



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

January 28, 2022

MEMORANDUM FOR: Admiral Karl L. Schultz
Commandant
U.S. Coast Guard

FROM: Joseph V. Cuffari, Ph.D.
Inspector General

**JOSEPH V
CUFFARI** Digitally signed by
JOSEPH V CUFFARI
Date: 2022.01.27
17:19:21 -05'00'

SUBJECT: *Review of U.S. Coast Guard's Fiscal Year 2021 Drug
Control Budget Formulation Compliance Report*

Attached for your information is our final report, *Review of U.S. Coast Guard's Fiscal Year 2021 Drug Control Budget Formulation Compliance Report*.

U.S. Coast Guard's (USCG) management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy's Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

We contracted with the independent public accounting firm Williams, Adley & Company – DC, LLP (Williams Adley) to review USCG's Drug Control Budget Formulation Compliance Report. Williams Adley is responsible for the attached Independent Accountant's Report, dated January 19, 2022, and the conclusions expressed in it. Williams Adley's report contains no recommendations.

Consistent with our responsibility under the *Inspector General Act of 1978*, as amended, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Bruce Miller, Deputy Inspector General for Audits at (202) 981-6100.

Attachment

cc: COMDT (CG-8), USCG



DHS OIG HIGHLIGHTS

Review of U.S. Coast Guard's Fiscal Year 2021 Drug Control Budget Formulation Compliance Report

January 28, 2022

Why We Did This Review

The Office of National Drug Control Policy (ONDCP) Circular, *National Drug Control Program Agency Compliance Reviews*, requires National Drug Control Program agencies to submit to the ONDCP Director by February 1 of each year a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year.

At least every 3 years, the Office of Inspector General is required to review the report and provide a conclusion about the reliability of each assertion made in the report.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Williams, Adley & Company – DC, LLP (Williams Adley), under contract with the Department of Homeland Security Office of Inspector General, issued an Independent Accountant's Report on the U.S. Coast Guard's (USCG) FY 2021 Drug Control Budget Formulation Compliance Report. USCG management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the ONDCP Circular, *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021.

Based on its review, nothing came to Williams Adley's attention that caused it to believe that USCG's FY 2021 Budget Formulation Compliance Report and related assertions are not presented in conformity with the criteria in the ONDCP Circular. Williams Adley did not make any recommendations as a result of its review.



Independent Accountant's Report

Inspector General
United States Department of Homeland Security

We have reviewed the accompanying Budget Formulation Compliance Report (BFCR) of the U.S. Department of Homeland Security's (DHS) United States Coast Guard (USCG) for the year ended September 30, 2021. USCG management is responsible for the preparation of the BFCR in conformity with the requirements of the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (the Circular). Our responsibility is to express a conclusion about the BFCR based on our review.

Our review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the BFCR or related assertions for them to be in accordance with the Circular. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether USCG's BFCR and related assertions are in accordance with the Circular, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Among other requirements, the Circular requires USCG to submit their summer drug budget directly to ONDCP at the same time their budget requests are provided to their agency heads. Based on our review, we determined USCG did not submit its summer drug budget to ONDCP directly. Rather, USCG submitted its summer drug budget to the DHS Budget Division Formulation Team for subsequent transmission to ONDCP. Although the process utilized does not align to the Circular requirements, because USCG's assertion is accurate, our conclusion is not modified.

Based on our review, we are not aware of any material modifications that should be made to the BFCR or related assertions for the year ended September 30, 2021, in order for them to be in conformity with the requirements set forth in the Circular.

This report is intended solely for the information and use of DHS Office of Inspector General, USCG, and the Office of National Drug Control Policy, and is not intended to be, and should not be, used by anyone other than the specified parties.

Williams, Adley & Company-DC, LLP

Washington, D.C.

January 19, 2022

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

2703 Martin Luther King Jr. Ave. SE
Washington, DC 20593
Staff Symbol: CG-821
Phone: (202) 372-2307

7110

JAN 19 2022

Regina M. LaBelle
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Ms. LaBelle,

In accordance with the Office of National Drug Control Policy Circular: *Budget Formulation*, issued September 9, 2021, enclosed is the Coast Guard's FY 2021 Budget Formulation Compliance Report.

If there are any questions, please contact my Drug Budget Coordinator, LCDR Ben Leuthold, (202) 372-2307.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. C. Barata".

D. C. Barata
Captain, U.S. Coast Guard
Chief, Office of Budget and Programs

Enclosures: (1) USCG FY 2021 Budget Formulation Compliance Report

Copy: Department of Homeland Security, Office of the Chief Financial Officer, Budget Division

United States Coast Guard Fiscal Year 2021 Budget Formulation Compliance Report (BFCR)

Summer Budget Formulation Information

1) The Coast Guard’s Fiscal Year 2023 Summer Drug Budget Transmittal, was provided to the Department of Homeland Security (DHS) on 6 July, 2021, for further transmission to ONDCP in accordance with ONDCP Circular: Budget Formulation Section 9.a.(1).

2) Fiscal Year 2023 Summer Drug Budget Resource Summary Table was provided to the Department of Homeland Security (DHS) on 6 July, 2021, for further transmission to ONDCP in accordance with ONDCP Circular: Budget Formulation Section 9.a.(2).

FY 2023 Summer Budget and Performance Summary DEPARTMENT OF HOMELAND SECURITY

United States Coast Guard (USCG)

Resource Summary

Budget Authority (in Millions)	FY 2021 Enacted	FY 2022 President’s Budget	FY 2023 Summer Budget
Drug Resources by Function			
Interdiction	\$2,074.570	\$2,038.247	\$1,978.251
Research and Development ¹	\$1.490	\$1.112	\$1.174
Total Drug Resources by Function	\$2,076.060	\$2,039.359	\$1,979.425
Drug Resources by Decision Unit			
Operations & Support	\$1,355.480	\$1,435.296	\$1,484.039
Procurement, Construction, & Improvements	\$719.090	\$602.951	\$494.212
Research & Development ¹	\$1.490	\$1.112	\$1.174
Total Drug Resources by Decision Unit	\$2,076.060	\$2,039.359	\$1,979.425

Drug Resources Personnel Summary			
Total FTEs (direct only)	7,680	7,732	7,830
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$13.1	\$13.1	\$13.0
Drug Resources Percentage	15.88%	15.56%	15.22%

Assertions

1) Timeliness:

I assert the Fiscal Year 2023 Summer Drug Budget transmittal was submitted to the Department of Homeland Security (DHS) Budget Coordination on July 6, 2021, for further transmission to ONDCP in a timely manner.

2) Funding Levels Represent Bureau-Level Request:

I assert that the funding request in the submission provided on 6 July, 2021, in response to the requirement of ONDCP Circular: Budget Formulation, Section 6.a.(2) , represent the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department.



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Appendix A
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