



# U.S. DEPARTMENT OF HOMELAND SECURITY **OFFICE OF INSPECTOR GENERAL**

OIG-25-12

January 27, 2025

**FINAL REPORT**

## **Review of United States Coast Guard's Fiscal Year 2024 Drug Control Budget Formulation Compliance Report**





# OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | [www.oig.dhs.gov](http://www.oig.dhs.gov)

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January 27, 2025

MEMORANDUM FOR: The Honorable Admiral Kevin E. Lunday  
Acting Commandant  
United States Coast Guard

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

**JOSEPH V  
CUFFARI**

Digitally signed by  
JOSEPH V CUFFARI  
Date: 2025.01.27  
14:46:20 -05'00'

SUBJECT: *Review of United States Coast Guard's Fiscal Year 2024 Drug Control Budget Formulation Compliance Report*

Attached for your information is our final report, *Review of United States Coast Guard's Fiscal Year 2024 Drug Control Budget Formulation Compliance Report*. United States Coast Guard's (Coast Guard) management prepared the Budget Formulation Compliance Report and the related assertions to comply with the requirements of the Office of National Drug Control Policy 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 Coast Guard's Drug Control Budget Formulation Compliance Report. Williams Adley is responsible for the attached Independent Accountant's Review Report, dated January 23, 2025, and the conclusions expressed in it. The report contains no recommendations.

Consistent with our responsibility under *the Inspector General Act*, 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 contact me with any questions, or your staff may contact Kristen Bernard, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment



# DHS OIG HIGHLIGHTS

## Review of United States Coast Guard's Fiscal Year 2024 Drug Control Budget Formulation Compliance Report

January 27, 2025

### 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](mailto: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 Review Report on the United States Coast Guard's (Coast Guard) FY 2024 Drug Control Budget Formulation Compliance Report. Coast Guard's 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 Coast Guard's FY 2024 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.



## Independent Accountant's Review 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, 2024. USCG's 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.

We conducted our review 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. The procedures performed in a review vary in nature and timing from and are substantially less in extent 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. Because of the limited nature of the engagement, the level of the assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Among other requirements, the Circular requires USCG to submit its summer drug budget directly to the Office of National Drug Control Policy (ONDCP) at the same time its budget requests are provided to its agency heads. Based on our review, we determined that 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 USCG utilized does not align to the Circular requirements, we are not modifying our conclusion because USCG's assertion is accurate.

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, 2024, in order for them to be in conformity with the requirements set forth in the Circular.

The purpose of this report is to authenticate the BFCR as required by the Circular based on our review and is not suitable for any other purpose. This report is intended solely for the information and use of DHS Office of Inspector General, USCG, and the ONDCP, 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 23, 2025

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  
January 16, 2025

Dr. Rahul Gupta  
Director  
Office of National Drug Control Policy  
750 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Dr. Gupta,

In accordance with the Office of National Drug Control Policy Circular: *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021, enclosed is the Coast Guard's FY 2024 Budget Formulation Compliance Report.

If there are any questions, please contact my Drug Budget Coordinator, LCDR Jonathan Kelly, (202) 372-3558.

Sincerely,

A handwritten signature in blue ink, appearing to read "LRP", with a long horizontal line extending to the right.

L. R. Petersen  
Captain, U.S. Coast Guard  
Deputy, Office of Budget and Programs

Enclosures: (1) USCG FY 2024 Budget Formulation Compliance Report

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

**DEPARTMENT OF HOMELAND SECURITY  
UNITED STATES COAST GUARD  
Fiscal Year 2024 Budget Formulation Compliance Report (BFCR)**

**Summer Budget Formulation Information**

- 1) The USCG’s Fiscal Year (FY) 2026 Summer Drug Budget Transmittal, was provided to the Department of Homeland Security (DHS) on June 28, 2024, for further transmission to the Office of National Drug Control Policy (ONDCP) in accordance with ONDCP Circular: Budget Formulation Section 9.a.(1).
- 2) The USCG’s FY 2026 Summer Drug Budget Resource Summary Table was provided to DHS on June 28, 2024, for further transmission to ONDCP on July 2, 2024 under ONDCP Circular: Budget Formulation Section 9.a.(1).

**FY 2026 Summer Budget and Performance Summary  
DEPARTMENT OF HOMELAND SECURITY  
United States Coast Guard (USCG)  
Resource Summary**

Budget Authority (in Millions)	FY 2024 Enacted Budget	FY 2025 President’s Budget	FY 2026 Request
<b>Drug Resources by Function</b>			
Interdiction	\$2,157.020	\$1,953.837	\$1,558.738
Research and Development <sup>1</sup>	\$0.983	\$0.827	\$0.713
<b>Total Drug Resources by Function</b>	<b>\$2,158.003</b>	<b>\$1,954.664</b>	<b>\$1,559.451</b>
<b>Drug Resources by Decision Unit</b>			
Operations & Support	\$1,717.107	\$1,539.589	\$1,145.772
Procurement, Construction, & Improvements	\$439.913	\$414.248	\$412.966
Research & Development <sup>1</sup>	\$0.983	\$0.827	\$0.713
<b>Total Drug Resources by Decision Unit</b>	<b>\$2,158.003</b>	<b>\$1,954.664</b>	<b>\$1,559.451</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	8,394	7,157	5,160
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget (in Billions)	\$13.15	\$13.78	\$14.06
Drug Resources Percentage	16.41%	14.19%	11.09%

## **Assertions**

### 1) Timeliness:

USCG asserts that the FY 2026 Summer Drug Budget submitted to ONDCP was provided to the Department of Homeland Security (DHS) Budget Office, who then provided it to ONDCP on the same date as identified in the section above.

### 2) Funding Levels Represent Bureau-Level Request:

USCG asserts that the funding request in the submission provided on June 28, 2024, in response to the requirement of ONDCP Circular: Budget Formulation, Section 6.a.(2), represents the funding levels in the budget submission made by the component to the Department without alteration or adjustment by any official at the Department.





# OFFICE OF INSPECTOR GENERAL

*U.S. Department of Homeland Security*

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## **Appendix A: Report Distribution**

### **Department of Homeland Security**

Secretary  
Deputy Secretary  
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Deputy Chiefs of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Liaison Office  
Under Secretary, Office of Strategy, Policy, and Plans  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs

### **United States Coast Guard**

Commandant  
Deputy Assistant Commandant for Resources  
Audit Liaison

### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

### **Congress**

Congressional Oversight and Appropriations Committees

### **Office of National Drug Control Policy**

Associate Director for Management and Administration

## Additional Information

To view this and any other DHS OIG reports, Please visit our website: [www.oig.dhs.gov](http://www.oig.dhs.gov)

For further information or questions, please contact the DHS OIG Office of Public Affairs via email: [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)



## DHS OIG Hotline

To report fraud, waste, abuse, or criminal misconduct involving U.S. Department of Homeland Security programs, personnel, and funds, please visit: [www.oig.dhs.gov/hotline](http://www.oig.dhs.gov/hotline)

If you cannot access our website, please contact the hotline by phone or mail:

Call: 1-800-323-8603

U.S. Mail:  
Department of Homeland Security  
Office of Inspector General, Mail Stop 0305  
Attention: Hotline  
245 Murray Drive SW  
Washington, DC 20528-0305