

U.S. Department of Justice
Office of the Inspector General

# Top Management and Performance Challenges Facing the Department of Justice–2026



# Introduction

The Department of Justice (Department or DOJ) carries responsibilities that are fundamental to the functioning of the federal government and the safety and security of the American people. Its responsibilities include enforcing federal law, protecting the United States from national security threats, combating violent crime and illegal drug trafficking, protecting taxpayer funds from fraud, operating the federal prison system, defending the interests of the United States, and protecting constitutional and statutory rights.

The breadth and importance of these responsibilities make effective management of the Department particularly consequential. The Department must respond to evolving threats while allocating finite personnel and resources among competing priorities. It must equip its employees with the authorities, information, technology, and training necessary to perform their missions effectively while maintaining appropriate safeguards over the exercise of those authorities. And, because the Department exercises extraordinary law enforcement and prosecutorial powers, it must ensure that those powers are exercised lawfully, fairly, consistently, and with appropriate accountability.

The Reports Consolidation Act of 2000, codified at 31 U.S.C. § 3516(d), requires the Office of the Inspector General (OIG) each year to provide a statement summarizing what the Inspector General considers to be the most serious management and performance challenges facing the Department and briefly assessing the Department's progress in addressing those challenges.[1]

The challenges identified in this statement are informed by the OIG's independent oversight work, Department information, and other relevant information concerning significant risks affecting Department programs and operations. In identifying these challenges, the OIG considers not only the significance of the underlying issue, but also its potential effect on the Department's ability to accomplish its missions, administer its programs and resources effectively, and maintain appropriate controls and accountability. The challenges are not presented in priority order.

In August 2026, the OIG issued its Principles of Effective Oversight of the Department of Justice, describing the standards that guide the OIG's independent oversight. The Principles address the OIG's independence, objectivity, use of evidence, protection of individual interests, timeliness, transparency, and focus on significant and systemic risks. They also recognize that Department leadership is responsible for establishing policy, determining enforcement priorities, allocating Department resources, and managing Department programs and operations. The OIG does not substitute its judgment for Department officials on matters lawfully committed to their discretion.[2]

[1] U.S. Code, 31 U.S.C. § 3516(d).

[2] U.S. Dep't of Justice, Office of the Inspector General, Principles of Effective Oversight of the Department of Justice (Aug. 2026). DOJ OIG — Principles of Effective Oversight.

The Principles guide the OIG's oversight work. They do not establish priorities for the Department, prescribe the policies the Department should adopt, or dictate how Department officials should exercise lawful discretion.

For 2026, the OIG identifies the following **six top management and performance challenges** facing the Department:

- **Managing the Federal Correctional System**
- **Safeguarding National Security**
- **Combating Fentanyl Trafficking While Protecting Public Safety**
- **Protecting the Federal Government and American Taxpayer from Fraud**
- **Managing Human Capital in a Reduced-Workforce Environment**
- **Ensuring the Integrity and Fairness of Department Investigations and Prosecutions**

These challenges are distinct, but they are also interconnected. A reduced workforce affects the Department's ability to investigate national security threats, prosecute fraud, combat fentanyl trafficking, and safely operate federal prisons. Emerging technologies create opportunities to improve Department operations but also introduce new national security, investigative, privacy, fraud, and workforce risks. The Department also must effectively share information and coordinate across its own components and with other federal, state, local, and international government partners to address cross-cutting threats and operational demands. And across every mission area, the Department's effectiveness ultimately depends on its ability to carry out its responsibilities lawfully, efficiently, and effectively.

In assessing the Department's progress, the OIG recognizes meaningful corrective actions and measurable improvements where supported by the evidence. At the same time, implementation of a new policy, expenditure of resources, establishment of a working group, or completion of an individual corrective action does not necessarily establish that the underlying management challenge has been resolved. Where possible, the OIG considers whether Department actions have produced measurable and durable improvements in programs and operations.

Challenge 1

# Managing the Federal Correctional System

Managing the federal correctional system remains one of the Department's most persistent and consequential challenges. The Federal Bureau of Prisons (BOP) is responsible for maintaining secure institutions, protecting inmates and employees, providing appropriate medical and mental health care, preparing incarcerated individuals for successful reentry, maintaining aging infrastructure, and responsibly administering substantial taxpayer resources.

The OIG's extensive oversight of the BOP has repeatedly identified systemic problems involving staffing, deteriorating infrastructure, contraband, employee misconduct, healthcare, inmate deaths, security systems, restrictive housing, programming, and institutional management.

The OIG's review of 344 inmate deaths occurring from fiscal year (FY) 2014 through FY 2021 found that contraband drugs or weapons contributed, or appeared to contribute, to nearly one-third of those deaths, including 70 drug-overdose deaths. The OIG also identified staffing shortages, outdated security cameras, failures to follow policy, and an ineffective and untimely disciplinary process as contributing factors in numerous deaths.[3]

## Staffing and Institutional Operations

Staffing affects virtually every aspect of BOP operations. Insufficient or improperly allocated staffing can affect institutional security, healthcare, programming, employee safety, inmate supervision, maintenance, investigations, and emergency response.

The OIG previously designated as a priority recommendation that the BOP develop and implement a reliable method for calculating appropriate staffing levels at the enterprise and institutional levels. The BOP subsequently addressed that recommendation by developing and implementing its Automated Staffing Tool, which calculates staffing requirements across employee disciplines and institutions and has been operational since October 2024. Although implementation of the tool represents meaningful progress, significant staffing shortages continue to affect BOP operations.[4]

The management challenge extends beyond the aggregate number of vacant positions. Different institutions face different security, healthcare, infrastructure, and programmatic needs. A shortage of nurses, psychologists, correctional officers, maintenance employees, or specialized investigators may produce substantially different operational consequences. The BOP therefore needs to identify where staffing deficiencies create the greatest risks.

[3] U.S. Dep't of Justice, Office of the Inspector General, Evaluation of Issues Surrounding Inmate Deaths in Federal Bureau of Prisons Institutions, Report 24-041 (Feb. 2024) (reviewing 344 inmate deaths from FY 2014 through FY 2021 and identifying issues involving drug overdoses and contraband, staffing, security cameras, policy compliance, and employee discipline). DOJ OIG Report 24-041

[4] U.S. Dep't of Justice, Office of the Inspector General, Top Management and Performance Challenges Facing the Department of Justice-2025 (reporting that the BOP addressed the OIG priority recommendation concerning a reliable staffing-level calculation by developing and implementing the Automated Staffing Tool, operational beginning October 1, 2024). DOJ OIG 2025 TPMC

Congress has recently provided the BOP with substantial additional resources. In 2025, the BOP received $5 billion in supplemental funding available through September 2029, including $3 billion for hiring, training, salaries, and benefits and $2 billion for maintenance and repairs. However, as of August 2026, the BOP has experienced difficulty hiring new employees and keeping pace with both rising costs and attrition among its existing employees. The overall number of onboard BOP employees has decreased since this supplemental funding became available.[5] The availability of these resources presents an opportunity to address longstanding problems but also creates a significant management responsibility to ensure that funds are directed toward the highest-risk needs and produce measurable improvements.

## Healthcare and Conditions of Confinement

Recent OIG work illustrates the continuing relationship between staffing and inmate healthcare and has identified specific examples of operational shortcomings that were indicative of broader management challenges.

For example, in two 2026 unannounced inspection reports, the OIG observed that clinician shortages at Federal Detention Center SeaTac and U.S. Penitentiary (USP) Canaan had negative impacts on inmate healthcare, including delays seeing medical providers and backlogs for laboratory tests.

At USP Canaan, an OIG inspection identified local examples of issues involving the use of restraints that created a risk of serious injury—an enterprise risk discussed in two June 2025 OIG audit and investigation products.[6]

The OIG's investigation and review of the conditions of confinement and medical treatment of inmate Frederick Mervin Bardell identified issues involving the treatment of colorectal cancer, compassionate-release procedures, representations to a federal court, and the safe release and transportation of seriously ill inmates.[7] In a related evaluation, the OIG reported in May 2025 serious operational and managerial deficiencies in colorectal cancer screening practices across the BOP. The OIG found substantial variation among facilities: some institutions had screening-offer rates exceeding 90 percent while others had rates below 10 percent. The OIG made 13 recommendations concerning screening, identification of higher-risk inmates, and timely clinical follow-up, all of which the BOP agreed to address.[8]

The management challenge is not limited to correcting specific shortcomings in individual cases. Recurring deficiencies across institutions can indicate weaknesses in policy, staffing, supervision, information systems, training, or accountability.

## Contraband and Security

Contraband—including narcotics, weapons, and unauthorized communications devices—continues to threaten inmates and employees and undermine institutional security. Employee corruption can make this threat particularly serious because employees may use their positions to circumvent controls designed to protect institutions.

Recent OIG investigative work illustrates that risk. In April 2026, a BOP employee was convicted of bribery, introduction of contraband, and drug conspiracy after participating in a scheme

[5] Oversight of the Supplemental Funding Given to the Federal Bureau of Prisons (BOP) through Public Law 119-21. DOJ OIG P.L. 119-21

[6] U.S. Dep't of Justice, Office of the Inspector General, Inspection of the Federal Bureau of Prisons' United States Penitentiary Canaan, Report 26-055 (May 2026). DOJ OIG Report 26-055

[7] U.S. Dep't of Justice, Office of the Inspector General, Investigation and Review of the Federal Bureau of Prisons' Conditions of Confinement and Medical Treatment of Frederick Mervin Bardell and Related Representations to the Court, Report 26-007 (2026). DOJ OIG Report 26-007

[8] U.S. Dep't of Justice, Office of the Inspector General, Evaluation of the Federal Bureau of Prisons' Colorectal Cancer Screening Practices for Inmates and Its Clinical Follow-up on Screenings, Report 25-057 (May 2025) (finding substantial institution-level variation in screening offers, including rates above 90 percent and below 10 percent, and making 13 recommendations). DOJ OIG Report 25-057

involving the introduction and movement of significant quantities of contraband, including approximately 2 pounds of methamphetamine, within a federal prison.[9]

The BOP has taken corrective actions in this area. In January 2025, the OIG closed a longstanding recommendation after the BOP issued revised employee entrance and search procedures providing uniform guidance for random pat searches of staff entering prisons.[10]

Further, the OIG has maintained completion of necessary security camera upgrades as a priority recommendation. The BOP has fully completed all elements of the upgrade at 24 of its approximately 120 institutions. It reports that it plans to complete the upgrade at all institutions by December 2027 but also notes that it currently lacks funding for certain upgrade elements at 37 of the remaining institutions.

Recent institutional inspections nevertheless demonstrate that serious operational issues remain.

## First Step Act Implementation and Measuring Results

The First Step Act illustrates another central BOP management challenge: translating substantial appropriations and program activity into measurable results.

In May 2026, the OIG issued an evaluation examining BOP's use of approximately $1.23 billion appropriated to implement First Step Act programming during FYs 2022 through 2024.[11]

The OIG identified deficiencies involving BOP's use and accounting of those funds and its implementation of programming. For example, the BOP maintained limited oversight over the $120 million it transferred to the Department of Labor to implement a joint grant program, including what type of programming was being offered at BOP institutions and how funds were administered. The OIG also found that the BOP did not limit First Step Act funds to support only First Step Act objectives and that it lacked information necessary to accurately quantify the results of its First Step Act implementation and thus demonstrate whether statutory objectives were being achieved.[12]

Among the financial issues identified, the OIG found that the BOP reimbursed itself approximately $106 million beyond the cost the BOP calculated it had incurred for providing certain First Step Act programming.[13]

This illustrates a broader management challenge: expenditures, hiring, program participation, and other measures of activity are important, but they are not substitutes for measures of results.

[9] U.S. Dep't of Justice, Office of the Inspector General, BOP Correctional Officer Convicted of Bribery, Introduction of Contraband, and Drug Conspiracy (Apr. 2, 2026). DOJ OIG—BOP Contraband Conviction

[10] U.S. Dep't of Justice, Office of the Inspector General, DOJ OIG Closes Priority Recommendation to the Federal Bureau of Prisons to Develop Guidance for Conducting Random Pat Searches of Staff Entering Prisons, Identifies New Priority Recommendation Concerning Prison Staffing (Jan. 13, 2025). DOJ OIG—Closure of BOP Employee Search Recommendation

[11] The BOP provides reentry programs, including substance abuse treatment, education classes, and employment training, to support inmates in their return to the community as law-abiding citizens. The First Step Act of 2018 required the BOP to expand such programs and ensure that they are tailored to address the specific risks that increase the likelihood of recidivism.

[12] U.S. Dep't of Justice, Office of the Inspector General, Evaluation of the Federal Bureau of Prisons' Use of First Step Act Funding and Implementation of First Step Act Programs at Its Institutions, Report 26-057 (May 2026) (examining BOP's use of approximately $1.23 billion in First Step Act funding and identifying deficiencies in the use and accounting of funds and implementation of programming). DOJ OIG Report 26-057

[13] *Id*. (finding that the BOP transferred approximately $106 million in First Step Act funds beyond the costs the BOP calculated for the relevant programming)..

## Progress in Addressing the Challenge

The BOP has taken meaningful steps to address several longstanding deficiencies. It has revised employee entrance and search procedures, continued modernization of institutional video-surveillance systems, undertaken staffing initiatives, responded to recommendations arising from OIG healthcare and institutional reviews, and received substantial additional resources for personnel and infrastructure.

These actions demonstrate progress in addressing specific weaknesses. At the same time, the OIG's recent inspections, evaluations, and investigations continue to identify deficiencies involving healthcare, staffing, security, contraband, programming, infrastructure, and institutional management. The OIG's First Step Act evaluation also demonstrates that substantial expenditures and program activity do not necessarily establish that intended results are being achieved.

Accordingly, the BOP has made progress in several areas, but the federal correctional system continues to present significant and systemic management challenges. A principal measure of future progress will be whether the BOP can translate its additional resources and corrective actions into measurable and sustained improvements across institutions.

**Key Management Risk:**
the BOP receives substantial resources and undertakes numerous corrective initiatives but lacks sufficiently reliable systems in some areas to determine whether improvements are consistently implemented and sustained across institutions.

**Indicators to Watch:**
staffing levels and allocation; healthcare vacancies and wait times; infrastructure improvements; security camera modernization; contraband incidents; employee misconduct case processing; First Step Act program availability and waitlists; implementation of recommendations; and measurable outcomes associated with the $5 billion supplemental appropriation.

Challenge 2

# Safeguarding National Security

The Department plays a central role in protecting the United States from terrorism, espionage, cyberattacks, foreign intelligence threats, unauthorized disclosures of classified information, transnational criminal organizations, and other threats to national security.

DOJ's FY 2026–2030 Strategic Plan identifies protecting the United States from terrorism and espionage as a central objective. The Department also faces national security risks arising from cyber intrusions, supply chain vulnerabilities, emerging technologies, foreign intelligence operations, and increasingly sophisticated transnational networks.[14]

The complexity of this mission continues to increase. Foreign governments, terrorist organizations, transnational criminal organizations, cyber actors, and individual offenders can employ encrypted communications, super intelligence, digital assets, commercially available surveillance technology, and global financial and communications networks complicating efforts to detect, investigate, and disrupt their activities.

## Effective Use of Sensitive Authorities

Many of the investigative and intelligence authorities available to the Department are necessarily powerful. Their continued effectiveness depends in part on reliable systems that ensure they are used consistently with law, policy, court orders, and applicable procedures.

The OIG's October 2025 review of the Federal Bureau of Investigation's (FBI) querying practices under Section 702 of the Foreign Intelligence Surveillance Act provides an important example.

The OIG found that the FBI had implemented all querying reforms required by the Reforming Intelligence and Securing America Act and that the number of noncompliant queries identified through DOJ and FBI oversight had declined substantially, reversing an earlier upward trend. At the same time, the OIG concluded that rigorous internal controls and continuing internal and external oversight remained critical and identified opportunities to better align FBI and National Security Division oversight activities.[15]

## Cybersecurity, Technology, and Supply-Chain Risk

Cybersecurity presents both an external national security threat and an internal management challenge. Department systems contain sensitive law enforcement, intelligence, investigative, personnel, and operational information attractive to foreign adversaries and criminal actors.

The OIG previously identified weaknesses in DOJ's cyber supply chain risk-management efforts, including instances in which prescribed mitigation actions for information and communications technology products were not performed or adequately documented.[16]

[14] U.S. Dep't of Justice, U.S. Department of Justice Strategic Plan, FYs 2026–2030 (2026). DOJ FY 2026–2030 Strategic Plan

[15] U.S. Dep't of Justice, Office of the Inspector General, A Review of the Federal Bureau of Investigation's Querying Practices Under Section 702 of the Foreign Intelligence Surveillance Act, Report 26-002 (Oct. 2025) (finding that the FBI implemented all RISAA-required querying reforms, that identified noncompliant queries declined substantially, and that continued internal and external oversight remained important). DOJ OIG Report 26-002

[16] U.S. Dep't of Justice, Office of the Inspector General, Audit of the Department's Cyber Supply Chain Risk Management Efforts, Report 22-087 (July 2022). DOJ OIG Report 22-087

Super intelligence and other emerging technologies add another dimension. Such technologies may enhance intelligence analysis, investigative capabilities, data processing, and administrative efficiency. They also introduce risks involving cybersecurity, data integrity, privacy, records management, and workforce expertise, personnel safety, and operations success.

## Coordination and Information Sharing

National security threats rarely fall within a single component's jurisdiction. Effective responses often require coordination among the FBI, National Security Division, Drug Enforcement Administration, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), U.S. Attorneys' Offices, other DOJ components, the Intelligence Community, the Department of Homeland Security, state and local authorities, and international partners. The management challenge is to coordinate these organizations to ensure timely information sharing, clear roles and responsibilities, effective deconfliction, and demonstrable operational results.

## Progress in Addressing the Challenge

The Department has demonstrated measurable progress in important areas of national security management. Most notably, the FBI implemented the querying reforms examined in the OIG's 2025 Section 702 review, and identified noncompliant queries declined substantially. That improvement demonstrates that strengthened controls, training, compliance mechanisms, and oversight can produce measurable results.

The Department also continues to develop cybersecurity capabilities, strengthen coordination mechanisms, and address emerging technological threats. However, the pace of technological change and the evolving capabilities of foreign governments, cyber actors, terrorist organizations, and other adversaries mean that national security risk cannot be addressed through a fixed set of controls; rather, it must be addressed through dynamic controls that adapt at the pace of technological change.

The Department therefore has made demonstrable progress in specific areas while continuing to face significant risks involving sensitive investigative authorities, cybersecurity, supply chains, emerging technologies, technical expertise, and interagency coordination.

**Key Management Risk:**
rapidly evolving national security threats may outpace the Department's technology, workforce expertise, information-sharing mechanisms, or internal controls.

**Indicators to Watch:**
Section 702 compliance trends; cybersecurity incidents; implementation of cyber supply chain controls; recruitment and retention of technical personnel; coordination among DOJ and Intelligence Community partners; and the Department's governance of super intelligence and other emerging technologies.

Challenge 3

# Combating Fentanyl Trafficking While Protecting Public Safety

Fentanyl and other synthetic opioids continue to present a significant law enforcement and public safety challenge. Illicit fentanyl trafficking involves international precursor-chemical supply chains, sophisticated transnational criminal organizations, money laundering and digital assets, encrypted communications, transportation and distribution networks, and rapidly changing manufacturing methods.

DOJ's FY 2026–2030 Strategic Plan identifies combating fentanyl trafficking as an Agency Priority Goal. The Department states that its strategy will focus particularly on major cartel-affiliated organizations, associated supply chains, illicit finance, and trafficking networks, and will use Homeland Security Task Forces as an interagency platform for coordinated operations.

In August 2026, the OIG initiated a review of the Department's policies, practices, and use of investigative authorities in fentanyl trafficking cases involving specified locations. The review is intended to provide independent oversight and identify opportunities to improve the efficiency and effectiveness of Department operations in combating fentanyl trafficking.

The Department has established quantitative performance measures involving the disruption or dismantlement of priority cartel-affiliated organizations and drug-related transnational criminal organizations through September 2027.[17]

## Measuring Enforcement Impact

Arrests, seizures, indictments, convictions, and drug quantities are important measures of law enforcement activity. They do not, standing alone, establish whether an enforcement strategy has produced sustained disruption of a trafficking organization or market.

The Department's Strategic Plan includes measures of disruption and dismantlement. The management challenge will be ensuring that those measures are consistently defined, supported by reliable information, and capable of demonstrating operational impact.

Recent enforcement activity illustrates the scale of the Department's efforts. DOJ reported that the DEA made its largest single investigative seizure in May 2025 when it seized approximately

3 million fentanyl-laced pills connected to the Sinaloa Cartel and its associates.[18]

[17] U.S. Dep't of Justice, U.S. Department of Justice Strategic Plan, FYs 2026–2030 (2026) (identifying fentanyl-related priorities and performance measures concerning disruption and dismantlement of cartel-affiliated and other drug-related transnational criminal organizations). DOJ FY 2026–2030 Strategic Plan

[18] U.S. Dep't of Justice, Office of Public Affairs, Largest Fentanyl Bust in DEA History: Authorities Seize Over 400 Kilograms of Fentanyl in Record-Shattering Operation (May 6, 2025) (reporting approximately three million fentanyl pills seized and describing the operation as DEA's largest single seizure of fentanyl pills to date). DOJ—May 2025 DEA Fentanyl Seizure

## Investigative Authorities and Resource Allocation

Complex fentanyl investigations may require electronic surveillance, confidential sources, undercover operations, financial investigation, international cooperation, digital evidence, and substantial commitments of personnel and resources.

The Department must determine how to allocate investigative and prosecutorial resources among cartel leadership, precursor suppliers, money launderers, domestic distribution networks, violent organizations, and other participants in the fentanyl market. These decisions involve tradeoffs, as prioritizing one set of targets or techniques may limit the Department's ability to pursue others.

## Coordination Across Components and Agencies

Fentanyl trafficking illustrates the importance of cross-component and interagency coordination. The DEA, FBI, ATF, the Criminal Division, U.S. Attorneys' Offices, Department of Homeland Security components, state and local law enforcement, foreign partners, and other organizations may possess different intelligence, authorities, and capabilities.

The management challenge will be determining whether existing coordination structures, including interagency task forces and deconfliction mechanisms, reduce duplication, improve intelligence sharing, clarify operational responsibility, and produce outcomes that individual agencies could not achieve independently.

## Balancing Enforcement and Public Safety

The ultimate objective of fentanyl enforcement is protecting the public.

That requires performance measures capable of illuminating both enforcement activity and operational outcomes. DOJ should be able to determine whether particular strategies disrupt significant trafficking organizations, restrict supply chains, identify emerging precursor pathways, attack illicit finance, and contribute to broader public-safety objectives.

The OIG does not determine which lawful drug-enforcement policies DOJ should pursue or how prosecutors should resolve individual cases. The OIG may, however, assess whether the Department implements its chosen policies efficiently and effectively; appropriately manages investigative authorities and resources; accurately measures results; coordinates effectively across organizational boundaries; and identifies and corrects systemic weaknesses.

## Progress in Addressing the Challenge

The Department has undertaken substantial enforcement activity against fentanyl trafficking organizations and has increasingly focused its performance framework on the disruption and dismantlement of significant criminal organizations rather than solely on traditional activity measures. The establishment of cartel- and transnational criminal organization-focused performance measures, along with expanded interagency coordination mechanisms such as the Homeland Security Task Force—a whole-of-government initiative to target criminal cartels, foreign gangs, transnational criminal organizations, and human smuggling and trafficking rings—represents progress toward a more outcome-oriented approach.

The Department also has reported significant seizures, arrests, prosecutions, and coordinated enforcement operations. These results demonstrate substantial law enforcement activity and, in individual cases, significant operational successes.

Nevertheless, seizures, arrests, indictments, and convictions do not alone demonstrate sustained disruption of fentanyl supply chains or trafficking organizations. Assessing the Department's overall progress will require reliable measures showing whether its strategies are degrading the capabilities of significant trafficking organizations, disrupting precursor and financial networks, and producing durable public-safety effects.

**Key Management Risk:**
substantial enforcement activity may not translate into durable disruption if DOJ cannot measure organizational impact, adapt quickly to changing trafficking methods, or effectively coordinate finite resources.

**Indicators to Watch:**
cartel and transnational criminal organization disruption and dismantlement measures; fentanyl seizures and purity; precursor-chemical trends; illicit-finance investigations and seizures; use and timeliness of complex investigative techniques; interagency deconfliction; prosecution outcomes; and measures connecting enforcement strategies to public-safety results.



Challenge 4

# Protecting the Federal Government and American Taxpayer from Fraud

Fraud against federal programs deprives taxpayers of resources, undermines confidence in government, and can divert funds from intended beneficiaries. The size and complexity of federal programs, combined with increasingly sophisticated technology and financial networks, create substantial opportunities for criminal and civil fraud.

Fraudsters have inflicted billions of dollars in losses on the federal government. The Government Accountability Office (GAO) estimates that between FYs 2018 and 2022, the government lost approximately $233 billion to $521 billion annually due to fraud.[19] In FY 2025, DOJ reported a record $6.8 billion in False Claims Act settlements and judgments—including more than $5.7 billion from the healthcare sector—and documented 1,297 qui tam filings and 401 government initiated investigations.[20] These figures underscore the federal government's substantial fraud exposure and the need for robust measures to safeguard taxpayer funds.

## Increasing Scale and Sophistication

Fraud schemes increasingly span agency, geographic, technological, and financial boundaries. Criminal actors exploit weaknesses in government payment systems at scale, use stolen identities, move illicit proceeds through complex financial channels or digital assets, and leverage super intelligence to amplify both the volume and sophistication of their schemes.

The Department's Strategic Plan identifies protecting the public treasury and the American taxpayer as a core objective and highlights priority areas including healthcare fraud, federal program and procurement fraud, trade and environmental fraud, tax violations, data analytics, and coordinated enforcement.[21]

## National Fraud Enforcement Division

In April 2026, DOJ established the National Fraud Enforcement Division (FRD), which is dedicated to aggressively investigating and prosecuting fraud against federal programs, taxpayer funds, businesses, and individuals. FRD enhances the Department's fraud fighting capacity by consolidating and realigning key resources, centralizing expertise, reducing duplication, and strengthening coordination with federal agencies and state and local law enforcement partners.[22]

The Division also leverages advanced data analytics and other investigative tools to detect fraud and is responsible for setting national fraud enforcement priorities. In August 2026, FRD identified priority areas including fraud affecting public trust and financial integrity, healthcare, federal revenue, global trade and commerce, and corporate misconduct.

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[19] U.S. Gov't Accountability Off., Fraud Risk Management: 2018–2022 Data Show Federal Government Loses an Estimated $233 Billion to $521 Billion Annually to Fraud, Based on Various Risk Environments at 18 (2024) (estimating federal fraud caused $233–$521 billion in direct annual losses based on FY 2018–2022 data). GAO-24-105833.

[20] U.S. Dep't of Justice, Office of Public Affairs, False Claims Act Settlements and Judgments Exceed $6.8B in Fiscal Year 2025 (Jan. 16, 2026) (reporting more than $6.8 billion in settlements and judgments, more than $5.7 billion involving the healthcare industry, 1,297 qui tam filings, and 401 government-initiated investigations). DOJ—FY 2025 False Claims Act Results

[21] U.S. Dep't of Justice, U.S. Department of Justice Strategic Plan, FYs 2026–2030, Strategic Objective 2.1 (2026) (identifying protection of the federal fisc and taxpayer from fraud, expanded data analytics, increased capacity, and coordinated enforcement as Department priorities). DOJ FY 2026–2030 Strategic Plan

[22] Memorandum from Acting Attorney General Todd Blanche to the Department of Justice, Creation of the National Fraud Enforcement Division (Apr. 7, 2026) (directing a comprehensive and coordinated approach to fraud enforcement and consolidation and realignment of relevant resources to reduce duplication, clarify lines of effort, centralize expertise, and maximize results). DOJ — April 7, 2026 Fraud Division Memorandum

## Data Analytics and Early Detection

Given the volume of federal transactions, traditional case-by-case detection is insufficient, making data analytics essential for identifying patterns, anomalies, common actors, and other indicators of fraud. Effective analytics depend on accurate, accessible data; appropriate information sharing; skilled personnel; timely investigative follow-up; and strong safeguards.

The creation of FRD is a major organizational shift in DOJ's approach to combatting fraud, and a key question moving forward is whether this consolidation improves the DOJ's ability to detect significant fraud earlier, coordinate investigations across organizational boundaries, deploy specialized expertise and data more effectively, reduce duplication, and achieve measurable gains in preventing, detecting, prosecuting, and recovering fraud involving taxpayer funds.

## Whistleblowers and Interagency Partnerships

The $5.3 billion in settlements and judgments from qui tam matters in FY 2025 and the preceding year underscores the continued critical role whistleblowers play in uncovering fraud against the government.[23]

Inspectors General also remain important partners in federal fraud enforcement because of their specialized knowledge of the programs being defrauded and their ability to develop referrals and evidence that support DOJ investigations and prosecutions.

## Timeliness, Prioritization, and Recovery

Fraud cases can be complex and resource intensive. The Department must therefore determine which matters warrant criminal investigation, civil enforcement, administrative remedies, or other action.

Successful fraud enforcement also cannot be measured solely through prosecutions or judgments. Recovery of taxpayer funds and prevention of future losses are important measures of effectiveness. Investigations can expose program weaknesses that, if unaddressed, permit fraud to recur.

[23] U.S. Dep't of Justice, Office of Public Affairs, False Claims Act Settlements and Judgments Exceed $6.8B in Fiscal Year 2025 (Jan. 16, 2026) (reporting settlements and judgments exceeding $5.3 billion in qui tam matters filed in FY 2025 or earlier years). DOJ—FY 2025 False Claims Act Results

## Progress in Addressing the Challenge

DOJ achieved significant measurable results in fraud enforcement during FY 2025. The more than $6.8 billion in False Claims Act settlements and judgments represented a record annual recovery, and DOJ continued to pursue fraud through both government-initiated investigations and whistleblower matters.

DOJ also has taken steps to increase the speed with which certain fraud allegations are evaluated, expand the use of data analytics, and coordinate enforcement across agencies. These efforts demonstrate progress in recovering taxpayer funds and strengthening the government's capacity to identify significant fraud.

At the same time, record qui tam filings and the continuing scale of healthcare, procurement, benefits, and other fraud demonstrate that the underlying challenge remains substantial. Record recoveries can reflect successful enforcement, but they can also illustrate the magnitude of fraud affecting federal programs.

Continued progress therefore will depend not only on the amount recovered or the number of cases brought, but also on whether DOJ and its partner agencies can identify significant fraud earlier, prevent additional losses, recover taxpayer funds efficiently, and use lessons from enforcement to reduce recurring program vulnerabilities.

**Key Management Risk:**
the scale and speed of fraud may exceed the government's ability to detect and respond to it if DOJ and its partners cannot effectively integrate data, specialized personnel, whistleblower information, and interagency resources.

**Indicators to Watch:**
False Claims Act filings and recoveries; government-initiated investigations; healthcare, procurement, benefits, grant, and loan fraud trends; time required to assess referrals; fraud-related forfeitures and restitution; use of data analytics; interagency information sharing; and evidence that enforcement findings result in stronger program controls.



Challenge 5

# Managing Human Capital in a Reduced-Workforce Environment

The Department's workforce is its most important operational resource. Attorneys, agents, correctional officers, intelligence analysts, auditors, information technology specialists, scientists, administrative professionals, and thousands of other employees perform missions that cannot be accomplished through organizational structure or technology alone.

Human capital management has long presented challenges for the Department. In 2025, the OIG identified maintaining mission capability amid staffing reductions, recruiting and retaining qualified personnel, and preserving institutional knowledge as key areas of concern.

These concerns have become more significant as the Department's workforce has contracted.

DOJ's FY 2026 budget materials show that more than 4,000 DOJ employees accepted the Deferred Resignation Program offer.[24] According to Office of Personnel Management data, the Department saw a net loss of 10,345 employees between January 2025 and May 2026.[25]

The management challenge is not the numerical reduction alone. It is ensuring that the Department continues to perform its highest-priority missions effectively with fewer personnel.

## Matching Workforce Resources to Mission

Across an organization as large and decentralized as DOJ, aggregate staffing figures can conceal significant operational risks.

A vacant correctional-officer position, cyber specialist, experienced prosecutor, healthcare professional, intelligence analyst, contracting officer, or financial investigator can have materially different effects on mission performance.

The Department therefore needs sufficiently reliable and granular workforce information to understand which positions and competencies are mission critical, where attrition is concentrated, whether workloads remain sustainable, and where reductions may create unacceptable operational risk.

[24] U.S. Dep't of Justice, Fiscal Year 2026 Budget and Performance Summary (describing a Department-wide workforce reduction of more than 4,000 onboard employees through the Deferred Resignation Program, additional potential reductions through VERA and RIF actions, and consolidation of administrative support functions).

[25] Office of Personnel Management, Workforce Changes.

## Mission-Level Effects of Staffing Reductions

Recent OIG work provides a concrete example of how staffing constraints can affect Department programs.

In July 2026, the OIG reported that the Executive Office for U.S. Attorneys' Missing or Murdered Indigenous Persons Regional Outreach Program had a 40 percent staffing vacancy rate as of February 2026. The OIG found that staffing challenges, budget constraints, the 2025 hiring freeze, and U.S. Attorney leadership turnover affected program continuity and its ability to achieve its goals.

The OIG also found that the program lacked standardized performance metrics, making it more difficult to determine whether the remaining resources were producing intended results.[26]

## Institutional Knowledge and Succession

Workforce reductions and retirements can result in the loss of institutional knowledge that may not be apparent until it is needed.

Specialized expertise may take years to develop. Effective succession planning therefore requires identifying critical skills and functions, transferring knowledge before experienced employees depart, developing employees capable of assuming greater responsibility, and ensuring continuity of essential operations.

## Recruitment, Retention, and Organizational Capacity

Even while reducing overall staffing, the Department may need to recruit aggressively for positions involving scarce or mission-critical expertise.

The Department also has been consolidating certain administrative support functions as part of broader workforce and efficiency initiatives. Such consolidation may produce efficiencies, but it requires careful implementation to ensure that cost reductions do not create operational bottlenecks or eliminate specialized support necessary to mission components.

## Progress in Addressing the Challenge

The Department has undertaken significant organizational and workforce changes intended to align personnel and administrative resources with current priorities. It also has identified workforce performance, merit-based hiring, accountability, training, modernized human-resources systems, and data-driven workforce decisions as strategic management objectives.

However, it remains too early in many areas to determine the full operational effects of recent workforce reductions and organizational changes. Aggregate reductions do not establish whether the Department has successfully preserved the personnel and expertise most critical to its missions.

[26] U.S. Dep't of Justice, Office of the Inspector General, Audit of the United States Attorneys' Offices' Compliance with Savanna's Act of 2020 and Their Efforts in Response to Missing or Murdered Indigenous Persons, Report 26-076 (July 2026) DOJ OIG Report 26-076.

Recent OIG work demonstrates that staffing constraints already affect some Department programs. The 40 percent vacancy rate identified in the Missing or Murdered Indigenous Persons Regional Outreach Program, together with concerns involving BOP staffing and technical workforce needs elsewhere in the Department, illustrates the importance of evaluating workforce changes at the mission and occupational level rather than solely through Department-wide headcount.

Future progress should therefore be assessed by whether the Department can demonstrate that staffing reductions, consolidations, and recruitment strategies have preserved or improved mission performance; that critical vacancies can be filled when necessary; and that workload, institutional knowledge, and specialized expertise remain sufficient to accomplish Department priorities.

**Key Management Risk:**
workforce reductions may produce mission degradation that aggregate staffing numbers do not reveal, particularly where departures are concentrated in specialized or difficult-to-replace positions.

**Indicators to Watch:**
workforce size by component and occupation; vacancy and attrition rates; time-to-hire; retirement eligibility; use of incentives; employee workload; mission-critical skill gaps; succession planning; training; supervisory ratios; contractor reliance; and measurable effects of staffing reductions on timeliness and mission outcomes.



Challenge 6

# Ensuring the Integrity and Fairness of Department Investigations and Prosecutions

The Department possesses extraordinary authority. Federal investigators may conduct sensitive investigations, employ compulsory legal process and sophisticated investigative techniques, make arrests, and recommend criminal charges. Federal prosecutors exercise substantial discretion in determining whether and how to pursue criminal and civil enforcement matters.

The lawful and effective exercise of these authorities is indispensable to public safety and the rule of law. It also creates a corresponding management responsibility to ensure that Department investigations and prosecutions are conducted with integrity, objectivity, consistency, and fairness.

This challenge encompasses, but is broader than, public perception. Integrity and fairness are operational requirements for a law enforcement institution, not merely matters of public image.

## Applying Law and Policy Consistently

Investigative and prosecutorial decisions necessarily involve judgment. Reasonable professionals may reach different conclusions when exercising lawful discretion, and neither management nor oversight should treat disagreement with a permissible discretionary decision as evidence of misconduct.

At the same time, discretion is not unlimited. Department employees must comply with constitutional requirements, federal law, court orders, applicable Department policies, ethical obligations, and established approval requirements.

Effective management therefore requires systems that ensure that significant decisions are based on relevant facts and governing standards and are insulated from improper considerations.

## Predication, Investigative Techniques, and Supervisory Review

Department components must maintain effective controls governing the initiation and conduct of investigations, particularly matters involving sensitive subjects, intrusive investigative techniques, constitutional interests, confidential information, or significant public consequences.

Controls may include factual predication requirements, supervisory approvals, legal review, documentation, periodic reassessment, and enhanced approvals for particularly sensitive investigative steps.

The Department's experience with Section 702 demonstrates that strong controls and oversight can produce measurable compliance improvement. The OIG's 2025 review found that identified noncompliant FBI queries had declined substantially following a series of reforms; illustrating how strengthened policies, training, and oversight can improve adherence to sensitive investigative requirements.[27]

## Evidence, Objectivity, and Completeness

Fair investigations require consideration of relevant evidence whether it supports or undermines an investigative theory.

Department leadership is responsible for establishing the policies and professional standards governing investigations and prosecutions. Those systems should support accurate fact development, appropriate consideration of contrary information, compliance with discovery and disclosure obligations, and documentation of significant decisions where required.

## Timeliness

Unnecessary delay can itself have substantial consequences.

Lengthy unresolved investigations can affect subjects, witnesses, victims, employees, and the Department. Delay may impair evidence, increase costs, prevent timely corrective action, consume scarce investigative resources, and leave serious allegations unresolved.

At the same time, timeliness cannot come at the expense of accuracy, completeness, and fairness.

## Office of Professional Responsibility Capacity and Oversight

The Department's ability to ensure the integrity and fairness of its investigations and prosecutions depends in part on effective internal oversight. Like the OIG, the Office of Professional Responsibility (OPR) occupies a particularly important role in that system.

The breadth and sensitivity of OPR's responsibilities are significant when compared with its relatively small organizational footprint. In FY 2026, OPR had 18 full-time equivalent positions and a budget of approximately $7.4 million.[28]

At the same time, OPR reported receiving 2,081 professional misconduct complaints in FY 2026, compared with 1,666 in FY 2025, 1,346 in FY 2024, and 1,085 in FY 2023—an increase of approximately 54 percent in 2 years.[29]

In FY 2026, OPR opened 33 professional-misconduct inquiries and closed 35, while opening 10 full investigations and completing 9. OPR found professional misconduct in 9 of the 10 investigations it completed during the year.

[27] U.S. Dep't of Justice, Office of the Inspector General, A Review of the Federal Bureau of Investigation's Querying Practices Under Section 702 of the Foreign Intelligence Surveillance Act, Report 26-002 (Oct. 2025). DOJ OIG Report 26-002

[28] Information obtained from OPR. See also U.S. Dep't of Justice, Justice Operations, Management, and Accountability, FY 2025 Performance Budget Congressional Submission (2024) (showing 28 FTE and $7.361 million for OPR in the FY 2025 request). FY 2025 JOMA Budget Justification

[29] Information obtained from OPR. See also U.S. Dep't of Justice, Office of Professional Responsibility, 2025 Annual Report to the Attorney General (2026) (reporting OPR complaint intake and FY 2025 inquiry and investigation statistics, including professional-misconduct findings in 9 of 10 completed investigations). DOJ OPR 2025 Annual Report

OPR also received 50 new FBI whistleblower retaliation complaints and closed 41 matters during FY 2026, ending the year with 15 pending whistleblower matters.[30]

These results demonstrate that OPR has continued to resolve substantial workloads despite its limited size. However, the Department faces risk in its oversight capacity if OPR's staffing levels are insufficient to manage the workload generated by the Department's thousands of employees.

Limited staffing can affect more than the speed with which individual matters are completed. It can constrain OPR's ability to absorb sudden increases in complaints or complex investigations; preserve specialized expertise and institutional knowledge; undertake broader reviews when warranted; analyze trends across otherwise separate matters; and identify recurring issues involving policy, training, supervision, or professional practices that may warrant Department-wide attention.

## Accountability, Independence, and Public Confidence

A credible system of accountability must be capable of identifying misconduct and addressing it fairly and promptly.

Individual misconduct matters should not automatically be treated as evidence of institutional failure. Conversely, repeated incidents involving similar policies, supervisory failures, or controls may indicate a broader management problem requiring institutional corrective action.

The integrity of Department investigations and prosecutions depends on decisions based on the facts, applicable law, Department policy, and legitimate law enforcement considerations. Department personnel must be able to exercise professional judgment within established supervisory structures without decisions being affected by improper considerations or external pressures.

Improper influence can arise from multiple sources. It may involve political or partisan considerations; personal, financial, ideological, or reputational interests; conflicts of interest or relationships with subjects, witnesses, victims, attorneys, or other interested parties; pressure from government officials or other institutions unrelated to legitimate law enforcement considerations; or efforts to protect an individual, component, program, or institution from embarrassment or criticism. Public controversy, media attention, or anticipated criticism also can create pressure that must not displace the application of appropriate investigative and prosecutorial standards.

At the same time, independence from improper influence should not be confused with independence from lawful supervision. The Department is a hierarchically managed Executive Branch agency. Department leaders are responsible for establishing lawful enforcement policies and priorities, allocating resources, supervising Department components and personnel, and exercising authorities assigned to them by law and Department policy. Disagreement with a supervisory decision does not, standing alone, establish improper influence.

The Department cannot control every public reaction to its work, nor should investigative or prosecutorial decisions be made to achieve favorable public opinion. It can, however, control the integrity of its processes.

[30] Information obtained from OPR. See also id. (in FY 2025, reporting 52 new FBI whistleblower retaliation complaints, 59 matters closed, and 7 matters pending at the end of FY 2025). Note that OPR shares jurisdiction with the OIG over whistleblower retaliation complaints by FBI employees under 5 U.S.C. § 2303 and 28 C.F.R. §§ 27.1, 27.3.

## Progress in Addressing the Challenge

There is evidence of meaningful progress in specific areas of the Department's integrity and accountability systems.

The substantial reduction in identified noncompliant FBI Section 702 queries following reforms demonstrates that strengthened policies, training, supervisory controls, compliance mechanisms, and oversight can improve adherence to sensitive investigative requirements.

OPR also demonstrated progress in managing its workload during FY 2025. It closed more professional misconduct inquiries than it opened and completed more full investigations than it initiated during the year. In its separate FBI whistleblower docket, OPR closed 59 matters while receiving 52 new complaints and reduced its pending inventory to 7 matters.

These results are significant and should be recognized. At the same time, professional-misconduct complaints increased approximately 54 percent between FY 2023 and FY 2025, while OPR's funded staffing level remained essentially unchanged. The combination of increased intake, a relatively small workforce, complex professional-responsibility investigations, and separate FBI whistleblower responsibilities creates continuing capacity and resilience risks.

More broadly, ensuring integrity and fairness in Department investigations and prosecutions is not a challenge that can be considered resolved through any single reform or performance measure. Continued progress depends on effective supervisory controls, compliance with investigative and prosecutorial requirements, timely resolution of allegations, sufficient internal oversight capacity, protection of lawful whistleblowers, fair accountability processes, and the Department's ability to identify recurring or systemic deficiencies.

**Key Management Risk:**
The Department's ability to maintain integrity and fairness in investigations and prosecutions depends on effective supervisory controls and accountability mechanisms. Actual or perceived inconsistencies in the application of investigative and prosecutorial standards can undermine the legitimacy of Department decisions, while insufficient capacity within internal oversight functions—including OPR—can impair the Department's ability to identify, investigate, and address potential misconduct in a timely and comprehensive manner.

**Indicators to Watch:**
compliance findings involving sensitive investigative authorities; timeliness of significant investigations; supervisory and approval controls; discovery and disclosure compliance; employee misconduct trends; whistleblower retaliation allegations; implementation of corrective actions; recurring findings indicating systemic rather than isolated deficiencies; OPR authorized, funded, and onboard staffing; OPR vacancies and turnover; annual professional-misconduct complaint intake; inquiries and investigations opened, closed, and pending; age and average or median duration of pending OPR matters; percentage of inquiries resolved within 1 year; attorney caseloads; FBI whistleblower complaint intake and backlog; and OPR's capacity to identify recurring or Department-wide issues through trend analysis.



# Conclusion

The six challenges identified in this report reflect different aspects of the Department's mission, but they share a common management imperative.

The Department must make consequential decisions in an environment of limited resources, rapidly evolving threats, technological change, and intense public scrutiny. It must distinguish activity from results, isolated incidents from systemic problems, and policy disagreements from deficiencies in the administration of Department programs. It must identify risks early, allocate resources based on reliable information, establish meaningful performance measures, and take timely corrective action when weaknesses are identified.

As required by 31 U.S.C. § 3516(d), this report also assesses the Department's progress in addressing these challenges. That assessment demonstrates meaningful progress in several areas. The BOP has implemented corrective actions and received substantial additional resources to address longstanding staffing, security, and infrastructure concerns. FBI compliance with Section 702 querying requirements has improved following reforms. The Department has established more outcome-oriented measures for fentanyl enforcement and has achieved significant operational results against trafficking organizations. DOJ obtained record False Claims Act recoveries in FY 2025. The Department is implementing substantial workforce and organizational changes, including the creation of the National Fraud Enforcement Division. And OPR reduced its FBI whistleblower backlog while continuing to address a growing volume of professional-misconduct complaints.[31]

At the same time, none of these developments eliminates the underlying management challenges. The BOP continues to confront systemic operational deficiencies. National security threats and technology continue to evolve. The Department still must demonstrate whether fentanyl enforcement produces durable disruption of trafficking organizations and supply chains. Record fraud recoveries coexist with record whistleblower filings and substantial continuing fraud, which GAO estimates could be between $233 billion and $521 billion annually. The effects of significant workforce reductions on mission capability are not yet fully known. And increasing demands on the Department's internal accountability systems, including OPR, create continuing capacity and timeliness risks.

The OIG's Principles of Effective Oversight provide the framework for how the OIG conducts independent oversight of these and other challenges. The OIG will remain independent and objective while engaging professionally with the Department; focus its finite resources on significant and systemic risks; ground findings in reliable evidence and established standards; maintain disciplined scopes; report both deficiencies and relevant mitigating circumstances; protect individual interests; and seek timely, practical, and durable improvements to Department operations.

The Department remains responsible for determining how to address the challenges described in this report, consistent with applicable law, policy, available resources, and its strategic and operational judgments.

The OIG likewise has an obligation to recognize meaningful progress. Oversight is complete when it reports failures and also acknowledges when corrective actions work. At the same time, the OIG must distinguish implementation activity from demonstrated results and determine, where possible, whether corrective actions produce measurable and durable improvements.

[31] *See* 31 U.S.C. § 3516(d); U.S. Dep't of Justice, Office of the Inspector General, Report 26-002 (Oct. 2025); U.S. Dep't of Justice, Office of Public Affairs, False Claims Act Settlements and Judgments Exceed $6.8B in Fiscal Year 2025 (Jan. 16, 2026); U.S. Dep't of Justice, Office of Professional Responsibility, 2025 Annual Report to the Attorney General (2026).

The OIG will continue to conduct independent oversight of these and other significant risks facing the Department. In doing so, we will identify deficiencies based on evidence, recognize progress where supported by the record, distinguish individual errors from systemic problems, and focus our recommendations on practical improvements within the Department's authority and capacity to implement.

The objective is not oversight for its own sake. Effective oversight provides the Department, Congress, and the public with reliable information about significant risks and deficiencies, recognizes meaningful progress, promotes accountability, contributes to the effective administration of Department programs and operations, and deters fraud, waste, and abuse of taxpayer funds.

# Appendix 1

## Management Response to the Office of the Inspector General 2026 Report on Top Management and Performance Challenges Facing the Department of Justice

The mission of the Department of Justice (Department or DOJ) is to uphold the rule of law, keep our country safe, and protect civil rights. The Department established a Fiscal Year (FY) 2026–2030 Strategic Plan to fulfill its mission in alignment with the President's Management Agenda and advance the Attorney General's vision for years to come. The Strategic Plan establishes objectives and performance measures that enable the Department to assess its progress for the following goals.

**Strategic Goal 1:** Keep our Country Safe and Secure

**Strategic Goal 2:** Uphold the Rule of Law and Protect the Rights of American Citizens

**Strategic Goal 3:** Modernize the Department of Justice

The Department is committed to addressing and collaborating on the top management challenges that the Office of the Inspector General (OIG) identified.

The OIG plays an important role in ensuring that the Department accomplishes its mission effectively and efficiently. The OIG holds Department personnel accountable for misconduct; protects whistleblowers from reprisal; and detects and deters government waste, fraud, and abuse. As part of this work, and as required by statute, OIG annually identifies what it considers to be the top management and performance challenges facing the Department.

For 2026, the OIG identified the following six top management and performance challenges facing the Department:

- Managing the Federal Correctional System
- Safeguarding National Security
- Combating Fentanyl Trafficking While Protecting Public Safety
- Protecting the Federal Government and American Taxpayer from Fraud
- Managing Human Capital in a Reduced-Workforce Environment
- Ensuring the Integrity and Fairness of Department Investigations and Prosecutions

# Challenge 1: Managing the Federal Correctional System

The Department's OIG identified management issues affecting the federal corrections system such as staffing and institutional operations, healthcare and conditions of confinement, and contraband and security. The Federal Bureau of Prisons (BOP), is responding to these challenges and, as such, is pursuing the following actions and initiatives.

## Staffing and Institutional Operations

Employee well-being and institutional safety remain the BOP highest priorities, driving a broad modernization of recruitment, hiring, retention, and workforce-management practices. Using expanded hiring authorities and updated internal processes, the BOP streamlined suitability reviews, shortened announcement periods, automated incentives and age-waiver processing, and broadened applicant pathways to strengthen staffing nationwide and meet the demands of an evolving correctional environment.

To address systemic challenges and improve hiring consistency, the BOP launched Operation Full Strength on October 1, 2026, centralizing hiring operations and accelerating onboarding across institutions. Recruitment Strike Teams conducted sixteen targeted hiring events in locations with the most acute staffing shortages, while continued use of direct-hire authority, reduction of the Learning Management System backlog, implementation of new analytics tools, extended maximum-entry-age waivers, and special salary-rate requests further improved hiring velocity and training access.

In alignment with the One Big Beautiful Bill Act, the BOP also established FY 2026 hiring goals and implemented a tiered staffing-support model to direct incentives to the most understaffed facilities and mission-critical occupations. These collective efforts produced measurable gains, including increased overall hiring and improved healthcare staffing. While work remains ongoing, the BOP's modernization initiatives, new authorities, and targeted incentives are strengthening its ability to attract, hire, and retain personnel, improving workforce sustainability and ensuring safer, more effective operations for employees and inmates alike.

## Healthcare and Conditions of Confinement

The BOP has undertaken a comprehensive set of reforms to improve inmates' access to adequate healthcare and address systemic deficiencies identified by the OIG. Recognizing that healthcare access is fundamental to both inmates well-being and institutional stability, the BOP has focused on strengthening clinical staffing pipelines, improving the timeliness and quality of medical services, standardizing preventive-care programs, and reinforcing conditions-of-confinement safeguards across its facilities.

The BOP has advanced several systemwide initiatives to strengthen medical staffing, improve timely access to care, standardize preventive-care practices, and address deficiencies identified in OIG reviews. Together, these reforms enhance the agency's ability to provide consistent, accountable, and high-quality correctional healthcare.

BOP expanded its medical recruitment and retention tools through a partnership with the Health Resources and Services Administration, significantly increasing access to National Health Service Corps student loan repayment opportunities. Currently, 212 healthcare professionals are receiving repayment assistance, creating a strong incentive for clinicians to work in federal correctional settings. To further broaden hiring flexibility, BOP is exploring the extension of Title 38 authorities to 13 additional healthcare disciplines. This would allow the use of competitive federal healthcare compensation and hiring mechanisms, improving the Bureau's ability to recruit and retain qualified clinicians across diverse specialties.

The agency has also made substantial progress in reducing delays in medical appointment scheduling and completion. Enhancements to the Bureau Electronic Medical Record (BEMR) now require staff to document reasons for any rescheduled or missed target dates, increasing accountability and enabling more transparent oversight. Since December 2025, detailed scheduling data has supported new Health Services Division dashboards—such as "Consults Changes" and "Pending Consults"—that allow institutions to monitor timeliness, identify bottlenecks, and take corrective action through local Utilization Review Committees. These real-time monitoring tools strengthen the BOP's ability to intervene early and maintain continuity of care.

To address disparities in colorectal cancer (CRC) screening rates identified by the OIG, BOP implemented a comprehensive standardization effort across all institutions. Each facility developed a written CRC Screening Program Guide outlining procedures for identifying eligible inmates, offering screening tests, assigning staff roles, and documenting activities. These guides, based on a national template, were supported by targeted training for Health Services Administrators and Quality Improvement staff. Annual reviews by Regional Health Services personnel ensure ongoing oversight and responsiveness to operational challenges. Clinical guidance now designates the fecal immunochemical test (FIT) as the preferred screening method, improving accessibility and consistency. BEMR procedures were updated to require standardized ICD-10 coding for risk-factor documentation, and enhancements to the CRC Screening Dashboard improve identification of higher-risk inmates.

To reduce burdens associated with off-site specialty care, BOP expanded telehealth capacity—including pre-colonoscopy evaluations—and required retrospective reviews of prior positive tests to ensure timely follow-up. These measures create a more uniform, data-driven, and clinically accountable CRC screening program.

The Bureau also strengthened its compassionate release framework following the OIG's investigation into the Frederick Mervin Bardell case. The September 2026 revision of Program Statement 5050.51 broadened eligibility to include inmates whose serious medical conditions require specialized or long-term care that the BOP cannot adequately provide without significant disruption to facility operations. The revised policy emphasizes assessing an inmate's actual care needs and the Bureau's ability to meet them, rather than focusing solely on diagnoses. All medically based requests must now include consultation with a qualified medical professional, ensuring clinical expertise is incorporated throughout the review process.

Finally, BOP implemented targeted corrective actions in response to OIG inspections at Federal Detention Center SeaTac and United States Penitentiary Canaan. At SeaTac, the institution is improving logging of sick-call requests in BEMR, converting a vacant position to support onsite laboratory operations, and using temporary staff to resolve laboratory backlogs. At Canaan, corrective actions focus on safe restraint practices, including updated training, refresher instruction on documentation and least-restrictive measures, and ongoing Executive Staff reviews to ensure compliance and prompt resolution of concerns.

Across these initiatives—strengthening clinical staffing, reducing service delays, standardizing preventive-care programs, updating compassionate release policy, and addressing conditions-of-confinement deficiencies—the BOP is demonstrating measurable progress in improving healthcare delivery, operational consistency, and accountability in response to OIG-identified challenges.

## Contraband and Security

The OIG cited contraband as one of the most persistent and consequential threats to the safety, order, and integrity of BOP institutions. The BOP is aggressively focused on addressing the threat posed by contraband, recognizing that narcotics, weapons, and unauthorized communication devices endanger inmates and staff, and fundamentally undermine institutional stability. In response, BOP has reinforced that contraband interdiction is central to its mission and has advanced a comprehensive, multi-layered strategy that integrates strengthened security operations, targeted technology , and enhanced accountability mechanisms. This focused approach reflects the Bureau's unwavering commitment to eliminating contraband and protecting the safety and order of its institutions.

The BOP employs a broad, layered approach to contraband mitigation, combining physical searches, advanced detection technology, intelligence gathering, K-9 teams, targeted operations, and a strict zero-tolerance posture. This strategy is designed not only to intercept contraband but to disrupt the networks—both internal and external—that facilitate its movement. Recognizing the evolving sophistication of contraband methods and the vulnerabilities inherent in aging infrastructure, the BOP continues to modernize its systems and processes.

The President's FY 2027 Budget includes a proposed $46 million program increase for Off-Site Inmate Mail Scanning and Inmate Attorney-Client Email, will greatly assist with reducing contraband infiltration through mail while safeguarding secure legal and community communication channels. These investments help address OIG findings regarding drug-laced mail and other introduction pathways that have contributed to overdoses, violence, and operational disruptions in federal institutions.

## Employee Misconduct Controls

Given the heightened risks posed when contraband is introduced through staff corruption, the BOP has implemented significant reforms to improve the consistency, timeliness, and transparency of its employee-misconduct process. In 2026, the BOP centralized the investigation of employee misconduct to ensure uniform handling of allegations across all institutions.

The agency also implemented a nationwide centralized discipline program, which has already resulted in substantially reduced processing times. To support this expanded workload, the Employment Relations team was increased from 6 to 22 specialists and supervisors, significantly improving capacity to manage and adjudicate cases. The Office of Internal Affairs (OIA) continues to work aggressively to reduce investigative backlogs, expedite case reviews, and provide leadership with timely insight into misconduct trends to support early intervention and prevention. OIA, the Office of General Counsel, and the Human Resource Management Division are jointly reviewing remaining backlog cases to ensure all discipline matters are resolved appropriately and efficiently.

Together, these changes enhance the BOP's ability to detect, investigate, and prevent employee-facilitated contraband activity and strengthen institutional accountability and culture.

## Security-Camera Modernization

Security cameras are essential tools in preventing, detecting, and reconstructing contraband incidents, assaults, and operational failures. The BOP continues to prioritize completion of its systemwide security-camera upgrade project and has made substantial progress toward modernization.

As of October 2026:

- Fiber installation has been completed at 108 of 120 institutions.
- All upgrade elements—fiber and camera installation—have been completed at 34 institutions.
- 74 additional institutions have been fully funded for camera installation.
- 12 institutions still require funding to complete fiber or camera installation.

To accelerate progress, the BOP awarded two large-scale contracts—one for contractor-installed cameras and another for remaining fiber installation—and will utilize Facilities Strike Teams to help complete outstanding work. Approximately 10,000 cameras still require installation or upgrades, and the BOP remains on track to finish all camera and fiber enhancements by December 2027.

Beyond installation efforts, the BOP has begun incorporating enhanced video-retention planning and system-capacity assessments to ensure facilities are prepared to operationalize upgraded technology effectively. These improvements will significantly strengthen investigative capabilities, enhance situational awareness, and reduce blind spots that historically hindered OIG and internal investigations.

Through comprehensive contraband-interdiction strategies, strengthened employee-misconduct controls, and ongoing modernization of security-camera infrastructure, the BOP is addressing the systemic security deficiencies identified by the OIG and reinforcing institutional safety across the federal correctional system. While modernization efforts continue, the BOP has established a clear strategic framework, invested in targeted technological upgrades, and taken meaningful action to increase accountability and prevent contraband-related harm. These steps reflect the BOP's sustained commitment to ensuring safe, secure, and orderly operations.

## First Step Act Implementation and Measuring Results

The BOP has taken significant steps to strengthen its implementation of the First Step Act (FSA), addressing OIG-identified challenges in program oversight, financial management, data accuracy, and measurable outcomes. To improve consistency and transparency, the BOP launched an enhanced FSA Dashboard in June 2026 that centralizes program availability, waitlists, completions, performance metrics, and inmates' risk-and-needs statuses. The agency also issued a national directive requiring FSA Committees to audit and correct program-assignment data to ensure accuracy and reliability across institutions.

To reinforce national-level governance, the BOP established a dedicated First Step Act Office in September 2026, consolidating oversight of policies, programs, budget execution, staffing, training, and statutory compliance. The office oversees FSA Time Credits and expansion of evidence-based recidivism-reduction programs while issuing directives that strengthen consistency among institutions. Complementing these reforms, the BOP conducted a

comprehensive review of FY 2026 FSA expenditures to ensure alignment with statutory intent, resolved financial-attribution issues related to prior-year telephone-call funding, and increased oversight of Department of Labor Partners for Reentry Opportunities in Workforce Development (PROWD) grant activities through improved monitoring, reporting, and collaboration.

Collectively, these actions demonstrate a sustained commitment to improving FSA administration, strengthening fiscal stewardship, and addressing operational barriers to program delivery. By modernizing data systems, expanding governance structures, and enhancing oversight of grant-funded programming, the BOP has made measurable progress in advancing evidence-based rehabilitation, reducing recidivism risk, and supporting the safe and effective reintegration of individuals returning to the community.

# Challenge 2: Safeguarding National Security

Safeguarding the United States against national security threats requires a coordinated, multi-component strategy that integrates intelligence, investigative capabilities, cyber defense, financial enforcement, and interagency collaboration. In FY 2026, DOJ continued to strengthen its national security posture through enhanced operational coordination, significant enforcement actions targeting nation-state adversaries, modernization of cyber defense capabilities, and strengthened oversight of sensitive authorities.

## Enhancing Investigative and Operational Coordination

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) continued to enhance its investigative capabilities in matters involving firearms, explosives, arson, and trafficking—areas that increasingly intersect with national security priorities. ATF deepened its coordination with DOJ components and law enforcement partners to ensure that investigations with national-security implications are managed using integrated intelligence, shared operational resources, and specialized technical support. This collaborative posture strengthens DOJ's ability to disrupt violent networks, prevent extremist activity, and ensure accountability in cases involving weapons and explosives.

## Countering Nation-State Threats and Disrupting Illicit Financial Networks

The Department deployed a full spectrum of tools to counter threats posed by hostile nation-states, particularly Iran. The Criminal Division's Money Laundering, Narcotics, and Forfeiture Section (MNF) led major efforts to dismantle Iran-linked illicit financial operations and prevent the Islamic Revolutionary Guard Corps (IRGC) from accessing or exploiting the U.S. financial system. These efforts include actions against global financial institutions, shadow-banking networks, and complex asset structures used to fund sanctions-evasion and state-sponsored terrorism.

Examples include:

- Oil Tanker Skipper Forfeiture Action (Feb 2026) – MNF filed a civil forfeiture complaint seeking to forfeit the Motor Tanker Skipper and its 1.8 million barrels of Venezuelan-sourced crude oil, alleging the tanker and cargo served as a source of influence for IRGC-QF, a designated Foreign Terrorist Organization.
- Shamkhani Network Financial Forfeiture (Mar 2026) – MNF filed forfeiture complaints against $15 million linked to the Shamkhani network, a constellation of entities facilitating Iranian oil sales in violation of U.S. sanctions, concealing the origin of commodities, and channeling funds to support illicit distribution operations.

These cases reflect a broader DOJ effort that, since 2010, has imposed serious consequences on institutions facilitating Iran's illicit financial activities—deterring misconduct and denying hostile actors access to the U.S. financial system.

## Strengthening Cybersecurity and Combating Cyber-Enabled Threats

Cyber threats from both nation-state actors and transnational cybercriminal organizations continued to evolve in scale and sophistication. DOJ's Computer Crime and Intellectual Property Section (CCIPS) worked with domestic and foreign partners to dismantle cybercriminal infrastructure, prosecute transnational actors, and seize criminal assets. These operations resulted in arrests, extraditions, and meaningful disruption of long-standing cybercrime networks.

In a noteworthy development, CCIPS also investigated corrupt cybersecurity insiders who exploited ransomware victims by simultaneously assisting attackers. These prosecutions resulted in felony convictions and multi-year prison sentences, demonstrating DOJ's commitment to holding accountable those who undermine cybersecurity from within.

Additionally, the Chief of CCIPS was appointed Executive Director of DOJ's program under National Security Presidential Memorandum, Expanding Capabilities to Combat Transnational Cyber-Enabled Crime, which establishes a cutting-edge public-private framework to combat cybercrime. This initiative leverages DOJ's prosecutorial authorities alongside private-sector innovation to more effectively identify, prevent, and disrupt cyber-enabled threats.

## Continued Oversight and Improvement of Sensitive Intelligence Authorities

The FBI implemented several measures to address and close out the recommendations in the OIG's Report 26-002 regarding the FBI's querying practices under Section 702 of the Foreign Intelligence Surveillance Act.

The FBI has committed to limit preapprovals for U.S. person queries of Section 702 acquired information exclusively to attorneys. In addition, the Office of Internal Auditing (OIA) will continue reviewing all U.S. person queries of Section 702 acquired information in the near term. OIA also maintains regular coordination with the National Security Division to ensure appropriate coverage and cadence for these reviews.

Consistent with standard FBI recordkeeping policies, the FBI will continue maintaining records of all sensitive query requests approved by the Deputy Director (DD), as only approved requests result in sensitive queries. Establishing a separate method to track draft requests that do not reach formal approval would require additional resources without providing additional privacy protections for U.S. persons, an issue central to congressional intent in enacting the Reforming Intelligence and Securing America Act. Additionally, the Office of the Deputy Director will maintain a subfile within the main sensitive query case file documenting any sensitive query requests the DD declines to approve. The DD or designee is responsible only for documenting requests that reach the DD for decision.

## Cybersecurity Modernization and Supply-Chain Risk Mitigation

Managing emerging technologies, rapidly expanding cyber threats, and digital-infrastructure vulnerabilities remains a core national-security priority. Throughout FY 2026, DOJ strengthened its cybersecurity posture through coordinated initiatives aligned with guidance from the Office of Management and Budget (OMB) and the Department of Homeland Security (DHS). The Department maintained an overall effective rating for its cybersecurity program and advanced several key initiatives:

- Expanded use of supply-chain threat assessments to reduce the risks associated with software and hardware acquisitions;
- Strengthened IT acquisition review processes to ensure security requirements are embedded throughout procurement lifecycles;
- Implemented technology modernization strategies to refresh outdated infrastructure and better support mission-critical operations;
- Pursued integration of emerging technologies to enhance operational capabilities, mission delivery, data security, and workforce efficiency.

These efforts are critical to staying ahead of rapidly evolving cyber and technological threats while ensuring DOJ systems protect sensitive investigative and intelligence data.

Safeguarding national security requires a unified Department-wide effort spanning criminal enforcement, intelligence oversight, cyber operations, and interagency collaboration. In FY 2026, DOJ strengthened its national-security posture through coordinated operations across ATF, the Criminal Division, CCIPS, NSD, and the FBI; high-impact actions targeting nation-state adversaries; modernization of cybersecurity and IT infrastructure; and demonstrated compliance improvements in sensitive intelligence programs.

Collectively, these initiatives reflect the Department's continued commitment to protecting the United States from terrorism, espionage, hostile foreign influence, and cyber-enabled threats, while ensuring its authorities are exercised lawfully, responsibly, and effectively.



# Challenge 3: Combating Fentanyl Trafficking While Protecting Public Safety

The DOJ continues to confront the fentanyl crisis with an aggressive, coordinated, and multi-layered enforcement strategy aimed at dismantling the cartels and transnational criminal organizations (TCOs) that traffic fentanyl and endanger communities across the United States. Recognizing that fentanyl trafficking is supported by global supply chains, illicit financial systems, and violent criminal networks, the Department leverages the combined expertise, authorities, and partnerships of its components—including ATF, Drug Enforcement Administration (DEA), and key sections within the Criminal Division—to disrupt every link in the trafficking ecosystem.

## Strengthening Cross-Component and Interagency Coordination

Coordination across DOJ components and with other agencies remains central to the Department's strategy to combat fentanyl trafficking. The ATF plays an important role where firearms, explosives, and violent crime intersect with fentanyl trafficking organizations. ATF's investigative expertise supports joint operations targeting drug-trafficking networks that rely on firearms-enabled violence to maintain territory, protect drug shipments, and retaliate against rivals. These partnerships help ensure that enforcement operations account for both narcotics and weapons threats, improving public-safety outcomes.

DOJ is addressing the fentanyl crisis through a comprehensive, multifaceted strategy ensuring federal, state, local, and international agencies are synchronized—from strategic planning to boots-on-the-ground enforcement—tackling fentanyl at every stage of its distribution. Below are examples of successful interagency field operations:

- Urban enforcement surges: In San Francisco, a short-term coordinated federal-local operation led by DOJ, DEA, and FBI resulted in 55 arrests and the seizure of over 1 kg of fentanyl.
- Regional enforcement sweeps: In the Western District of North Carolina, DOJ collaborated with DEA, FBI, ATF, Homeland Security Investigations, and United States Marshal Services through a multi-jurisdictional surge ("Operation Spring Cleaning"), charging 56 individuals and seizing more than 22 kg of fentanyl.
- Targeted street enforcement: In Portland, DOJ, FBI, DEA, and Portland Police formed a joint team to crack down on open-air fentanyl markets, leading to over 100 federal charges, 100 kg+ of fentanyl, 40 firearms, and $1.3 million in proceeds.

## Targeting Cartels, TCOs, and Global Supply Chains

Under the President's directive to dismantle the fentanyl supply chain and eliminate trafficking cartels, the Department is taking historic action. DOJ continues to indict, extradite, and convict leaders of major cartels and TCOs responsible for producing, transporting, and distributing fentanyl. This approach is complemented by targeting the enablers who supply precursor chemicals, broker illicit shipments, or facilitate international distribution arrangements.

To confront the financial networks that sustain these operations, the Criminal Division consolidated its expert cartel and financial prosecutors to form the Money Laundering, Narcotics, and Forfeiture Section (MNF). This merger enhances the Department's capacity to address the full scope of fentanyl trafficking, from chemical procurement to banking channels to criminal proceeds.

MNF has already achieved significant results:

- Prosecution of Ismael "El Mayo" Zambada García—DOJ secured a life sentence and a $15 billion monetary judgment against the Sinaloa Cartel leader, dismantling one of the most entrenched criminal enterprises in the Western Hemisphere.
- Chinese Money Laundering Organization Conviction—In August 2026, DOJ secured a 15-year sentence and a $25 million judgment against a Chinese national responsible for laundering over $92 million in drug-trafficking proceeds.

The FBI and DEA have made significant, coordinated gains in dismantling cartel networks, disrupting global drug supply chains, and countering the accelerating fentanyl crisis. Working alongside U.S. Attorneys' Offices and other federal partners, both agencies have targeted every layer of cartel operations—from international precursor chemical suppliers and top-level cartel leadership to street-level distribution networks in American cities.

The DEA has spearheaded efforts to attack the global fentanyl pipeline at its source, focusing on major cartels—particularly the Sinaloa Cartel and Cartel Jalisco Nueva Generación (CJNG)—and the foreign chemical manufacturers that supply them. Since 2021, DEA operations have resulted in the extradition of more than 50 cartel members from Mexico to the United States and the prosecution of multiple Chinese chemical companies and executives responsible for shipping fentanyl precursors into Mexico and directly into the United States. DEA seizures have reached historic levels; in 2024 alone, agents intercepted more than 30 million fentanyl pills and over 4,100 pounds of fentanyl powder—over 208 million potentially lethal doses—while arresting more than 2,100 individuals for fentanyl-related offenses. These operations have been reinforced by a nationwide network of more than 300 DEA state and local task forces, which act as force multipliers by embedding local officers into federal investigations.

The FBI, working in tandem with the DEA, has played a pivotal role in disrupting cartel-controlled trafficking networks inside the United States. In Portland, Oregon, for example, FBI agents joined DEA and local police in a multi-year enforcement initiative targeting open-air fentanyl markets. This collaboration resulted in more than 100 federal prosecutions, along with the seizure of over 100 kilograms of fentanyl, 40 firearms, and $1.3 million in drug proceeds. The FBI is also a key contributor to Homeland Security Task Force efforts, supporting interagency operations that focus on cartel activity, financial crimes, weapons trafficking, and cross-border drug smuggling.

On the global stage, both the FBI and DEA have been central to major international darknet investigations. Through the Joint Criminal Opioid and Darknet Enforcement (JCODE) program, they worked with international partners to execute Operation RapTor, one of the most sweeping actions ever taken against darknet-based drug trafficking. This operation led to 270 arrests across four continents and the seizure of more than two metric tons of drugs, including 144 kilograms of fentanyl or fentanyl-laced substances, along with over 180 firearms and more than $200 million in digital and physical assets. By dismantling darknet marketplaces such as Nemesis, Tor2Door, Bohemia, and Kingdom Market, the FBI and DEA generated vital intelligence that continues to expose global trafficking networks.

Large domestic surge operations further underscore the agencies' collaborative success. In the Carolinas, the FBI and DEA joined HSI, ATF, and the U.S. Marshals Service for Operation Spring Cleaning, a multistate effort that yielded 56 federal charges, the seizure of more than 254 kilograms of drugs—including over 22 kilograms of fentanyl—110 illegal firearms, and the apprehension of 157 fugitives.

Together, these accomplishments demonstrate the strength of FBI and DEA coordination in confronting cartels and TCOs. From taking down executive-level traffickers and intercepting

international supply streams to dismantling local distribution hubs and darknet markets, their combined efforts reflect a comprehensive, layered, and increasingly global approach to combating the fentanyl crisis and the criminal organizations behind it.

## Disrupting Violent Domestic Distribution Networks

The Criminal Division's Violent Crime and Racketeering Section has targeted violent street gangs responsible for distributing fentanyl at the community level. Recent enforcement actions include:

- A 12-year sentence for a Fully Blooded Felons gang member involved in RICO conspiracy, drug trafficking, and firearms crimes—operations that included seizure of ¾ pound of fentanyl from a single trap house.
- Convictions of three members of the Highs gang for RICO and drug-trafficking offenses related to fentanyl sourced from Arizona.
- The Houston Violent Crime Initiative, charging more than 39 defendants and seizing over 1.7 kilograms of fentanyl and 248 kilograms of methamphetamine, including fentanyl-laced pills.
- Sentences of up to 210 months for members of the Young Mob gang, who distributed significant quantities of fentanyl in Memphis.

These cases highlight DOJ's commitment to dismantling violent local gangs that serve as key distribution nodes for cartel-supplied fentanyl.

## Ongoing Oversight and Evaluation

In August 2026, the OIG initiated a review examining how federal investigators conduct operations involving fentanyl when they have specific knowledge or probable cause that fentanyl will be moved, stored, or distributed at identifiable locations. As this review remains in the Request for Information phase, the Department awaits any recommendations that may follow.

Additionally, the May 2024 GAO engagement evaluating DEA's efforts to combat online fentanyl sales resulted in two recommendations to improve DEA's lead-generation processes and communication with internet-based companies. DEA completed both recommendations in June 2026 and submitted the Congressional Response Letter on October 1, 2026, closing the engagement and demonstrating its commitment to improved information sharing and operational responsiveness.

## Cutting Off Illicit Financial Networks

A critical pillar of DOJ's strategy is to sever the financial lifelines that enable fentanyl trafficking. This includes targeting Chinese Money Laundering Organizations, shadow-banking systems, and networks that obscure the origins of illicit proceeds. By combining narcotics enforcement with financial-crime prosecutions and aggressive forfeiture strategies, DOJ is:

- Removing profit incentives,
- eliminating operational capacity, and
- weakening global networks that facilitate fentanyl distribution.

This financial disruption strategy ensures that traffickers face consequences not only for drug

trafficking but also for exploiting the international financial system.

Through coordinated enforcement operations, strengthened inter-component collaboration, targeted action against cartel leaders and financial facilitators, and decisive dismantling of violent street-level distributors, the Department of Justice continues to advance its mission to protect the public from the devastating impact of fentanyl. The Department's multi-layered strategy—focused on eradication of trafficking networks, disruption of financial pipelines, and improved national oversight—demonstrates a comprehensive, aggressive, and measurable approach to combating this deadly epidemic.

# Challenge 4: Protecting the Federal Government and American Taxpayer from Fraud

The Department has made significant strides in modernizing its fraud-prevention capabilities and strengthening enforcement efforts to protect federal resources and the American taxpayer. Fraud schemes targeting federal programs continue to grow in complexity, scale, and technological sophistication, requiring the Department to adopt a coordinated, data-driven, and enterprise-wide strategy. In FY 2026, DOJ advanced this mission through major improvements in payment-integrity controls, expansion of advanced analytic tools, and the continued build-out of the newly established Fraud Division, which is transforming the federal fraud-enforcement landscape.

## Transforming Fraud Enforcement Through the Fraud Division

Since its creation in April 2026, the Department's Fraud Division has rapidly expanded its national presence and demonstrated its value through complex enforcement actions representing billions in fraud. The Division consolidates specialized expertise across tax enforcement, procurement fraud, healthcare fraud, global-trade violations, corporate misconduct, and asset recovery—allowing DOJ to respond more efficiently, consistently, and strategically to major fraud schemes.

The Division's establishment is part of a two-year expansion plan that will significantly increase its workforce and enable greater coordination with U.S. Attorneys' Offices, federal law-enforcement agencies, and regulatory partners. Its prosecutors are supported by a comprehensive expert cadre, including:

- Asset-recovery attorneys and investigators
- Top-tier appellate counsel
- A dedicated privilege-review team
- Corporate-enforcement specialists
- Litigation-support technologists
- Data-science professionals and advanced analytic resources

This multidisciplinary approach allows the Fraud Division to investigate, analyze, and dismantle complex schemes with unprecedented precision

## Strengthening Nationwide Coordination and Early Detection

The Fraud Division's Strategic Enforcement Section has enhanced national coordination by embedding a Fraud Division prosecutor in each of the 94 judicial districts, strengthening collaboration and ensuring a consistent approach to deterrence, restitution, and forfeiture. The Division has also established the National Fraud Detection Center, which leverages advanced analytic tools to identify emerging fraud schemes earlier, break down data silos, and reduce gaps in information sharing.

With these new structures in place, the Division has already conducted multiple enforcement surges targeting:

- Fraud schemes exploiting vulnerable populations
- Illegal practices disrupting fair economic competition
- Fraud involving international trade
- Fraud targeting critical federal programs and benefits

These operations have resulted in billions of dollars in recoveries and the seizure or forfeiture of millions in illicit proceeds, delivering clear and measurable protections for taxpayers.

Through modernized payment-integrity controls, advanced fraud-detection tools, and the rapid expansion of the Fraud Division, DOJ now operates a more unified, data-driven, and effective fraud-enforcement enterprise. Earlier detection, increased investigative capacity, strengthened financial controls, and improved coordination across components collectively enhance the Department's ability to prevent fraud, hold offenders accountable, and safeguard taxpayer funds.

The Department remains committed to continuing these efforts—expanding analytic capabilities, refining operational workflows, and building a fraud-resilient enterprise capable of protecting federal programs and the public from evolving threats.

## Strengthening Payment Integrity Through Do Not Pay (DNP) Integration

DOJ completed the OMB-and Treasury-mandated onboarding for the Do Not Pay (DNP) program, a critical step in preventing improper payments before they occur. The Department updated all necessary System of Records Notices (SORNs), Program Access Lists, and Data Sharing Agreements, and identified two programs—Radiation Exposure Compensation Act and the 9/11 Victim Compensation Fund—that qualify for a matching-agreement waiver under OMB Memo M-25-32. The Department published the required Federal Register notice, with the rule taking effect on September 30, 2026.

All DOJ components except Federal Prison Industries are now using DNP Batch Matching and Continuous Monitoring tools to screen vendor data and payment files against authoritative databases. Verified death-record matches are automatically ingested into DOJ's financial-management system, triggering flags to prevent payments to ineligible vendors. Payment files transmitted to Treasury undergo a final DNP check prior to disbursement. DOJ expects full deployment of DNP Batch Matching and Continuous Monitoring by December 31, 2026.

The Department also implemented Treasury Payment Verification, enabling identity, eligibility, and bank-account verification before disbursements are issued. As of October 1, 2026, DOJ

screens for deceased vendors, tax identification numbers, and bank-account discrepancies—further reducing the risk of improper or fraudulent payments.

## Expanding DOJ's Fraud-Prevention Toolkit

Beginning in FY 2027, DOJ is expanding its fraud-prevention capabilities to safeguard federal financial integrity through adoption of CGI Federal's Fraud, Waste, and Abuse Prevention Platform. This system provides continuous monitoring of vendors and transactions using SI-driven technology and extensive open-source intelligence records. The platform enables early identification of high-risk activity, giving DOJ components the ability to intervene before fraudulent transactions occur. These enhancements add depth and predictive power to DOJ's financial-integrity controls and improve governmentwide efforts to curb fraud.



# Challenge 5: Managing Human Capital in a Reduced-Workforce Environment

Reduced staffing levels—especially in positions requiring advanced legal, technical, or investigative expertise—risk diminishing mission capability across components. In response, DOJ has implemented targeted hiring, retention, and workforce-planning strategies to preserve critical functions and stabilize the workforce.

## DOJ-Wide Workforce Data Modernization and Workforce Planning

To support data-driven workforce management DOJ-wide, the Assistant Attorney General for Administration is leading a large-scale cleanup of outdated personnel records. This effort enhances data integrity and improves leadership's ability to forecast mission needs, allocate resources, and identify critical skill gaps.

DOJ is also partnering with the Office of Personnel Management to implement coreHCM, a next-generation human capital management platform that will:

- deliver granular, real-time data on staffing levels, attrition, and workforce demographics;
- support more accurate recruitment and workforce planning; and
- help components identify where staffing reductions pose unacceptable mission risk.

## Enterprise Hiring Flexibilities and Strategic Hiring Planning

In response to the Department's recognition that workforce reductions can obscure mission degradation at the section or skill level, Justice Management Division's Office of Human Capital (OHC) is utilizing a full suite of hiring flexibilities. These include:

- shared certificates;
- TECH FORCE support for technical hiring;
- direct-hire and expedited hiring authorities;
- continuous engagement with HR staff and component leadership to identify and fill critical roles.

OHC also developed a comprehensive Strategic Hiring Plan that prioritizes recruitment of attorneys, agents, and correctional officers—positions foundational to national security, public safety, and law-enforcement missions. This plan is continuously refined to maintain a strong applicant pipeline for critically needed positions.

## Strengthening IT and Cyber Workforce Capacity

The Department recognizes that recruiting and retaining IT and cybersecurity personnel is essential to protecting DOJ systems and national-security information. Under an enterprise operating model, DOJ is:

- consolidating IT and cybersecurity personnel under the Office of the Chief Information Officer (OCIO), enabling improved workload balancing, shared expertise, and consistent service delivery;
- preserving specialized technical expertise essential for mission-critical operations; and
- continuing to utilize its IT and Cybersecurity Retention Incentive Program, aligned with 5 CFR § 575, to retain high-demand cyber talent.

These initiatives reinforce DOJ's capacity to respond to evolving cyber threats and maintain secure, resilient IT infrastructure.

## Contracting Workforce Development

The Office of Acquisition Management's Procurement Support Staff (PSS) has highlighted the urgent need to fill vacant 1102 operational contracting positions and Procurement Analyst roles, which are essential for supporting mission-critical procurements. PSS is:

- identifying skill gaps;
- developing structured training pathways;
- strengthening retention of experienced contracting officers; and
- addressing increased workload pressures that stem from staffing shortages.

Strengthening this workforce is essential to ensuring effective procurement oversight and enabling DOJ components to acquire critical resources efficiently.

Across the Department, components are taking strategic, targeted, and innovative actions to mitigate the risks of a reduced workforce. Although recruitment and retention challenges remain—particularly for specialized roles—DOJ's combined efforts to modernize workforce data, strengthen hiring flexibilities, consolidate mission-critical functions, and reinforce retention incentives have produced meaningful progress.

By continuing to invest in human capital, leveraging enterprise tools, and implementing forward-looking workforce strategies, the Department is working to ensure mission continuity, safeguard critical operations, and maintain the skilled federal workforce needed to uphold public safety, national security, and the rule of law.

# Challenge 6: Ensuring the Integrity and Fairness of Department Investigations and Prosecutions

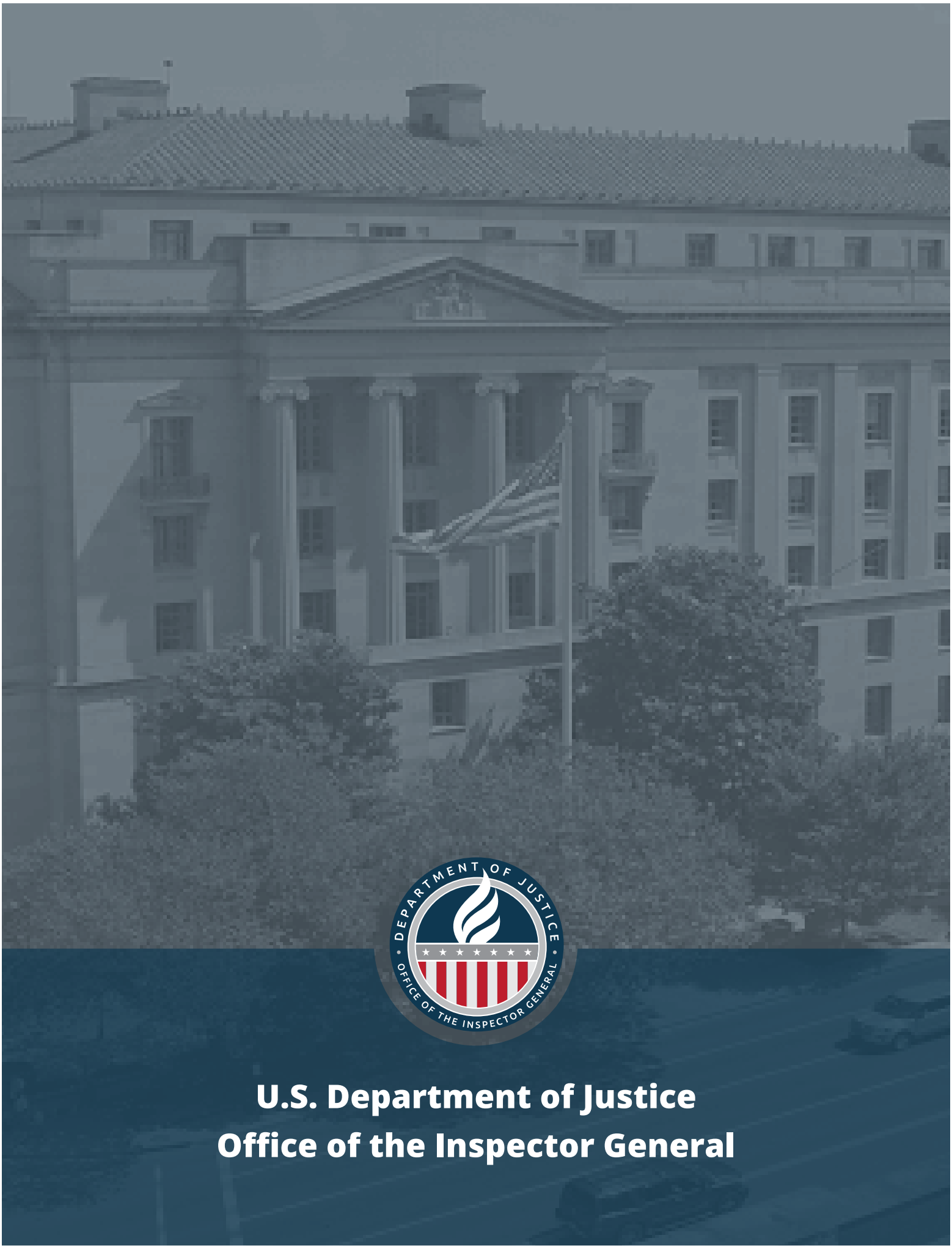
The Department of Justice emphasizes integrity, fairness, and accountability in its investigative and prosecutorial work, with the Office of Professional Responsibility (OPR) serving as a central guardian of ethical standards. Despite resource constraints, OPR fulfilled its mission through disciplined case management, dedicated staff, and effective use of technology. In Fiscal Year 2026, OPR reviewed more than 2,000 complaints, completed eight full investigations involving issues such as lack of candor and misuse of new technologies, resolved 35 inquiries without opening full investigations, and closed 41 FBI whistleblower retaliation cases—demonstrating both its broad oversight role and its commitment to protecting those who report wrongdoing.

OPR's ability to maintain timely and fair case resolution amid diminished staffing reflects several strategic measures, including staff taking on expanded portfolios, close managerial review of case intake and triage, and the integration of new technology to improve workflow efficiency. Updated procedures also enhanced consistency, documentation, and transparency, ensuring that each investigative conclusion rests on rigorous application of law and policy.

Looking forward, OPR will continue working with Department leadership to secure staffing and resources that match its expanding oversight responsibilities. As caseloads grow and emerging technologies introduce new ethical challenges, adequate resourcing will be essential to sustaining the Department's integrity framework and ensuring that DOJ attorneys uphold the high standards expected by the Department, the courts, and the public.

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The Department appreciates the OIG's work in helping to improve our transparency, productivity, and effectiveness. Components across the Department continue to address OIG's findings and conclusions, and implement recommended actions, including those highlighted in this report. The Department looks forward to cooperating with the Inspector General on these matters and on future audits, investigations, and reviews.



# U.S. Department of Justice
# Office of the Inspector General