

Jim: Welcome to the latest podcast from the Department of Justice, Office of the Inspector General. My name is Jim Mitzelfeld, and I am a senior counsel in our office.

I'm here today with DOJ Inspector General Michael Horowitz. And we're discussing the release of our office's new report on the Top Management and Performance Challenges facing the Department of Justice.

Michael, to begin with, can you explain what exactly the Top Challenges report is, and why our office releases this report every year?

Michael: Sure Jim. The top management challenges report is a report that actually by law we are required to put together every year and we do that. And it focuses on what issues that we see, from our perspective as independent oversight authority over the Justice Department, will likely be the biggest issues, or among the biggest issues, the Department will face in the coming year.

Jim: At the top of the list are the security and cost of the federal prison system and cybersecurity. We're going to talk about those more a little bit later but can you briefly describe why those are two challenges that you see for the Department?

Michael: Sure. The issue with the Federal prison system, and its safety and security, really revolves around several issues. But among them is the fact that it accounts for quarter of the Justice Department's budget and even with that level of spending our prison system, our federal prison system, is very overcrowded. And as to cyber security, as we've seen just from the headlines every day in front of us, not only is the federal government being subject to cyberattack but the private sector as well. And the importance of addressing those issues and working with the private sector on them is quite apparent.

Jim: Are there any challenges to the report that are new this year?

Michael: There is. We've added a new challenge and it's entitled, "Building trust and improving police- community relationships."

Jim: And why did the OIG feel it was necessary to add this as a new challenge?

Michael: Well unfortunately as we have seen over the past year involving a series of incidents across the country, questions have arisen about how do you improve the relationship between the police and the communities they are policing. And how do you build trust because those relationships are critical. And it's very important, and it's a role that the Justice Department can play.

Jim: What are some of the things the Department has already done to begin addressing the challenge of improving police-community relations and what areas does the Department need to improve?

Michael: Well what we outlined in the report is how the Department has initiated a grant program to look at some of these issues and to help both the police and communities address them. The training efforts they have undertaken announced and initiated on the police side to help with the issues that have arisen. And then, in addition, as we talk about in the report, civil rights enforcement. That's a very important role that the Department traditionally has played and is continuing to play in this area. And we also outlined some of the efforts that the Attorney General has made in addressing these issues over the last several months since she was sworn into office.

Jim: Let's move on to a different challenge. I notice that the challenge is listed at the top of this year's report was also listed as the first challenge in the 2014 and 2013 top challenges report. And it deals with concerns with the Federal prison system. Can you tell us a little bit about why this issue remains at the top of the list?

Michael: Well what's occurred, not only over the last three years, but for years before that is a continual growth in both the federal prison population -- which has broken just these past two years -- but a continual growth over the last several years before that. A growth in the federal prison system in terms of the numbers of prisoners without corresponding growth in the number of prisons being built resulting in increased overcrowding. The system was already overcrowded; we saw increases in the overcrowding. And on the budget side, what we have seen is a continually expanding cost to manage and maintain those prisons for the Justice Department. That's a Justice Department expense and it continues to eat up an ever-increasing percentage of the Justice Department's budget. The impact of that being that there's less money to fund other important initiatives of the Department, like civil rights issues, like criminal enforcement, like anti-terrorist efforts, like cybersecurity. All of those areas slowly get crowded out as the prison costs continue to increase. And as we talk about in our report, even though the number of prisoners in the federal prison system has, for the first time in many years, decreased in the last two years -- the cost of maintaining that prison system has continued to increase. So we are seeing a break in the in the growth of prisoners but not a break in the cost curve. And that's an area of continued concern. And as we also outlined in our report we are also seeing continued growth and overcrowding in certain categories of prisons. So that's why this challenge remains a significant one for the Department.

Jim: Has the Department, in your mind, made any progress in this issue over the last year?

Michael: Well they have taken steps, as I said, that may have contributed to the decrease in the number of prisoners in place. They've also announced a variety of steps and actions that they intend to take, and indicate they are taking. Several of them were announced as part of the Attorney General's Smart on Crime initiative. We are looking and thinking about whether those announced changes have in fact affected the Federal prison population because at the same time the Department was taking those steps, the sentencing commission was adjusting the penalties for some of these same offenses, thereby automatically reducing prison sentences. But we have seen some steps the Department has taken in an effort to address this population concern. Whether and what that impact has truly been, remains to be seen.

Jim: Let's move to another challenge we listed for the Department: cyber security. The Director of National Intelligence testified two months ago, in September, that cyber threats pose one of the gravest national security risks to the United States. Earlier in the year, we learned that breaches of Office of Personnel Management data compromised the personal information of more than 22 million people, including sensitive background information on nearly 5 million federal employees and contractors with security clearances. Protecting our nation's IT infrastructure seems like a daunting challenge that has only grown worse over the past few years. How do you see the Department's role in trying to improve this situation?

Michael: Well the Department, again as we described the report, has undertaken several efforts, primarily through the FBI, but as well as other components of the Department, to try to address a variety of challenges here. The threat from foreign governments, the internal threat within the organizations, cyberattacks on the espionage side, on the terrorism side. There are a lot of different issues here -- challenges that the Department needs to address. And what we outlined in the report, and what we have done in the past in looking at these areas, is find both progress being made by the Department, yet challenges remaining for them.

Jim: One of the specific issues that our report highlights in this area is that the Department continues to struggle with recruiting and retaining highly-qualified candidates to do cybersecurity work. Can you explain what our audit found with respect to this particular cybersecurity challenge?

Michael: We found a couple of issues that were facing the Department as they looked to get highly qualified IT candidates, particularly at the FBI. First of all the FBI's background investigations, appropriately so, are often more onerous than what private sector companies use. That is not a criticism. It is just a fact of how the FBI has to operate. And of course with those stringent background investigations the result is that some people who might be very strong candidates, in terms of skill sets, can't make it through the clearance process. And that's a challenge, and it's a challenge that the FBI Director himself has noted. The other area is the private

sector simply pays higher salaries than the government does for some of these positions and that is a very significant challenge. There are many people who come and take these jobs because they understand all of the important work they're doing to protect their country and help their country. But the simple fact is that for a lot of people coming out of college with loans and debts and families to support - that's the reality of life that they have to face -- even though they might want to work for the Justice Department and the great opportunities it presents.

Jim: I think, as our report notes, the result is the FBI simply hasn't been able to fill all of the positions that it currently has open in this area.

Michael: Right. And that's a major challenge for the FBI and frankly for all of us in the Federal government. I hear about it from my fellow inspectors general across the community. And we struggle with it internally as well at times.

Jim: Another challenge we highlight in today's report concerns National Security, and the sometimes difficult task of safeguarding it while simultaneously protecting individual civil rights and liberties. How would you describe the balancing act that the Department has to perform in this area?

Michael: Well this is a very significant challenge for the Department and it has been a very serious significant challenge for the Department, certainly since the attacks of September 11<sup>th</sup>, 2001. As the Department, on the one hand, looks to protect the homeland from both domestic and foreign terrorist attacks, and gather information and learn what these terrorists might seek to do. On the other hand, it has to consider how at the same time it doesn't trample on and otherwise violate, whether in actuality or in spirit, the expectation that we all have that citizens who are not engaged in doing anything wrong, can go about their business without the government snooping on them.

Jim: And how would you describe the overall progress that's been made in this area?

Michael: As our reports have shown, and as we've summarized in the top management challenges report, we've seen, over the last certainly 14 years of our reviews of the FBI's use of its various counterterrorism authorities, continued improvement by the FBI in how they're handling the information, the compliance measures they are putting in place to ensure that they are following the law and to ensure that that they are handling the information safely and to make sure they are taking all the steps that the law requires and their own policies require, and that the Department's policies require. But we've also identified, as we've done these reviews, additional steps they could take to improve even further on what they're doing, and again to better comply with both federal law and their own rules and regulations.

Jim: That's it for Part One of our two-part podcast series on the OIG's Top Management and Performance Challenges report for 2015. In Part Two, we will continue our discussion of the specific challenges, and also ask the Inspector General what he hopes the Justice Department will do in response to this report.

To listen to Part Two of the podcast, and to read the OIG's report in full, visit our website, at [oig.justice.gov](http://oig.justice.gov).

Thank you for joining us today.