



November 30, 2016

Oversight of DEA's Confidential Source Program

Committee on Oversight and Government Reform, United States House of Representatives, One Hundred Fourteenth Congress, Second Session

HEARING CONTENTS:

Witnesses

Michael E. Horowitz
Inspector General
U.S. Department of Justice
[\[View pdf\]](#)

Chuck Rosenberg
Acting Administrator
Drug Enforcement Administration
[pdf unavailable]

Rob Patterson
Chief of Inspections
Drug Enforcement Administration
[\[View pdf\]](#)

Available Webcast(s)*:

[\[Watch full hearing\]](#)

Compiled From*:

<https://oversight.house.gov/hearing/oversight-deas-confidential-source-program/>

** Please Note: External links included in this compilation were functional at the time of its creation but are not maintained thereafter.*

This hearing compilation was prepared by the Homeland Security Digital Library, Naval Postgraduate School, Center for Homeland Defense and Security.



Office of the Inspector General
United States Department of Justice

Statement of Michael E. Horowitz
Inspector General, U.S. Department of Justice

before the

U.S. House of Representatives
Committee on Oversight and Government Reform

concerning

"Oversight of DEA's Confidential Source Program"

November 30, 2016

Mr. Chairman, Ranking Member Cummings, and Members of the Committee:

Thank you for inviting me to testify about the Department of Justice (Department) Office of the Inspector General's (OIG) oversight of the Drug Enforcement Administration's (DEA) Confidential Source Program. Confidential sources are an important part of DEA's law enforcement operations. Through our work, we found that the DEA relies heavily on confidential sources to conduct its investigations of criminal activity and drug interdiction operations. Between October 2010 and September 2015, the DEA had over 18,000 active confidential sources assigned to its domestic offices, with over 9,000 of those sources receiving approximately \$237 million in payments for information or services provided to the DEA.

The DEA, as with any law enforcement agency, must take special care to evaluate and closely supervise the use of its confidential sources and manage its Confidential Source Program in order to balance the inherent public safety, privacy, and civil rights risks associated with the program. We found that the DEA continues to face challenges managing its Confidential Source Program and striking this important balance. Proper oversight of this program is particularly imperative considering that confidential sources are often motivated by factors other than combatting crime, including financial gain and avoidance of punishment. Since July 2015, the OIG has issued two audit reports related to the DEA's policies, oversight, management, use, and payments to confidential sources.

OIG 2015 Audit Report on the DEA's Policies on Confidential Sources and Management of Higher-Risk Confidential Sources

In July 2015, the OIG issued a report that determined the DEA's confidential source policies were not in full compliance with the Attorney General's Guidelines Regarding the Use of Confidential Informants (AG Guidelines). The AG Guidelines provide guidance to all Justice Law Enforcement Agencies, including the DEA, regarding the establishment, approval, utilization, and evaluation of confidential sources. Compliance with the AG Guidelines helps ensure consistent and appropriate source management among all Department law enforcement agencies and helps to mitigate the risks involved with using confidential sources in federal investigations. In our report, we found that instead of implementing the AG Guidelines as a separate policy, the DEA chose to incorporate provisions of the AG Guidelines into its preexisting policy – the DEA Special Agents Manual, which the DEA asserted successfully captured the essence of the AG Guidelines. Our audit determined that this was simply not the case in numerous areas. For example, we found that the DEA's Confidential Source Program allowed the use of individuals as confidential sources that present high risks, such as media-affiliated sources, doctors, or drug trafficking organization leadership, without the higher level review and approval required by the AG Guidelines for these types of sources.

We similarly concluded that the DEA's policies and practices were not in line with the AG Guidelines' requirements for reviewing, approving, and revoking confidential sources' authorization to conduct Otherwise Illegal Activity (OIA).

Moreover, we found that although the DEA's policy includes a provision that generally follows the AG Guidelines requirement for evaluating the use of long-term confidential sources, the DEA was not adhering to its policy and conducted inadequate and untimely reviews of these sources.

We also found that the DEA was providing certain confidential sources with benefits under the Federal Employees' Compensation Act (FECA), which generally provides federal workers compensation for injuries or death sustained in the line of duty. We estimated that, in the one-year period between July 1, 2013, and June 30, 2014, the DEA paid 17 confidential sources, or their dependents, FECA benefits totaling more than \$1 million. We found that the DEA was making these payments without a clear determination as to their legal basis, and had not established any procedures or controls regarding the awarding of these potentially substantial benefits. We also found that the DEA had not adequately considered the implications of awarding benefits to the disclosure obligations of federal prosecutors, and had not consulted with the Department about this issue.

We provided the DEA with seven recommendations to rectify these issues. As a result of our report, the DEA issued new policies governing its Confidential Source Program, and we found that this new guidance was sufficient to close five of our seven recommendations. The OIG's remaining recommendations, for which the DEA has taken some corrective action but for which there are outstanding issues, pertain to updating the DEA confidential source policies to ensure that long-term confidential sources are reviewed in a timely manner; and consulting with the Department about paying FECA benefits to confidential sources. We will continue to monitor the DEA's efforts to address these remaining two recommendations. The July 2015 report can be found on the OIG's website at the following link: <https://oig.justice.gov/reports/2015/a1528.pdf>.

OIG 2016 Audit Report on the DEA's Management of its Confidential Source Program

Two months ago, in September 2016, we issued a second report, this one focusing on the DEA's overall management and oversight of its Confidential Source Program. Our report found that the DEA's management and oversight of this program requires significant improvement.

Overall Program Management

We were particularly concerned to discover the DEA's use of "sub-sources" in its law enforcement investigations and intelligence programs. Sub-sources are individuals that confidential sources recruit and pay to perform activities or provide information related to the source's work for the DEA. We found that this practice was condoned by the DEA, yet the DEA has no controls, policies, or procedures for interactions with these sub-sources. Condoning the use of sub-sources to assist in investigations without the DEA's full knowledge, awareness, and approval raises serious questions. This lack of oversight increases the chance that individuals may be conducting unauthorized illegal activity on the DEA's behalf, potentially places

these and other individuals in harm's way, exposes the DEA and Department to significant liability, and could impact prosecutions.

We also found that the headquarters-based Confidential Source Unit relies heavily on the judgment of field office personnel for many aspects of its Confidential Source Program, which limits headquarters' ability to ensure that decisions related to confidential source establishment, use, and payments are appropriate and consistent. In addition, the DEA does not perform comprehensive reviews of the field offices' activities related to confidential sources, and the oversight that DEA does perform has been inconsistent and inadequate. As a result, we noted variations in how confidential sources are categorized. We further found that the DEA did not adequately review or ensure that the information in its electronic data system concerning confidential sources was complete, consistent, and accurate.

In addition, the DEA did not adequately oversee payments to its sources, which exposes the DEA to an unacceptably increased potential for fraud, waste, and abuse, particularly given the frequency with which DEA offices utilize and pay confidential sources. For example, DEA policy prohibits paying sources who were deactivated because of an arrest warrant or for committing a serious offense. Yet we found two concerning instances of payments to previously-deactivated sources. Based on our review of DEA's confidential source data, we estimated the DEA may have paid about \$9.4 million to more than 800 previously-deactivated sources between fiscal years (FY) 2011 and 2015. Although we identified concerns related to the reliability of the data within the DEA's confidential source database, it appears that paying deactivated sources is common enough to justify much closer managerial oversight and review of such payments.

Utilization of Limited Use Confidential Sources

We also reported our significant concerns about the DEA's direction and guidance for what it calls "Limited Use" confidential sources. DEA policy specifies that Limited Use sources are those who make information available to the DEA independently, and without direction by the DEA. DEA regards the Limited Use confidential sources as low-risk, and therefore DEA policy requires less supervision of matters involving these sources as compared to other kinds of sources. However, we found that some DEA drug interdiction units – whose primary activity is to intercept drug trafficking at transportation and other facilities - relied heavily on Limited Use confidential sources. DEA Special Agents from these units gave instructions and guidance to Limited Use confidential sources about what information to provide and what actions to take to assist the DEA with interdiction activities, thus testing the boundaries of what it means for a source to provide information "without direction."

Further, we found that Limited Use confidential sources were some of DEA's highest paid sources, 477 of whom received an estimated \$26.8 million between FY 2011 and FY 2015. Specifically, some of the Limited Use sources used by the drug interdiction units received significant payments for their assistance, including

an airline employee who received more than \$600,000 in less than 4 years, and a parcel company employee who received over \$1 million in 5 years.

Among the Limited Use confidential sources used by the DEA were Amtrak and Transportation Security Administration (TSA) employees. In November 2015, the OIG completed investigations into DEA's use of two Amtrak employees and one TSA employee as confidential sources. In one investigation, the OIG determined that the DEA paid two Amtrak employees more than \$860,000 for information that was available at no cost to the government and in violation of federal regulations relating to the use of government property, thereby wasting substantial government funds. In another investigation, the OIG found that the DEA had registered a security screener for the TSA as a confidential source in violation of DEA policy, which precludes signing up as a confidential source "employees of U.S. law enforcement agencies who are working solely in their official capacity with the DEA." In addition, the TSA screener was required, without being compensated as a confidential source, to provide certain relevant information to the DEA. In both of these investigations, the OIG determined that the DEA violated or exceeded the terms of its confidential source policies.

In the September 2016 audit report, we found that between FY 2011 and FY 2015 the DEA used at least 33 Amtrak employees and 8 TSA employees as sources, paying the Amtrak employees a total of over \$1.5 million and the TSA employees over \$94,000. In March 2016, the DEA promulgated an interim policy with a specific prohibition on using government or quasi-government employees, such as Amtrak employees, as confidential sources to obtain information within the scope of their official duties.

The DEA also did not appropriately track all Limited Use confidential source activity. The DEA's current process does not adequately safeguard traveler information, possibly compromising personally identifiable information, affecting government record maintenance requirements, complicating the DEA's efforts to manage and access important case-related information, and potentially increasing the risk that information may not be available to prosecutors when needed in legal proceedings. Moreover, we found that the DEA's files do not document all source activity, which impacts the DEA's ability to examine a source's reliability and to determine whether the source frequently or rarely provides useful information, or whether the information DEA agents acted upon resulted in identifying individuals involved in illegal activity or instead caused DEA to regularly approach innocent civilians for questioning.

Overall, we believe the DEA's reliance on Limited Use confidential sources to accomplish interdiction operations, the DEA's direction and guidance to these sources, and the DEA's long-term and lucrative relationships with these sources raise questions as to whether these sources are truly providing information independently and without direction. Those questions also could have implications for any Fourth Amendment issues that may arise as a result of related searches and seizures.

DEA Intelligence Division's Use of Confidential Sources

We also found that the DEA has conducted limited management, oversight, and tracking of source payments by the DEA's Intelligence Division, which oversees several programs under which sources provide information or conduct narcotics-related intelligence-gathering activities. For example, DEA's Intelligence Division does not independently validate the credibility of sources used for intelligence programs or the accuracy of the information they provide. The Intelligence Division generally relies on DEA field offices' risk assessments and determinations that confidential sources are reliable. In comparison, the Intelligence Community, of which the DEA's Intelligence Division is a member, has standards for the appropriate handling of sources, including independent validation of sources. Relying on field offices to make these judgments without sufficient oversight from the Intelligence Division could negatively affect the Intelligence Division's ability to understand and appropriately use the information it receives.

In addition, the DEA was unable to provide us with an itemized list and overall total of payments to intelligence-related confidential sources. However, we determined that the DEA's Intelligence Division paid more than \$30 million to sources who provided narcotics-related intelligence and contributed to law enforcement operations, \$25 million of which went to just 9 sources.

Cumulatively, the deficiencies we identified in our reviews and investigations raise significant concerns about the adequacy of the current policies, procedures, and oversight associated with the DEA's management of its Confidential Source Program. Our September 2016 report made seven recommendations to help the DEA address deficiencies and evaluate aspects of its Confidential Source Program to ensure that it is managed effectively and consistently and that the DEA's handling of and payments to sources are appropriate, accountable, and reflective of the importance of, and risked posed by, its use of confidential sources. This report can be found on the OIG's website at the following link: <https://oig.justice.gov/reports/2016/a1633.pdf>. In responding to our audit, DEA management and program officials expressed a commitment to improve the DEA's Confidential Source Program, to implement appropriate controls over confidential sources, and to ensure that confidential sources remain a productive and essential element used by the DEA to accomplish its mission.

This concludes my prepared statement, and I will be pleased to answer any questions that the Committee may have.

Meet the Inspector General



Michael E. Horowitz was confirmed as Inspector General for the Department of Justice (DOJ) by the U.S. Senate on March 29, 2012. He was sworn in as the fourth confirmed Inspector General on April 16, 2012.

As Inspector General, Mr. Horowitz oversees a nationwide workforce of more than 400 special agents, auditors, inspectors, attorneys, and support staff whose mission is to detect and deter waste, fraud, abuse, and misconduct in DOJ programs and personnel, and to promote economy and efficiency in Department operations.

Mr. Horowitz most recently worked as a partner at Cadwalader, Wickersham, & Taft LLP, where he focused his practice on white collar defense, internal investigations, and regulatory compliance. He also was a board member of the Ethics Resource Center and the Society for Corporate Compliance and Ethics. From 2003 to 2009, Mr. Horowitz served as a Presidentially appointed and Senate confirmed Commissioner on the U.S. Sentencing Commission. As

Commissioner, he was instrumental in rewriting the guidelines for corporate compliance programs, and for fraud, antitrust, intellectual property, and money laundering offenses.

Mr. Horowitz previously worked for DOJ in the Criminal Division at Main Justice from 1999 to 2002, first as Deputy Assistant Attorney General and then as Chief of Staff. Prior to joining the Criminal Division, he was an Assistant U.S. Attorney for the Southern District of New York from 1991 to 1999. From 1997 to 1999, Mr. Horowitz was the Chief of the Public Corruption Unit, and from 1995 to 1997, he was a Deputy Chief of the Criminal Division. In 1995, he was awarded the Attorney General's Award for Distinguished Service for his work on a complex police corruption investigation.

Before joining the DOJ, Mr. Horowitz was an associate at Debevoise & Plimpton and clerked for Judge John G. Davies of the U.S. District Court for the Central District of California.

Mr. Horowitz earned his Juris Doctor, *magna cum laude*, from Harvard Law School and his Bachelor of Arts, *summa cum laude*, from Brandeis University.

Updated: October 2016



Department of Justice

STATEMENT OF

**ROBERT W. PATTERSON
CHIEF INSPECTOR
INSPECTION DIVISION
DRUG ENFORCEMENT ADMINISTRATION**

BEFORE THE

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES**

FOR A HEARING ENTITLED

OVERSIGHT OF DEA'S CONFIDENTIAL SOURCE PROGRAM

PRESENTED

NOVEMBER 30, 2016

Statement of Robert W. Patterson
Chief Inspector, Inspection Division
Drug Enforcement Administration
Before the Committee on Oversight and Government Reform
United States House of Representatives
November 30, 2016

Chairman Chaffetz, Ranking Member Cummings, and distinguished Members of the Committee: on behalf of the approximately 9,000 employees of the Drug Enforcement Administration (DEA), thank you for the opportunity to be here today to discuss DEA's confidential source program and the enhancements we have made to our policies resulting from several reviews and reports by the Office of the Inspector General (OIG).

Our mission is to identify, investigate, disrupt, and dismantle the world's most significant drug trafficking organizations responsible for the production and distribution of illegal drugs. To that end, we work closely with our local, state, federal, and international counterparts by following the evidence wherever it leads.

Central to this mission is a world-wide confidential source (CS) network, one which uniquely positions DEA to act quickly, effectively, and proactively to reach beyond our borders to identify, investigate, and indict those that threaten the safety and interests of our country's citizens at home and abroad. This network is vital to our operations. However, DEA recognizes that the nature of using these sources has inherent risk, something that must be regularly balanced against the benefits of utilizing these individuals. We believe that strict oversight and adherence to approved procedures is necessary to ensure both the safety of our employees and to maintain the integrity of operations.

We strive to faithfully execute our mission with excellence and integrity at all levels and are continually looking for ways to further improve our operations. Our culture is a healthy and good one, and the vast majority of DEA employees perform their job to the highest standards of integrity, honesty, and ethical behavior. Under Acting Administrator Rosenberg's leadership, DEA has made tremendous strides in the manner in which we effectively, efficiently, and transparently address issues and concerns about the conduct of our employees or the manner in which we carry out our mission. One of the largest hurdles that had prevented DEA from that goal prior to his arrival in May, 2015 was a lack of staffing in key leadership positions within the DEA. For example, upon DEA Acting Administrator Rosenberg's arrival, DEA had more than two dozen vacant positions at the senior executive service (SES) level, many of which were unfilled for years, creating a vacuum of senior leadership and a culture of "acting" leaders. Among these vacant positions were the Chief Inspector, and the Deputy Chief Inspector in the Office of Professional Responsibility (OPR), the Office of Inspections (IN), and the Office of Security Programs (IS). These positions, along with all other SES positions, have since been filled. OPR, which conducts investigations of all credible allegations of misconduct levied against a DEA employee, Task Force Officer, or contract employee, had significant case backlogs and its staffing levels stood at approximately 50 percent. Under Acting Administrator Rosenberg's leadership, OPR is now staffed at 90 percent, an increase squarely aimed at creating more thorough, efficient, and accurate investigations.

OIG's First Report on DEA's Confidential Source Program

In accordance with the recommendations of the OIG report released in July 2015,¹ and a separate similar review performed by the Government Accountability Office (GAO) regarding DEA's Confidential Source (CS) policy released in September 2015,² DEA management and the Department of Justice's (DOJ) Criminal Division conducted a thorough review of DEA's CS policy. Both reports concluded that the DEA policy was not fully compliant with the Attorney General's Guidelines Regarding the Use of Confidential Informants (AG Guidelines), issued in May 2002. The GAO report recommended that DEA work with the DOJ Criminal Division to ensure that DEA's CS policy fully complied with the AG Guidelines. The OIG report contained a similar recommendation, and provided specific areas to address.

We appreciate the work of the OIG and GAO and have fully implemented all of the recommendations. Specifically, in response to the recommendations, on April 5, 2016, the Assistant Attorney General (AAG) for DOJ's Criminal Division approved a revised CS policy, which addressed all of the issues identified by GAO and OIG. DEA's revised CS policy was subsequently published for DEA personnel and at the same time, a corresponding global message was broadcast to all employees to highlight notable changes to the policy. Additionally, DEA provided in-depth training to all field and headquarters CS program managers to ensure rigorous management and oversight of DEA's CS policy. These educational efforts remain ongoing, and this material was incorporated into DEA Academy curricula for new hires and management classes.

Recommendations of OIG's First Report on DEA's Confidential Sources:

The first OIG report contained seven recommendations, which can be grouped into the following four categories: categories of confidential sources; "otherwise illegal activity;" review of long-term confidential sources; and workers' compensation benefits for confidential sources.

OIG Recommendation on Categories of Confidential Sources:

DEA's confidential sources are classified into one of several categories, depending on the source's background and various specific risk factors. A source's classification dictates the supervisory level needed to approve the source for use, as well as various control requirements. The OIG report determined that DEA's confidential source classifications did not match the AG Guideline classifications with respect to high-level confidential sources (the leadership of certain national or international criminal organizations), and individuals under the obligation of a legal privilege of confidentiality, or affiliated with the media. It also found that DEA did not have a specific confidential source classification for DEA registrants, which, although not required by the AG Guidelines, was a recommendation the OIG made to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) in a previous OIG report with respect to ATF registrants.

¹ Department of Justice, Office of the Inspector General. *Audit of the Drug Enforcement Administration's Confidential Source Policies and Oversight of Higher-Risk Confidential Sources*. (July 21, 2015). Available at: <https://oig.justice.gov/reports/2015/a1528.pdf#page=1>.

² U.S. Government Accountability Office. *Confidential Informants: Updates to Policy and Additional Guidance Would Improve Oversight by DOJ and DHS Agencies*. (GAO-15-807; Sep. 15, 2015). Available at: <http://www.gao.gov/products/GAO-15-807>.

As part of the policy revision, additional classifications have been added to recognize high level informants, individuals under the obligation of a legal privilege or affiliated with the media, and registrant informants as separate informant classifications. This conforms DEA's policy with the AG Guidelines' requirements.

OIG Recommendation on Otherwise Illegal Activity:

Law enforcement utilization of confidential sources may involve the source engaging in activity that would be illegal but for the fact that the behavior is authorized by law enforcement as part of the investigative process. The AG Guidelines define such activity as "Otherwise Illegal Activity" (OIA) and categorize it as Tier 1 OIA, for certain particularly serious activity specifically defined in the AG Guidelines, or Tier 2 OIA, for less serious felonies or misdemeanors. The AG Guidelines also delineate activities that can never be authorized under any circumstances.

The AG Guidelines require that Tier 1 OIA be approved by a U.S. Attorney and by a Special Agent in Charge (SAC). They require that a second line supervisor approve Tier 2 OIA. The AG Guidelines require approval authorities to consider certain specific factors and make a finding that the benefits outweigh the risks. They also specify certain warnings be given to confidential sources in writing after the source is authorized to engage in OIA.

The then-existing DEA policy reviewed by GAO and OIG did not speak in terms of OIA. Rather, DEA policy had required that all illegal activity, except routine undercover drug activity, be approved through the Sensitive Activity Review Committee (SARC) process, which includes U.S. Attorney and SAC approval, as well as approvals from DEA Headquarters and DOJ's Criminal Division. These processes exceed the AG Guidelines approval requirements for such activity.

DEA policy regarding routine undercover drug activity had required a second line supervisor to review and approve an operations plan outlining the activity which would take place. The OIG review expressed concern that DEA policy did not make clear that "routine undercover drug activity" did not include Tier 1 OIA. Thus, the possibility existed that Tier 1 OIA could be approved at too low a level. In addition, the prior policy did not specify the criteria to be considered in approving CS participation in such illegal activity, nor did it require a specific finding by the approval authority other than his or her signature on the operations plan. Accordingly, as part of the policy revision, DEA addressed these concerns by requiring approval authorities to consider the AG Guidelines' specific criteria, as well as make a written finding that the benefits outweigh the risks as part of the operations plan approval. The revised policy also utilizes the AG Guidelines' nomenclature of "Tier 1" and "Tier 2 OIA," and defines routine undercover drug activity as Tier 2 OIA. In the rare instance where contemplated undercover drug activity would meet the definition of Tier 1 OIA, it will require a SARC approval.

The OIG report also raised concerns about the warnings given to confidential sources after approval for OIA. Under the AG Guidelines, these warnings are to be given after a confidential source is authorized to engage in OIA, and OIA can be authorized for 90 days at a time. The specific warnings required by the AG Guidelines are contained verbatim in DEA's

confidential source agreement, which is signed annually by DEA confidential sources, but this typically occurs *before* OIA approval, not after, and it is valid for one year, although DEA confidential sources are not given blanket authority to engage in OIA for a set period of time, but rather are told they may not engage in any illegal activity unless acting under the specific direction and supervision of DEA law enforcement personnel. The revised policy addresses the OIG's concern to ensure that warnings are renewed every 90 days.

OIG Recommendation on Review of Long-Term Confidential Sources:

The AG Guidelines require that confidential sources who have been active for six consecutive years be reviewed by a Confidential Informant Review Committee, which is the functional equivalent of DEA's SARC, and which must include certain specified DOJ representatives. When a source has been active for nine years, the AG Guidelines also require a review by the law enforcement agency's Headquarters. These reviews continue thereafter as long as the informant remains active, with SARC reviews at six-year intervals and Headquarters reviews occurring at the three-year midpoint between SARC reviews.

The OIG report expressed concern regarding the implementation of DEA's six-year reviews in terms of the depth of the review, and it found instances where reviews did not occur. It also found that DEA policy did not mandate the nine-year Headquarters reviews. The revised policy addresses these concerns by specifying the responsibilities of various officials to ensure the reviews take place on time and in sufficient depth, specifying the material that must be considered during the reviews, and otherwise ensuring that a stringent review takes place on the time schedule required. The revised policy also mandates the nine-year Headquarters reviews.

OIG Recommendation on Workers' Compensation Benefits:

Finally, the OIG review raised questions about confidential sources injured while assisting DEA and whether they are eligible for workers' compensation benefits under the Federal Employees Compensation Act (FECA), as DEA had eighteen confidential sources who, over the years, had been approved for FECA benefits by the Department of Labor (DOL). The OIG review recommended that DEA and DOJ determine whether confidential sources are eligible for FECA benefits and, if so, that DEA implement stricter policies for evaluating claims for such benefits. In consulting with DOJ and DOL, DEA has ascertained that confidential sources can be awarded FECA benefits by DOL in appropriate instances. DEA's revised policy addresses the OIG's concerns by specifying criteria that must be met before DEA will recommend DOL approval of a claim submitted by a confidential source and by requiring that such claims be reviewed at a high level within DEA before being submitted to DOL for adjudication. The policy also ensures communication and information sharing between DEA's Human Resources Division who is responsible for processing workers' compensation claims and its confidential source unit, to help ensure DEA is able to meet its obligations to investigate the claim.

OIG's Second Report on DEA's Confidential Source Program

On September 29, 2016 the OIG issued a second report concerning DEA's confidential source program.³ We appreciate the OIG's work and agree with all seven recommendations contained in the report. We are working swiftly to implement those recommendations as quickly as possible.

In particular, DEA is currently examining the issues raised by the OIG pertaining to the manner in which it utilizes "limited use" confidential sources and is developing guidance to address the OIG's concerns in this area. In addition, we are comprehensively evaluating our internal controls to ensure that our policies regarding payments to confidential sources are strictly followed.

Conclusion

Confidential sources provide invaluable contributions and assistance in furtherance of DEA investigations against major domestic and transnational criminal organizations. DEA's reliance on confidential sources whose motivations may be suspect, inevitably carries an inherent amount of risk. One important way for DEA leaders to mitigate this risk is through increased oversight and review, and a robust policy aimed at protecting ourselves and our sources. DEA will continue to review this important program and is committed to cooperating with the OIG to improve upon it.

³ Department of Justice, Office of the Inspector General. *Audit of the Drug Enforcement Administration's Management and Oversight of its Confidential Source Program*. (September 29, 2016). Available at: <https://oig.justice.gov/reports/2016/a1633.pdf#page=1>



Robert W. Patterson
Chief Inspector
Assistant Administrator
Drug Enforcement Administration
U.S. Department of Justice



As DEA's Chief Inspector since November 2015, Robert W. Patterson oversees the Office of Inspections, the Office of Security Programs, and the Office of Professional Responsibility. Collectively, these offices comprise DEA's internal affairs, compliance, and security programs and provide guidance and support to DEA Headquarters and Field Offices.

Prior to his appointment as the Chief Inspector, Mr. Patterson served as the Chief of Staff to the Deputy Administrator, providing strategic guidance and advice to the Deputy Administrator and Administrator, as well as DEA's Headquarters and Field Executive leadership.

Mr. Patterson has also served in a variety of other positions within DEA, including Assistant Special Agent in Charge (ASAC), and later Acting Special Agent in Charge, of the Special Operations Division (SOD), where he oversaw classified programs, and communication exploitation tools, in support of field operations. Prior to his assignment at SOD, Mr. Patterson was a Group Supervisor in the Miami Division, where he led the operations of the Orlando District Office Task Force, and later served as acting ASAC.

Mr. Patterson began his career with DEA in 1988 in the New York Division, where he worked numerous RICO investigations. Mr. Patterson was also part of a special program established to combat the growing opioid epidemic and associated violence in the greater New York area.

Mr. Patterson is a native of New Jersey, and received a Bachelor of Science degree in Criminal Justice from Northeastern University, where he graduated with honors. Over his nearly 30 years with DEA, Mr. Patterson has gained a reputation as an expert on transnational criminal networks, narcotics trafficking and trends, as well as governing policy and agency oversight matters.