



OFFICE OF THE INSPECTOR GENERAL

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DOJ OIG Releases Report on the DEA's Confidential Source Program

The Department of Justice (DOJ) Office of the Inspector General (OIG) announced today the release of a report examining the Drug Enforcement Administration's (DEA) oversight and management of its confidential source program. Today's report is the DOJ OIG's second report describing the findings of its audit of DEA's Confidential Source Program. In the first report, which we released in July 2015, the OIG found that the DEA's confidential source policies were not in full compliance with the Attorney General's Guidelines Regarding the Use of Confidential Informants.

In today's report, we conclude that the DEA's management and oversight of its Confidential Source Program require significant improvement. The specific findings described in today's report include:

- Between October 1, 2010, and September 30, 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 they provided to the DEA.
- 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 use 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 concerning instances of payments to previously-deactivated sources. In one such case, the DEA reactivated a confidential source who previously had been deactivated after providing false testimony in trials and depositions. During the approximately 5-year period of reactivation, this source was used by 13 DEA field offices and paid \$469,158. More than \$61,000 of the \$469,158 was paid after this source was deactivated a second time for again making false statements to a prosecutor. This was not the only confidential source who received payments after having been deactivated. 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 2011 and 2015.

- The DEA categorizes sources who make information available independently and without direction by the DEA as “Limited Use” sources, often referred to as “tipsters.” The Limited Use category is regarded by the DEA as low-risk and the supervision of these sources required under DEA policy is less than for other categories of sources. Yet we found that Limited Use sources were some of DEA’s highest paid sources, with 477 such sources having received an estimated \$26.8 million during the period of our review. We also found that Special Agents gave instructions and guidance to Limited Use confidential sources about what information to provide and what actions to take that tested the boundaries of what it means to provide information “without direction.” For example, some Agents requested that these sources provide them with suspicious travel itineraries that met criteria defined by the Agents, and in some cases requested entire passenger manifests almost daily. Similarly, some parcel employees were told to provide information related to suspicious parcels and, at times, followed DEA instructions to directly transfer customer packages to the DEA. Some of these sources also received significant payments for their assistance, such as an airline employee who received more than \$600,000 in less than 4 years and a parcel employee who received over \$1 million in 5 years.
- Among the Limited Use sources the DEA established were Amtrak and Transportation Security Administration (TSA) employees. In November 2015, the OIG completed two separate investigations into DEA’s use of two Amtrak employees and one TSA employee as sources. These investigations determined the DEA’s use of these individuals as sources was improper. During this audit, we found that, between FYs 2011 and 2015, the DEA actually 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.
- The DEA condoned its confidential sources’ use of “sub-sources,” who are individuals a source recruits and pays to perform activities or provide information related to the source’s work for the DEA. During our review of DEA files, we found evidence of sources who were paid based, in part, on the need to pay “sub-sources,” but the information in the files was insufficient to allow us to determine the full extent of such payments. We found that the DEA has no controls, policies, or procedures for interactions with these “sub sources.”
- The DEA has 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. The DEA was unable to provide the OIG 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. Furthermore, we found that the DEA’s

Intelligence Division did not independently validate the credibility of these sources, or the accuracy of the information they provide.

- The DEA did not appropriately track all confidential source activity; did not document proper justifications for all source payments; and, at times, did not adequately safeguard traveler information. We also found that some Special Agents received tips by email or text on non-government private accounts established by the agents, thereby possibly compromising personally identifiable information, affecting government record maintenance requirements, and complicating the DEA's efforts to manage and access important case-related information.

The report released today makes seven recommendations to help the DEA address deficiencies in its Confidential Source Program. The DEA agreed with all seven recommendations, and DEA officials expressed a commitment to improve the program.

Report: Today's report is available on the OIG's website at the following link: <https://oig.justice.gov/reports/2016/a1633.pdf>.

Multimedia: To accompany today's report, the OIG has released a 8-minute podcast featuring the Inspector General discussing the report's findings. The podcast and a downloadable transcript are available at the following link: <https://oig.justice.gov/multimedia/>.

Related OIG Reports: The OIG's July 2015 report on the DEA Confidential Source program is available [here](#), and summaries of its November 2015 investigations into the use of Amtrak and TSA employees as confidential sources are available [here](#) and [here](#).