

Office of the Inspector General

Semiannual Report to Congress



April 1, 2000–September 30, 2000



U. S. Department of Justice

Office of the Inspector General

October 31, 2000

Honorable Janet Reno
Attorney General
Washington, D.C. 20530

Dear Madam Attorney General:

This semiannual report summarizes the accomplishments of the Office of the Inspector General (OIG) during the 6-month period ending September 30, 2000. During this reporting period, the OIG has continued to complete important audits, inspections, and investigations of Department of Justice programs and personnel.

In addition to this ongoing oversight work, the OIG completed two special investigations during the past six months: our comprehensive review of the Immigration and Naturalization Service's Citizenship U.S.A. program and our review of allegations concerning mismanagement at three offices in the Department's Criminal Division.

As we look to the future, our Audit Division has developed an ambitious workplan for the next 12 months that will examine programs in many of the Department's components. Our Inspections Division has embarked on a schedule of program reviews and evaluation projects that will examine Department operations in an effort to provide timely and constructive feedback. And our Investigations Division continues to investigate a wide variety of allegations of criminal and administrative misconduct against Department employees.

Finally, we thank you for your unwavering support of the OIG in its efforts to provide vigorous and independent oversight of Department personnel and programs.

Sincerely,

A handwritten signature in cursive script that reads "Glenn A. Fine".

Glenn A. Fine
Acting Inspector General

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OIG Profile

By Act of Congress, the Office of the Inspector General (OIG) was established in the Department of Justice (Department) on April 14, 1989. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities. The OIG provides leadership and assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others.

The OIG has jurisdiction to conduct audits and inspections throughout the entire Department. The OIG's jurisdiction to conduct criminal or administrative investigations of misconduct by Department employees extends throughout most of the Department. However, Attorney General Order 1931-94 sets forth the limits of the OIG's jurisdiction to investigate allegations of misconduct against employees of the Federal Bureau of Investigation (FBI) and Drug Enforcement Administration (DEA) as well as Department attorneys. According to the 1994 Order, the FBI's Office of Professional Responsibility (FBI OPR) and the DEA's Office of Professional Responsibility (DEA OPR) have jurisdiction to investigate allegations of misconduct against employees of their agencies. The Department's Office of Professional Responsibility (DOJ OPR) has jurisdiction to investigate allegations of misconduct against Department attorneys that relate to the attorneys' exercise of their authority to investigate, litigate, or provide legal advice. The OIG may investigate other allegations of misconduct against Department attorneys. If assigned by

the Deputy Attorney General, the OIG may investigate allegations of misconduct that are within the jurisdiction of the FBI OPR, DEA OPR, or DOJ OPR. The OIG consults with these offices to determine which office has jurisdiction to investigate a particular matter.

The OIG's Fiscal Year (FY) 2000 direct appropriation was \$40.235 million. Additionally, the OIG earned reimbursements of (1) \$2.1 million from the Immigration and Naturalization Service (INS) for audit, inspections, and investigative oversight work related to the INS User Fee account; (2) \$1.6 million from the Working Capital Fund and other Department components for oversight of financial statement audit work; and (3) \$1.25 million from the Executive Office for U.S. Trustees (EOUST) for trustee audits.

This *Semiannual Report to Congress* (Report) reviews the accomplishments of the OIG for the 6-month period ending September 30, 2000. As required by Section 5 of the *Inspector General Act of 1978* (IG Act), as amended, this Report is submitted no later than October 31, 2000, to the Attorney General for her review. No later than November 30, 2000, the Attorney General is required to forward the Report to Congress along with her *Semiannual Management Report to Congress* that presents the Department's position on audit resolution and follow-up activity discussed in the Report.

Information about the OIG and its activities is available on the OIG's website at <http://www.usdoj.gov/oig>.

Congressional Testimony

Representatives from the OIG testified before three congressional oversight committees during the current reporting period. On April 6, 2000, Glenn A. Fine, then Director of the OIG's Special Investigations and Review Unit (SIRU), discussed the OIG's review of federal inmates' use of prison telephones during a hearing called by the Senate Judiciary Committee's Subcommittee on Criminal Justice Oversight. Mr. Fine testified about the OIG's findings that a significant number of federal inmates use prison telephones to commit serious crimes while incarcerated and that the Bureau of Prisons (BOP) had taken insufficient steps to address this abuse of prison telephones by inmates.

Deputy Inspector General (IG) Robert L. Ashbaugh testified on September 7, 2000, before the House Judiciary Committee's Subcommittee on Immigration and Claims about the OIG's review of the INS's Citizenship U.S.A. (CUSA) initiative. Mr. Ashbaugh reported on the OIG's findings that CUSA's ambitious production goals produced pressure in INS field offices that had an adverse impact on the quality of naturalization adjudications, that INS adjudicators' inquiries were often limited by the unavailability of applicant criminal history checks and permanent files, and that these problems had existed for many years prior to CUSA.

On September 21, 2000, Acting IG Fine testified before the House Judiciary Committee about the OIG's findings of misconduct and mismanagement at three offices in the Department's Criminal Division—the International Criminal Investigative Training Assistance Program (ICITAP), Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), and Office of Administration.

President's Council on Integrity and Efficiency Activities

The President's Council on Integrity and Efficiency (PCIE) consists of the 27 Presidentially appointed IGs in the federal government. In addition, the executive order creating the PCIE specifies that the Office of Government Ethics, Office of Special Counsel, FBI, and Office of Management and Budget (OMB) also serve as members. The PCIE conducts interagency and inter-entity audits, inspections, and investigations to address government-wide waste, fraud, and abuse.

During this reporting period, Mr. Ashbaugh, then Acting IG, served on the Legislation Committee. Mr. Ashbaugh also served on the PCIE working group that drafted a proposed strategic plan for the PCIE and served as an informal liaison for the PCIE to track and report on plans to implement the *Administrative Disputes Resolution (ADR) Act*, particularly relating to issues of confidentiality and access to records of ADR proceedings.

OIG staff participate in a variety of PCIE activities and serve on numerous PCIE committees and subgroups, including the Inspections and Evaluations Roundtable, an annual investigations conference, meetings of the Chief Financial Officers' Group, the OIG GPRA (Government Performance and Results Act) Coordinators' Interest Group, the Standards Training Committee, and the Information Technology (IT) Roundtable.

The Inspections Division represented the OIG at the newly formed PCIE/ECIE (Executive Council on Integrity and Efficiency) Misconduct Research Working Group. The National Science Foundation is leading this initiative to address current models for investigation and adjudication of misconduct cases.

The PCIE IT Roundtable expressed an interest in the automated security software the Audit Division uses to perform sophisticated security reviews of sensitive

Department network computer systems. The Audit Division provided a demonstration of the software and process for conducting these reviews. PCIE IT Roundtable members requested additional information and guidance on how to implement these audit procedures.

As part of the 3-year peer review cycle, the Audit Division is conducting a peer review of the audit operations of the Social Security Administration OIG and is undergoing a peer review of our audit operations by the Federal Deposit Insurance Corporation OIG.

To assess federal efforts to develop and implement programs to protect the nation's critical infrastructures, the PCIE is sponsoring a four-phase audit with the participation of more than 20 OIGs. The Audit Division completed its contribution to the first phase of the audit by assessing the Department's efforts to develop plans for protecting cyber-based infrastructures. The Audit Division plans to participate in the remaining phases of the audit, which will review (1) efforts to develop plans to protect noncyber-based infrastructures, (2) implementation of plans to protect the cyber-based infrastructures, and (3) implementation of plans to protect noncyber-based infrastructures.

The PCIE recognized Special Agent Ronald Holland of the Investigations Division El Paso Field Office with its PCIE Award for Excellence in Investigations in recognition of his exceptional investigative efforts that resulted in a felony conviction against a former BOP correctional counselor for repeatedly engaging in abusive sexual contact with inmates. This conviction is one of the first felony convictions ever against a BOP correctional counselor for abusive sexual contact with an inmate. The former BOP employee was sentenced to more than 12 years' incarceration and to 3 years' supervised release. Additional information about this case appears on page 16.

Special Inquiries

A number of OIG special investigations are of significant interest to the public and Congress and of vital importance to the Department. Teams working on these cases include senior attorneys, special agents, auditors, and inspectors. Many OIG special investigative reports are available on the OIG's website.

Following are brief descriptions of recently completed OIG special investigations.

Citizenship U.S.A.

On August 31, 1995, the INS launched CUSA, a program designed to substantially reduce the backlog of pending naturalization applications in FY 1996. More than one million individuals were naturalized during the year the program was in operation.

By early summer 1996, the media raised allegations concerning the integrity of the INS's naturalization processing, including allegations that applicants with disqualifying backgrounds had been naturalized. At the request of Congress and the Attorney General, the OIG investigated CUSA to determine whether the integrity of the naturalization process had been compromised and, if so, the reasons for the failures.

On July 31, 2000, the OIG issued its 684-page report, *An Investigation of the Immigration and Naturalization Service's Citizenship USA Initiative*. Our review found that the INS compromised the integrity of naturalization adjudications as a result of its efforts to process applicants more quickly and meet a self-imposed goal of completing more than a million cases by the end of FY 1996. We found that the INS did not address known processing weaknesses before implementing a major program that would place significant new burdens on the system. Problems of which INS managers were aware by the summer of 1995 included inconsistent application of adjudication criteria such as "good moral character" and English language standards,

widespread use of temporary files that necessarily meant that adjudicators were not reviewing an applicant's immigration history before making a determination about naturalization, and inadequate criminal history checking procedures that had been thoroughly documented in 1994 by both the OIG and General Accounting Office (GAO).

We also investigated an allegation that adjudication standards were compromised because of political efforts to maximize the number of persons eligible to vote for the Democratic Party in the November 1996 elections. We concluded that when the INS Commissioner and her staff launched CUSA in the summer of 1995, they sought to reduce the massive naturalization backlogs and were not acting out of partisan political motives. Although we found that the Vice President's National Performance Review (NPR) did become involved in CUSA in early 1996 after complaints from various community organizations about the substantial naturalization backlog, we found that this involvement had little direct impact on the program. We did find that the involvement from the NPR served to bring the delays in CUSA to the attention of high-level Department managers and was one of many factors that led the INS to recommit itself to achieving its production deadlines for the program.

We made 25 recommendations to the INS regarding the naturalization processing problems we found in our investigation. We made recommendations to strengthen each of the primary components of the naturalization process, including the interview and adjudications procedures, the use of applicant files, and criminal history checking procedures. We also made recommendations to correct the INS's failure to provide Congress with reliable information.

ICITAP/OPDAT

The Criminal Division's ICITAP and OPDAT provide training for police, prosecutors, and the judiciary in foreign countries and advice on American laws and programs to combat crime within a democratic framework. The Criminal Division's Office of Administration handles personnel, budget, procurement, and computer services for the Criminal Division.

The OIG began an investigation following allegations that ICITAP managers were violating security regulations. This investigation was broadened when the OIG received allegations of program mismanagement and supervisory misconduct at ICITAP, OPDAT, and the Office of Administration. In September 2000, the OIG released its 415-page report, *An Investigation of Misconduct and Mismanagement at ICITAP, OPDAT, and the Criminal Division's Office of Administration*, within the Department and to Congress.

We substantiated many of the allegations, and we concluded that several managers in these three offices abused their government positions for personal benefit and violated government regulations concerning security, travel, ethics, personnel management, and contracts. We found that two senior managers misused their government positions to improperly obtain visas for two Russian women, one of whom previously had been denied a visa. Certain managers provided classified information to persons who did not hold security clearances, failed to properly secure classified information, improperly took classified material home, and improperly certified to United States embassies that individuals had security clearances when they did not. We also found that certain managers improperly traveled business class on trips to Russia and improperly used frequent flyer miles accrued from government travel for their personal benefit.

In addition, ICITAP, OPDAT, and Office of Administration managers violated govern-

ment contract regulations by failing to distinguish between government employees and contractors and by using contractors in managerial positions. We also determined that managers failed to adequately oversee contracts.

We recommended that the Department discipline or seek reimbursement from six current or former employees. In addition, we made suggestions for improvement in the areas of security, travel, training, and ethics.

SIRU Activities

SIRU, located within the immediate office of the IG, investigates high profile or sensitive matters involving Department programs or employees. SIRU also reviews allegations of misconduct against OIG personnel. SIRU is composed of attorneys, special agents, program analysts, and administrative personnel.

During this reporting period, in addition to working on special inquiries, SIRU completed investigations of allegations of other administrative matters involving Department officials. The following were among those investigations:

- SIRU completed two investigations in the U.S. Marshals Service (USMS). One investigation involved allegations of favoritism in hiring, and the second concerned the possible intimidation of USMS inspectors by a USMS employee. Neither of the allegations was substantiated. However, SIRU did criticize the USMS employee for the actions that gave rise to the intimidation complaint.
- In the DEA, SIRU investigated an allegation that a DEA employee used his government position to protect a family member from a criminal investigation. This allegation was not substantiated.
- SIRU also investigated an allegation that an Assistant U.S. Attorney's

(AUSA's) time and attendance records were false. The OIG found significant lapses in the AUSA's record keeping and concluded that the lapses were caused by indifferent record keeping and a failure to ensure that the records were accurate. The OIG recommended that the AUSA be disciplined.

- SIRU investigated several cases involving unauthorized disclosure of information by Department officials.

Other OIG Activities

OIG semiannual reports feature the major investigations and programmatic reviews performed by the OIG during the past six months. In addition, the OIG has engaged in other noteworthy activities that significantly contribute to the Department and the governmental community.

- OIG investigators conducted 34 Integrity Awareness Briefings for Department employees throughout the country during this reporting period. These briefings are designed to educate employees about the misuse of a public official's position for personal gain and to deter employees from committing such offenses. The briefings reached more than 785 employees with a message highlighting the devastating consequences of corruption to both the employee and the agency.
- The Southwest Border offices of the Investigations Division, along with the U.S. Attorneys' Offices (USAOs); FBI; DEA; Bureau of Alcohol, Tobacco and Firearms; Customs Service; and Border Patrol, participate in the Department's Southwest Border Council—a group designed to coordinate federal efforts related to Southwest Border issues. The Council meets on a quarterly basis and

- discusses such topics as border violence, drug interdiction trends, civil rights, HIDTA (High Intensity Drug Trafficking Area) task forces, Border Patrol initiatives, and corruption.
- The Special Agent in Charge (SAC) of the Miami Field Office was a keynote speaker at the International Law Enforcement Intelligence Analyst Association Conference, which was held in Fort Lauderdale, Florida. Approximately 150 analysts and supervisors from throughout the United States, Great Britain, Australia, Canada, Barbados, and several other countries attended this conference. The SAC spoke on corruption and organized crime.
 - The San Diego Field Office participates, along with the FBI, DEA, U.S. Customs Office of Internal Affairs, and Internal Revenue Service, in the San Diego Border Corruption Task Force (BCTF) that investigates allegations of corruption against federal law enforcement officials. Currently there are 24 ongoing BCTF investigations, 12 of which were initially reported to the OIG's San Diego Field Office. One recent task force case resulted in the first arrest and conviction of an alien smuggler on charges of violating the federal racketeering statute. (See page 13 for more information on this case.)
 - The McAllen Field Office SAC spoke at the American Federation of Government Employees, Local 3307, U.S. Border Patrol Union Steward Training Workshop in Weslaco, Texas. Approximately 50 union stewards attended representing the McAllen and Laredo Border Patrol Sectors. The session covered a variety of topics, including the role of the OIG and the role of union stewards relative to OIG investigations.
 - The Miami Field Office SAC was the Ethics Panel moderator at the South Florida/Caribbean Organized Crime Drug Task Force and U.S. Attorney's Law Enforcement Coordinating Committee Conference in Stuart, Florida. Approximately 140 law enforcement officers from federal, state, and local law enforcement and prosecutors' offices from South Florida, U.S. Virgin Islands, and Puerto Rico attended the conference.
 - The Investigations Division's Operations Branch met with four officials from Russia's Chamber of Accounts. This organization is responsible for audits of accounts suspected of fraud. The Russian delegation was interested in how the U.S. government investigates and prosecutes fraud cases, and the meeting centered on contract and grantee fraud cases in the OIG.
 - The Investigations Division participates, along with the other Department law enforcement components (the BOP, DEA, FBI, INS, and USMS), in the design and implementation of the Justice Wireless Network (JWN). The JWN is a congressionally mandated consolidation of Department component radio infrastructure designed to increase communications efficiency, achieve interoperability among Department components, and reduce costs through shared resources and procurement. The OIG has worked closely with other component representatives and the Wireless Management Office—the entity created by the Department to centralize the planning and management of the JWN—to coordinate the first phase of the design and implementation of the JWN.

- The Audit and Investigations Divisions represented the federal IG community in briefing a group of international officials participating in a project sponsored by the State Department entitled *Anti-Corruption in Government and the Private Sector*. This program was designed to examine ethical standards of conduct in government and business and how such standards are defined, monitored, and enforced. Officials from nine Latin American countries visited several U.S. cities. The briefing included an overview of the IG Act and amendments, the purpose of the Act and IG responsibilities, statutory independence, and reporting. The presentation also included discussions on the PCIE and ECIE, the U.S. criminal justice system, whistleblower protection, and the organizational structure of the Department of Justice's OIG.
- The Audit Division continued to monitor the Department's critical automation initiatives to enhance automated data processing operations. Auditors attended briefings by the INS, DEA, FBI, and Executive Office of U.S. Attorneys senior management to monitor their effective use of automation resources.
- The Audit Division completed reviews of the FY 1999 Annual Accounting of Drug Control funds of 13 Department organizations and components. The objective and scope of each review was to attest to reports made by Department management as required by the Office of National Drug Control Policy Circular, *Annual Accounting of Drug Control Funds*, dated December 17, 1999.
- The Audit Division is a member and attended meetings of the Intelligence Community IG Forum—Information Assurance Working Group. The purpose of the working group is to monitor and evaluate the status of management policies and oversight of information assurance efforts to protect Intelligence Community automated information systems.
- The Audit Division attends the Department Information Resource Management (IRM) Council (Council) meetings and meetings of the Department's Information Technology Security Officers Working Group (IT-SOWG). The Council provides a forum for sharing information and for discussing and resolving IRM issues that affect multiple components. The IT-SOWG is a forum for Department security personnel to learn about the latest in security vulnerabilities, technologies, and solutions; exchange information and ideas with their peers from throughout the Department; and facilitate cooperation and sharing across component boundaries.
- The Audit Division participates in the Department's Financial Statement Working Group meetings to provide guidance to Department components on the compilation of consolidated financial statements. The Audit Division and the independent public accountants contracted by the Audit Division also provide feedback and guidance regarding the Department's Accountability Report process.
- As part of its continuing participation in the Federal Audit Executive Committee's Financial Statement Audit Network, the Audit Division is participating in the interagency group that is revising the GAO's Financial Audit Manual for use by the IG community.

- In preparation for the USMS oversight hearing, the Senate Judiciary Subcommittee on Criminal Justice Oversight requested information from the OIG on the USMS. Inspections Division staff provided data on USMS resource allocations for its fugitive apprehension program relative to other programs in terms of dollar expenditures and staffing. This information was available from research on the OIG inspection, *USMS Fugitive Apprehension Program*, completed during the first half of FY 2000.
- Inspections Division management met with the U.S. Postal Service OIG to assist in its efforts to create a Postal Service OIG inspection and evaluation unit. We shared background information about the evolution of the Department's OIG Inspections entity, how we operate, and lessons learned.
- The Office of General Counsel served on the Confidentiality Subcommittee of the Alternative Dispute Resolution Working Group Steering Committee of the Federal Alternative Dispute Resolution Council. The Subcommittee analyzed and reported on the confidentiality protections in the *Alternate Dispute Resolution Act of 1996* and its impact on the right of access to information afforded to the OIG and other federal entities such as the Office of Special Counsel and the Equal Employment Opportunity Commission. The Subcommittee's report was submitted to the Committee and will be published in the *Federal Register*.

Legislation and Regulations

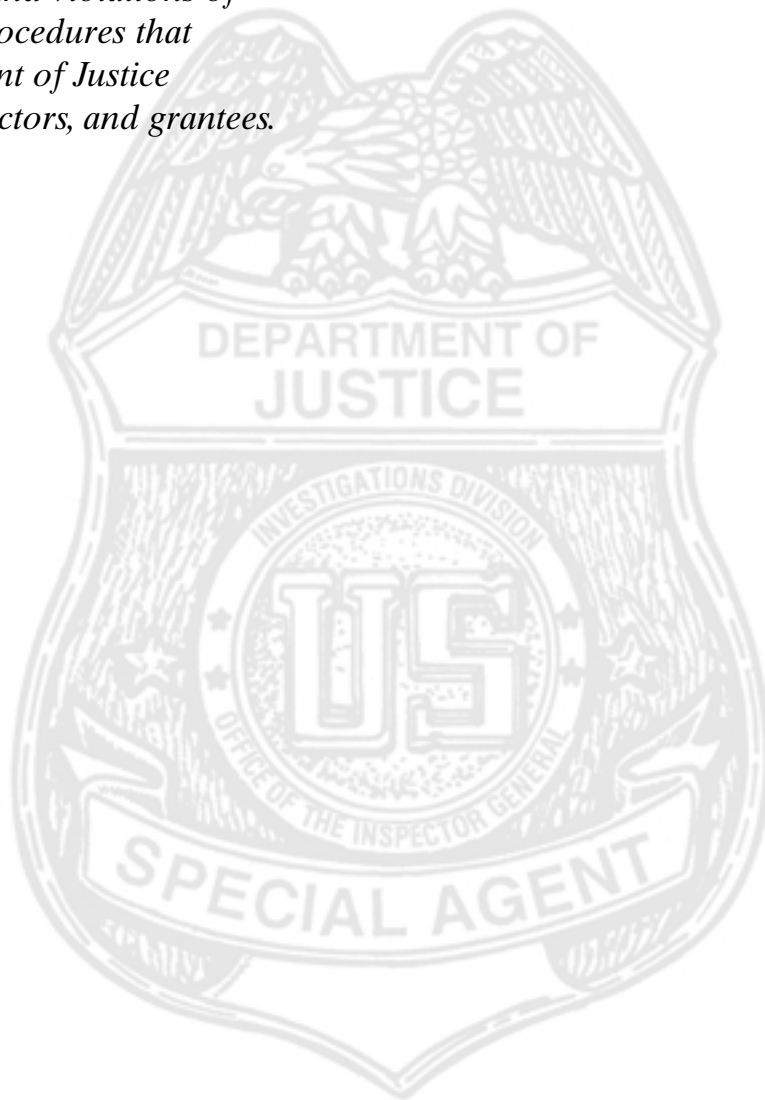
The IG Act directs the OIG to review proposed legislation and regulations relating to the programs and operations of the Department. Although the Department's Office of Legislative Affairs reviews all proposed or enacted legislation that could affect the Department's activities, the OIG independently reviews proposed legislation that affects it or legislation that relates to waste, fraud, or abuse in the Department's programs or operations.

During this reporting period, the OIG reviewed several dozen pieces of legislation, including a Senate proposal to amend the IG Act to increase the efficiency and accountability of OIGs and legislation to provide an independent statutory basis for firearms, arrest, and warrant powers for OIG special agents.

The OIG also commented on the *Government Information Security Act of 2000*, which would provide a comprehensive framework for ensuring the effectiveness of controls over information and information resources that support government operations. The legislation proposes that OIGs perform an audit of the yearly evaluation by their Department of the information security programs at their respective agencies. In addition, the OIG commented on the *Law Enforcement Trust and Integrity Act of 2000*, a bill that seeks to encourage greater public accountability of law enforcement agencies. Finally, the OIG reviewed legislation that would require agencies to conduct recovery audits to detect potential overpayments in certain contracts.

The Investigations Division

The Investigations Division investigates allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department of Justice employees, contractors, and grantees.



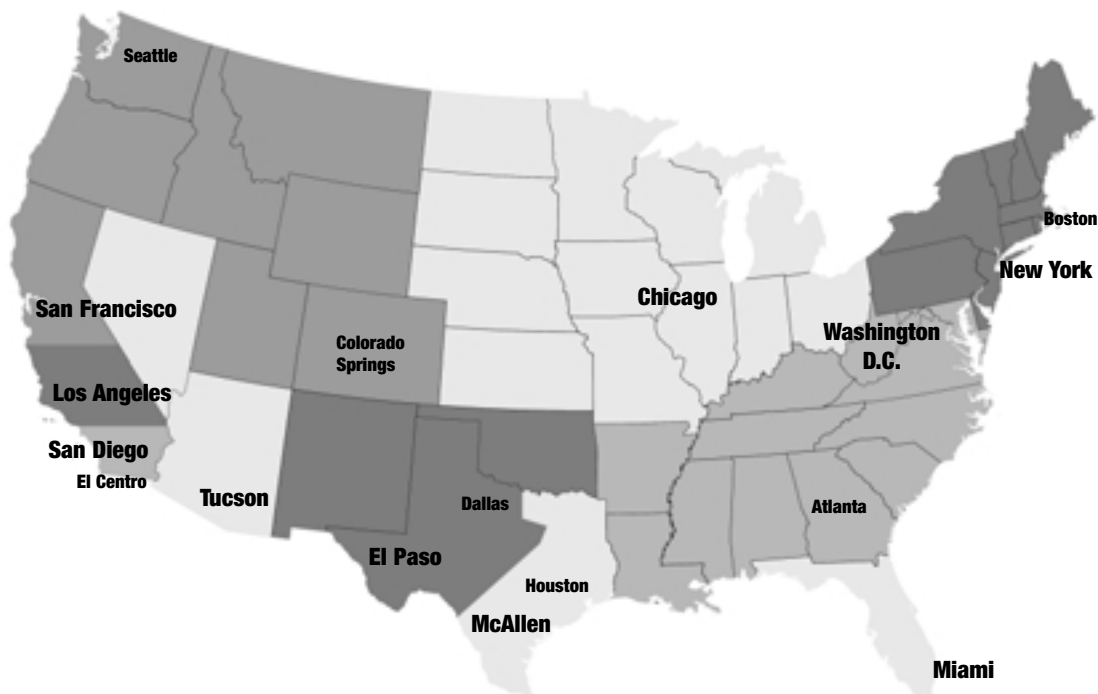
The Investigations Division (Investigations) investigates allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees. Investigations develops cases for criminal prosecution and civil and administrative action. In many instances, the OIG refers less serious allegations to components within the Department for appropriate action and, in the more important cases that are referred, reviews their findings and disciplinary action taken.

Investigations carries out its mission through the work of its special agents who are assigned to offices across the country. Currently, Investigations has field offices in Chicago, El Paso, Los Angeles, McAllen, Miami, New York, San Diego, San Francisco, Tucson, and Washington, D.C. (the Washington Field Office and Fraud Detection Office), and smaller, area offices in Atlanta, Boston, Colorado Springs, Dallas, El Centro, Houston, and Seattle. Investigations Headquarters, in Washington, D.C., consists of the immediate

office of the Assistant Inspector General and three branches: Operations, Investigative Support, and Policy and Administration.

Geographic areas covered by the field offices are indicated on the map below. In addition, the San Francisco office covers Alaska; the San Diego office covers Hawaii, Guam, the Northern Mariana Islands, and American Samoa; and the Miami office covers Puerto Rico and the U.S. Virgin Islands.

During this reporting period, Investigations received 4,432 complaints. It opened 282 investigations and closed 254. It made 81 arrests involving 31 Department employees, 39 civilians, and 11 Department contract personnel. Convictions resulted in 56 individuals receiving sentences ranging from probation to more than 12 years' incarceration and fines, recoveries, and orders of restitution totaling \$856,366. As a result of OIG investigations, 11 employees and 4 contract employees received disciplinary action, including 9 who were terminated. In addition, 31 employees and 11 contract employees resigned either during or at the conclusion of the investigations.



Significant Investigations

Following are some of the cases investigated during this reporting period.

Bribery

- A former INS immigration inspector assigned to the Columbus, New Mexico, Port of Entry (POE) was sentenced to 12 years' incarceration and 5 years' supervised release following his guilty plea to charges of bribery of a public official and conspiracy to import more than 10 kilograms of cocaine into the United States. An investigation by the Las Cruces, New Mexico, Task Force, consisting of the U.S. Customs Office of Internal Affairs, FBI, and OIG El Paso Field Office, developed evidence that, in exchange for \$20,000, the former immigration inspector allowed vehicles to enter the United States from Mexico without inspection. His wife pled guilty to conspiracy to import cocaine and was sentenced to 6½ years' incarceration and 5 years' supervised release. Two additional co-defendants pled guilty to conspiracy to distribute cocaine; one was sentenced to 57 months' incarceration and 5 years' supervised release. The second co-defendant awaits sentencing.

- In the Central District of California, agents from the OIG Los Angeles Field Office and FBI arrested an INS special agent assigned to the INS Los Angeles District Office Anti-Smuggling Unit and a civilian on charges of conspiracy to smuggle aliens into the United States. A third individual, already in federal prison on an unrelated drug smuggling charge, was charged with conspiracy. The joint investigation revealed a scheme in which the corrupt INS special agent released previously smuggled illegal aliens from the custody of the INS to his co-defendants, who then held them for ransom paid by the illegal aliens' relatives. Allegedly, the INS special agent agreed to participate in this scheme to pay a debt he owed

to one of his co-defendants. All three defendants pled guilty and await sentencing.

- In the Southern District of New York, an INS information officer assigned to the New York District Office, a General Services Administration (GSA) contract security guard, and a civilian document vendor were arrested on charges of bribery. An investigation by the OIG New York Field Office and the GSA OIG led to a criminal complaint alleging that the GSA contract security guard and the civilian document vendor paid the INS information officer more than \$2,600 for providing Central Index System printouts and for placing ADIT stamps in the passports of aliens not entitled to such documentation. The INS information officer pled guilty and awaits sentencing. Judicial proceedings continue for the two co-defendants.

- An INS supervisory district adjudications officer in the Eastern District of California was arrested and pled guilty to charges of bribery of a public official. An investigation by the OIG San Francisco Field Office, assisted by the INS, disclosed that the adjudications officer, working through two civilian middlemen, accepted bribes to expedite naturalization applications for certain aliens. The middlemen were subsequently arrested on bribery and conspiracy charges and await trial. INS terminated the supervisory adjudications officer. He pled guilty and awaits sentencing.

- In the District of Massachusetts, an INS district adjudications officer assigned to the Boston District Office was arrested on charges of bribery. An investigation by the OIG Boston Area Office, assisted by the FBI and other federal agencies, led to a criminal complaint alleging that the district adjudications officer demanded and accepted approximately \$5,000 in bribes in exchange for granting citizenship to a naturalization candidate and removing all references to the candidate's arrest history from his alien file. The complaint further alleges that the

district adjudications officer offered to assist an undercover agent with naturalization candidates for \$1,000 apiece and offered to assist doctors with obtaining employment with the INS, also for \$1,000 apiece. Judicial proceedings continue.

- A Border Patrol agent assigned to the Bakersfield, California, Border Patrol Station was indicted and arrested in the Eastern District of California on charges of conspiracy to take a bribe by a public official, interference with commerce by extortion, and making false statements. A San Francisco Field Office investigation revealed that the Border Patrol agent entered into an agreement with a local towing company to use its towing service exclusively in exchange for a \$25 kickback for each vehicle towed on the Border Patrol agent's orders. The investigation revealed that, between May 1998 and July 1999, the towing company towed approximately 180 vehicles at the Border Patrol agent's direction. Judicial proceedings continue.

- An investigation conducted by the OIG Miami Field Office and the INS in the U.S. Virgin Islands resulted in the arrest of an INS immigration inspector assigned to the International Airport in St. Croix on charges of bribery and visa fraud. This joint investigation led to an indictment alleging that the immigration inspector conspired with a civilian recruiter to solicit and accept cash bribes of \$500 to \$1,000 from illegal aliens to place ADIT stamps in their passports. Judicial proceedings continue.

- Our September 1999 *Semiannual Report to Congress* described a case in which a former INS immigration inspector assigned to the San Ysidro POE was arrested on federal racketeering charges, alien smuggling, and importation of a controlled substance. During this reporting period, the former immigration inspector was convicted on all charges following a jury trial in the Southern District of California. This investigation was initiated by the OIG San Diego Field Office and investigated by the San Diego BCTF, of which the OIG is a member. The investigation developed evidence that the former immigration inspector used his position to allow multiple loads of aliens and 3,500 pounds of marijuana to cross

the border in exchange for approximately \$350,000. He was sentenced to more than 12½ years' incarceration and 5 years' supervised release, fined \$1,200, and ordered to pay \$19,571 in restitution.

Attempts To Corrupt Department Employees

- In the Northern District of Illinois, the Chicago Field Office arrested a civilian on charges of bribery of a public official. The investigation led to an indictment alleging that the civilian approached an INS clerk and offered money to verify the status of citizenship cases. The INS clerk reported the contact to the OIG. During a series of recorded undercover meetings and telephone calls, the civilian provided the INS clerk with jewelry, a pager, and more than \$6,000 cash in return for the clerk arranging U.S. citizenship for foreign nationals. The civilian awaits trial.

- In the Northern District of Illinois, an alien was arrested on charges of bribery of a public official. An investigation by the OIG Chicago Field Office and Department of Education OIG led to an indictment alleging that the alien paid \$300 to an INS special agent to overlook and approve a marriage that appeared to be fraudulent. This allowed the alien to obtain a Green Card and falsely obtain more than \$37,000 in student aid from the Department of Education. Judicial proceedings continue.

- In the Eastern District of Washington, a civilian offered a \$1,000 bribe to a Border Patrol agent to arrange the release of her boyfriend from INS custody. The Border Patrol agent promptly reported the bribe attempt to the OIG Seattle Area Office and agreed to assist in the ensuing investigation that resulted in the indictment and subsequent arrest of the civilian. The civilian admitted guilt and entered into pre-trial diversion under the condition that she successfully complete 12 months' probation.

Introduction of Contraband

- In the Western District of Oklahoma, a BOP cook supervisor assigned to the Federal Correctional Institution (FCI) in El Reno was arrested and pled guilty to charges of possession with intent to distribute cocaine and marijuana. A joint investigation by the OIG Dallas Area Office, FBI, Oklahoma City Police Department, and the USAO developed evidence that the cook supervisor accepted one ounce of cocaine and one pound of marijuana in exchange for \$2,100 and promised the undercover officers that he would deliver the drugs to an inmate incarcerated at FCI El Reno. The subject resigned his position with the BOP and was sentenced to 27 months' incarceration and 3 years' supervised release.

- A former BOP correctional officer assigned to the U.S. Penitentiary in Beaumont, Texas, and a civilian were arrested on charges of conspiracy to possess with intent to distribute cocaine and heroin. An investigation by the Houston Area Office led to a criminal complaint filed in the Eastern District of Texas alleging that an inmate was using the civilian to acquire drugs and provide them to the former correctional officer who, in exchange for cash, would bring the drugs into the penitentiary. On the night of the arrests, the civilian delivered more than 100 grams of heroin and crack cocaine to the former correctional officer and paid him \$1,500 to smuggle them into the prison. Judicial proceedings continue.

Alien Smuggling

- In the Southern District of California, a GSA security guard and a former GSA security guard assigned to the San Ysidro POE and a civilian were arrested by members of the San Diego BCTF pursuant to an indictment charging them with conspiracy to commit visa fraud, conspiracy to bring in illegal aliens for financial gain, possession of counterfeit INS documents, aiding and abetting, and the distribution of methamphetamine. In one incident, the current GSA security guard

was videotaped smuggling a cooperating witness through the POE. During a search of the former GSA security guard's and civilian's residences, the investigators found items used to create counterfeit documents. The former GSA security guard and the civilian have pled guilty. The GSA security guard awaits trial.

- Our September 1999 *Semiannual Report to Congress* reported a case in which a former INS immigration inspector assigned to the San Ysidro POE was arrested on charges of alien smuggling. During this reporting period, the former INS immigration inspector was convicted following a weeklong trial and was sentenced in the Southern District of California to five years' incarceration and three years' supervised release. The San Diego Field Office developed evidence that the immigration inspector, while on duty, smuggled numerous illegal aliens into the United States in return for \$1,500—\$2,000.

Drug Smuggling

- In the Southern District of Texas, a civilian narcotics smuggler and a Mexican national were arrested on multiple drug charges, including importation, possession, and intention to distribute. A joint OIG McAllen Field Office and FBI investigation into allegations that an INS immigration inspector had aided a narcotics smuggler in transporting drugs through the Pharr POE resulted in the seizure of more than 1,000 pounds of marijuana. Judicial proceedings continue.

- Our September 1999 *Semiannual Report to Congress* described a case in the Southern District of Florida in which an INS detention enforcement officer was arrested on charges of conspiracy and possession with intent to distribute cocaine and heroin. The detention enforcement officer later pled guilty to

attempted possession with intent to distribute cocaine, was terminated from the INS, and was sentenced to nine years' incarceration and five years' supervised release. This joint investigation conducted by the South Florida HIDTA and the OIG Miami Field Office revealed that the detention enforcement officer was part of a large narcotics smuggling ring at Miami International Airport (MIA) that smuggled sham narcotics from MIA to undercover DEA and Customs Service agents in Northeast cities.

Sexual Abuse

- A former Border Patrol agent assigned to the Imperial Beach Border Patrol Station was sentenced to one year of incarceration and three years' supervised release and ordered to register as a sex offender. The Border Patrol agent pled guilty to California State charges involving a minor. The OIG San Diego Field Office and Chula Vista Police Department initiated this joint investigation after receiving a complaint from the victim's parent. The Border Patrol agent resigned his position prior to being sentenced.

- In the Southern District of Florida, an INS detention enforcement officer was arrested on charges of sexually assaulting an INS detainee at the Krome Service Processing Center—the federal detention facility in western Miami-Dade County. An investigation by the OIG Miami Field Office led to an indictment alleging that the detention enforcement officer, while assigned to Krome, forcibly raped the detainee on two occasions. Judicial proceedings continue.

- A BOP correctional officer assigned to FCI Pekin was arrested and pled guilty to charges filed in the Central District of Illinois of abusive sexual contact with two inmates. During this Chicago Field Office investigation, the former correctional officer resigned her position, changed her name, and moved to Arizona. OIG special agents from Chicago and Tucson successfully located and arrested

the former correctional officer at her Arizona residence.

- In the Northern District of Florida, a former correctional officer assigned to FCI Tallahassee was arrested and pled guilty to charges of sexual abuse of a ward. This OIG Miami Field Office investigation, assisted by the Florida Department of Law Enforcement, established that the former correctional officer engaged in a sexual relationship with an inmate. He was sentenced to 2 years' probation and ordered to perform 120 hours of community service.

- A former BOP account technician assigned to FCI Miami was arrested as a result of two separate investigations conducted by the OIG Miami Field Office and FBI on charges of embezzlement and sexual abuse of an inmate. The first investigation led to an indictment filed in the Southern District of Florida alleging that the former account technician brought contraband into FCI Miami for an inmate and took \$1,500 from the inmate's account. The second investigation revealed that the former account technician engaged in a sexual relationship with the inmate. Judicial proceedings continue.

- A BOP contract correctional officer assigned to the Taft Correctional Institution in Taft, California, was arrested pursuant to a criminal information filed in the Eastern District of California alleging sexual contact with a federal inmate. An investigation by the San Francisco Field Office was prompted by a supervisory correctional officer conducting security checks who observed the contract correctional officer engaging in sex with an inmate. The inmate admitted to an ongoing sexual relationship with the contract correctional officer. The officer awaits trial and has been terminated by the corporation that runs the Taft Correctional Institution under contract with BOP.

- A former BOP correctional officer assigned to the Federal Correctional Complex in Beaumont, Texas, was arrested and pled guilty to charges filed in the Eastern District of Texas of sexual abuse of a ward. An investigation by the Houston Area Office developed evidence that the former correctional officer had engaged in sex with an inmate on five occasions. He resigned from the BOP as a result of this investigation.

- An investigation by the Tucson Field Office determined that a BOP contract case manager assigned to a treatment center in Arizona was sexually involved with an inmate. The case manager was terminated from her position after prosecution was declined.

- An investigation by the Tucson Field Office resulted in the termination of a contract security monitor assigned to a Phoenix, Arizona, halfway house under contract to the BOP for having sex with an inmate in exchange for granting leave privileges. Prosecution was declined.

- Our last *Semiannual Report to Congress* reported on an investigation by the El Paso Field Office in which a former BOP correctional counselor was arrested and convicted in a jury trial of sexually abusing multiple female inmates while he was employed at the Federal Transfer Center in Oklahoma City. During this reporting period, the correctional counselor was sentenced to more than 12 years' incarceration and to 3 years' supervised release. This case represents one of the first felony convictions against a BOP correctional counselor for abusive sexual contact with an inmate.

Fraud

- In the Northern District of California, a former INS contract employee working as a citizenship tester and a civilian immigration consultant were arrested and pled guilty to charges of procurement of citizenship contrary to law and aiding and abetting. An investigation by the San Francisco Field Office developed evidence that the immigration

consultant and the citizenship tester, formerly employed by an INS contractor, fraudulently gave passing grades on written citizenship tests to aliens who could not write or speak English. The former INS contract employee was sentenced to 3 years' probation, fined \$2,500, and ordered to perform 300 hours of community service. The civilian immigration consultant was sentenced to 3 years' probation, fined \$2,500, and ordered to perform 400 hours of community service.

- An investigation by the Los Angeles Field Office resulted in the collection of approximately \$293,367 from Nationwide Auction Systems, a private company under contract to sell seized automobiles on behalf of the USMS. Nationwide Auction Systems was found to be illegally adding a 10 percent buyers premium and a \$50 processing fee to the expenses they charged clients, which was specifically prohibited in the contract negotiated with the USMS. A settlement was reached prior to civil or criminal action being brought against the company.

- A Border Patrol agent assigned to the Deming Border Patrol Station was convicted in a jury trial on New Mexico State charges of extortion and fraud. An undercover investigation initiated by the OIG El Paso Field Office and joined by the New Mexico State University Police (NMSUP) disclosed that the Border Patrol agent used his position as well as threats and intimidation to coerce three women and their families into giving him money and jewelry he believed they stole from his girlfriend's sister. Prior to the investigation, the Border Patrol agent had demanded and received \$5,000 from the women and their families. In a joint effort, the OIG and NMSUP obtained a recording of the Border Patrol agent receiving a \$1,000 extortion payment. He later admitted to keeping the money. The Border Patrol agent resigned his position and awaits sentencing.

- A joint investigation by the Defense Criminal Investigative Service and the OIG Miami Field Office resulted in the indictment and arrest of the former president, production manager, and quality control manager of the dissolved International Jet Repairs, Inc., in Hialeah, Florida, on charges of mail fraud and making false statements. This indictment alleges that International Jet Repairs, Inc., a Federal Aviation Administration-certified repair station, improperly repaired flight-critical aircraft parts. International Jet Repairs, Inc., also performed fraudulent repairs by using nonconforming parts on USMS aircraft and falsifying repair records. Judicial proceedings continue.

- An INS investigative support clerk assigned to the San Diego District Office was arrested on charges of making false claims against the United States. An investigation by the San Diego Field Office led to the indictment filed in the Southern District of California alleging that, during 1998 and 1999, the investigative clerk falsified and submitted 14 payroll records, forged 6 SF-1164 forms (Claim for Reimbursement for Expenditures on Official Business), and forged 6 G-722 forms (Claim for Payment of Reward or Purchase of Evidence). Through her actions, the investigative clerk received more than \$15,000 in unauthorized payments. She is currently awaiting trial.

Theft

- A former deputy U.S. Marshal was arrested, pled guilty, and was sentenced to three years' probation in the District of Columbia for theft of public funds. An investigation by the Washington Field Office revealed that the former deputy marshal, who worked as a supervisor in the Short Term Protection Program (STPP) in the Superior Court for the District of Columbia from 1992 until October 1999, embezzled approximately \$6,500 in witness subsistence funds intended for six different witnesses in the STPP. The former deputy marshal forged witnesses' signatures on subsistence funds voucher receipts for amounts larger than he actually gave

the witnesses. He resigned from the USMS during the course of the investigation.

- A contract GSA supervisory janitor was sentenced in the Northern District of California to 3 years' probation and 5 months' home confinement and ordered to pay restitution of \$12,695 following his conviction for stealing six laptop computers and selling this federal government property without authority. An OIG San Francisco Field Office investigation into the disappearance of 29 new laptop computers—valued in excess of \$60,000—from the INS San Francisco District Office developed evidence that the supervisory janitor stole and then sold or pawned at least six of the computers for approximately \$200 each. The OIG recovered three of the computers. The INS and GSA Federal Protective Service assisted in the investigation.

- Our last *Semiannual Report to Congress* described a case in which two former INS contract employees were arrested on charges of presenting materially altered money orders and a third former INS contract employee was arrested on charges of aiding and abetting the presentation of altered money orders. During this reporting period, three additional INS contract employees working as clerks for the Labat-Anderson Company and a civilian were arrested pursuant to an indictment alleging conspiracy to embezzle, steal, and knowingly convert to their own use money and things of value to the United States. One INS contract employee has pled guilty. Judicial proceedings continue.

Conflict Of Interest

- A former senior Justice Management Division (JMD) official agreed to pay a \$30,000 civil settlement to the U.S. government to resolve allegations that he violated conflict of interest laws for federal employees. This Washington Field Office investigation,

coordinated with the Criminal Division's Public Integrity Section, concluded that the former JMD official had attempted to influence the Department's decision to award a contract for computer assistance to his current employer. The former JMD official was prohibited from contacting the government on behalf of an employer within one year of leaving federal service. This is the largest fine paid as a result of a settlement agreement with the Public Integrity Section from an investigation into a conflict of interest violation.

Obstruction of Justice

- Two federal inmates incarcerated at FCI Estill, South Carolina, were each sentenced in the Northern District of Georgia to 15 months' incarceration and 3 years' supervised release. The inmates were previously arrested and pled guilty to charges of conspiracy to obstruct justice. A joint investigation by the OIG Atlanta Area Office and FBI revealed that the first inmate provided the second inmate with information concerning a drug-dealer defendant scheduled to go to trial. The second inmate used the information to falsely claim to the government that he worked with the drug dealer in the past. The second inmate was later placed on the government's witness list and, based on his cooperation, sought a reduction in sentence even though he provided false statements concerning his association with the drug dealer.

Misconduct

- An investigation by the El Paso Field Office resulted in the 45-day suspension of an AUSA for inappropriate behavior during a witness interview. In addition, the OIG found that the AUSA used inappropriate language in reference to police officers and a female law intern, consumed alcohol while on duty, and inappropriately carried and displayed a firearm while on duty.

- An AUSA was terminated from his position for making false statements under oath, practicing law outside his duties, and

misusing his position for personal gain. A Chicago Field Office investigation revealed that the AUSA had received compensation for conducting legal work that was outside the scope of his government employment and had lied about this activity in a sworn affidavit.

Civil Rights

The San Diego Field Office continues to receive numerous allegations of civil rights violations committed by Department employees against illegal aliens. Working in concert with the Consul General of Mexico, the San Diego Field Office ensures that all allegations of civil rights violations are tracked and receive proper disposition, including the opening of an OIG investigation, if appropriate. The USAO for the Southern District of California and the Civil Rights Section of the Criminal Division continue to vigorously pursue prosecution of such matters. Presently, the San Diego Field Office has five criminal civil rights investigations at various stages of the judicial process.

During this reporting period, a Border Patrol agent assigned to the Temecula Border Patrol Station surrendered and pled guilty to charges of obstruction of justice in the Southern District of California and agreed to resign from the Border Patrol. The OIG San Diego Field Office, assisted by the FBI, initiated an investigation after receiving an allegation from a local civil rights group that a legal resident had been assaulted by an unknown Border Patrol agent near a local highway. The investigation developed evidence that, following a vehicle stop, the Border Patrol agent beat a man he suspected was an alien smuggler and then instructed his partner to omit information about the incident in his written report. The Border Patrol agent was sentenced to 6 months' home confinement and 3 years' probation.

Investigations Statistics

The following chart summarizes the workload and accomplishments of Investigations during the 6-month period ending September 30, 2000.

Investigations Statistics

Source of Allegations

Hotline (telephone and mail)	632
Other sources	3,800
Total allegations received	4,432

Investigative Caseload

Investigations opened this period	282
Investigations closed this period	254
Investigations in progress as of 9/30/00	473

Prosecutive Actions

Criminal indictments/informations	68
Arrests	81
Convictions/Pleas	57

Administrative Actions

Terminations	9
Resignations	42
Disciplinary action	6

Monetary Results

Fines/Restitutions/Recoveries	\$856,366
Seizures	\$114,960
Bribe monies deposited to the Treasury	\$9,000

The Audit Division

The Audit Division is responsible for independent reviews of Department of Justice organizations, programs, functions, computer technology and security systems, and financial statement audits.



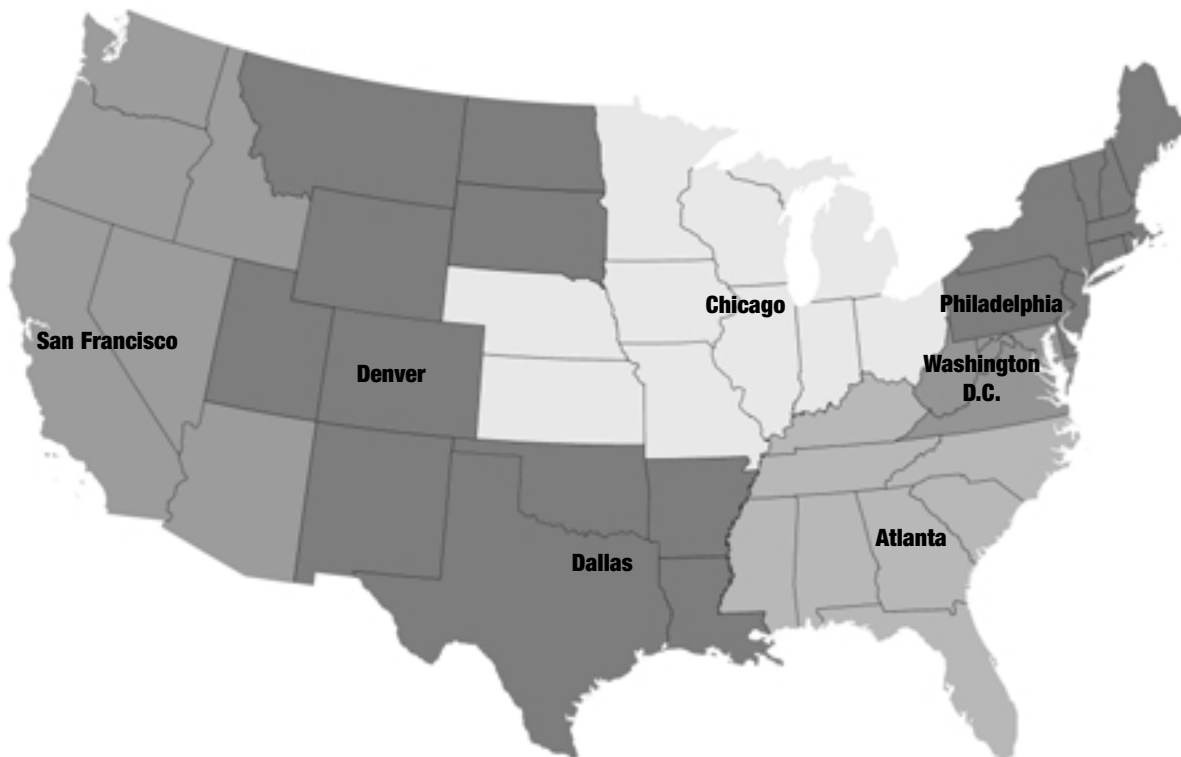
The Audit Division (Audit) reviews Department organizations, programs, functions, computer technology and security systems, and financial statements. Audit also conducts or oversees external audits of expenditures made under Department contracts, grants, and other agreements. Audits are conducted in accordance with the Comptroller General’s *Government Auditing Standards* and related professional auditing standards. Audit produces a wide variety of audit products designed to provide timely notification to Department management of issues needing attention. It also assists the Investigations Division in complex fraud cases.

Audit works with Department management to develop recommendations for corrective actions that will resolve identified weaknesses. By doing so, Audit remains responsive to its customers and promotes more efficient and effective Department operations. During the course of regularly scheduled work, Audit

also lends fiscal and programmatic expertise to Department components.

Audit has field offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, D.C. The Financial Statement Audit Office and Computer Security and Information Technology Audit Office also are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, the Office of Operations, the Office of Policy and Planning, and an Advanced Audit Techniques Group. Auditors and analysts have formal education in fields such as accounting, program management, public administration, computer science, information systems, and statistics.

The field offices’ geographic coverage is indicated on the map below. The San Francisco office also covers Alaska, Hawaii, Guam, the Northern Mariana Islands, and American Samoa, and the Atlanta office also covers Puerto Rico and the U.S. Virgin Islands.



During this reporting period, Audit issued 327 audit reports containing more than \$29 million in questioned costs and \$7 million in funds to better use and made 324 recommendations for management improvement. Specifically, Audit issued 17 internal reports of programs funded at more than \$561 million; 43 external reports of contracts, grants, and other agreements funded at more than \$56 million; 206 audits of bankruptcy trustees with responsibility for funds of more than \$309 million; and 61 Single Audit Act audits. Audit issued 3 Management Information Memoranda, 2 Notifications of Irregularity, and 10 Management Letter Transmittals.

Significant Audit Products

State Criminal Alien Assistance Grant Program

The Office of Justice Programs (OJP) provides grants to state and local governments to help defray the cost of incarcerating undocumented criminal aliens convicted of state or local felonies. The grants are administered by OJP under the State Criminal Alien Assistance Program (SCAAP). OJP made payments totaling \$495 million to 146 state and local applicants for FY 1996 and \$492 million to 270 applicants for FY 1997. For each of FYs 1998 through 2000, Congress appropriated \$585 million for SCAAP grant awards.

During our review of five FY 1996 SCAAP grants, we found that OJP overcompensated California, Texas, New York, Florida, and Illinois approximately \$19.3 million for unallowable inmate costs and ineligible inmates. We estimated that OJP overpaid these five states for at least 1,760 inmates whose immigration status was unknown. In addition,

we found OJP's FY 1996 methodology for compensating applicants over-inclusive and offered suggestions for how it could be improved. We suggested that OJP consider basing qualifying costs on a cost category common to all applicants, such as salary, thus eliminating the need for OJP and the applicants to search cost categories for allowable costs.

We also recommended that OJP address the questioned costs, develop more specific guidelines for qualifying costs, ensure the applicants submit accurate data, develop more specific information on eligible inmates, and compensate applicants only for eligible inmates.

Community Oriented Policing Services Grant Audits

We continue to maintain extensive audit coverage of the Office of Community Oriented Policing Services (COPS) grant program. The *Violent Crime Control and Law Enforcement Act of 1994* (Crime Act) authorized \$8.8 billion over six years for grants to add 100,000 police officers to the nation's streets. During this reporting period, we performed 33 audits of COPS hiring and redeployment grants totaling more than \$56 million. Our audits identified more than \$4.5 million in questioned costs and more than \$4.3 million in funds to better use.

The following are examples of findings reported in our audits of COPS grants during this period:

- The Milwaukee, Wisconsin, Police Department was awarded a total of \$6.4 million in COPS grants to hire 75 additional sworn law enforcement officers and to redeploy 32 police officers into community policing activities through the purchase of equipment and technology. For the hiring grants, we determined that the Police Department did not intend to hire 25 officers, did not retain 15 officers, and is unlikely to retain 25 additional officers. For the redeployment grants, we could not substantiate that the Police Department redeployed

17 officers as a result of the computer and technology purchases. As a result of these deficiencies, we identified \$776,718 in questioned costs and recommended \$2.4 million be put to better use.

- The Scranton, Pennsylvania, Police Department was awarded a total of \$2.6 million in COPS grants to hire 20 additional sworn law enforcement officers and to redeploy 9 police officers into community policing activities through the purchase of equipment and technology. We determined that the Police Department overstated its anticipated expenditures in its grant application, could not support that local matching funds came from sources not previously budgeted for law enforcement, and had not developed a plan on how it was going to track the redeployment of officers into community policing as a result of purchasing equipment and technology. As a result of these deficiencies, we identified \$38,584 in questioned costs and recommended \$114,286 be put to better use.
- The Shady Cove, Oregon, Police Department was awarded a total of \$329,140 in COPS grants to hire four additional sworn law enforcement officers. We determined that the Police Department charged unallowable costs to its grants, did not retain a position funded by the grants, and did not enhance community policing by the number of officers funded by the grants. As a result, we identified \$101,335 in questioned costs.
- The Alligator, Mississippi, Police Department was awarded a \$15,750 COPS grant to hire one part-time sworn law enforcement officer. We determined that the Police Department received the entire grant amount of \$15,750 even though the federal share of costs was limited to \$9,703, used the excess funds to pay for the officer after the grant expired,

did not meet its local match requirement, and may not retain the position when the excess funds are expended. As a result, we questioned the entire \$15,750 reimbursed to the grantee.

Computer Security Controls

Audit reviewed select computer security controls of the DEA, INS, and COPS computer systems. The computer system security audits address a significant management concern in the Department and assess whether certain computer security controls are in place to protect computer systems from unauthorized use, loss, or modification. We tested security controls related to password management, log-on management, account integrity, system auditing, and remote access service. We identified vulnerabilities at each component. For example, among the more serious security vulnerabilities at COPS, security test software correctly guessed about 33 percent of the user account passwords of the COPS computer system reviewed, thus exposing information to unauthorized use, loss, or modification. The DEA and INS audits are not publicly available because of the sensitivity of some items discussed in the reports. The results of our reviews were provided to management officials, and corrective action was initiated by the components.

The U.S. Marshals' Court Security Officer Program

The USMS has primary responsibility and authority for providing security for the federal judiciary. The USMS contracts out for court security officers (CSOs) to provide security at courthouses and federal buildings housing court operations. The purpose of our audit was to determine whether the USMS manages the CSO program effectively and efficiently.

Procurement of CSO contracts and management of the program are largely USMS headquarters functions. The program

has grown more than 1,400 percent since 1983. The centralized manner in which it is run has raised concerns of whether a program of this size—3,100 CSOs dispersed across 94 USMS districts—can be effectively managed in a highly centralized environment.

We surveyed all 94 U.S. Marshals and 76 of 94 chief judges to obtain feedback about the program. Most U.S. Marshals and chief judges we surveyed indicated that they were satisfied with the program. However, there was some sentiment among USMS employees and members of the judiciary regarding the management of the program and the efficacy of using contract employees for judicial security. Because of the conflicting nature of the evidence obtained, we did not recommend a singular course of action. Instead, we suggested several options to the USMS: (1) continue utilizing the current CSO contracts, (2) eliminate the contract operation by converting contract guards to federal employees, or (3) effect a partial conversion by stratifying the current guard force into two separate units, one contract (for building security) and one federal (for courtroom security).

We also noted several areas of concern at the operational level of the program. Currently, the Administrative Office of the U.S. Courts only reimburses the USMS for program-related costs at the headquarters level. We estimated that the USMS incurs about \$2.8 million annually in program-related costs at the district level for which it is not compensated. In addition, we found that training of the CSOs, from bomb detection to anti-terrorism programs, is inadequate. CSO contracts do not currently contain provisions for CSO in-service training. Unannounced tests of security screening posts are not conducted as required. CSO security clearances and medical certifications have not been consistently maintained at the district level. We made recommendations in each of these areas. The USMS agreed with our recommendations, with the exception of the need to maintain security clearances and medical cer-

tifications in the district offices. The OIG and USMS are working to resolve this issue.

Combined DNA Index System Laboratory Audits

Audit conducted reviews of eight state and local laboratories that participate in the FBI's Combined DNA Index System (CODIS). These laboratories are in Fort Lauderdale, Tallahassee, and Miami, Florida; Raleigh, North Carolina; Berkeley, California; Springfield, Illinois; Richmond, Virginia; and Greensburg, Pennsylvania. CODIS is a national information repository maintained by the FBI that permits the storing, maintaining, tracking, and searching of DNA specimen information to facilitate the exchange of DNA information by law enforcement agencies. Participating states and localities submit the DNA profiles to the FBI.

The laboratory audits were conducted at the request of the FBI to determine compliance with the FBI's Quality Assurance Standards and National DNA Index System (NDIS) requirements, and to evaluate the accuracy and appropriateness of the data the states and localities have submitted to the FBI. The Quality Assurance Standards place specific requirements on laboratories, and the NDIS requirements establish the laboratory responsibilities and obligations for program participation. In addition, state legislation establishes the specific crimes for which DNA profiles of convicted offenders must be obtained and may be submitted to the FBI.

During these audits, we interviewed laboratory officials, inspected laboratory facilities, reviewed laboratory policies and procedures, and reviewed supporting documentation for selected DNA profiles. The laboratories generally complied with the FBI's requirements, and the NDIS generally contained accurate, allowable DNA profiles. However, we found instances where state and local agencies inappropriately submitted victim profiles to the FBI and submitted inaccurate profiles or failed to submit

available profile data to the FBI. We recommended that the FBI ensure the laboratories address the compliance deficiencies and incomplete, inaccurate, and unallowable DNA profiles in NDIS. The FBI has begun to address the issues remaining for the laboratories reviewed.

The Department's State and Local Equitable Sharing Program

The Department's equitable sharing program is designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from federal forfeitures. State and local law enforcement agencies generally receive equitable sharing revenues by participating directly with Department components in joint investigations that lead to the seizure and forfeiture of property. The amount of forfeiture proceeds shared with state and local law enforcement agencies is based on the degree of the agencies' direct participation in a case.

Audit reviewed equitable sharing activities conducted by the DEA, FBI, USAOs, and USMS. In FY 1999, the Department shared approximately \$231 million in cash and proceeds with state and local law enforcement agencies. The objectives of our work at the four Department components were to determine whether (1) equitable sharing amounts were based on net forfeiture proceeds in accordance with applicable guidelines, (2) equitable sharing percentages appeared reasonable based on the level of effort provided by the requesting agency, and (3) equitable sharing applications and related documentation were completed properly.

We concluded that the Department components we reviewed generally complied with applicable guidelines and regulations related to the equitable sharing program. However, we identified a \$10,000 award paid by the DEA that should have been deducted from forfeiture proceeds prior to equitable sharing. We also determined that the DEA did not recover more than \$500,000 in advertising costs prior to equitable sharing. The DEA immediately increased

its recovery of advertising costs based on the results of our audit and took appropriate actions to address the concerns identified in the report.

Trustee Audits

Audit contributes significantly to the integrity of the bankruptcy program by conducting performance audits of trustees under a reimbursable agreement with the EOUST. During this reporting period, Audit issued 206 reports on the Chapter 7 bankruptcy practices of private trustees under Title 11, United States Code (Bankruptcy Code).

The Chapter 7 trustees are appointed to collect, liquidate, and distribute personal and business cases under Chapter 7 of the Bankruptcy Code. As a representative of the bankruptcy estate, the Chapter 7 trustee serves as a fiduciary, protecting the interests of all estate beneficiaries, including creditors and debtors.

Performance audits are conducted on Chapter 7 trustees to provide U.S. Trustees with an assessment of the trustees' compliance with bankruptcy laws, regulations, rules, and the requirements of the *Handbook for Chapter 7 Trustees*. Additionally, the audits assess the quality of the private trustees' accounting for bankruptcy estate assets, cash management practices, bonding, internal controls, file maintenance, and other administrative practices.

Department Financial Statement Audits

The *Chief Financial Officers Act of 1990* and the *Government Management Reform Act of 1994* require financial statement audits of the Department. Audit oversees and issues the reports based on the work performed by independent public accountants. During this reporting period, we issued 10 FY 1999 Department of Justice component reports:

- Assets Forfeiture Fund and Seized Asset Deposit Fund

- Bureau of Prisons
- Drug Enforcement Administration
- Federal Bureau of Investigation
- Federal Prison Industries, Inc.
- Immigration and Naturalization Service
- Offices, Boards, and Divisions
- Office of Justice Programs
- United States Marshals Service
- Working Capital Fund

Each of these audits was performed in support of the FY 1999 Consolidated Department of Justice audit, which was issued in the prior semiannual period and resulted in a qualified opinion on the consolidated financial statements. A comparison of the audit results for FY 1999 and FY 1998 follows:

Comparison of FY 1999 and FY 1998 Audit Results

Reporting Entity	FY 1999		FY 1998	
	Balance Sheet	Other Financial Statements	Balance Sheet	Other Financial Statements
Consolidated Department of Justice	Q	Q	D	D
Assets Forfeiture Fund and Seized Asset Deposit Fund	U	U	D	D
Bureau of Prisons	U	U	1	1
Drug Enforcement Administration	U	U	U	D
Federal Bureau of Investigation	U	U	U	U
Federal Prison Industries, Inc.	U	U	1	1
Federal Prison System	1	1	U	U
Immigration and Naturalization Service	Q	Q	D	D
Offices, Boards, and Divisions	U	U	D	D
Office of Justice Programs	U	U	U	D
U.S. Marshals Service	U	U	D	D
Working Capital Fund	U	U	U	U

D - Disclaimer of Opinion
Q - Qualified Opinion
U - Unqualified Opinion

¹ The Federal Prison System reporting component was separated into two reporting components for the FY 1999 and subsequent audits, the Bureau of Prisons and Federal Prison Industries, Inc.

Single Audit Act

The *Single Audit Act of 1984* requires recipients of federal funds to arrange for audits of their activities. Federal agencies that award federal funds must review these audits to determine whether prompt and appropriate corrective action has been taken in response to audit findings.

During this reporting period, Audit reviewed and transmitted to OJP 61 reports encompassing 419 Department contracts, grants, and other agreements totaling more than \$716 million. These audits report on financial activities, compliance with applicable laws, and the adequacy of recipients' management controls over federal expenditures.

Audit Follow-Up

OMB Circular A-50

OMB Circular A-50, *Audit Follow-Up*, requires audit reports to be resolved within six months of the audit report issuance date. Audit continuously monitors the status of open audit reports to track the audit resolution and closure process. As of September 30, 2000, the OIG had closed 277 audit reports and was monitoring the resolution process of 378 open audit reports.

Unresolved Audits

Audits Over Six Months Old Without Management Decisions or in Disagreement

As of September 30, 2000, the following audits had no management decision or were in disagreement:

- Federal Bureau of Investigation's Fingerprint and Biographical Check Services to the Immigration and Naturalization Service
- Mobile County Commission, Mobile, Alabama
- St. Tammany Parish Sheriff, Louisiana
- The City of Atlanta, Georgia
- The City of Baltimore, Maryland
- The City of Franklin, Massachusetts
- The City of Gainesville, Florida
- The City of Hatfield, Massachusetts
- The City of High Point, North Carolina
- The City of Johnstown, New York
- The City of Kenner, Louisiana
- The City of Lauderhill, Florida
- The City of Lowell, Massachusetts
- The City of Lubbock, Texas
- The City of Manchester, Georgia
- The City of Oak Ridge, Tennessee
- The City of Panama City, Florida
- The City of Selma, Alabama, for FY 1997
- The City of Selma, Alabama, for FY 1998
- The City of Wrens, Georgia
- The Town of Greeneville, Tennessee
- The Town of Sylva, North Carolina

- The Town of Wayneville, North Carolina
- U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Lexington County, South Carolina, Sheriff's Office
- U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with Mansfield, Texas
- U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with Plymouth County, Massachusetts
- Use of DOJ Funds by the Calumet Park, Illinois, Police Department
- Use of Equitable Sharing of Revenues by the Virginia Beach, Virginia, Police Department
- Warren County, Kentucky

Audit Statistics

Funds Recommended to be Put to Better Use

Audit Reports	Number of Audit Reports	Funds Recommended to be Put to Better Use
No management decision made by beginning of period	15	\$6,749,957
Issued during period	14	\$7,185,755
Needing management decision during period	29	\$13,935,712
Management decisions made during period:		
• Amounts management agreed to put to better use ¹	25	\$13,670,502
• Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	4	\$265,210

¹ Includes instances where management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.

Audits With Questioned Costs

Audit Reports	Number of Audit Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs
No management decision made by beginning of period	56	\$15,747,163	\$5,190,098
Issued during period	51	\$29,814,157	\$20,806,007
Needing management decision during period	107	\$45,561,320	\$25,006,105
Management decisions made during period:			
• Amount of disallowed costs ¹	65	\$35,350,554	\$25,009,802
• Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	42	\$10,210,766	\$986,303

¹ Includes instances where management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.

Audits Involving Recommendations for Management Improvements

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision made by beginning of period	87	159
Issued during period	100	324
Needing management decision during period	187	483
Management decisions made during period:		
• Number management agreed to implement ¹	113 ²	341
• Number management disagreed to implement	1	1
No management decision at end of period	77	141

¹ Includes instances where management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.

² Includes four audit reports that were not resolved during this reporting period because management has agreed to implement a number of, but not all, recommended management improvements in these audits.

The Inspections Division

The Inspections Division assesses Department programs and activities and makes recommendations for improvements in programs, policies, and procedures.



The Inspections Division (Inspections) provides the IG with an alternative mechanism to traditional audits and investigations through management assessments and program evaluations that assess the efficiency, vulnerability, and effectiveness of Department operations. Inspections relies on its multidisciplinary workforce to promptly respond to diverse issues. Inspections is located in Washington, D.C., and is directed by the Assistant Inspector General for Inspections.

During this reporting period, Inspections completed eight reviews covering programs in the INS, FBI, BOP, and OJP.

Significant Inspections

Secure Electronic Network for Travelers' Rapid Inspection

In FY 1995, with assistance from the Justice Performance Review (JPR), the INS and Customs Service jointly developed the Secure Electronic Network for Travelers' Rapid Inspection (SENTRI) pilot project. JPR offers agencies like the INS assistance in developing, planning, and implementing reinvention laboratories as part of the Vice President's National Partnership for Reinventing Government effort. SENTRI is intended to expedite the primary inspection process at land POEs for low-risk, prescreened border crossers in noncommercial vehicles using the latest electronic and computer technology, without compromising border integrity. This review assessed whether SENTRI has met its mission, considered SENTRI's impact on both commuter wait times and border integrity in the general inspection lanes, and examined SENTRI's current challenges.

Overall, we found that SENTRI is meeting its mission. At the two sites we visited, SENTRI had led to lower commuter wait times for those using the SENTRI lane. In addition, no major border violations by SENTRI users had been reported at these sites.

Our review did identify several areas where improvement is necessary: funding shortfalls, evaluation of SENTRI's operations, and a lack of long-range planning. A lack of long-range planning has left critical issues unresolved, including whether SENTRI's sites along the Southwest and Northern Borders will be integrated and whether SENTRI will be established by the INS and Customs Service as a permanent program. A more comprehensive framework for objectively evaluating and selecting future SENTRI sites is also needed. Although SENTRI is intended to be self-supporting through the collection of a user fee, we found that the current user fee is inadequate to recover SENTRI's full operating costs. In addition, we found that improvements are needed to ensure border integrity will continue to be maintained at each current and future SENTRI site. Finally, SENTRI has not been fully evaluated by the INS, Customs Service, or JPR.

We recommended that the INS develop and implement a plan for recovering SENTRI's full operating costs at all sites and that the INS work with the Customs Service and JPR to develop and implement long-range plans for SENTRI's future. In addition, we recommended that the INS require inspectors to follow SENTRI's existing audit procedures consistently, perform semiannual evaluations of SENTRI's full operations, reassess SENTRI's performance plan, revise the current framework for evaluating and selecting future SENTRI sites, and strengthen current methods for projecting enrollment levels at future sites. The INS concurred and agreed to implement each of our recommendations.

Follow-up on Document Fraud Inspection

The OIG initiated this follow-up inspection to analyze the INS's actions taken in response to the 1996 OIG inspection, *INS's Document Fraud Records Corrections*, which was reported in our September 1996 *Semiannual Report to Congress*. Our follow-up review assessed whether the INS developed and implemented procedures to flag Central Index System (CIS) records on the 4,585 aliens that were identified in the 1996 inspection as being associated with OIG criminal investigation cases involving immigration documents and fraudulently obtained benefits.

We found that the INS complied with the OIG recommendation by flagging the records provided by the OIG as a result of the 1996 inspection. However, we found several areas where improvements are necessary to ensure the enforcement integrity of the flagging procedures, and we made specific recommendations to improve the procedures.

We also recommended that the INS direct field personnel and contractors to follow current policy by conducting searches in the CIS for all applications and petitions before INS benefits are granted or any INS actions are taken. The INS concurred in part with this recommendation and is analyzing existing policy in order to offer an alternate solution.

FBI Compliance with Federal Agency Child Support Efforts

As part of a joint ongoing PCIE pilot project by the Departments of Justice and Health and Human Services (HHS) OIGs, Inspections conducted a review of child support enforcement at the FBI. The goal of this pilot project is to determine whether federal employees are current in their child support obligations and whether federal agencies cooperate with child support enforcement efforts against federal employees.

We examined how the FBI works with the HHS's Office of Child Support Enforcement to ensure that all FBI employees who owe child support are paying it. We found that the FBI is meeting its obligations to ensure that employees pay owed child support. The FBI conducts a weekly data match of its payroll records with Office of Child Support Enforcement data, returns appropriate information to the Office of Child Support Enforcement for state enforcement efforts, and implements wage withholding orders against FBI employees. No recommendations were made in the report, which was provided to the HHS and PCIE's Inspection and Evaluation Committee (Committee) for use in the joint pilot project. Inspections management briefed the Committee on the results of this review. The report is posted on the Committee's report page of the IGnet's website at <http://www.ignet.gov/ignet/internal/pcie/pcie.html>.

The INS and Airline Industry Relations

The INS is required by the *Immigration and Nationality Act* to inspect passengers transported to the United States by commercial airlines. The law also places responsibility on each commercial airline to prevent improperly documented passengers from flying to the United States. We conducted an inspection to assess the INS's interactions with the airline industry in three areas: INS training of airline personnel to identify improperly documented passengers, the exchange of tactical information (intelligence) to help airlines prevent the boarding of improperly documented passengers, and communications at the executive and field levels on programmatic and policy issues.

We found that the INS had no effective method to evaluate the effectiveness of its training of airline personnel, had not identified the universe of airline employees needing training, and did not disseminate a comprehensive schedule of planned training to the

airlines. We also found that, with limited exceptions, the INS was not sharing tactical information with the airlines and that no clear INS policy existed for the dissemination of such information to the airlines. Finally, we found that no formal reporting mechanism exists for apprising the INS Commissioner of the results of User Fee Advisory Committee (UFAC) meetings, which facilitate communications between the INS and the airline industry.

The INS concurred with, and is taking action to implement, all of our recommendations. The INS stated that it will evaluate the effectiveness of its training, obtain airline industry input on who needs training, and consolidate training scheduling and notification to the airline industry. The INS also will provide field personnel with formal instructions on what information can be shared, designate local officials to approve the information to be shared, provide formal instructions to the field to ensure the timely dissemination of information, and designate an INS official at major international airports to foster the exchange of information with airlines. The INS will develop a method for reporting UFAC advice to the INS Commissioner, designate a senior INS point of contact who can speak for the INS at UFAC meetings, maintain a list of outstanding UFAC issues and provide status reports to the airlines, ensure adequate representation at UFAC meetings, and encourage INS port officials to meet with their airline counterparts on a quarterly basis.

The BOP's Inmate Financial Responsibility Program

Federal courts, when sentencing convicted federal offenders to confinement in federal institutions, may impose financial penalties such as assessments, fines, and restitution. In 1987, the BOP implemented the Inmate Financial Responsibility Program (IFRP) as a means of encouraging federal offenders to voluntarily pay these financial obligations. We reviewed the BOP's overall management of the IFRP

and four BOP institutions' compliance with IFRP policies and procedures.

We found that the BOP has developed and implemented the IFRP in a manner that generally encourages inmates to make payments toward their court-ordered financial obligations. However, we identified four areas where the BOP could further improve the IFRP. These areas are (1) adhering to IFRP guidance, (2) documenting counseling sessions with inmates, (3) performing monthly program quality reviews, and (4) implementing the IFRP in contractor-run community corrections centers to ensure offenders make payments toward their financial obligations.

We recommended that the BOP ensure that staff involved in administering and implementing the IFRP understand their responsibilities and adhere to the program guidance; document discussions with inmates about changes in their IFRP participation and payment progress; and understand the benefits of, and procedures for, conducting monthly quality reviews of the IFRP. We also recommended that the BOP develop and implement policy and procedures for community corrections centers to counsel offenders about making their IFRP payments directly to the courts or USAOs, as appropriate; monitor offenders' payments toward their financial obligations; and document payment information in the offenders' files. The BOP concurred with our recommendations and has initiated corrective actions.

Follow-up Inspection of the Influx of New Personnel

Our September 1995 and March 1996 *Semiannual Reports to Congress* reported on our review of the INS's ability to recruit, train, and deploy the anticipated increase of Border Patrol agents in FY 1996 and the INS's plans to address our report recommendations, respectively. This follow-up review found that the INS had made significant progress; however, some areas still need improvement in this Department management

concern area. Our 1995 report, *Influx of New Personnel in INS*, cited that the main problems were the shortage of training, support personnel, and equipment. During the follow-up review, we found that problems with recruiting and hiring had developed and the training problem no longer existed. The INS cannot meet congressionally mandated hiring goals and will most likely continue to have problems in meeting future recruitment goals if they remain at the mandated hiring level of 1,000 new agents annually. However, the INS has made changes in the recruiting and hiring processes that have shown positive results.

The INS reached the required hiring goal once in the last four years. The Border Patrol, however, grew from about 4,200 agents at the beginning of FY 1995 to about 8,200 at the end of FY 1999. Although the INS has not met its hiring goals, the large number of new agents deployed places greater strains on supervisors, facilities, vehicles, and equipment. While there have been some minor improvements, the Border Patrol still is having problems with most areas of deployment. We found that the INS still does not provide sectors with sufficient advance notice of how many new agents each sector will receive or when they will arrive. Because of the time lag between developing deployment plans and new building construction, there continues to be severe overcrowding along the Southwest Border. Also, the INS has not filled enough support positions to adequately support the current level of agent staffing. Border Patrol agents therefore must spend considerable time in support functions in lieu of direct Border Patrol operations.

We made no formal recommendations but suggested improvements in the following areas:

- Recruiting/hiring—improve the Border Patrol website to more fully reflect the Border Patrol duties and life.
- Deployment—correct the shortages of station equipment such as sensors and cameras.
- Vehicles—consider changing the replacement cycle for vehicles.
- Planning—continue to work on future planning efforts, particularly with regard to facility improvements, and develop a method to assess time spent by Border Patrol agents performing support-related duties in order to justify future budget requests for support personnel.

Review of Retrofitting of Border Patrol Vehicles

While inspectors were conducting the follow-up review of the influx of new personnel in the INS, Border Patrol officials at sites we visited reported vast improvements and great satisfaction with the consolidated vehicle retrofitting program at the BOP facility in Bastrop, Texas. The OIG conducted a brief review of this program to provide INS management with a snapshot of how the retrofit program is progressing.

The Border Patrol sectors receive two new vehicles for every three new agents as well as a limited number of replacement vehicles. All new and replacement vehicles are retrofitted with Border Patrol-required equipment before they are placed into service. Prior to 1999, each Border Patrol sector arranged for its own retrofitting work. In FY 1999, the INS and BOP signed an interagency agreement to consolidate the retrofitting process at the Bastrop facility. Currently, the nine Border Patrol sectors along the Southwest Border have their vehicles retrofitted at the Bastrop facility.

Overall, the nine Border Patrol sectors and BOP believe the retrofitting program has been beneficial. At the time of our review, the program was already expanding to some Northern Border sectors. The BOP and the

Bastrop facility are also supportive of the program because it offers prisoners specialized training and skills readily transferable to outside employment upon their release and because they believe the consolidated process of ordering equipment and retrofitting is more efficient and cost effective.

Both agencies agree that it is a good program overall and are in favor of expanding it to other locations and functions. While we made no formal recommendations to the INS, we did identify three areas for improvement: increasing standardization of the retrofit equipment, establishing a full-time permanent INS liaison at the Bastrop facility, and assessing the program before expanding it to areas other than retrofitting.

Oversight of the Residential Substance Abuse Treatment for State Prisoners Formula Grant Program

Under the Crime Act, formula grant funding is awarded by OJP to eligible states to develop or enhance residential substance abuse treatment programs for offenders incarcerated in state and local correctional facilities. OJP monitors grantees' compliance with the requirements of the Residential Substance Abuse Treatment (RSAT) Program through periodic reports and on-site visits. We reviewed OJP's administration of the RSAT Program and concluded that OJP could strengthen its monitoring of grant recipients.

We found that OJP could enhance its monitoring activities by obtaining more timely and definitive information about project funding and the progress of program implementation from grantees. We recommended that OJP require its grant managers to notify grantees when reports are untimely or inaccurate and work with the grantees to ensure submission of the overdue or corrected reports.

We also recommended that OJP improve the quality of its monitoring efforts by ensuring the results of its report reviews, on-site visits,

and other interactions with grantees cover critical aspects of the RSAT Program and are well-documented. We recommended that OJP require its grant managers to formally document site visits and other significant contacts with grantees and subgrantees and maintain these records in the grant files.

OJP was responsive to our recommendations and has initiated improvements in its grant monitoring practices.

Follow-Up Activities

Unresolved Inspections

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the OIG*, requires inspection reports to be resolved within six months of the report issuance date. As of September 30, there are no unresolved inspection recommendations.

Inspections Statistics

The chart below summarizes Inspections' accomplishments for the 6-month reporting period ending September 30, 2000.

Inspections Workload Accomplishments	Number of Inspections
Inspections active at beginning of period	9
Inspections initiated	5
Final inspection report issued	8
Inspections active at end of reporting period	6

Appendix 1

INSPECTIONS DIVISION REPORTS

April 1, 2000—September 30, 2000

Inspection of the Secure Electronic Network
for Travelers' Rapid Inspection

Follow-up of the Immigration and
Naturalization Service's Document Fraud
Records Corrections

Federal Bureau of Investigation Compliance
with Federal Agency Child Support Efforts

Immigration and Naturalization Service and
Airline Industry Relations

Federal Bureau of Prison's Inmate Financial
Responsibility Program

Follow-up Inspection of the Influx of
New Personnel

Review of Retrofitting of Border Patrol
Vehicles as Part of the Interagency
Agreement with Bureau of Prisons Facility
in Bastrop, Texas

Oversight of the Residential Substance
Abuse Treatment for State Prisoners Formula
Grant Program

Appendix 2

AUDIT DIVISION REPORTS

April 1, 2000—September 30, 2000

INTERNAL AND EXTERNAL AUDIT REPORTS

Angel Fire, New Mexico Police Department	Miami-Dade Police Department, Crime Laboratory Bureau
Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statement for FY 1999	Combined DNA Index System Activities, North Carolina State Bureau of Investigation Crime Laboratory
Austin, Arkansas Police Department	Combined DNA Index System Activities, Pennsylvania State Police, Bureau of Forensic Services, DNA Laboratory
Bureau of Prisons Annual Financial Statement for FY 1999	Department of Justice State and Local Equitable Sharing Program
Combined DNA Index System Activities, Broward County, Florida Sheriff's Office Crime Laboratory	Drug Enforcement Administration Annual Financial Statement for FY 1999
Combined DNA Index System Activities, California Department of Justice Berkeley DNA Laboratory	Drug Free Communities Support Program Grant to the Shady Grove Missionary Baptist Church, Greenville, Mississippi
Combined DNA Index System Activities, Commonwealth of Virginia Division of Forensic Science Central Laboratory	Elgin, Illinois Police Department
Combined DNA Index System Activities, Florida Department of Law Enforcement, Tallahassee Regional Crime Laboratory	Encourage Arrest Policies Grant to the City of Chicago Heights, Illinois
Combined DNA Index System Activities, Illinois State Police, Springfield Forensic Science Laboratory	Fairfax County, Virginia Police Department
Combined DNA Index System Activities,	Farmington, New Mexico Police Department
	Federal Bureau of Investigation Annual Financial Statement for FY 1999
	Federal Heights, Colorado Police Department
	Federal Prison Industries, Inc. Annual Financial Statement for FY 1999
	Fort Walton Beach, Florida Police Department
	Fremont, California Police Department
	Green Bay, Wisconsin Police Department
	Immigration and Naturalization Service Annual Financial Statement for FY 1999

Kokomo, Indiana Police Department	Shady Cove, Oregon Police Department
Manchester, Missouri Police Department	Spokane County, Washington Sheriff's Department
Medford, Oregon Police Department	Tarrant County, Texas Sheriff's Department
Millbrae, California Police Department	The City of Bridgeport, Connecticut Police Department
Milwaukee, Wisconsin Police Department	The City of La Mirada, California
Naperville, Illinois Police Department	The City of Walthourville, Georgia
Office of Justice Programs Annual Financial Statement for FY 1999	The Town of Hampden, Massachusetts Western Massachusetts Law Enforcement Council
Office of Justice Programs State Criminal Alien Assistance Grant Program	The Township of Lower Merion, Pennsylvania Police Department
Offices, Boards and Divisions Annual Financial Statement for FY 1999	The University of California, Berkeley Police Department
Osage Tribe of Oklahoma	Town of Alligator, Mississippi
Prescott, Arizona Police Department	United States Marshals Service Annual Financial Statement for FY 1999
Review of the Federal Bureau of Investigations Headquarters' Data Center and Information Systems Control Environment for FY 1998	United States Marshals Service Court Security Officer Program
Santa Barbara County, California Sheriff's Department	Virginia Beach, Virginia Police Department
Scranton, Pennsylvania Police Department	Waukesha, Wisconsin Police Department
Select Computer Security Controls of the Drug Enforcement Administration's Firebird Computer System	Wilmot, Arkansas Police Department
Select Computer Security Controls of the Immigration and Naturalization Service Automated I-94 System	Worcester, Massachusetts Police Department
Select Computer Security Controls of the Office of Community Oriented Policing Services Network Computer System	Working Capital Fund Annual Financial Statement for FY 1999

TRUSTEE AUDIT REPORTS

Performed under a reimbursable agreement with the Executive Office for U.S. Trustees

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SINGLE AUDIT ACT REPORTS OF DEPARTMENT OF JUSTICE ACTIVITIES

Board of County Commissioners, Santa Rosa County, Florida	The City of Columbia, South Carolina
Correctional Industries Association, Inc.	The City of Douglasville, Georgia
County Commissioners Association of Pennsylvania	The City of East Palo Alto, California
Jefferson County, Missouri	The City of El Monte, California
Manatee County, Florida	The City of Georgetown, Kentucky
Maricopa County, Arizona	The City of Hapeville, Georgia
Marion County, Indiana	The City of Jacksonville, Florida
Metropolitan Government of Nashville and Davidson County, Tennessee	The City of Johnstown, New York
Municipality of Caguas, Puerto Rico	The City of Knoxville, Tennessee, FY 1997
Municipality of Carolina, Puerto Rico, FY 1998	The City of Knoxville, Tennessee, FY 1998
Municipality of Carolina, Puerto Rico, FY 1999	The City of Knoxville, Tennessee, FY 1999
Municipality of Vega Baja, Puerto Rico	The City of Las Vegas, Nevada
Our Town Family Center, Inc.	The City of Lavergne, Tennessee
Project Oz	The City of Live Oak, Florida
St. Francis County, Missouri	The City of Los Angeles, California
Sumter County, Florida Board of County Commissioners	The City of Louisville, Kentucky, FY 1998
The City of Athens, Alabama	The City of Louisville, Kentucky, FY 1999
The City of Chattanooga, Tennessee	The City of Marion, Ohio
	The City of Naples, Florida
	The City of New York, New York, FY 1997
	The City of New York, New York, FY 1998
	The City of Norco, California
	The City of Ocoee, Florida
	The City of Ormond Beach, Florida

The City of Palos Hills, Illinois
The City of San Francisco, California
The City of Suisun City, California
The City of Ukiah, California
The Commonwealth of Massachusetts
The County of Durham, North Carolina
The County of Maui, Hawaii
The State of Arizona
The State of California
The State of Florida
The State of Mississippi
The Town of Abington, Massachusetts
The Town of East Hampton, Connecticut
The Town of East Windsor, Connecticut
The Town of Hampden, Massachusetts
Washington County, Oregon
White Pine County, Nevada, FY 1998
White Pine County, Nevada, FY 1999
Yamhill County, Oregon

Quantifiable Potential Monetary Benefits

Audit Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Angel Fire, New Mexico Police Department	\$10,482		
Austin, Arkansas Police Department	\$119,876		\$126,274
Department of Justice State and Local Equitable Sharing Program	\$6,000		
Drug Free Communities Support Program Grant to the Shady Grove Missionary Baptist Church, Greenville, Mississippi	\$131,463	\$127,434	
Elgin, Illinois Police Department	\$354,949		\$294,941
Fairfax County, Virginia Police Department	\$19,546		\$40,592
Farmington, New Mexico Police Department	\$10,971	\$10,971	
Federal Heights, Colorado Police Department	\$7,401		
Fort Walton Beach, Florida Police Department	\$32,972		\$87,400
Freemont, California Police Department	\$1,345		
Green Bay, Wisconsin Police Department	\$49,591		
Jefferson County, Missouri	\$143,450	\$143,450	
Manchester, Missouri Police Department	\$42,590		
Marion County, Indiana	\$393,347		
Milwaukee, Wisconsin Police Department	\$776,718	\$432,968	\$2,352,050
Naperville, Illinois Police Department	\$136,196		\$600,000
Office of Justice Programs State Criminal Sheriff's Department	\$19,300,000	\$19,300,000	
Prescott, Arizona Police Department			\$30,188
Project Oz	\$2,688		
Santa Barbara County, California Sheriff's Department	\$125,457		
Scranton, Pennsylvania Police Department	\$38,584	\$38,584	\$114,286
Shady Cove, Oregon Police Department	\$101,335		

Audit Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Spokane County, Washington Sheriff's Department	\$3,437	\$833	
The City of Bridgeport, Connecticut Police Department			\$208,575
The City of Chattanooga, Tennessee	\$129,566		
The City of Columbia, South Carolina	\$46,244		
The City of Douglasville, Georgia	\$3,623		
The City of East Palo Alto, California	\$30,899		
The City of Jacksonville, Florida	\$38,947		
The City of La Miranda, California	\$9,870		
The City of Lavergne, Tennessee	\$667,935		
The City of Louisville, Kentucky, FY 1998	\$96,005		
The City of Louisville, Kentucky, FY 1999	\$11,080		
The City of Marion, Ohio	\$12,619		
The City of New York, New York, FY 1998	\$1,978,263		
The City of New York, New York, FY 1999	\$7,580		
The City of Ocoee, Florida	\$21,417		
The City of San Francisco, California	\$72,114		
The City of Suisun City, California	\$41,048		
The City of Walthourville, Georgia	\$4,830		\$138,459
The Commonwealth of Massachusetts	\$1,775,352		
The County of Maui, Hawaii	\$5,519		
The Osage Tribe of Oklahoma	\$80,653	\$25,908	\$10,944
The Town of Abington, Massachusetts	\$83,456		
The Town of Alligator, Mississippi	\$15,750		
The Town of Hampden, Massachusetts Western Massachusetts Law Enforcement Council	\$1,500,000		
The Township of Lower Merion, Pennsylvania Police Department	\$10,631		\$321,014
The University of California, Berkeley Police Department	\$2,250		

Audit Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
United States Marshals Service Court Security Officer Program			\$2,800,000
Virginia Beach, Virginia Police Department	\$364,487		
White Pine County, Nevada, FY 1998	\$178,065		
White Pine County, Nevada, FY 1999	\$40,260		
Wilmot, Arkansas Police Department	\$40,463		\$61,032
Worcester, Massachusetts Police Department	\$725,859		
Yamhill County, Oregon	\$10,974		
Total	\$29,814,157	\$20,080,148	\$7,185,755

Appendix 3

GLOSSARY OF TERMS

The following are definitions of specific terms as they are used in the report.

ADIT Stamp (I-551): A stamp placed in a person's passport by an INS immigration officer to document the entry of the person into the United States.

Alien: Any person who is not a citizen or national of the United States.

Central Index System: An automated system maintained by the INS that contains information on aliens.

Combined DNA Index System (CODIS): A computerized framework for storing, maintaining, tracking, and searching DNA specimen information. CODIS refers to the entire system of DNA databases (currently convicted offender and forensic databases) maintained at the national, state, and local levels. At present, CODIS consists of three distinct levels: the National DNA Index System, State DNA Index System, and Local DNA Index System.

Disclaimer of Opinion: Unavailability of sufficient competent evidence to form an opinion.

DNA Profile: A set of DNA identification characteristics that permit the DNA of one person to be distinguished from that of another person.

External Audit Report: The results of audits and related reviews of expenditures made under Department of Justice contracts, grants,

and other agreements. External audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

Green Card: INS Alien Registration Receipt Card (Form I-151 or Form I-551) that serves as evidence of authorized stay and employment in the United States.

Information: Formal accusation of a crime made by a prosecuting attorney as distinguished from an indictment handed down by a grand jury.

Internal Audit Report: The results of audits and related reviews of Department of Justice organizations, programs, functions, computer security and information technology, and financial statements. Internal audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

Judgment Fund: Appropriated funds used to pay final judgments, awards, compromise settlements, and interest and costs specified in judgments or otherwise authorized by law when payment is not otherwise provided for. The payment is certified by the Secretary of the Treasury, and the judgment award or settlement is payable based on various sections of the law.

National: A person owing a permanent allegiance to a nation.

National DNA Index System (NDIS): The FBI-maintained national component of CODIS. NDIS contains DNA profiles uploaded from approved State DNA Index Systems.

Port of Entry: Any location in the United States or its territories that is designated as a point of entry for aliens and U.S. citizens.

Qualified Opinion: The judgment by the certified public accountant in the audit report that “except for” something, the financial statements fairly present the financial position and operating results of the component.

Questioned Cost: Cost that is questioned by the OIG because of (a) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Recommendation that Funds be Put to Better Use: Recommendation by the OIG that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including (a) reductions in outlays; (b) deobligation of funds from programs or operations; (c) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (d) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee; (e) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (f) any other savings that are specifically identified.

Recovered Funds: Government funds returned to the Department or the U.S. Treasury as the result of an investigation.

Reportable Condition: Includes matters coming to the auditor’s attention that, in the auditor’s judgment, should be communicated because they represent significant deficiencies in the design or operation of internal controls, which could adversely affect the entity’s ability to properly report financial data.

Restitution Funds: Payments to victims of crimes or civil wrongs ordered by courts as part of a criminal sentence or civil or administrative penalty.

Supervised Release: Court-monitored supervision upon release from incarceration.

Unqualified Opinion: The judgment of the certified public accountant who has no reservation as to the fairness of the component’s financial statements.

Unsupported Cost: Cost that is questioned by the OIG because the OIG found that, at the time of the audit, such cost is not supported by adequate documentation.

Appendix 4

ACRONYMS AND ABBREVIATIONS

The following are acronyms and abbreviations used in the report.

Audit	Audit Division of the Office of the Inspector General	FBI	Federal Bureau of Investigation
AUSA	Assistant U.S. Attorney	FCI	Federal Correctional Institution
BCTF	Border Corruption Task Force	FY	Fiscal Year
BOP	Bureau of Prisons	GAO	General Accounting Office
COPS	Office of Community Oriented Policing Services	GSA	General Services Administration
Crime Act	Violent Crime Control and Law Enforcement Act of 1994	HIDTA	High Intensity Drug Trafficking Area
CUSA	Citizenship U.S.A.	ICITAP	International Criminal Investigative Training Assistance Program
DEA	Drug Enforcement Administration	IG	Inspector General
Department	U.S. Department of Justice	IG Act	Inspector General Act of 1978, as amended
DOJ	U.S. Department of Justice	INS	Immigration and Naturalization Service
ECIE	Executive Council on Integrity and Efficiency	Inspections	Inspections Division of the Office of the Inspector General
EOUST	Executive Office for U.S. Trustees	Investigations	Investigations Division of the Office of the Inspector General
		OIG	Office of the Inspector General
		OJP	Office of Justice Programs
		OMB	Office of Management and Budget

OPDAT	Office of Overseas Prosecutorial Development, Assistance and Training
PCIE	President's Council on Integrity and Efficiency
POE	Port of entry
SAC	Special Agent in Charge
SIRU	Special Investigations and Review Unit of the Office of the Inspector General
USAO	U.S. Attorney's Office
USMS	U.S. Marshals Service

Appendix 5

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