "micro-purchase" has the same meaning as set forth in FAR 2.101.  …or Government Bills of Lading and Government Transportation Requests.

Because the 45 errors noted in Table 3 were not reportable in file D1 (through FPDS), these items also should not have been reported in file C as there would not have been a link between the financial system and the award system as required by OMB M-15-12.

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[4]  FAR 2.101 defines "micro-purchase threshold" as $3,500 with some exceptions.

As a result of the conditions described above, the Department's file C submission was not complete nor accurately reported because it contained duplicative PIIDs, incorrect records, and awards that should not have been included, as well as omission of awards that should have been included.

The following factors contributed to the above conditions:

- In preparing the information in file C for one component, the Department did not use the maximum field length of 50 characters as suggested by the DAIMS, v1.0 RSS document. Instead, the Department displayed only the first 19 characters of each PIID. This caused unique PIIDs to appear to be duplicate PIIDs in file C. The additional characters were essential to ensuring each unique PIID was accurately reported.

- The query coding used to extract information for the creation of file C contained errors that caused:

  - the incorrect information to be extracted for the Parent Award Identifiers, and;

  - non-reportable procurement awards to be reported.

We recommend that JMD:

4. Correct the coding for queries to extract the correct information and ensure all and only reportable procurements are included (e.g., use the recommended maximum field length, number of characters per the DAIMS, v1.0 RSS).

*Data Quality Procedures and Validation Errors*

There were several areas whereby data quality procedures were not implemented, causing significant errors in the submission. Lack of quality control procedures and review of validation errors noted by the Department of the Treasury's DATA Act broker system, which is used by agencies to upload and certify financial data. This system is also designed to extract data from certain source systems, as well as automatically validate the data against the DAIMS, contributed to the conditions described in the preceding categories (Strengthen of Processes and Reporting Guidance Needed and Improvements Needed to Query Coding) above. The following conditions are in addition to those already identified and discussed.

### File C Reporting Errors

The DATA Act Playbook, v2.0, Step 6: Test Broker Outputs and Ensure Data are Valid, states that "Once the agency has extracted, linked, and mapped their data to the RSS, the agency should test Broker implementation outputs and ensure data is valid." The Department failed to sufficiently perform validity tests, therefore, the file C that was submitted contained the following errors:

- During our analytics, we identified a transaction in file C that reflected an obligation of $1,183,021,500. However, file D1 correctly reflected a federal obligation action amount of merely $23,195 for that award. This resulted in a $1.18 billion error in file C.

- Also during our analytics, we noted 3,874 unique PIIDs within file C, of which only 974 (25%) correctly matched with a unique PIID within file D1; therefore the remaining 2,900 (75%) unique PIIDs did not match with a unique PIID in file D1 as required.

- There are manual processes in place at some components that caused discrepancies between file C and the source documentation and/or financial systems. Specifically six of the sample units tested contained incorrect funding sources, TAS, or Object Class codes in file C; or the award was erroneously omitted from file C. Errors occurred in entering this information, and reviews for validity of the information did not occur to ensure the most accurate data were being submitted in file C and displayed on beta.USASpending.gov.

### Wrong Sign Indicator

Six of the eight Department components used the wrong sign indicator for the TOA of awards in file C. As a result, 89 percent, or 18,873, of the unique PIID and FAIN awards submitted with file C contained a TOA with the wrong sign indicator.[5] The DAIMS, v1.0, *Practices and Procedures*, revision dated April 29, 2016, section 5 states that:

> 5.2 For individual USSGL items: Positive amounts should be reported to indicate debit balances, net increase to normal debit accounts, or decreases to normal credit accounts.

> 5.3 For individual USSGL items: Negative amounts should be reported to indicate credit balances, net increases to normal credit accounts, or decreases to normal debit accounts.

The Department's components did not sufficiently review its file C prior to submitting it to the Department for consolidation. Further, the Department did not review all validation warnings generated by the DATA Act broker system prior to submission and Senior Accountable Official (SAO)

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[5] File C contained 21,266 unique PIIDs and FAINs that include shared PIIDs (those PIIDs shared by two components).

certification, to ensure the most accurate data were being submitted in file C and displayed on beta.USASpending.gov.

### D1 and D2 Data Reporting Errors

The Department's data elements in file D1 and D2 contained discrepancies with FPDS and source systems or source documents, as applicable.  Table 4 depicts data reporting errors in files D1 and D2 we identified during our test work.

**Table 4**

**D1 and D2 Data Reporting Errors**

| D1 Data Element | Number of Errors |
|---|---|
| Contract Award Type | 2 |
| Ultimate Parent Legal Entity Name | 8 |
| Primary Place Of Performance Congressional District | 2 |
| Legal Entity Congressional District | 6 |
| Current Total Value Of Award | 1 |
| Potential Total Value Of Award | 1 |
| Funding Office Name | 9 |
| Awarding Office Name | 9 |

| D2 Data Element | Number of Errors |
|---|---|
| Assistance Type | 1 |
| Legal Entity Congressional District | 1 |
| Awarding Sub Tier Agency Name | 3 |
| Primary Place Of Performance Congressional District | 1 |

Source:   DOJ OIG analysis

DAIMS, v1.01, Interface Definition Document (IDD), revision dated December 21, 2016, specifies that the DATA Act broker system will extract the award information data for file D1 from FPDS and for file D2 from ASP.  This document also states the data element definitions for D1 and D2 awards.

OMB M-17-04, Additional Guidance for DATA Act Implementation:  Further Requirements for Reporting and Assuring Data Reliability, states,

D1:  Procurement Award Attributes, "The reporting objective is that for data reported pursuant to FFATA as amended by the DATA Act, they are sourced from and match FPDS-NG at the time of quarterly reporting."

D2:  Financial Assistance Award Attributes, "The reporting objective is that for data reported in file D2 match the authoritative source (i.e., agency award management systems) for award-level data and the authoritative source (i.e., System for Award Management (SAM)) at the time of award for prime awardee information."

The Department's components did not sufficiently review its files D1 and D2 prior to SAO certification in the DATA Act broker system.  For file D1, the errors were caused by errors in the information input into FPDS.  For file D2, except for the Awarding Sub Tier Agency Name errors, the errors in file D2 were caused by errors in the information submitted in ASP.  The Awarding Sub Tier Agency Name award errors were created by one component that incorrectly entering award data on behalf of another component.

Information in file C; procurement award data and financial assistance award data reported in FPDS and ASP, respectively, and reported on beta.USASpending.gov was not complete nor accurately reported as described above.  Therefore, any analysis performed by the public on the data would have resulted in inaccurate data being analyzed.  In addition, for those unique PIIDs in file C without a match in file D1, the public would not be able to link accounting transactions to an award, causing the information analyzed to be incomplete.

The errors identified in this section are indicative of a material weakness in internal controls which led to the material noncompliance.

We recommend that JMD:

5.  Develop data quality assurance procedures to incorporate reviewing, verifying, and validating data to ensure information reported is complete and accurate.

6.  Review all validation warnings generated by the DATA Act broker system prior to submission and SAO certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions.

*System Limitations*

Two data elements for approximately 7,500 procurement awards reported in the Department's file C for two components were not supported by the Department's legacy financial management system, Financial Management Information System 2 (FMIS2).  These two data elements were the Direct/Reimbursable Funding Source and the PIID.  These 7,500 awards made up approximately 36% of the Department's total procurement awards reported in file C.

DAIMS, v1.0, RSS, revision dated April 29, 2016; spreadsheet tab: C-Award Financial; Element Order 15; Element Number 50(A); and Data Element Label by Direct Reimbursable Funding Source, states:

> Definition:  "Holds an attribute flag which specifies that the funding source of the associated data value is either a Direct or Reimbursable Funding Source."

> Instructions:  "Provide abbreviated code label, meaning "R" for Reimbursable Funding Source" or "D" for "Direct Funding Source"."

OMB M-15-12 states "agencies will be required to carry the prime award ID[6] in agency financial systems, in order to link between an accounting transaction and an award."

FMIS2 does not have mechanisms to capture the PIID, nor distinguish between awards that have a Direct Funding source and awards that have a Reimbursable Funding source.  The Department has weighed the costs and benefits of investing additional development into FMIS2 to address these issues.  However, because FMIS2 is slated to be retired by 2020, the Department does not plan to invest additional funding into the system to address these issues.

As a result of the system limitation of FMIS2, procurement awards by two components that were funded by a Reimbursable Funding Source were incorrectly reported as being funded by a Direct Funding Source in the Department's file C.  In addition, the Department was not in compliance with OMB M-15-12 as the PIIDs for these remaining components were not included in the financial system.  These issues will continue until the two components migrate to the Department's Unified Financial Management System (UFMS).

We recommend that JMD:

7. Continue its efforts to implement UFMS in order to submit supported and accurate data to beta.USASpending.gov and to be in compliance with OMB M-15-12.

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[6] The award ID is the PIID for procurement actions.

# OBJECTIVES, SCOPE, AND METHODOLOGY

The DOJ OIG performed an examination of the Department's compliance with FFATA, as amended, in accordance with Office of Management and Budget (OMB) Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*. Pursuant to the DATA Act, we were required to review a statistically valid sampling of spending data submitted by the Department and assess the completeness, timeliness, quality, and accuracy of the FY 2017, second quarter financial and award data sampled, and the implementation and use of the government-wide financial data standards. For the agency to be compliant with FFATA, as amended, means (1) spending data was submitted by May 9, 2017, (2) the data submitted was complete, timely, of quality, and accurate, and (3) government-wide financial data standards were implemented and used. Our previous readiness review discussed DOJ's progress as of August 31, 2016 in implementing steps 1 through 4 of Treasury's suggested Agency 8-Step Plan. We continued to review the process of implementation for the remaining steps 5 through 8 through submission of the spending data for the 3 months ended March 31, 2017, which was submitted on May 9, 2017.

In planning and performing the examination, we followed up on the status of the concerns identified in the readiness review that we felt could have potentially impacted the Department's ability to most effectively meet all the requirements within the requisite timeframe. Below is a status of these concerns:

- The Department has now completed a full inventory, mapping, and gap analysis for the entire Department;

- The Department has performed an impact analysis of the Federal Prison Industries' lack of budgetary accounting at the transaction level and made an effort to mitigate this concern;

- The lack of a Direct and Reimbursable Funding Source indicator in the legacy accounting system remains a concern as discussed in the Schedule of Findings;

- The solution for standardized extraction of data has been completed and continues to be refined by the Department; and

- The Department continues to implement the Unified Financial Management System to mitigate the risk associated with the manual process used to capture the Procurement Instrument Identifier within the legacy accounting system, Financial Management Information System 2 (FMIS2). The Department has developed an automated process to capture this information from the Systems, Applications, and Products financial system.

In order to examine the spending data for the 3 months ended March 31, 2017, which was submitted on May 9, 2017, and assess the implementation and use of the financial data standards, we followed the Federal Audit Executive Council (FAEC) DATA Act Working Group's suggested methodology found in the Inspectors General Guide to Compliance Under the DATA Act (Guide), dated February 27,

2017, revised July 2017 (Treasury OIG Report Number OIG-CA-17-012), which includes the following procedures:

- Review the Department's and its components' process narratives and flow charts to obtain an understanding of the Department's process for creating files A: Appropriations Account, B: Object Class and Program Activity, and C: Award Financial.

- Assess the internal controls over the Department's source systems, and DATA Act submission to determine nature, timing, and extent of detailed testing.

- Receive and review the Department's certified submission, the Senior Accountable Official certification, and validation reports.[7]

- Perform detailed test of files A and B for completeness, timeliness, and accuracy.[8]

- Determine whether file C is suitable for testing.

- Select a statistically valid sample from file C.

- Perform linkage test between file C to file D1: Procurement Awards and file C to file D2: Financial Assistance Awards.

- Perform detailed test of file C data by reviewing supporting documentation, consisting of obligating documents and financial system detail, to determine completeness, timeliness, and accuracy.[8]

- Perform detailed test of award-level linkage and transaction data by reviewing supporting documentation to determine if the linkages between files C and D[9]: Award and Awardee Attributes are appropriate.

- Assess the quality of the data submitted based on the results of the test work conducted.[8]

The DOJ OIG did not examine files E: Additional Awardee Attributes, and F: Sub-Award Attributes.  File E contains information extracted from the System for Award Management (SAM) via the DATA Act broker system.  File F contains information extracted from the FFATA Sub-Award Reporting System (FSRS) via the DATA Act broker system.  The data reported from these two award reporting systems were presented to the Department for assurance that the Department's internal controls support the reliability and validity of the data before submission to the DATA Act data store for display on beta.USASpending.gov.  However, the prime awardee is responsible for reporting sub-award and executive compensation information in SAM and FSRS.  Further, as outlined in OMB's Management

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[7] Certified submission consisted of seven files:  A: Appropriations Account, B: Object Class and Program Activity, C: Award Financial, D1: Award and Awardee Attributes – Procurement Awards, D2: Award and Awardee Attributes – Financial Assistance Awards, E: Additional Awardee Attributes, and F: Sub-Award Attributes.

[8] The definitions of completeness, timeliness, quality and accuracy differs for the files being reviewed.  The applicable definitions can be found in the *Inspectors General Guide to Compliance Under the DATA Act*, revised July 2017 (Treasury OIG Report Number OIG-CA-17-012).

[9] References to file D includes both files D1 and D2.

Procedures Memorandum 2016-03, the authoritative source for the data reported in files E and F are SAM and FSRS, respectively, with no additional action required of federal agencies.  As such, we did not assess the completeness, timeliness, quality, and accuracy of the data extracted from SAM and FSRS via the DATA Act broker system.

We performed an evaluation of the summary-level data, files A and B, to evaluate whether the information that should have been reported in files A and B were reported, and contained all applicable data elements standardized under the DATA Act in order to verify completeness.  We did not examine the underlying assumptions of the data, rather we reconciled the data to known, reliable sources.  To determine timeliness, we verified whether files A and B were reported within 30 days of quarter end.  To verify accuracy, we compared the data in file A to the Department's SF-133, *Report on Budget Execution and Budgetary Resources*.  We did not note any exceptions with this reconciliation.  We then verified the accuracy of file B to the appropriation accounts listed in file A, to determine whether all appropriations were accounted for in file B.  We also confirmed whether file B included all Treasury Account Symbols (TAS) by matching the main account codes and sub account codes to the records found in file A.

To select a statistically valid sample of the spending data submitted by the Department, the OIG designed a stratified random sample.  Using file C, we constructed a universe of 21,266 unique PIIDs (procurement awards) and FAINs (financial assistance awards).  We used the guide's recommended sample size of 385, which is less than 2 percent of the Department's file C universe of 21,266 sample units. [10]

We employed a stratified random sampling design to select a representative sample, provide effective coverage, and obtain more precise estimates of the test results' statistics.  The universe of 21,266 sample units was stratified into five strata based on the weight of the Department reporting components' sample units relative to the universe as well as similarities in the types of transactions submitted.  Then, sample units were selected using a simple random sample selection method proportionally from each of the five strata.

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[10]  Based on a 95-percent confidence level, expected error rate of 50 percent, and a sampling precision of 5 percent.

Table 5 shows the proportional allocation of the sample units for each stratum.

**Table 5**

**Proportional Allocation of Sample Units for Each Stratum**

| Stratum | Components | Universe of PIIDs and FAINs | Percentage of PIIDs and FAINs in the Universe | Proportional Allocation of the Sample | Percentage of Sample Units |
|---|---|---|---|---|---|
| 1 | BOP | 6,936 | 33% | 125 | 32% |
| 2 | ATF, FBI, and USMS | 5,117 | 24% | 93 | 24% |
| 3 | FPI | 3,874 | 18% | 70 | 18% |
| 4 | DEA | 3,742 | 18% | 68 | 18% |
| 5 | OJP and OBDs (FMIS2 & UFMS) | 1,597 | 7% | 29 | 8% |
| Total | | 21,266 | 100% | 385 | 100% |

Notes:  Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); Federal Bureau of Prisons (BOP); Drug Enforcement Administration (DEA); Federal Bureau of Investigation (FBI); Federal Prison Industries (FPI); Offices, Boards and Divisions (OBDs); Office of Justice Programs (OJP); United States Marshals Service (USMS)

Source:  DOJ OIG analysis

Next, we performed detailed testing to evaluate the linkage of the award-level data, file C to files D1, and D2 in order to determine if the accounting transactions linked to the procurement or financial assistance awards for the 385 sample units.  Also, we agreed the data elements in files C, D1, and D2 to the source systems and source documents, in order to determine timeliness, completeness, and accuracy of the data elements reported for each award.

For each of the 385 sample units selected from file C, we evaluated approximately 45 and 41 standardized data elements for procurement awards and financial assistance awards, respectively.  These data elements may have also contained sub-elements (e.g., Legal Entity Address would contain the sub-elements titled Legal Entity Address, Legal Entity City Name, Legal Entity State Code, and Legal Entity Zip+4).  An error of any one of these data elements resulted in an accuracy error for the entire sample unit.  We identified multiple inaccurate data elements in 62 percent of the sample units.  Additionally, a data element that was missing due to no linkage would result in the entire sample unit being incomplete and inaccurate.  A summary of the results for each standardized data element can be found at Appendix 3.  There were several data elements that may not have been included in our error estimate as these errors were associated with DATA Act broker system issues, which are beyond the control of the Department.  We identify and discuss these issues in more detail in Appendix 3.

The test results of the award-level data, files C, D1, and D2 were then rolled up into three factors: completeness, timeliness, and accuracy for statistical analysis.  For each of these three factors, the statistical analysis was designed to estimate with a 95-percent level of confidence the overall Department's rates of

error by weighing the specific factor's error rates of each stratum using widely-used statistical techniques. The stratified sampling test results of 'No' for each of the five strata within each of the three factors were computed in order to calculate the overall factor point estimate and confidence range. The stratified sampling rate of error estimates for the five strata were weighted together to arrive at the Department's overall error rates.

Table 6 shows the overall Department statistical analysis results and projections to the universe for completeness, timeliness, and accuracy.

**Table 6**

**Overall Projections**

| Factor | Proportion of Error | 95% Confidence Interval for Proportion of Error |
|---|---|---|
| Completeness | 28.61% | [24.88, 32.33] |
| Timeliness | 29.66% | [25.88, 33.43] |
| Accuracy | 89.65% | [87.06, 92.24] |

Source: DOJ OIG analysis

The statistical analysis results for the Department with a 95-percent confidence level indicate that the overall proportion of errors with respect to completeness is between 24.88 percent and 32.33 percent; with respect to timeliness, it is between 25.88 and 33.43 percent; and with respect to accuracy, it is between 87.06 and 92.24 percent. In other words, our statistical analysis estimates show that the Department's data was 67.67 to 75.12 percent complete, and 66.57 to 74.12 percent timely. However, statistical analysis estimate also shows that only 7.76 percent to 12.94 percent of the Department's submitted transactions have accurate information. Appendix 2 discusses the statistical sampling design and estimation in detail.

The test results of the selected 385 sample units also indicate that there is great variation among the Department reporting components in all factors, especially accuracy. For accuracy, the test results show that six out of the eight Department reporting components failed the tests for accuracy for all their selected sample units, meaning these components' submissions were 100 percent inaccurate. However, test results show that the Department successfully implemented and used the government-wide financial data standards, and those sample units that should have been submitted were reported materially complete and timely.

Table 7 shows the count and percentage of the attribute test results of the 385 sample units.

**Table 7**

**Attribute Test Results**

| Completeness | | | | Timeliness | | | | Accuracy | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Count of | | Percentage of | | Count of | | Percentage of | | Count of | | Percentage of | | Total Count |
| N | Y | N | Y | N | Y | N | Y | N | Y | N | Y | |
| 110 | 275 | 29% | 71% | 114 | 271 | 30% | 70% | 345 | 40 | 90% | 10% | 385 |

Source: DOJ OIG analysis

As a part of our examination, we continued to review the steps the Department took to fully implement the requirements of the DATA Act, which included steps 5 through 8 of the Agency 8-Step Plan. Step 5 was to prepare data for submission to the DATA Act broker system, which the Department was able to accomplish with no significant system changes in order to extract the data. Step 6 was to test DATA Act broker system implementation, the Department tested the outputs for critical errors received from the DATA Act broker system; however warnings allowed the submission to proceed to certification, therefore the Department and some of its components did not pursue researching and verifying warnings. Steps 7 and 8 were to update systems, and submit data. The Department continued and still continues to update systems and submit data to improve on the quality of data submitted to the DATA Act broker system.

# STATISTICAL SAMPLING DESIGN AND ESTIMATION

The universe of 21,266 sample units was stratified into five strata based on DOJ components' proportion of sample units relative to the universe as well as similarities in the types of transactions submitted. The sizes of these strata are denoted by $N_h$ with $h=1, 2, \ldots L$, where $N_h$ is the total number of sample units in a stratum and $L=5$ is the number of strata. Table 8 provides component strata information.

**Table 8**

**Strata Information**

| Stratum Notation | Strata | Number of Sample Units |
|---|---|---|
| $N_1$ | BOP | 6,936 |
| $N_2$ | ATF, FBI, and USMS | 5,117 |
| $N_3$ | FPI | 3,874 |
| $N_4$ | DEA | 3,742 |
| $N_5$ | OJP and OBDs (FMIS2 & UFMS) | 1,597 |
| **Total** | | **21,266** |

Source: DOJ OIG analysis

To arrive at the results, the mathematical model notations, and formulae used to compute unbiased estimates of proportions and the confidence intervals are as follows:

$N$     The total number of sample units in the universe

$L$     The number of strata

$N_h$     The number of sample units in stratum $h$

$n$     The size of the selected sample units from the universe

$n_h$     The number of sample units sampled in stratum $h$

$N = N_1 + N_2 + \ldots N_L$

$n = n_1 + n_2 + \ldots n_L$

$\hat{p}_h = \dfrac{a_h}{n_h}$   The sample proportion of "No" in stratum h

The unbiased estimation of proportions, variance, and standard error for sampling proportions with stratified sampling:

$p_{st} = \sum_{h=1}^{L} \left(\frac{N_h}{N}\right)(p_h)$ The stratified sampling point estimate

$\hat{V}ar(\hat{p}_{st}) = \sum_{h=1}^{L}\left(\left[\frac{N_h}{N}\right]^2 Var(\hat{p}_h)\right)$ The stratified sampling variance

$$= \sum_{h=1}^{L}\left(\left[\frac{N_h}{N}\right]^2 \left[\frac{N_h - n_h}{N_h}\right]\left[\frac{\hat{p}_h(1-\hat{p}_h)}{n_h - 1}\right]\right)$$

$SE(\hat{p}_{st}) = \sqrt{\hat{V}ar(\hat{p}_{st})}$ Standard error

$\hat{p}_{st} \pm z_{\alpha/2}SE(\hat{p}_{st})$ Confidence Interval estimate

The 95-percent confidence interval of the proportion estimate is given by:

$\hat{p}_{st} \pm 1.96 * SE(\hat{p}_{st})$

Using the above stratified sampling estimation methodology, we used SAS Enterprise Guide software to compute the estimations based on the test results conducted by auditors. Table 9 is the report generated from SAS with the estimation results.

# Table 9

## Analysis of DOJ DATA Act Test Results for Stratified SRS

| Data Summary | |
|---|---|
| Number of Strata | 5 |
| Number of Observations | 385 |
| Sum of Weights | 21266 |

| Class Level Information | | |
|---|---|---|
| CLASS Variable | Levels | Values |
| Timeliness | 2 | N Y |
| Completeness | 2 | N Y |
| Accuracy | 2 | N Y |

| Stratum Information | | | | | | | |
|---|---|---|---|---|---|---|---|
| Stratum Index | Stratum | Population Total | Sampling Rate | N Obs | Variable | Level | N |
| 1 | 1 | 6936 | 1.80% | 125 | Timeliness | N | 35 |
| | | | | | | Y | 90 |
| | | | | | Completeness | N | 27 |
| | | | | | | Y | 98 |
| | | | | | Accuracy | N | 125 |
| | | | | | | Y | 0 |
| 2 | 2 | 5117 | 1.82% | 93 | Timeliness | N | 15 |
| | | | | | | Y | 78 |
| | | | | | Completeness | N | 19 |
| | | | | | | Y | 74 |
| | | | | | Accuracy | N | 58 |
| | | | | | | Y | 35 |
| 3 | 3 | 3874 | 1.81% | 70 | Timeliness | N | 56 |
| | | | | | | Y | 14 |
| | | | | | Completeness | N | 56 |
| | | | | | | Y | 14 |
| | | | | | Accuracy | N | 70 |
| | | | | | | Y | 0 |
| 4 | 4 | 3742 | 1.82% | 68 | Timeliness | N | 0 |
| | | | | | | Y | 68 |
| | | | | | Completeness | N | 0 |
| | | | | | | Y | 68 |
| | | | | | Accuracy | N | 68 |
| | | | | | | Y | 0 |
| 5 | 5 | 1597 | 1.82% | 29 | Timeliness | N | 8 |
| | | | | | | Y | 21 |
| | | | | | Completeness | N | 8 |
| | | | | | | Y | 21 |
| | | | | | Accuracy | N | 24 |
| | | | | | | Y | 5 |

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| Statistics | | | | | | |
|---|---|---|---|---|---|---|
| Variable | Level | DF | Mean | Std Error of Mean | 95% CL for Mean | |
| Timeliness | N | 380 | 0.296584 | 0.019196 | 0.25884058 | 0.33432732 |
| | Y | 380 | 0.703416 | 0.019196 | 0.66567268 | 0.74115942 |
| Completeness | N | 380 | 0.286059 | 0.018925 | 0.24884784 | 0.32327069 |
| | Y | 380 | 0.713941 | 0.018925 | 0.67672931 | 0.75115216 |
| Accuracy | N | 380 | 0.896497 | 0.013162 | 0.87061732 | 0.92237643 |
| | Y | 380 | 0.103503 | 0.013162 | 0.07762357 | 0.12938268 |

| Obs | VarName | VarLevel | Mean | LowerCLMean | DF | StdErr | UpperCLMean |
|---|---|---|---|---|---|---|---|
| 1 | Timeliness | N | 0.296584 | 0.25884058 | 380 | 0.019196 | 0.33432732 |
| 2 | Timeliness | Y | 0.703416 | 0.66567268 | 380 | 0.019196 | 0.74115942 |
| 3 | Completeness | N | 0.286059 | 0.24884784 | 380 | 0.018925 | 0.32327069 |
| 4 | Completeness | Y | 0.713941 | 0.67672931 | 380 | 0.018925 | 0.75115216 |
| 5 | Accuracy | N | 0.896497 | 0.87061732 | 380 | 0.013162 | 0.92237643 |
| 6 | Accuracy | Y | 0.103503 | 0.07762357 | 380 | 0.013162 | 0.12938268 |

Source: DOJ OIG Analysis

# RESULTS OF TESTING BY DATA ELEMENT

## Table 10

## File C

## Procurement Instrument Identifier (PIID) Data Element

| Data Element | | Total Count Ys | Total Count Ns | Total Count NTs | Total Count NAs | Total |
|---|---|---|---|---|---|---|
| DE 24 | Parent Award Identification Number | 210 | 77 | 45 | 39 | **371** |
| DE 34 | Award Identification Number – PIID | 326 | 0 | 45 | 0 | **371** |
| DE 50 | Object Class (+D/R Funding Source) | 208 | 118 | 45 | 0 | **371** |
| DE 51 | Appropriations Account | 325 | 1 | 45 | 0 | **371** |
| DE 53 | Transaction Obligated Amount | 38 | 288 | 45 | 0 | **371** |
| DE 56 | Program Activity Name (+Code) | 221 | 1 | 45 | 104 | **371** |

## Financial Assistance Identifier Number (FAIN) Data Element

| Data Element | | Total Count Ys | Total Count Ns | Total Count NAs | Total |
|---|---|---|---|---|---|
| DE 34 | Award Identification Number – FAIN | 14 | 0 | 0 | **14** |
| DE 50 | Object Class (+ D/R Funding Source) | 14 | 0 | 0 | **14** |
| DE 51 | Appropriations Account | 14 | 0 | 0 | **14** |
| DE 53 | Transaction Obligated Amount | 11 | 3 | 0 | **14** |
| DE 56 | Program Activity Name (+Code) | 11 | 0 | 3 | **14** |

Source: DOJ OIG analysis

Y    Indicates the data element was present and accurately reported as supported by source systems or source documents, as applicable.

N    Indicates the data element was not present or not accurately reported as supported by source systems or source documents, as applicable.

NT    Indicates the data element was not tested because the sample unit should not have been included in file C. These were considered errors for our statistical sample.

NA    Indicates the data element was not applicable to the sample unit. These were not considered errors for our statistical sample.

## Table 11

## File D1

## PIID Data Element

| Data Element | | Total Count Ys | Total Count Ns | Total Count NTs | Total Count NDs | Total Count NAs | Total |
|---|---|---|---|---|---|---|---|
| DE 1 | Awardee / Recipient Legal Entity Name | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 2 | Awardee / Recipient Unique Identifier | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 3 | Ultimate Parent Unique Identifier | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 4 | Ultimate Parent Legal Entity Name | 263 | 8 | 45 | 50 | 5 | **371** |
| DE 5 | Legal Entity Address | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 6 | Legal Entity Congressional District | 269 | 6 | 45 | 50 | 1 | **371** |
| DE 7 | Legal Entity Country Code | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 8 | Legal Entity Country Name | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 11 | Amount of Award | 270 | 0 | 45 | 50 | 6 | **371** |
| DE 14 | Current Total Value Of Award | 266 | 1 | 45 | 50 | 9 | **371** |
| DE 15 | Potential Total Value Of Award | 272 | 1 | 45 | 50 | 3 | **371** |
| DE 16 | Award Type | 274 | 2 | 45 | 50 | 0 | **371** |
| DE 17 | North American Industrial Classification System (NAICS) | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 18 | NAICS Description | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 22 | Award Description | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 23 | Award Modification / Amendment Number | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 24 | Parent Award Identification Number | 192 | 0 | 45 | 50 | 84 | **371** |
| DE 25 | Action Date | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 26 | Period Of Performance Start Date | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 27 | Period Of Performance Current End Date | 275 | 0 | 45 | 50 | 1 | **371** |
| DE 28 | Period Of Performance Potential End Date | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 29 | Ordering Period End Date | 52 | 0 | 45 | 50 | 224 | **371** |
| DE 30 | Primary Place of Performance Address | 275 | 0 | 45 | 50 | 1 | **371** |
| DE 31 | Primary Place of Performance Congressional District | 271 | 2 | 45 | 50 | 3 | **371** |
| DE 32 | Primary Place Of Performance Country Code | 275 | 0 | 45 | 50 | 1 | **371** |
| DE 34 | Award Identification Number – PIID | 276 | 0 | 45 | 50 | 0 | **371** |
| DE 36 | Action Type | 223 | 0 | 45 | 50 | 53 | **371** |
| DE 38 | Funding Agency Name | 276 | 0 | 45 | 50 | 0 | **371** |

| Data Element | | Total Count Ys | Total Count Ns | Total Count NTs | Total Count NDs | Total Count NAs | Total |
|---|---|---|---|---|---|---|---|
| DE 39 | Funding Agency Code | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 40 | Funding Sub Tier Agency Name | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 41 | Funding Sub Tier Agency Code | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 42 | Funding Office Name | 267 | 9 | 45 | 50 | 0 | 371 |
| DE 43 | Funding Office Code | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 44 | Awarding Agency Name | 275 | 0 | 45 | 50 | 1 | 371 |
| DE 45 | Awarding Agency Code | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 46 | Awarding Sub Tier Agency Name | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 47 | Awarding Sub Tier Agency Code | 276 | 0 | 45 | 50 | 0 | 371 |
| DE 48 | Awarding Office Name | 267 | 9 | 45 | 50 | 0 | 371 |
| DE 49 | Awarding Office Code | 276 | 0 | 45 | 50 | 0 | 371 |

Notes:  DE 5 Legal Entity Address includes the sub-elements Legal Entity Address Lines 1-3, Legal Entity City Name, Legal Entity State Code, Legal Entity State Description, and Legal Entity ZIP +4.  We did not include Legal Entity State Description in our error rate.  During our test work, we noted that this field was not populated for all sample units in file D1.  Per the Federal Procurement Database System – Next Generation (FPDS-NG) Data Dictionary, the Legal Entity State Description is derived from the System for Award Management (SAM) unless SAM Exception is selected.  The DATA Act broker system did not populate this field in file D1 as was intended.

DE 14 Current Total Value of Award and DE 15 Potential Total Value of Award, were extracted incorrectly from the FPDS-NG by the DATA Act broker system.  [The Office of Management and Budget defines the current total value of award data element as the total amount obligated to date on a contract, including the base and exercised options.  Potential total value of award is defined as the total amount that could be obligated on a contract, if the base and all options are exercised.]  Specifically, data for these data elements are extracted from the following FPDS-NG fields, respectively: (1) base and exercised options value and (2) base and all options value.  FPDS-NG has two columns of data entry for these fields labeled "Current" and "Total".  The current column contains modification amounts entered into the system by the user.  The total column contains cumulative total award values computed by the system based on the modification amounts entered.  All procurement modifications included in our sample reported values for these data elements from the corresponding field's current column, or modification amount, rather than the total column, or total award value.  The Department of the Treasury's (Treasury) Government-wide DATA Act Program Management Office (PMO) officials confirmed that the DATA Act broker system incorrectly extracted values for these data elements from the current column rather than the total column.  A Treasury official stated that the issue will be resolved once related historical data from USASpending.gov are transferred to beta.USASpending.gov during Fall 2017.  However, as the Department of Justice (DOJ) does not have responsibility for how data is extracted by the DATA Act broker system, we did not evaluate the reasonableness of Treasury's planned corrective action.  We did evaluate DE 14 Current Total Value Of Award and DE 15 Potential Total Value of Award based on the current value and not the calculated total value.  Therefore, if the correct current column value was included in DE 14 Current Total Value Of Award and DE 15 Potential Total Value of Award, then we did not consider those to be errors when calculating our error rate.

DE 16 Award Type includes the sub-elements Type of Contract Pricing, IDV_Type, and Contract Award Type.  We did not include IDV_Type in our error rate, as errors noted were due to the DATA Act broker system extracting the wrong field.  Treasury's DATA Act PMO officials confirmed that they are aware of this issue and have taken steps to avoid this issue in future reporting periods.  However, as DOJ does not have responsibility for how data is extracted by the broker system, we did not evaluate the reasonableness of Treasury's planned corrective action.

Source:  DOJ OIG analysis

Y        Indicates the data element was present and accurately traced to the FPDS and source documents, as applicable.

N        Indicates the data element was not present or not accurately traced to the FPDS and source documents, as applicable.

NT       Indicates the data element was not tested because the sample unit was erroneously included in file C.  These were considered errors for our statistical sample.

ND       Indicates the data element was not determinable because although the award was correctly included in file C, it was not correctly included in file D1.  These were considered errors for our statistical sample.

NA       Indicates the data element was not applicable to the sample unit.  These were not considered errors for our statistical sample.

**Table 12**

**File D2**

**FAIN Data Element**

| | Data Element | Total Count Ys | Total Count Ns | Total Count NDs | Total Count NAs | Total |
|---|---|---|---|---|---|---|
| DE 1 | Awardee Or Recipient Legal Entity Name | 9 | 0 | 5 | 0 | 14 |
| DE 2 | Awardee Or Recipient Unique Identifier | 9 | 0 | 5 | 0 | 14 |
| DE 5 | Legal Entity Address | 9 | 0 | 5 | 0 | 14 |
| DE 6 | Legal Entity Congressional District | 8 | 1 | 5 | 0 | 14 |
| DE 7 | Legal Entity Country Code | 9 | 0 | 5 | 0 | 14 |
| DE 11 | Amount of Award | 9 | 0 | 5 | 0 | 14 |
| DE 12 | Non-Federal Funding Amount | 0 | 0 | 5 | 9 | 14 |
| DE 13 | Total Funding Amount | 9 | 0 | 5 | 0 | 14 |
| DE 14 | Face Value Loan Guarantee | 0 | 0 | 5 | 9 | 14 |
| DE 16 | Assistance Type | 8 | 1 | 5 | 0 | 14 |
| DE 19 | Catalog of Federal Domestic Assistance (CFDA) Number | 9 | 0 | 5 | 0 | 14 |
| DE 20 | CFDA Title | 9 | 0 | 5 | 0 | 14 |
| DE 22 | Award Description | 9 | 0 | 5 | 0 | 14 |
| DE 23 | Award Modification / Amendment Number | 0 | 0 | 5 | 9 | 14 |
| DE 25 | Action Date | 9 | 0 | 5 | 0 | 14 |
| DE 26 | Period Of Performance Start Date | 0 | 0 | 5 | 9 | 14 |
| DE 27 | Period Of Performance Current End Date | 0 | 0 | 5 | 9 | 14 |
| DE 30 | Primary Place of Performance Address | 9 | 0 | 5 | 0 | 14 |
| DE 31 | Primary Place Of Performance Congressional District | 8 | 1 | 5 | 0 | 14 |
| DE 32 | Primary Place Of Performance Country Code | 9 | 0 | 5 | 0 | 14 |
| DE 34 | Award Identification Number – FAIN | 9 | 0 | 5 | 0 | 14 |
| DE 35 | Record Type | 9 | 0 | 5 | 0 | 14 |
| DE 36 | Action Type | 9 | 0 | 5 | 0 | 14 |
| DE 37 | Business Types | 9 | 0 | 5 | 0 | 14 |
| DE 38 | Funding Agency Name | 9 | 0 | 5 | 0 | 14 |
| DE 39 | Funding Agency Code | 0 | 0 | 5 | 9 | 14 |
| DE 40 | Funding Sub Tier Agency Name | 0 | 0 | 5 | 9 | 14 |
| DE 41 | Funding Sub Tier Agency Code | 0 | 0 | 5 | 9 | 14 |
| DE 42 | Funding Office Name | 0 | 0 | 5 | 9 | 14 |
| DE 43 | Funding Office Code | 0 | 0 | 5 | 9 | 14 |

| Data Element | | Total Count Ys | Total Count Ns | Total Count NDs | Total Count NAs | Total |
|---|---|---|---|---|---|---|
| DE 44 | Awarding Agency Name | 9 | 0 | 5 | 0 | 14 |
| DE 45 | Awarding Agency Code | 9 | 0 | 5 | 0 | 14 |
| DE 46 | Awarding Sub Tier Agency Name | 6 | 3 | 5 | 0 | 14 |
| DE 47 | Awarding Sub Tier Agency Code | 6 | 0 | 5 | 3 | 14 |
| DE 48 | Awarding Office Name | 0 | 0 | 5 | 9 | 14 |
| DE 49 | Awarding Office Code | 0 | 0 | 5 | 9 | 14 |

Notes: DE 5 Legal Entity Address includes sub-elements Legal Entity Address Lines 1-3, Legal Entity City Name, Legal Entity City Code, Legal Entity Foreign City Name, Legal Entity State Code, Legal Entity State Name, Legal Entity Foreign Province Name, Legal Entity ZIP 5, Legal Entity ZIP Last 4, Legal Entity Foreign Postal Code, Legal Entity County Name, and Legal Entity County Code. We did not include Legal Entity City Code in our error rate. During our test work, we noted that this field was not populated for all sample units in file D2. Per the DATA Act Information Model Schema (DAIMS), the Legal Entity City Code is derived from Award Submission Portal (ASP). The DATA Act broker system did not populate this field in file D2 as was intended. However, as DOJ does not have responsibility for how data is extracted by the DATA Act broker system from Treasury's ASP, we did not evaluate the reasonableness of Treasury's planned corrective action.

DE 30 Primary Place of Performance Address includes sub-elements Primary Place of Performance City Name, Primary Place of Performance State Name, Primary Place of Performance County Name, Primary Place of Performance ZIP +4, and Primary Place of Performance Code. We did not include Primary Place of Performance County Name in our error rate. During our test work, we noted that this field was not populated for all sample units in file D2. Per the DAIMS, the Primary Place of Performance County Name is derived from ASP. The DATA Act broker system did not populate this field in file D2 as was intended. However, as the Department of Justice does not have responsibility for how data is extracted by the DATA Act broker from Treasury's ASP, we did not evaluate the reasonableness of Treasury's planned corrective action.

Source: DOJ OIG analysis

Y       Indicates the data element was present and accurately traced to ASP, SAM, and source documents, as applicable.

N       Indicates the data element was not present or not accurately traced to ASP, SAM, and source documents, as applicable.

ND      Indicates the data element was not determinable because although the award was correctly included in file C, it was not correctly included in file D2. These were considered errors for our statistical sample.

NA      Indicates the data element was not applicable to the sample unit. These were not considered errors for our statistical sample.

**CIGIE LETTER TO CONGRESS ADDRESSING THE DATA ACT REPORTING DATE ANOMALY**

Council of the
**INSPECTORS GENERAL**
on INTEGRITY and EFFICIENCY

December 22, 2015

The Honorable Ron Johnson
Chairman
The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security
  and Governmental Affairs
United States Senate
Washington, D.C.

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

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intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act "readiness reviews" at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation.

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,

Michael E. Horowitz
Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc:     The Honorable David Mader, Controller, OMB
        The Honorable Gene Dodaro, Comptroller General, GAO

# SUMMARY OF DATA ACT RESULTS

**Department of Justice**
**Second Quarter, Fiscal Year 2017**

This table is provided for the information and use of the U.S. Government Accountability Office.

| Section 1: Results of Assessment of Internal Controls over Source Systems | | | |
|---|---|---|---|
| **Control Objectives** | **Controls Properly <u>Designed</u> to Achieve Control Objective? (Yes/No)** | **Controls <u>Implemented</u> to Achieve Control Objective? (Yes/No)** | **Controls <u>Operating</u> Effectively to Achieve Control Objective? (Yes/No)** |
| Overall Conclusion | Yes | Yes | Yes |
| Internal controls over data management to ensure the integrity and quality of the data. | Yes | Yes | Yes |
| Internal controls over data reporting to ensure that the data reported are complete, accurate, timely, and of quality. | Yes | No | No |
| **\* Auditors Note: If selected "No" in any columns above, include details in section 3.** | | | |
| **Section 2: Results of Assessment of Internal Controls over Data Management and Processes (DATA Act Submission)** | | | |
| **Control Objectives** | **Controls Properly <u>Designed</u> to Achieve Control Objective? (Yes/No)** | **Controls <u>Implemented</u> to Achieve Control Objective? (Yes/No)** | **Controls <u>Operating</u> Effectively to Achieve Control Objective? (Yes/No)** |
| Overall Conclusion | Yes | No | No |
| Internal controls over data management to ensure the integrity and quality of the data. | Yes | No | No |
| Internal controls over data reporting to ensure that the data reported are complete, accurate, timely, and of quality. | Yes | No | No |
| **\* Auditors Note: If selected "No" in any columns above, include details in section 3.** | | | |
| **Section 3: Summary of Control Deficiencies and Impact on Completeness, Timeliness, and Accuracy** | | | |
| **Description of Control Deficiencies** | **Impact of Control Deficiency** | | |
| | **<u>Completeness</u>[a]** | **<u>Timeliness</u>[b]** | **<u>Accuracy</u>[c]** |
| Improvements Needed to Query Coding | Yes | No | Yes |
| | **Impact of Control Deficiency** | | |

| Description of Control Deficiencies | Completeness[1] | Timeliness[2] | Accuracy[3] |
|---|---|---|---|
| Data Quality Procedures and Validation Errors | Yes | No | Yes |
| Strengthening of Processes and Reporting Guidance Needed | Yes | No | Yes |
|  |  |  |  |

| Section 4: Results of Sample Tests Performed at the Award-Level Transactions | | | |
|---|---|---|---|
| Description of Attribute Testing | Completeness[1] | Timeliness[2] | Accuracy[3] |
| Error Rate[d] | 28.61% | 29.66% | 89.65% |
| Sampling Error (margin of error) | ±3.72% | ±3.77% | ±2.59% |
| Source of Sample (File C, D1, D2) | File C | File C | File C |
| Population Size (# and $ of each type of transactions for grants and contracts) | 21,266 FAIN #759 \|$5,340,529\| PIID #20,507 \|$2,000,743,856\| | 21,266 FAIN #759 \|$5,340,529\| PIID #20,507 \|$2,000,743,856\| | 21,266 FAIN #759 \|$5,340,529\| PIID #20,507 \|$2,000,743,856\| |
| Type of Statistical Sampling Methodology Used[e] | Stratified random sample | Stratified random sample | Stratified random sample |
| Confidence Level | 95% | 95% | 95% |
| Expected Error Rate | 50% | 50% | 50% |
| Sample Precision | +/-5% | +/-5% | +/-5% |
| Sample Size | 385 | 385 | 385 |
| Section 5: Overall Assessment of Implementation and Use of Data Standards[f] | | | |
| We noted no differences between the Department's definitions of the data standards and Treasury and OMB guidance. | | | |
| Data elements identified from the sample of 385 with a rate of errors above 50 percent are the Transaction Obligated Amount (file C), Parent Award Identification Number (file D1), Awarding Sub Tier Agency Name (file D2), and Awarding Sub Tier Agency Code (file D2). | | | |
| No other noncompliance issues were identified, except for the noncompliance discussed in the report. | | | |

[a] Completeness is measured as the percentage of transactions containing all applicable data elements required by the DATA Act.

[b] Timeliness is measured as the percentage of transactions reported within 30 days of quarter end.

[c] Accuracy is measured as the percentage of transactions that are complete and consistent with the systems of record or other authoritative sources.

[d] Error Rate - Error rate is displayed as the percentage of transactions tested that were not in accordance with policy.

[e] Type of statistical sampling methodology used could include dollar unit sampling, classical variables estimation, classical probability proportional to size, or random.

[f] Agency's implementation and use of data standards is assessed as part of the tests for completeness of summary-level data and award-level transaction data.

# THE DEPARTMENT'S RESPONSE TO THE DRAFT REPORT

**U.S. Department of Justice**

*Washington, D.C. 20530*

OCT 27 2017

MEMORANDUM

TO:          Jason R. Malmstrom
                Assistant Inspector General
                    for Audit

FROM:       Lee J. Lofthus
                Assistant Attorney General
                    for Administration

SUBJECT:    Response to Recommendations contained in the Office of the Inspector
                General (OIG) Draft Report *Examination of the US Department of
                Justice's Compliance with the Federal Funding Accountability and
                Transparency Act of 2006, as Amended by the Digital Accountability and
                Transparency Act of 2014*

This responds to the OIG draft report *Examination of the US Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014*.

The Justice Management Division (JMD) recognizes the importance of ensuring the quality and accuracy of the data submitted in compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act), and appreciates the collaborative and respectful approach taken by your staff during the audit. The initial OIG analysis identified many of the discrepancies identified in the draft report, and JMD and the Departmental components subsequently remediated and resubmitted the Quarter 2 (Q2) FY17 data. JMD has also worked with Departmental components to implement process improvements, checklists, and data quality reviews that we feel will implement many of the recommendations in the report and provide sound controls in the Department.

I also appreciate your staff adjusting the calculation of error rates to exclude data elements outside the Department's control (e.g., controlled by the Treasury Department, the General

Services Administration, or award recipients). Although the report still shows a high error rate for the Department overall, I understand that the use of the interagency audit guidance provides that if any standardized element within the agency's control is inaccurate, then the entire sampling unit is considered an error. This approach contributed significantly to the high error rate for the Department. JMD looks forward to working with OIG, to monitor this error rate in future submissions, as well as to explore more ways to measure data quality.

JMD reviewed the draft OIG report, and provides the following responses to the OIG's seven recommendations.

**OIG Recommendation 1**: Ensure that all components are aware of the correct reporting of the Transaction Obligated Amount (TOA) in File C[1] and that it is not to be a net amount, or a net obligation change amount, as well as verify that the components have updated the extraction query coding to address this.

**Response**: JMD concurs with this recommendation. JMD has instituted a checklist for use when preparing file submissions, to help find and correct data anomalies such as net obligation change prior to submission. After review and analysis of data and business processes, JMD and components have reduced errors or are actively working to reduce errors through code changes and data remediation to extract transactions properly for File C.

**OIG Recommendation 2**: Ensure all applicable components are aware of and are following the reporting timelines for the Federal Procurement Data System – Next Generation (FPDS-NG) as required by the Federal Acquisition Regulation (FAR) for procurement awards, and the newly established Federal Assistance Broker System for financial assistance awards.

**Response**: JMD concurs with this recommendation. JMD has established a reporting schedule to ensure components meet requirements for submitting award data. Furthermore, migration to the Unified Financial Management System (UFMS) will help to address this issue, as UFMS automates the submission of procurement award data to FPDS-NG.

**OIG Recommendation 3**: Ensure all accounting entry corrections are addressed prior to submission of File B[2].

**Response**: JMD concurs with this recommendation. The accelerated Fiscal Year (FY) 2017, 2nd Quarter timeline, required by the DATA Act, reduced the time available for remediating

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[1] File C (Award Financial Detail) contains obligation balances for reportable acquisition and financial assistance award actions.

[2] File B (Object Class and Program Activity Detail) contains obligation balances broken out by Treasury Account Symbol, Object Class, Program Activity, and Direct/Reimbursable funding indicator.

discrepancies between the Adjusted Trial Balance (reflected in File A[3]) and the financial systems of record (reflected in File B). The Department has implemented a checklist that will reduce the likelihood of File A to File B discrepancies.

**OIG Recommendation 4:** Correct the coding for queries to extract the correct information and ensure all and only reportable procurements are included (e.g., use the recommended maximum field length, number of characters per the Data Act Information Model Schema [DAIMS], v1.0 Reporting Submission Specification [RSS]).

**Response:** JMD concurs with this recommendation. Logic has been revised for extracting data for File C to ensure only reportable procurements are included, to capture the maximum field length, and to eliminate the appearance of records with duplicate Procurement Instrument Identifiers (PIIDs). Additional analytics are being performed to identify issues, improve data quality, and reduce the potential for duplicate PIIDs.

**OIG Recommendation 5:** Develop data quality assurance procedures to incorporate reviewing, verifying, and validating data to ensure information reported is complete and accurate.

**Response:** JMD concurs with this recommendation. As mentioned already, JMD has instituted a checklist for component use, to identify data anomalies and make corrections prior to submission. JMD staff also perform Department-level data quality checks on the full, consolidated dataset prior to Broker submission. JMD and is also working to develop an automated data governance solution to support the process.

**OIG Recommendation 6:** Review all validation warnings generated by the DATA Act broker system prior to submission and Senior Accountable Official (SAO) certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions.

**Response:** JMD concurs with this recommendation. JMD reviews all warning reports generated from the DATA Act broker during file testing, and works with the components to remediate any issues. Due to the narrow window for the initial submission, there was limited time to complete remediation. In the current process, JMD produces data analytics prior to testing, to improve data accuracy in the file submissions. The automated data governance solution will also better support review of warnings.

**OIG Recommendation 7:** Continue its efforts to implement UFMS in order to submit supported and accurate data to beta.USASpending.gov and to be in compliance with OMB M-15-12.

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[3] File A (Appropriations Account Detail) contains balances of appropriations and obligations.

**Response:** JMD concurs with this recommendation. Unlike our legacy financial system (the Financial Management Information System [FMIS2]), UFMS fully captures the PIID and funding source of either Direct or Reimbursable obligations. As components migrate from FMIS2 to UFMS, their inability to record financing accounts at the document level in File C will reduce over time. The Department is on schedule to have all components migrated to UFMS by FY20.

# OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The OIG provided a draft of this examination report to the Department's Justice Management Division (JMD). JMD's response is incorporated in Appendix 6 of this final report. In response to our examination report, JMD concurred with our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the examination report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

**Recommendations for JMD:**

1. **Ensure that all components are aware of the correct reporting of the Transaction Obligated Amount in file C and that it is not to be a net amount, or a net obligation change amount, as well as verify that the components have updated the extraction query coding to address this.**

   Resolved. JMD concurred with our recommendation. JMD stated in its response that JMD has instituted a checklist for use when preparing file submissions and has reduced errors or is actively working to reduce errors through extraction query code changes and data remediation.

   This recommendation can be closed when we receive evidence in subsequent engagement testing that JMD has ensured all DOJ components are aware of the correct reporting of the Transaction Obligated Amount and has reduced errors through extraction query code changes and data remediation.

2. **Ensure all applicable components are aware of and are following the reporting timelines for the Federal Procurement Data System as required by the Federal Acquisition Regulations for procurement awards, and the newly established Financial Assistance Broker System for financial assistance awards.**

   Resolved. JMD concurred with our recommendation. JMD stated in its response that JMD has established a reporting schedule to ensure components meet requirements for submitting award data.

   This recommendation can be closed when we receive evidence that JMD has established a reporting schedule and all applicable DOJ components are aware of and are following the required reporting timelines.

3. **Ensure all accounting entry corrections are addressed prior to submission of file B.**

   Resolved.  JMD concurred with our recommendation.  JMD stated in its response that JMD has implemented a checklist that will reduce the likelihood of file A to file B discrepancies.

   This recommendation can be closed when we receive evidence in subsequent engagement testing that JMD has implemented and is using the checklist to ensure all accounting entry corrections are addressed prior to submission of file B.

4. **Correct the coding for queries to extract the correct information and ensure all and only reportable procurements are included (e.g., use the recommended maximum field length, number of characters per the DATA Act Information Model Schema (DAIMS), v1.0, Reporting Submission Specifications).**

   Resolved.  JMD concurred with our recommendation.  JMD stated in its response that JMD has revised its logic for extracting data for file C and is performing additional analytics.

   This recommendation can be closed when we receive evidence in subsequent engagement testing that data extracted using the revised logic is correct, additional analytics are being performed, and we determine that all and only reportable procurements are included.

5. **Develop data quality assurance procedures to incorporate reviewing, verifying, and validating data to ensure information reported is complete and accurate.**

   Resolved.  JMD concurred with our recommendation.  JMD stated in its response that JMD has instituted a checklist for component use and performs Department-level data quality checks on the full, consolidated dataset prior to DATA Act broker system submission.  JMD also stated that JMD is working to develop an automated data governance solution to support the process.

   This recommendation can be closed when we receive evidence that JMD has developed data quality assurance procedures to incorporate reviewing, verifying, and validating data to ensure information reported is complete and accurate.

6. **Review all validation warnings generated by the DATA Act broker system prior to submission and Senior Accountable Official certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions.**

   Resolved.  JMD concurred with our recommendation.  JMD stated in its response that JMD reviews all warning reports generated from the DATA Act broker system.  JMD also stated that the automated data governance solution will better support review of warnings.

   This recommendation can be closed when we receive evidence that JMD is reviewing all warning reports.

7. **Continue its efforts to implement the Unified Financial Management System (UFMS) in order to submit supported and accurate data to beta.USASpending.gov and to be in compliance with OMB Memorandum M-15-12.**

   Resolved.  JMD concurred with our recommendation.  JMD stated in its response that JMD is on schedule to have all components migrate to UFMS by fiscal year 2020.

   This recommendation can be closed when we receive evidence that all applicable DOJ components have migrated to UFMS by 2020.

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