



# OFFICE OF THE INSPECTOR GENERAL

## U.S. Department of Justice

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### **DOJ OIG Releases Report on the Bureau of Alcohol, Tobacco, Firearms and Explosives' Controls over Agent Cashier Funds**

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report examining the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) controls over agent cashier funds. These cash-based accounts enable ATF agents to pay for routine investigative expenses when it is necessary to conceal the role of the government in a transaction. Agent cashier funds are considered inherently high-risk because cash can be stolen, misused, or inappropriately tracked.

The DOJ Office of the Inspector General's (OIG) audit found that the ATF's controls over agent cashier funds were reasonably well designed to account for the funds and mitigate most risks, but several opportunities for improvement remained. Specifically:

- **Policies and Procedures.** ATF guidance did not prohibit related parties (such as spouses) from signing as witnesses on an agent or task force officer's agent cashier transactions. The OIG found that this practice had occurred on at least one occasion and recommended that it should be prohibited. ATF guidance also did not address how agents should track and recover cashier funds that are used for refundable deposits, such as those made for temporary lodging.
- **Compliance with Established Policies.** The OIG identified concerns with approximately 5 percent of the transactions tested. The OIG determined that the errors were predominantly minor in nature and, while such errors should not occur, they did not call into question the legitimacy of the transactions. The OIG also identified a risk related to separation of duties in the Special Operations Division's process for approving certain agent cashier fund expenditures.
- **ATF Headquarters Oversight.** ATF Headquarters oversees several routine inspection processes designed to monitor agent cashier funds' usage by the divisions. However, there was no process in place to identify and communicate trends or common inspection findings among divisions. In response to this audit's results and the results of

a prior OIG audit, the ATF implemented a new procedure to more reliably identify potentially systemic issues.

Today's report contains five recommendations to the ATF to assist the ATF in improving its controls over agent cashier funds. The ATF agreed with all of our recommendations and has completed corrective action on 4 of the recommendations.

**Report:** Today's report can be found on the OIG's website under "Recent Reports" at the following link: <https://oig.justice.gov/reports/2019/a1926.pdf>.

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