



FOR IMMEDIATE RELEASE

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## **DOJ OIG Releases Report on Justice Management Division's Administration of Shared Information Technology Costs through the Working Capital Fund**

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report on the Justice Management Division's (JMD) administration of shared Information Technology (IT) service costs through the DOJ's Working Capital Fund (WCF). The WCF, which is managed by JMD, is intended to increase efficiency by providing centralized services to DOJ components. Our audit assessed JMD's management over the IT service portfolio of the WCF, which was approximately \$450 to \$600 million between FY 2019 and FY 2022.

The DOJ Office of the Inspector General (OIG) identified inefficiencies within the WCF management structure that increased the risk that IT service cost allocations to DOJ components may not be supported, equitable, and transparent. The OIG's findings included the following:

- **JMD Should Evaluate the IT Services Provided to DOJ Components and How It Distributes the Associated Costs.** We found that JMD uses the WCF to bill DOJ components for some IT goods and services that are provided only to JMD and DOJ executive leadership. Additionally, JMD combined multiple IT service costs into one administrative agreement that JMD classified as mandatory for all DOJ components without documenting its justification or reaching consensus on the method to charge associated costs. Further, JMD has not established a process to reassess its methodology to ensure it accounts for changes to IT costs and services.
  - **WCF and OCIO Governing Bodies Should Improve Collaboration on IT Service Costs.** Historically, the Office of the Chief Information Officer's (OCIO) has not consistently coordinated well with its governing body and that of the WCF. We noted that coordination between OCIO's and WCF's governing bodies would enhance long-term financial planning and support for IT services, yet there are no formal requirements to facilitate this coordination and no internal controls to ensure that all stakeholders are involved in decisions that affect enterprise-wide IT services and costs. Therefore, we found that JMD should enhance policies and procedures related to these efforts.
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- **JMD Should Continue Efforts to Engage with DOJ Components over WCF Matters.** We determined that the financial information for budgeted and actual IT service portfolio costs was not always complete, accurate, or timely. These financial management deficiencies not only increase the risk of fraud, waste, and abuse within DOJ components, but also may result in additional effort by OCIO personnel to resolve customer issues and record corrected financial transactions. While JMD has taken steps to improve OCIO financial management, we believe that JMD should improve its efforts to coordinate with DOJ components and provide them with clear, comprehensive, and timely information related to WCF IT services and charges.

The DOJ OIG made 11 recommendations to improve JMD's management of the IT service portfolio within the WCF. JMD agreed with all 11 recommendations.

**Report:** Today's report can be found on the OIG's website at the following

link: <https://oig.justice.gov/reports/audit-justice-management-divisions-administration-shared-information-technology-costs>

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