

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

Office of the Inspector General

Semiannual Report to Congress



April 1, 2002–September 30, 2002



U.S. Department of Justice

Office of the Inspector General

Message from the Inspector General

This semiannual report summarizes the work of the Office of the Inspector General (OIG) from April 1, 2002, through September 30, 2002. During this period, the OIG has conducted important reviews and issued reports related to critical Department of Justice (Department) priorities and programs. For example, the OIG examined the Immigration and Naturalization Service's (INS) contacts with two September 11 terrorists and assessed its old and new systems for tracking foreign students studying in the United States. We completed an audit of aspects of the Federal Bureau of Investigation's (FBI) counterterrorism program, including its progress toward developing a comprehensive written assessment of the potential terrorist threat to U.S. interests. We reported on problems in the INS's Institutional Removal Program, which seeks to identify and deport criminal aliens who are serving sentences in federal, state, or local correctional facilities.

We conducted reviews assessing other Department activities, including separate audit reports examining four components' accountability for weapons and laptop computers. We also issued a "capping report" that consolidated findings from these four audits and a previous review of the INS's property management practices. This capping report offered 13 recommendations to improve management of sensitive property throughout the Department.

In the aftermath of the September 11 terrorist attacks, we are continuing work on several important projects, including reviews of the treatment of aliens detained in two facilities – the Metropolitan Detention Center in Brooklyn, New York, and the Passaic County Jail in Paterson, New Jersey – the FBI's handling of certain intelligence information relating to the September 11 attacks, and the FBI's acquisition and management of information technology systems.

While we continue to investigate a variety of allegations of criminal and administrative misconduct against Department employees, we also seek to enhance integrity in other ways. For example, the OIG provides Integrity Awareness Briefings to hundreds of Department employees each year and develops procedural reform recommendations to help prevent misconduct before it occurs.

Congress recently passed the *Department of Justice Reauthorization Act*, which codified the OIG's authority to investigate misconduct throughout the Department, including in the FBI and the Drug Enforcement Administration (DEA). We believe this is an important step to help ensure that the OIG maintains independent oversight throughout the Department.

We appreciate the Attorney General's and Congress's continued support of the work of the OIG and our mission to promote integrity and efficiency in the Department.

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

Glenn A. Fine
Inspector General
October 31, 2002

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Highlights of OIG Activities

Following are highlights of OIG activities during this reporting period.

Statistical Highlights

April 1, 2002–September 30, 2002

Allegations Received by the Investigations Division	6,132
Investigations Opened	326
Investigations Closed	295
Arrests	127
Indictments/Informations	113
Convictions/Pleas	74
Administrative Actions	90
Fines/Restitutions/Recoveries	\$3,560,512
Audit Reports Issued	227
Questioned Costs	\$8.4 million
Funds Put To Better Use	\$4.5 million
Recommendations for Management Improvements	454

The INS's Contacts With Two September 11 Terrorists

In May 2002, the OIG issued a report entitled, *The Immigration and Naturalization Service's Contacts With Two September 11 Terrorists: A Review of the INS's Admissions of Mohamed Atta and Marwan Alshehhi, its Processing of Their Change of Status Applications, and its Efforts to Track Foreign Students in the United States*. The OIG review found that the INS adjudication of Atta's and Alshehhi's change of status applications and its notification to the flight school where they were students were untimely and significantly flawed. The OIG also evaluated the INS's tracking systems for foreign students—its old paper-based system and the Student and Exchange Visitor Information System (SEVIS), the Internet-based system that the INS is developing. The OIG found

that the INS's paper-based tracking system is inefficient, inaccurate, and unreliable. We found that SEVIS has the potential to improve the INS's monitoring of foreign students, although the report noted continuing concerns with the implementation of SEVIS. The OIG made 24 recommendations to help address the problems highlighted by the Atta and Alshehhi cases and the problems found by the OIG's review of the INS's foreign student program.

The FBI's Counterterrorism Program

The OIG audited the FBI's management of aspects of its counterterrorism program from 1995 through April 2002. We found that the FBI has not developed a comprehensive written assessment of the risk of a terrorist threat facing the United States, despite its statement to Congress in 1999 that it would. We concluded that such an assessment would be useful not only to define the nature, likelihood, and severity of the threat but also to identify intelligence gaps that needed to be addressed. Moreover, we concluded that a comprehensive, written threat and risk assessment would be useful in determining where to allocate attention and resources. In addition, the FBI has not yet incorporated into its strategic plan (a document not updated since 1998) a comprehensive assessment of the threat and risk of terrorist attacks. Finally, the OIG report details the level of resources that the FBI has dedicated to counterterrorism and related counterintelligence between 1995 and 2002. The OIG made 14 recommendations to help improve management of the FBI's counterterrorism program. The FBI concurred with our recommendations and stated that they provide constructive guidance.

The Department's Control Over Weapons and Laptop Computers

The OIG audited the controls over weapons and laptop computers at the Federal Bureau of Prisons (BOP), DEA, FBI, and U.S. Marshals Service (USMS). The OIG had, in March 2001, reviewed

property management practices at the INS, including the INS's control over weapons issued to its employees. In total, these Department components reported an inventory of about 150,000 weapons and 25,000 laptop computers. Our audits revealed substantial losses—collectively, the five components reported 775 weapons and 400 laptop computers as lost, missing, or stolen. These numbers do not reflect an additional 21 weapons that the FBI identified as lost, missing, or stolen as a result of an inventory that it concluded outside the scope of our audit period. The 400 laptop computers represent losses at the FBI, BOP, and USMS. At the time of our audit, the DEA was unable to determine its laptop computer losses because its inventory records were unreliable. The audit reports contained recommendations for stronger inventory practices and uniform policies to address safekeeping of weapons, better and more comprehensive reporting of lost or stolen items, and stronger attention to accountability issues. In a summary report that pulled together findings from the individual audits, the OIG made 13 recommendations to improve the management of sensitive property throughout the Department.

The INS's Institutional Removal Program

The OIG concluded that the INS has not effectively managed the Institutional Removal Program (IRP), a program designed to identify removable aliens in federal, state, and local correctional facilities and deport them after they have served their sentences. The OIG found that the INS has not determined the nationwide population of foreign-born inmates, particularly at the county level. Without this information, the INS cannot properly quantify the resources it needs to identify and process all deportable inmates. As a result, we found that many potentially deportable foreign-born inmates passed through county jails virtually undetected and went on to commit additional crimes after being released into the community. Further, the INS did not always timely process IRP cases and therefore has been forced to detain criminal aliens released from state and local correctional facilities until deportation proceedings can be completed. In a sample of 151 cases of criminal aliens in INS custody, we identified a total of \$2.3 mil-

lion in IRP-related detention costs, of which \$1.1 million was attributable to failures in the IRP process within the INS's control. The OIG made seven recommendations to strengthen the IRP program, including suggested measures to create greater cooperation from state and local governments in the INS's efforts to process and deport incarcerated criminal aliens. The INS concurred with the OIG's recommendations.

The INS's Monitoring of Nonimmigrant Overstays

The terrorist attacks of September 11, 2001, focused renewed attention on the importance of knowing when nonimmigrant visitors enter and depart the United States. The OIG's follow-up report to its 1997 review of the INS's monitoring of nonimmigrant overstays revealed that the INS had made little progress since 1997 in effectively dealing with nonimmigrant overstays. The OIG's follow-up review concluded that the INS still did not have a reliable system to track overstays, did not have a specific overstay enforcement program, and could not perform its responsibilities under the Visa Waiver Program to provide accurate data on overstays.

INS Document Fraud

A joint investigation by the OIG and the INS resulted in the arrest of 13 civilians, including 6 licensed medical doctors and 3 clinical psychologists, for conspiring to falsify documents and make fraudulent representations to the INS on behalf of over 600 naturalization applicants. The applicants, who were predominantly from Iraq, Yemen, and Lebanon, had fraudulently sought to obtain medical disability waivers that would have exempted them from the language, literacy, and civics testing requirements of the *U.S. Immigration and Nationality Act*.

OIG Profile

The OIG is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in Department programs and personnel and to promote economy and efficiency in Department operations. The Inspector General (IG), who is appointed by the President subject to Senate confirmation, reports to the Attorney General and Congress.

The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and effectiveness.

The OIG consists of the Immediate Office of the IG and the following divisions and offices:

Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements.

Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures that govern Department employees, contractors, and grantees.

Evaluation and Inspections Division provides an alternative mechanism to traditional audits and investigations to review Department programs and activities.

Office of Oversight and Review blends the skills of attorneys, investigators, and program analysts to investigate or review sensitive matters involving Department programs or employees.

Management and Planning Division assists the OIG by providing services in the areas of planning, budget, finance, quality assurance, personnel, training, procurement, automated data processing, and computer network communications.

Office of General Counsel provides legal advice to OIG management and staff. In addition, the office drafts memoranda on issues of law; pre-

pares administrative subpoenas; represents the OIG in personnel, contractual, and legal matters; and responds to *Freedom of Information Act* requests.

The OIG has jurisdiction to review programs and personnel in all Department components, including the FBI, DEA, BOP, INS, USMS, the U.S. Attorneys' Offices (USAOs), and all other Department organizations. Since its creation in 1989, the OIG has had the authority to conduct audits and inspections in all Department components and investigations of employee misconduct in all components except the FBI and DEA.

The OIG carried out its mission during this reporting period with a nationwide workforce of approximately 380 special agents, auditors, inspectors, attorneys, and support staff. In fiscal year (FY) 2002, the OIG received \$50.701 million in direct appropriations and earned an additional \$3.858 million in reimbursements.

This Semiannual Report to Congress (Report) reviews the accomplishments of the OIG for the 6-month period ending September 30, 2002. 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, 2002, to the Attorney General for his review. No later than November 30, 2002, the Attorney General is required to forward the Report to Congress along with his *Semiannual Management Report to Congress*, which presents the Department's position on audit resolution and follow-up activity discussed in the Report.

Information about the OIG and full-text versions of many of its reports are available on the OIG's website at www.usdoj.gov/oig.

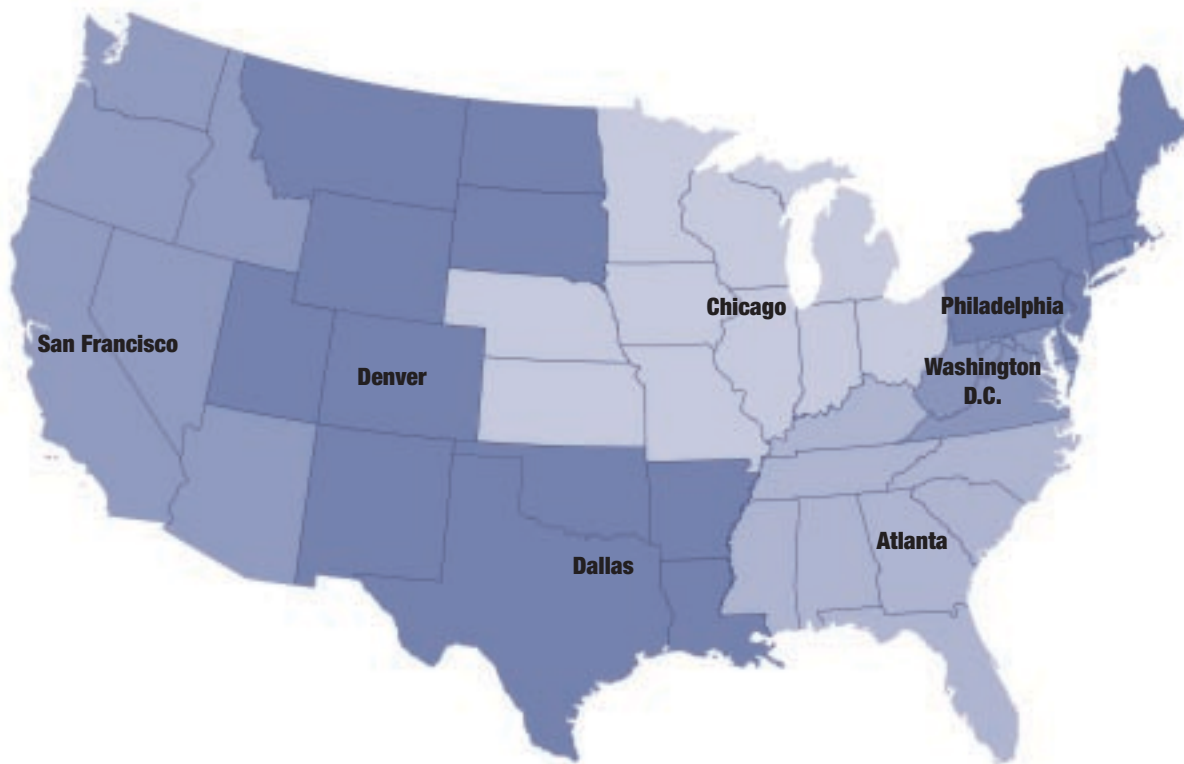
The Audit Division

The Audit Division (Audit) audits 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.

Audit develops recommendations for corrective actions that will resolve identified weaknesses. 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 are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General (AIG) for Audit, the Office of Operations, the Office of Policy and Planning, and an Advanced Audit Techniques Group.

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 227 audit reports containing more than \$8 million in questioned costs and \$4 million in funds to better use and made 454 recommendations for management improvement. Specifically, Audit issued 27 internal reports of programs funded at more than \$468 million; 12 external reports of contracts, grants, and other agreements funded at more than \$87 million; 90 audits of bankruptcy trustees with responsibility for funds of more than \$193 million; and 98 Single Audit Act audits. In addition, Audit issued 3 Management Improvement Memoranda, 2 Notifications of Irregularities, and 11 Management Letter Transmittals.

Significant Audit Products

The FBI's Counterterrorism Program

The OIG audited the FBI's management of aspects of its counterterrorism program from 1995 through April 2002, focusing specifically on (1) the FBI's progress toward developing a national-level risk assessment of the terrorist threat to the United States, (2) whether the FBI's strategic planning process provides a sound basis to identify counterterrorism requirements, and (3) the amount of resources dedicated to the FBI's counterterrorism program over the last seven years. We provided the full 131-page audit report, which is classified at the "Secret" level, to the Department, FBI, and congressional oversight committees. The OIG publicly released an unclassified executive summary that highlighted our major findings and recommendations.

We found that the FBI has never performed a formal comprehensive assessment of the risk of the terrorist threat facing the United States. Such an assessment would have been useful not only to define the nature, likelihood, and severity of the threat but also to identify intelligence gaps and determine appropriate levels of resources to effectively combat terrorism. Further, although the FBI has developed an elaborate, multilayered strategic planning system, the system has not adequately established priorities or effectively allocated resources to the counterterrorism program. Specifically, the planning system acknowl-

edged a general terrorist threat to the nation, but the FBI did not perform, and incorporate into its planning system, a comprehensive assessment of the threat of terrorist attacks on U.S. soil. Similarly, the planning system identified numerous vulnerabilities and weaknesses in the FBI's capabilities to deal with the general terrorist threat, but the FBI did not make the fundamental changes necessary to correct the deficiencies. We made 14 recommendations to the FBI, including:

- ◆ Prepare an authoritative national-level threat and risk assessment of terrorism with a predictive and strategic view, including the potential use of Weapons of Mass Destruction.
- ◆ Identify the chemical and biological agents most likely to be used in a terrorist attack and fully assess the threat and risk of terrorists' use of all types of weapons of mass destruction.
- ◆ Develop criteria for evaluating and prioritizing incoming threat information for analysis and establish a protocol to guide the distribution of threat information.
- ◆ Establish a time goal and a process for building a corps of professional, trained, and experienced intelligence analysts for assessing and reporting on threats at both the strategic and tactical levels.
- ◆ Update the FBI's strategic planning process to effectively conform to the current Department strategic plan and the FBI Director's counterterrorism priority.
- ◆ Close the gap between planning and operations by establishing an effective system of performance measures and standards and holding managers at all levels accountable for achieving the goals and objectives stated in FBI strategic plans.

The Department's Control Over Weapons and Laptop Computers

In response to concerns about the Department's accountability for sensitive property, the Attorney General asked the OIG to conduct an audit of the controls over weapons and laptop computers within the Department. The OIG individually audited the controls over weapons and laptop computers at the BOP, DEA, FBI, and USMS. Previously, the OIG had examined the INS's prop-

Component	Total Staff	Agents or Officers	Total Laptops	Laptop Losses	Total Weapons	Weapon Losses
BOP	33,859	32,790	2,690	27	20,594	2
DEA	9,209	4,529	4,529	Unknown	14,921	16
FBI	26,748	11,193	15,077	317	49,696	212
INS	34,844	19,600	Unknown	Unknown	50,306	539
USMS	7,561	6,261	1,450	56	14,361	6
Totals	112,221	74,373	25,351	400	149,878	775

erty management practices, including the INS's controls over weapons issued to its employees. Our results for Department components reflect somewhat different time periods. The BOP, DEA, and USMS audits cover weapons and laptop computers that were reported lost, missing, or stolen between October 1999 and August 2001. The FBI audit covers weapons and laptop computers that were reported lost, missing, or stolen between October 1999 and January 2002. Finally, the losses shown for the INS cover weapons lost over an extended period. Our audits revealed substantial losses of weapons and laptop computers as shown in the chart above.

Apart from the INS and the FBI—which reported losses of 539 and 212 weapons, respectively—none of the audited components reported more than 16 missing weapons. The FBI's loss of 212 weapons represents all functional weapons reported as lost, missing, or stolen between October 1, 1999, and January 31, 2002, but does not include an additional 211 weapons that were reported lost, missing, or stolen outside this audit period.

At a minimum, local law enforcement officials recovered 18 Department weapons during their investigations of illegal activity. For example:

- ◆ Local police recovered a handgun stolen from an FBI agent's residence in New Orleans, Louisiana, from the pocket of a murder victim.
- ◆ Police in Atlanta, Georgia, recovered a stolen DEA weapon during a narcotics search at a suspect's residence.
- ◆ Police in Philadelphia, Pennsylvania, and Tampa, Florida, recovered INS weapons that were used to commit armed robberies.

At the time of our audit, the DEA could not provide us with the number of losses of laptop computers. The FBI reported 317 of its more than 15,000 laptop computers as missing while the USMS reported 56 of its 1,450 laptops as missing. Our prior audit of INS property management did not include specific tests of laptop computers.

Regulations established by the Justice Management Division, the Department's administrative arm, delegate property management responsibilities to the individual components. While these regulations establish minimum standards for component property management systems, they do not require Department oversight of component activities. In our judgment, the loss of 775 weapons and 400 laptop computers indicates a lack of accountability for sensitive Department property. Consequently, it is critically important for the Department to increase its oversight role in the management of sensitive property such as weapons and laptop computers within the components. Further, the Department must take action to tighten controls that are currently weak, inadequate, or not fully implemented. At the conclusion of our audits at each component, we made specific recommendations to improve accountability for weapons and laptop computers. In a summary report that pulled together findings from the individual audits, the OIG made 13 recommendations to improve the management of sensitive property throughout the Department. These recommendations generally have been well received, and in many cases corrective actions are already under way.

The INS's Institutional Removal Program

The IRP, a cooperative effort of the INS, the Executive Office for Immigration Review, and participating federal, state, and local correctional agencies, seeks to (1) identify removable criminal aliens in federal, state, and local correctional facilities, (2) ensure that they are not released into the community, and (3) remove them from the United States upon completion of their sentences. Aliens convicted of certain offenses or unlawfully present in the United States are subject to deportation. The IRP process ideally begins with the identification of potentially deportable foreign-born inmates as they enter the correctional system and culminates in a hearing before an immigration judge at a designated hearing site within the federal, state, or local prison system. Upon completion of their sentences, deportable aliens are then released into INS custody for immediate removal.

Our audit, which focused primarily on IRP operations at the state and local level, found that the INS has not effectively managed the IRP. The INS has not kept pace with increases in the IRP workload brought on by the *Illegal Immigration Reform and Immigrant Responsibility Act of 1996* and the *Anti-Terrorism and Effective Death Penalty Act of 1996*, both of which dramatically increased the number of criminal aliens eligible for removal. Despite the foreseeable impact of the legislation, we found little evidence that management had taken steps to address the increased workload, particularly at the county level. Staffing levels for the IRP had not increased. In fact, staffing levels decreased because of INS-wide chronic vacancies in the immigration agent position, which is the backbone of the program. Not coincidentally, the number of criminal aliens deported decreased slightly in FY 2001 from FY 2000 totals, even as the total prison population grew by 1.6 percent during the same period. Consequently, the INS failed to identify large numbers of potentially deportable foreign-born inmates in county jails in California and Florida. For example, we found that IRP interviews of foreign-born inmates to determine their deportability were minimal to nonexistent at the county level. As a result, we found that many potentially deportable foreign-born inmates passed through county jails virtually undetected. The audit found that some of

these inmates not identified by the INS as potentially deportable went on to commit additional crimes after being released into the community.

In addition, we found that the INS did not always process IRP cases in a timely manner. As a result, the INS had been forced to detain criminal aliens released from incarceration whose deportation proceedings had not been completed. To determine the causes for IRP-related detention costs, we reviewed a sample of 151 A-files of criminal aliens in INS custody, representing a cross-section of criminal aliens released from federal, state, and local correctional facilities throughout the country. For that sample, we identified \$2.3 million in IRP-related detention costs, of which \$1.1 million was attributable to failures in the IRP process within the INS's control, and \$1.2 million was related to factors beyond the INS's immediate control. INS-wide, the detention costs associated with failures in the process may be significant. According to INS statistics, the average daily population in FY 2001 for criminal aliens held in INS custody was over 10,000, most of which were federal, state, or local inmates released into INS custody for removal. Based on this unaudited data, total IRP-related detention costs could run as high as \$200 million annually. A significant portion of these costs could have been avoided with better management of the IRP.

Computer Security Audits in Response to GISRA

The *Government Information Security Reform Act* (GISRA) directs the OIG to perform an annual independent evaluation of the Department's information security program and practices. Our FY 2001 GISRA audits examined four classified and five sensitive but unclassified (SBU) mission-critical Department computer systems. During this reporting period, we issued the remaining three FY 2001 individual audit reports on the FBI's administrative and investigative mainframes, the DEA's El Paso Intelligence Center Information System (classified section), and the BOP Network. We also issued reports summarizing our GISRA results for both classified and SBU systems.

Our audits of both the classified and SBU systems revealed vulnerabilities with management, operational, and technical controls that protect each system and the data stored on it from

unauthorized use, loss, or modification. Because technical controls prevent unauthorized access to system resources by restricting, controlling, and monitoring system access, we concluded that the vulnerabilities noted in those areas were the most significant. Overall, these GISRA audits found common vulnerabilities with security policies and procedures, password management, and logon management. We also found issues with account integrity and systems auditing management. To varying degrees, each audit found insufficient or unenforced Department-level and component security policies and procedures. In several areas of identified vulnerabilities, broadly stated or minimally imposed standards allowed system security managers too much latitude in establishing system settings and, consequently, systems were not fully secured. The vulnerabilities identified were more voluminous and material for the Department's classified systems than for its SBU systems. We attributed this to Department management performing penetration testing on its SBU systems but not its classified systems.

To address the deficiencies noted, our recommendations to components included increased oversight, development of documented procedures, and establishment of proper system settings to help improve computer security. Additionally, at the Department level, we recommended the establishment of an Information Technology Central Security Compliance Office with the responsibility to oversee, standardize, implement, and maintain strict departmentwide security controls over both classified and SBU systems. To ensure uniform system security, we recommended more specific guidance through revisions to the Department's security policy and the development of additional procedures. The components and the Department generally concurred with our findings and agreed to implement corrective action.

For FY 2002, we again evaluated the effectiveness of the Department's plans, programs, and practices in conformity with the GISRA and Office of Management and Budget (OMB) guidance. As part of our evaluation, we tested the effectiveness of information security controls for five SBU systems and three classified systems as an appropriate subset of Department systems. These included systems at the INS, Office of Justice Programs (OJP), USMS, FBI, and BOP.

We found that the Department had undertaken some action to improve information technology (IT) security policies and procedures. However, many deficiencies found in the FY 2001 GISRA reviews were found again in this year's review. Overall, our evaluation disclosed that the Department's IT security program requires improvement at both the Department and component levels. We assessed the Department's IT security program as "fair," using a scale of excellent, good, fair, and poor. As required by GISRA, we submitted a summary of our results to OMB. Individual audit reports will be issued in the next reporting period.

Convicted Offender DNA Sample Backlog Reduction Grant Program

OJP developed the Convicted Offender DNA Sample Backlog Reduction Grant Program (Program) to reduce the national convicted offender DNA sample backlog, estimated at over 745,000 at the end of 2000. The goal of the Program is to rapidly accelerate the analysis of convicted offender samples collected by states, thereby reducing and ultimately eliminating the backlog. OJP awarded approximately \$14.5 million in backlog reduction grants in FY 2000, the first year of the Program. That year 21 states applied for grants, and each state received the entire amount requested. States used the funds to hire contractor laboratories to analyze their backlogged convicted offender samples so that the resultant DNA profiles could be entered into the National DNA Index System (NDIS) to assist in solving crimes.

We audited the Program to assess its impact on the national offender backlog, evaluate OJP's administration of the Program, and assess compliance by grantee states and contractor laboratories with legislative and Program requirements and with FBI-issued quality assurance standards (QAS). Our audit disclosed that, while the Program funded the analysis of over 288,000 convicted offender samples that were previously backlogged, it was difficult to determine whether the national offender backlog was actually reduced. That determination was complicated by factors that included changes to state statutes requiring greater numbers of people to provide DNA samples and the subsequent need for the states to

handle the increased volume. In addition, while Program grants increased the number of complete offender profiles uploaded to NDIS, two of the eight grantee states we audited showed no increase in productivity in the 1-year period we reviewed because of delays in uploading contractor data to NDIS.

We noted that the eight selected grantee states adequately monitored their contractors and generally administered their grants in accordance with Program requirements. However, we found that OJP needed to improve its monitoring of the Program's progress toward achieving its stated performance goals. Although OJP was tracking the Program's progress, it was not gathering the correct data and statistics to accurately monitor and report that progress. We also found that OJP needed to develop and implement written procedures to ensure follow-up when grantees fail to comply with grant requirements or fail to file timely grant reports. We noted that 14 of the 21 Program grantees either did not submit required reports or submitted reports late. Further, we noted that 15 of the 21 Program grantees did not submit required quality assurance test results to OJP.

Our audit also found that the three contractor laboratories we examined materially complied with the Program requirements and the QAS, with a few exceptions related to equipment calibrations and continuing education documentation. In reports specific to each contractor laboratory, we recommended that procedures be enhanced to ensure that required equipment calibrations were made and documented and that all required continuing education was properly documented.

Administration of Contracts and Agreements for Linguistic Services by the DEA

The DEA awarded six contracts totaling about \$132 million to obtain linguistic services to perform monitoring, transcription, and translation services at its field divisions in Chicago, Dallas, Houston, Miami, New York, and San Diego. The DEA also had entered into a Memorandum of Understanding (MOU) with the Utah National Guard (UTNG) to obtain linguistic services. The total amount of the reimbursable agreements

executed under this MOU since FY 1997 was approximately \$5.3 million. We performed individual contract audits for the DEA's linguistic services contracts in Dallas, Houston, Miami, and San Diego.

While the assistant U.S. attorneys and DEA case agents indicated the quality of the linguistic services were adequate, we found weaknesses in the DEA's monitoring of payments to the contractors and in the contractors' claims for reimbursement. As a result, we questioned \$2.8 million of the \$9.4 million that had been paid to the contractors in our individual contract audits. Specifically, we found that the DEA's contracting officer's technical representatives did not provide adequate oversight of the contracts, and the DEA paid the contractors for such things as services not authorized by delivery orders, services performed outside the allowable performance period, hours not supported by timesheets or logs, overtime that was not properly approved, and unauthorized or unsupported travel costs.

We also reviewed the MOU and reimbursable agreements with the UTNG and determined that, while the users of the UTNG services were generally satisfied with the quality of the services, significant weaknesses existed in the UTNG's claims for reimbursement and in the DEA's monitoring of payments. As a result, we questioned \$518,912 of the funds paid to the UTNG for performance from July 1, 1997, through July 30, 2001. This amount represents about 13 percent of the \$4.1 million reimbursed to the UTNG. Specifically, we found that the DEA did not effectively monitor the costs billed by the UTNG, and the DEA paid the UTNG for:

- ◆ More total costs than allowed by the FY 2000 agreement.
- ◆ Personnel not authorized by the agreements.
- ◆ More part-time hours than allowed by the agreements.
- ◆ Travel expenses that were not authorized.
- ◆ Personnel costs not supported by payroll records.
- ◆ Part-time personnel at higher than the approved hourly rates.

- ◆ Awards not allowed by the FY 1999 agreement.
- ◆ More administrative costs than authorized by the agreements.

BOP Management of Construction Contracts

The BOP has an ongoing prison construction program to meet its need for new inmate bed space and replace obsolete facilities. When the OIG started its audit in July 2001, the BOP was building 13 new prisons at a cost of approximately \$1.6 billion for completion between FYs 2002 and 2004. Our audit examined whether the BOP was adequately managing new construction-related contracts, was making accurate and timely payments to contractors, and had improved its management practices since the OIG audited this issue in 1998.

Overall, we found that the BOP has strengthened management controls and has improved its overall monitoring of contractors' performance since 1998. We further found that the BOP has a quality assurance program in place that adequately monitors the work of contractors. However, our audit identified a pending contract modification for \$1.6 million that we considered unnecessary, three contract modifications for \$306,679 that exceeded the independent government estimate (IGE) without adequate written justification, and a small number of contractor payments that did not comply with the prompt payment requirements of the *Federal Acquisition Regulations* (FAR).

The OIG recommended that the BOP not approve the \$1.6 million contract modification, remedy the costs found above the IGE and adequately document future modifications that exceed the IGE, and ensure future contractor payments are calculated in accordance with the FAR prompt payment requirements. The BOP agreed with our recommendations and initiated corrective actions.

The INS's Collection of Fees at Air Ports of Entry

INS employees at air ports of entry (POEs) collect user fees for processing various types of applications and petitions for immigration benefits. The fees are usually collected in cash. Because the INS

was unable to determine the amount of money in fees it collected at airports, we sampled eight air POEs where we believed the INS collected large amounts of fees. Those eight POEs deposited a total of approximately \$2.5 million during the first nine months of FY 2001.

At all eight POEs, we found major failures to comply with the INS's Fee Collection Procedures manual issued in July 2000. The record keeping at air POEs was so poor, and non-compliance with the new procedures was so high, that we concluded that air POEs do not have adequate controls in place to reduce the risks of theft or error. We found that cash and accounting records were not adequately safeguarded and preserved; management oversight throughout the collection and deposit process was inadequate; segregation of duties was inadequate; reconciliations between the cash collected, the individual receipts, and the applications processed were inadequate; and the workload statistics were inaccurate. These findings left little or no audit trail and created an environment highly vulnerable to loss or theft without detection. Our report contained eight recommendations for improving the safeguards over the collection of fees.

Department Financial Statement Audits

The *Chief Financial Officers Act of 1990* and the *Government Management Reform Act of 1994* require annual financial statement audits of the Department. The OIG oversees and issues the reports based on the work performed by independent public accountants. During this reporting period, we issued six FY 2001 Department component financial statement reports.

- ◆ Assets Forfeiture Fund and Seized Asset Deposit Fund
- ◆ Bureau of Prisons
- ◆ Federal Prison Industries, Inc.
- ◆ Offices, Boards, and Divisions
- ◆ Office of Justice Programs
- ◆ Working Capital Fund

Each of these audits was performed in support of the FY 2001 consolidated Department audit, which was issued in the prior semiannual report-

ing period. For the first time, the Department received an unqualified opinion on all of its FY 2001 consolidated financial statements as well as unqualified opinions on all of the component financial statements. This was an improvement over FY 2000, when the Department received an unqualified opinion on its balance sheet and statement of custodial activity and a qualified opinion on its remaining statements. A qualified opinion means that the financial statements are presented fairly in all material respects, except for matters identified in the audit report.

The Department's unqualified opinion also included unqualified opinions for the first time on all ten of the reporting components' financial statements that make up the consolidated report. Importantly, the components were able to reduce the number of material weaknesses and reportable conditions, which signifies improvements in the components' internal controls.

However, as in FY 2000, the Department had to expend tremendous manual efforts and costs in preparing its financial statement for FY 2001. Many tasks had to be performed manually because the Department lacks automated systems to readily support ongoing accounting operations, financial statement preparation, and the audit process. The OIG's concern about these conditions is increased because OMB is requiring that FY 2002 annual financial statements be submitted one month earlier than in FY 2001.

The table on the next page compares the FY 2001 and the FY 2000 audit results for the Department consolidated audit as well as for the ten individual component audits.

Community Oriented Policing Services Grant Audits

We continue to audit grants disbursed by the Office of Community Oriented Policing Services (COPS). During this reporting period, we performed eight audits of COPS hiring and redeployment grants. Our audits identified more than \$2 million in questioned costs and more than \$800,000 in funds to better use. Examples of findings reported in our audits of COPS grants follow.

- ◆ The Baltimore, Maryland, Police Department was awarded more than \$42.9 million in COPS grants to hire 366 additional law enforcement officers and to redeploy 185 police officers into community policing activities through the hiring of civilians and purchase of equipment. We determined that the Police Department charged unallowable costs to grant funds and did not retain all previously grant-funded positions for the required period. As a result, we identified \$738,018 in questioned costs and recommended \$356,413 be put to better use.
- ◆ The Amtrak Police Department was awarded a \$750,000 COPS grant to hire 10 additional sworn law enforcement officers. We determined that the Police Department did not hire and maintain the required number of officers and, as a result, did not retain the previously grant-funded officer positions. We identified \$750,000 in questioned costs.
- ◆ The Crow Creek Sioux Tribe Police Department (Fort Thompson, South Dakota) was awarded \$621,914 in COPS grants to hire seven additional sworn law enforcement officers. We determined that the Police Department did not hire and maintain the required number of officers, did not retain the previously grant-funded officer positions, charged unallowable and unsupported costs to grant funds, did not have documentation to identify local matching funds, and had not fully implemented planned community policing activities. As a result, we identified \$621,914 in questioned costs.

Comparison of FY 2001 and FY 2000 Audit Results

Reporting Entity	Auditors' Opinion on Financial Statements		Number of Material Weaknesses		Number of Reportable Conditions	
	2001	2000	2001	2000	2001	2000
Consolidated Department of Justice	U	Q ¹	3	3	0	1
Assets Forfeiture Fund and Seized Asset Deposit Fund	U	U	0	0	0	2
Federal Bureau of Prisons	U	U	0	0	0	3
Drug Enforcement Administration	U	U	4	4	1	2
Federal Bureau of Investigation	U	U	3	2	1	1
Federal Prison Industries, Inc.	U	U ²	2	5	2	1
Immigration and Naturalization Service	U	Q ¹	3	3	1	3
Offices, Boards, and Divisions	U	U	0	0	2	2
Office of Justice Programs	U	U	0	0	3	3
U.S. Marshals Service	U	U	1	1	2	3
Working Capital Fund	U	U	0	0	0	3
Component Totals			13	15	12	23

Q - Qualified Opinion
U - Unqualified Opinion

¹ Qualified on Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing. Unqualified on other financial statements.

² Originally reported as qualified, but qualification subsequently removed during FY 2001 audit after auditors were able to sufficiently extend audit procedures to FY 2001 beginning balances.

Trustee Audits

The OIG contributes to the integrity of the bankruptcy program by conducting performance audits of trustees under a reimbursable agreement with the Executive Office for U.S. Trustees. During this reporting period, we issued 90 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.

We conduct performance audits 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.

Single Audit Act

The *Single Audit Act of 1984*, as amended, requires recipients of more than \$300,000 in 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, the OIG reviewed and transmitted to OJP 98 reports encompassing 714 Department contracts, grants, and other agreements totaling more than \$316 million. These audits report on financial activities, compliance with applicable laws, and the adequacy of recipients' management controls over federal expenditures.

Audits in Progress

The FBI's Management of IT Investments

This audit is assessing whether the FBI is effectively managing its IT projects. We are examining the FBI's efforts in developing enterprise architecture and project management functions and assessing Trilogy, the FBI's largest project designed to improve IT infrastructure and office automation, to determine how the FBI's IT management practices affected the project's progress. This audit also is assessing the FBI's IT-related strategic planning and performance measurement activities.

Review of FBI Casework

This audit is examining the types and number of cases the FBI investigates, assessing how it allocates its investigative resources, and evaluating the performance measures it uses for its cases.

The FBI's Legal Attaché Program

The Legal Attaché program was created to gain greater cooperation with international police partners in support of the FBI's mission. The program has grown substantially over the past few years, from offices in 23 countries in 1993 to 44 offices in 2001. This audit is assessing the effectiveness, efficiency, and cost of the program; determining the types of activities performed by attachés to identify potential overlap and duplication of efforts with other law enforcement agencies; and examining the performance measures used to evaluate the program.

INS Primary Inspections at Airports

This audit is reviewing primary inspection operations at airports, especially with regard to the INS's procedures for referring persons to secondary inspection. We also are evaluating management controls over the primary inspection process, the availability and analysis of traveler information prior to flight arrival, and the training of inspectors.

INS Premium Processing Service Program

Premium processing permits nonimmigrant employment-based visa applicants to request an

expedited adjudication process. This audit is assessing whether the INS has achieved its goals for the premium processing program and whether the processing time for similar petitions and applications has changed significantly since the implementation of the premium processing program.

Follow-up Audit of the INS's Airport Inspection Facilities

This audit is following up on our December 2000 report on the quality of INS inspection facilities at international airports. We are assessing whether the INS is taking timely action to implement the recommendations from our report and whether actions taken have resulted in improvements at the airports we identified as having the most serious deficiencies.

The DEA's Implementation of GPRA

We are reviewing the DEA's implementation of the *Government Performance and Results Act of 1993* (GPRA) to evaluate whether the DEA has (1) developed strategic goals and objectives that are consistent with the Department's strategic goals and objectives, (2) established performance measures that are adequate to evaluate achievement of its goals and objectives, and (3) established an effective system to collect, analyze, and report data related to its performance measures.

Demand Reduction

Several Department components—particularly the DEA, BOP, OJP, and COPS—spend considerable money and effort on activities designed to reduce the demand for drugs in the United States. This audit is assessing (1) how the Department allocates resources to demand reduction, (2) whether Department efforts are coordinated effectively, and (3) whether components measure the effectiveness of demand reduction activities.

Protection of Critical Cyber-Based Infrastructure

This audit is the third in a series of a four-phase effort by 21 OIGs. Our audit focuses on the Department's plans for protecting its critical cyber-based infrastructures. We are reviewing the

Department's plans for mitigating risks, managing emergencies, coordinating resources with other agencies, meeting resource and organizational requirements, and recruiting, educating, and maintaining awareness related to protecting critical cyber-based infrastructures.

U.S. Trustee Program's Controls Over Bankruptcy Fraud

The U.S. Trustee Program manages the bankruptcy system and is largely responsible for maintaining its integrity. Because bankruptcy fraud and abuse by debtors, creditors, attorneys, and other professionals threaten the integrity of the system, the program's ability to deter and detect bankruptcy fraud and take appropriate civil or criminal action is critical. We are assessing the management controls implemented in U.S. Trustee offices to identify and eliminate fraud and misconduct by debtors, private trustees, and others and are evaluating performance measures relative to bankruptcy fraud.

Follow-Up Audit of the Department's Counterterrorism Fund

Congress established the Department of Justice Counterterrorism Fund (Fund) in July 1995 to reimburse Department components for the costs incurred in reestablishing the operational capabilities of facilities damaged through terrorist acts. The Fund is to be used for the payment of expenses beyond what a component's appropriation could reasonably be expected to fund. This audit is assessing whether Fund expenditures for FYs 1998 through 2002 were authorized, supported, and used in accordance with the intent of the law and reimbursement agreements were finalized in an expeditious manner and excess funds deobligated.

Streamlining of Administrative Activities and Grant Functions

From FY 1993 through FY 2001, OJP and COPS awarded more than \$26 billion in grants. OJP has five bureaus and six program offices that manage grant funds. COPS awards grants under numerous programs to fund advances in community policing across the country. This audit is reviewing the administrative activities and grant

functions within OJP and between COPS and OJP to determine whether there are activities and functions that could be streamlined to increase operational efficiency.

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 monitors the status of open audit reports to track the audit resolution and closure process. As of September 30, 2002, the OIG had closed 198 audit reports and was monitoring the resolution process of 502 open audit reports.

Unresolved Audits

Audits Over Six Months Old Without Management Decisions

As of September 30, 2002, the following audits had recommendations without management decisions.

- ◆ COPS Grant to American University
- ◆ COPS Grant to Texas Tech University Police Department, Lubbock, Texas
- ◆ Department of Public Safety, State of Hawaii
- ◆ Departmental Critical Infrastructure Protection—Planning for the Protection of Physical Infrastructure
- ◆ Drug Enforcement Administration’s Contract with Diplomatic Language Services for Linguistic Services for the Miami Field Division
- ◆ Drug Enforcement Administration’s Contract with SOS Interpreting, Ltd. for Linguistics Services for the Dallas Field Division
- ◆ Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Facilities with the DeKalb County, Georgia, Sheriff’s Office
- ◆ Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Facilities with the Manatee County, Florida, Government
- ◆ Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Facilities with the Wicomico County, Maryland, Department of Corrections
- ◆ U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Government of Guam

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	5	\$19,026,543
Issued during period	5	\$4,766,690
Needing management decision during period	10	\$23,793,233
Management decisions made during period:		
◆ Amounts management agreed to put to better use	7	\$20,104,340
◆ Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	3	\$3,688,893

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	33	\$26,395,750	\$2,212,447
Issued during period	41	\$8,377,755	\$655,431
Needing management decision during period	74	\$34,773,505	\$2,867,878
Management decisions made during period:			
◆ Amount of disallowed costs ¹	37 ²	\$13,610,731	\$1,110,135
◆ Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	39	\$21,162,774	\$1,757,743

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 two audit reports that were not resolved during this reporting period because management has agreed with some, but not all, of the questioned costs in the audits.

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	78	156
Issued during period	120	454
Needing management decision during period	198	610
Management decisions made during period:		
◆ Number management agreed to implement ¹	137 ²	469
◆ Number management disagreed to implement	0	0
No management decision at end of period	65	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 Evaluation and Inspections Division

The Evaluation and Inspections Division (E&I) provides alternatives to traditional audits and investigations through short-term management reviews and program evaluations that assess the efficiency, vulnerability, and effectiveness of Department operations. E&I relies on its multidisciplinary workforce to provide timely reviews on diverse issues. E&I is located in Washington, D.C.

Significant Reviews

Review of the Foreign Student and Exchange Visitor Program

This review examined the process by which foreign students and exchange visitors gain admission to the United States and the process by which the INS tracks and monitors foreign students and exchange visitors once they have entered the United States. As part of the review, we examined SEVIS, the INS's newly developed system that will be used to collect information on full-time foreign students, exchange visitors, and their dependents. We concluded that SEVIS will be an improvement over the INS's old paper-based tracking system, which was inefficient, inaccurate, and unreliable. However, SEVIS will not correct all the program deficiencies we found. In addition, although the SEVIS database should technically be available by the congressionally mandated deadline of January 2003, we have concerns that the certification of schools, training of INS and school officials, and plans for analyzing SEVIS data to identify fraud and take enforcement actions will not be fully implemented by this date. E&I's work on the foreign student and exchange visitor program was included in the OIG report entitled *The Immigration and Naturalization Service's Contact with the Two September 11 Terrorists: A Review of the INS's Admissions of Mohamed Atta and Marwan Alshehhi, its Processing of Their Change of Status Applications, and its Efforts to Track Foreign Students in the United States*.

INS Efforts to Improve the Control of Nonimmigrant Overstays

This follow-up review focused on security concerns identified in our 1997 report, *Inspection of Immigration and Naturalization Service Monitoring of Nonimmigrant Overstays*. We found that the INS has made little progress since 1997 in effectively dealing with nonimmigrant overstays. At the time of our follow-up review, the INS still did not have a reliable system to track overstays, did not have a specific overstay enforcement program, and could not perform its responsibilities under the Visa Waiver Program to provide accurate data on overstays.

The terrorist attacks of September 11, 2001, focused renewed attention on the importance of knowing when nonimmigrant visitors enter and depart the United States. We concluded that the INS must identify individual overstays, collect aggregate information on overstays, and develop an effective interior enforcement strategy for pursuing overstays who are identified as representing the greatest potential risk to the security of the United States.

When our 1997 report was issued, the INS expected that its automated I-94 system would provide the arrival and departure information necessary to identify overstays and aid the development of an effective enforcement strategy to address the problem. However, according to a November 2001 INS evaluation, the automated I-94 system will not be able to identify overstays or meet the requirements of the *USA PATRIOT Act of 2001*, which mandates development of an integrated entry-exit control system. Consequently, in February 2002 the INS terminated the automated I-94 project.

The INS is working with other federal agencies to develop an integrated entry-exit control system with provisions for biometric identifiers and

machine-readable documents. However, implementation of the full entry-exit system will take years. In the interim, we believe the INS should implement the recommendations from our 1997 report to improve the collection of departure records by working with airlines to promote carrier compliance, monitoring carrier compliance, and fining non-compliant airlines.

The DEA's Investigations of the Diversion of Controlled Pharmaceuticals

This review examined the DEA's investigations of the diversion of controlled pharmaceuticals and found that DEA enforcement efforts have not adequately addressed the widespread diversion problem. Despite the widespread problem, the DEA has dedicated only 10 percent of its field investigator positions to diversion investigations. Since 1990, the number of diversion investigators as a percentage of total DEA investigators has decreased by 3 percent.

We also found that the DEA has failed to provide sufficient investigative capabilities for diversion investigators. Since diversion investigators lack law enforcement authority, they must request assistance from either DEA special agents or local law enforcement officers to perform essential activities such as conducting surveillance, issuing search warrants, managing confidential informants, and performing undercover drug purchases. We found that difficulties in obtaining law enforcement assistance have caused delays in developing cases for prosecution and have had a negative impact on the quality of the investigations. In addition, we found that the DEA provides minimal intelligence support to its diversion investigators.

We made four recommendations to enhance the DEA's investigative capability and intelligence support dedicated to the diversion problem. The DEA concurred with our recommendations.

Ongoing Reviews

Treatment of September 11 Detainees

In furtherance of our responsibilities under the *USA PATRIOT Act of 2001*, the OIG is reviewing aspects of the Department's treatment of

September 11 detainees. We are assessing conditions at two facilities—the BOP's Metropolitan Detention Center in Brooklyn, New York, and the Passaic County Jail in Paterson, New Jersey. In this review, we are examining three primary issues:

- ◆ Detainees' ability to obtain legal counsel.
- ◆ The government's timing for issuing criminal or administrative charges.
- ◆ Conditions of detention experienced by the detainees, including allegations of physical and verbal abuse, restrictions on visitation, medical care, duration of detention, confinement policies, and housing conditions.

We also are examining pre- and post-September 11 policies and procedures concerning detention, deportation, immigration bonds, immigration hearings, and administrative and criminal charging.

The BOP's Drug Interdiction Activities

This review evaluates the drug interdiction activities implemented by the BOP to reduce or eliminate the supply of and demand for drugs in BOP institutions. The report examines the extent of the drug problem in BOP facilities, identifies various drug interdiction activities the BOP uses, and recommends additional corrective actions for the BOP to help prevent drugs from entering its institutions.

The INS's Deportation of Illegal Aliens After Issuance of Final Orders

This follow-up review is examining the INS's progress in deporting illegal aliens after they have been issued final orders of removal. When we reported on this subject in 1996, we identified significant issues with the INS's ability to deport aliens who were not detained pending the outcome of their case hearings. This current review is assessing the initiatives the INS developed to improve its deportation rate.

Review of the DEA's Discipline Process

This review is examining the process by which the DEA identifies, refers, and investigates employee misconduct and imposes and enforces disciplinary actions in response to substantiated

employee misconduct allegations. We are evaluating the DEA's compliance with procedures for reporting allegations of misconduct to the DEA's Office of Professional Responsibility and are reviewing the timeliness of the process from referral of the allegation to implementation of disciplinary action. We also are examining the appropriateness and consistency of disciplinary actions.

Follow-Up Activities

Unresolved Reviews

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the OIG*, requires reports to be resolved within six months of the report issuance date. As of September 30, 2002, there are no unresolved E&I reports.

Evaluation and Inspections Statistics

The chart below summarizes E&I's accomplishments for the 6-month reporting period ending September 30, 2002.

E&I Workload Accomplishments	Number of Reviews
Reviews active at beginning of period	6
Reviews initiated	3
Final reports issued	3
Reviews active at end of reporting period	6

The Office of Oversight and Review

The Office of Oversight and Review (O&R) is composed of attorneys, special agents, program analysts, and administrative personnel. O&R investigates sensitive allegations involving Department employees, often at the request of the Attorney General, senior Department managers, or Congress. O&R also conducts systemic reviews of Department programs.

Significant Reviews

The INS's Contacts With Two September 11 Terrorists

In March 2002, the INS notified a Florida flight school that the applications of two of its students for a change in their immigration status from "visitors" to "students" had been granted. The two students, Mohamed Atta and Marwan Alshehhi, had participated in the September 11 attacks on the World Trade Center Towers and the Pentagon, and the INS's notification of their change of status six months after the attacks caused widespread and severe criticism of the INS. The Attorney General requested that the OIG conduct an investigation into the circumstances surrounding the INS's handling of Atta's and Alshehhi's change of status applications.

Following an expedited review, the OIG released a report in May 2002 that discussed the INS's contacts with Atta and Alshehhi, as well as the INS's monitoring and tracking of foreign students in the United States. The OIG found that the INS's adjudication of Atta's and Alshehhi's change of status applications and its notification to the flight school were untimely and significantly flawed. First, the INS took more than 10 months to adjudicate the two men's applications. As a result, Atta's and Alshehhi's applications were not adjudicated until July and August 2001, well after they had completed the flight training course upon

which their applications for student status were based. Second, the INS adjudicator who approved their applications did so without adequate information, including the fact that Atta and Alshehhi had left the country two times after filing their applications, which under INS regulations meant that they had abandoned their requests for change of status. Third, even after the INS took 10 months to approve the applications, the notification forms were not sent to the Florida flight school for another 7 months because the INS failed to adequately supervise a contractor who processed the documents. The OIG found that widespread failures by many INS officials resulted in the INS continuing to process the forms after Atta's and Alshehhi's participation in the attacks and not informing the FBI of the forms' existence.

The OIG also examined the INS's contacts with Atta and Alshehhi as they sought entry into the United States on several occasions prior to the September 11 attacks. The OIG concluded that the evidence did not show that the inspectors who admitted them violated INS policies and practices. However, the OIG found that prior to September 11 the INS did not closely scrutinize aliens entering the country to become students and did not uniformly require foreign students to present the required documentation before entering the United States.

Finally, the OIG evaluated the INS's tracking systems for foreign students—the paper-based system that exists now and SEVIS, the Internet-based system that the INS is developing. The OIG found that the INS's current, paper-based tracking system is inefficient, inaccurate, and unreliable. While SEVIS has the potential to improve the INS's monitoring of foreign students, SEVIS alone will not solve all the problems of the INS's tracking of foreign students. For example, the OIG noted that the INS must review the schools that are eligible to enroll foreign students,

ensure that information in SEVIS is timely and accurate, train INS employees and school officers on their responsibilities, and ensure that the information in SEVIS is properly analyzed and used.

The report offered 24 recommendations to help address the problems highlighted by the Atta and Alshehhi cases and the problems found by the OIG's review of the INS's foreign student program.

Other Cases

- ◆ O&R investigated allegations that a senior Department official committed misconduct by violating travel regulations by his selection of conference locations for his office and in his government travel. The OIG did not sustain the allegation, but, during the course of the investigation, found that the senior official violated travel regulations by routinely using and approving the use by others of the subsistence method of travel, which allows for reimbursement in excess of the customary per diem allocation normally available to government travelers. As a result, the travelers were reimbursed for staying in more expensive lodging than might otherwise have been allowed. We also found that the official violated restrictions on the use of frequent flyer miles and the government's gain-sharing program. We referred the matter for administrative action.
- ◆ O&R investigated an allegation that a Department attorney improperly engaged in outside activities by acting as an agent for a third party and by creating the appearance that the Department endorsed his outside activities. The OIG did not sustain the allegation regarding his role as an agent, but we criticized the attorney's inadequate disassociation of the Department from his outside activities.
- ◆ The OIG received an allegation that a senior official in the Community Relations Service (CRS) had been improperly hired as a result of favoritism by a former CRS official. The OIG did not sustain the allegation or other related allegations, but we made several recommendations to management for remedial actions.

Ongoing Reviews

- ◆ At the FBI Director's request, the OIG has initiated a review of issues relating to the FBI's handling of intelligence information prior to the September 11 attacks. Information gathered by the media and other sources has suggested that the FBI failed to adequately analyze intelligence information regarding possible use of airplanes to commit terrorist attacks. An OIG team of four attorneys, two auditors, and three special agents is reviewing the FBI's process for handling intelligence information and will examine specifically how the FBI handled certain intelligence information relating to aviation.
- ◆ O&R is drafting a comprehensive report detailing its examination of the Department's performance in preventing, detecting, and investigating the espionage activities of former FBI agent Robert Philip Hanssen. This review, initiated at the request of the Attorney General and the Senate Select Committee on Intelligence, examines Hanssen's espionage activities during his two decades with the FBI as well as the FBI's efforts during that period to uncover espionage in the FBI.

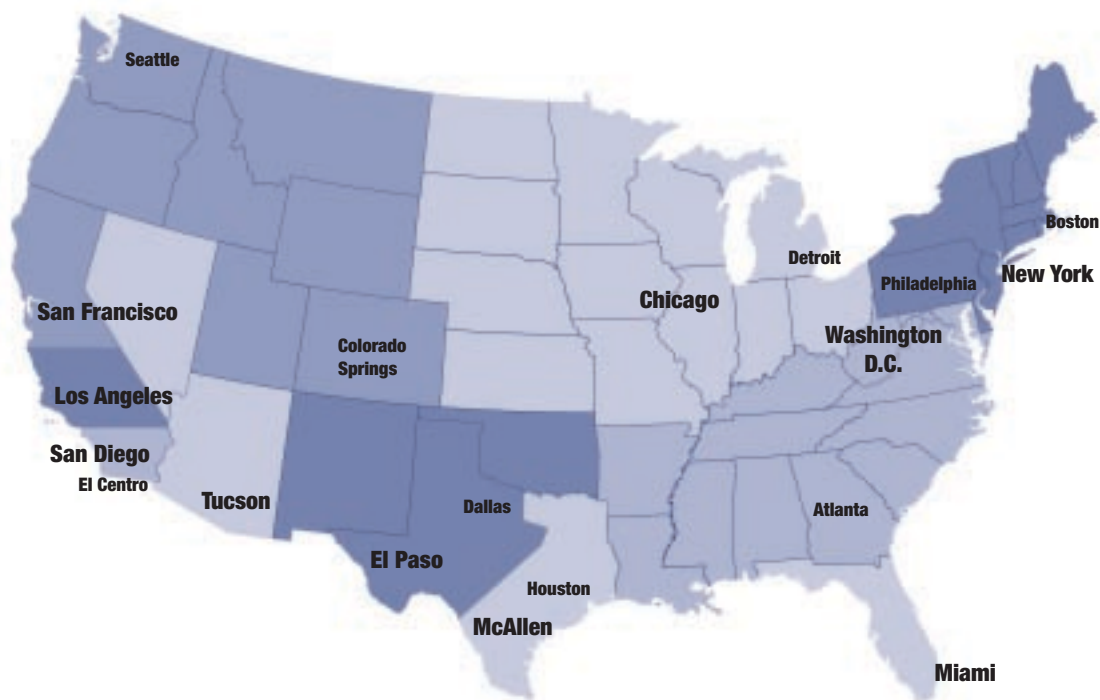
The Investigations Division

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 Department components for appropriate action.

Investigations carries out its mission through the work of its special agents who are assigned to OIG 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, Detroit, El Centro, Houston, Philadelphia, and Seattle. Investigations Headquarters in Washington, D.C., consists of the immediate office of the AIG and the following branches: Operations, Special 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 6,132 complaints. It opened 326 investigations and closed 295. OIG agents made 127 arrests involving 45 Department employees, 72 civilians, and 10 Department contract personnel. Convictions resulted in 79 individuals receiving sentences and \$33,619 in fines, recoveries, and orders of restitution. As a result of OIG investigations, 28 employees and 14 contract employees received disciplinary action, including 30 who were terminated. In addition, 42 employees and 6 contract employees resigned either during or at the conclusion of OIG investigations.

Significant Investigations

Following are some of the cases investigated during this reporting period, grouped by offense category.

INS Document Fraud

- ◆ In the Eastern District of Michigan, 13 civilians, including 6 licensed medical doctors and 3 clinical psychologists, were arrested for conspiring to falsify documents and make fraudulent representations to the INS on behalf of over 600 naturalization applicants. A joint investigation by the OIG's Chicago Field Office and the INS revealed that the applicants, who were predominantly from Iraq, Yemen, and Lebanon, had fraudulently sought to obtain medical disability waivers that would have exempted them from the English language, literacy, and civics testing requirements of the *U.S. Immigration and Nationality Act*.
- ◆ In the Southern District of Florida, five civilian employees of a Miami paralegal company were arrested on charges of conspiracy to commit mail, wire, Social Security, and immigration document forgery fraud. An investigation by the OIG's Miami Field Office, Social Security Administration's OIG, and the INS led to a 21-count indictment against the civilians for providing fraudulent political asylum and social security application assistance to aliens not entitled to lawful permanent residence in the United States. The investigation revealed that from April 1999 through April 2001, the

company prepared, for a fee of \$3,000 each, more than 30 false political asylum "persecution stories" for aliens who had not suffered persecution in their home countries; forged and counterfeited immigration documentation, namely, I-551 ADIT stamps, which authorized and allowed more than 100 aliens to work legally in the United States; and prepared false applications for more than 100 Social Security account numbers or cards.

- ◆ Two INS automation clerks, one Mexican national, and one civilian were arrested in the Southern District of California on charges of conspiracy and falsely making INS documents; all but the civilian have pled guilty. An investigation by the San Diego Field Office led to a criminal complaint alleging that the codefendants conspired to make and sell INS Employment Authorization Documents for \$4,500 each. A search of three of the defendants' residences resulted in the seizure of INS immigration documents, approximately \$13,000, and 400 pounds of marijuana. The OIG estimates that the four men sold approximately 110 fraudulent immigration documents.

False Statements

- ◆ A former personnel security specialist assigned to the FBI's Boston Office was arrested and pled guilty in the District of Massachusetts to making a false statement. An investigation by the Boston Area Office revealed that the personnel security specialist provided an affidavit to OIG agents in which he denied receiving a telephone call from a civilian who had attempted to turn himself in to the FBI after committing several bank robberies. After being disconnected by someone at the FBI, the civilian allegedly went on a multi-state carjacking spree during which he murdered three people. During an OIG polygraph examination, the personnel security specialist initially repeated his denial, but later admitted that he had received the call from the civilian but had inadvertently disconnected him. The personnel security specialist, a 17-year FBI employee, resigned his position as a result of this investigation. Sentencing is pending.
- ◆ In the Western District of Louisiana, two deputy U.S. marshals who were pilots for the USMS Justice Prisoner and Alien Transportation System were arrested on charges of conspiracy to make false statements and conceal the true facts

in a federal investigation. A joint investigation by the OIG's Atlanta Area Office, USMS's Office of Internal Affairs, and Department of Transportation led to allegations that a civil aircraft leased to the USMS deviated from its assigned altitude and came dangerously close to an American Airlines plane flying in the opposite direction. In an effort to mislead Federal Aviation Administration inspectors investigating the incident, the two deputy U.S. marshals conspired to make false entries in the aircraft maintenance logbook to indicate that the altitude deviation was due to a mechanical problem.

- ◆ A deputy U.S. marshal (DUSM), his brother, and a civilian were arrested on charges of conspiracy, false statements, embezzlement, mail fraud, and witness tampering. An investigation by the New York Field Office developed information that the DUSM, while serving as the chief of the USMS Asset Forfeiture Unit for the District of New Jersey, allegedly disposed of forfeited vehicles and real estate properties in violation of USMS policy by selling them at a reduced price to family members and friends in return for cash kickbacks. The DUSM also arranged for the payment of fraudulent real estate commissions to the civilian in connection with some of the real estate transactions.

- ◆ In our March 2002 *Semiannual Report to Congress*, we reported that a former supervisory deputy U.S. marshal (SDUSM) was arrested pursuant to an indictment in the District of Colorado on charges of false statements and perjury. A Colorado Springs Area Office investigation revealed that the former SDUSM made false statements to the U.S. marshal and subsequently provided perjurious testimony in a court hearing concerning his post-trial relationship with an alternate juror in the Timothy McVeigh trial. During this reporting period, the former SDUSM pled guilty and was sentenced to three months' incarceration, three months' home confinement, and two years' supervised release and fined \$2,000.

Bribery

- ◆ In the Northern District of Texas, seven Bangladeshi and Sri Lankan nationals were arrested by agents of the Dallas Area Office on charges of bribery of a public official. After one of the Bangladeshi nationals approached a

U.S. Border Patrol agent about obtaining permanent residence alien cards at \$12,000 apiece for each of his six friends, an undercover OIG agent met with these individuals, obtained their fingerprints and photographs, and accepted INS applications for permanent residence in return for several thousand dollars. Six of the subjects pled guilty. Sentencing is pending.

- ◆ A former INS immigration examiner, previously assigned to the INS Chicago District Office, was sentenced in the Northern District of Illinois to 18 months' incarceration pursuant to his guilty plea on charges of bribery. An investigation by the Chicago Field Office revealed that the immigration examiner solicited sexual favors from two men in exchange for approving permanent residency applications.

- ◆ A former supervisory special agent assigned to the INS San Francisco District Office was arrested and pled guilty to an information charging him with bribery. An investigation by the San Francisco Field Office found that an immigration attorney paid the former supervisory special agent to place the attorney's clients on the immigration court docket ahead of other aliens. The former supervisory special agent was sentenced in the Northern District of California to 30 months' incarceration and ordered to pay \$30,000 restitution.

Introduction of Contraband

- ◆ A BOP correctional officer assigned to the Federal Correctional Institution (FCI) in Edgefield, South Carolina, pled guilty and was sentenced on Georgia state charges to three years' incarceration followed by seven years' supervised release for possession with the intent to distribute marijuana. A joint investigation by the OIG's Atlanta Area Office and the Richmond County Sheriff's Office revealed that the correctional officer received packages containing marijuana intended for FCI Edgefield inmates. The correctional officer admitted to OIG agents that he planned to forward the marijuana to an inmate at FCI Edgefield.

- ◆ A BOP correctional officer assigned to the FCI in Fort Dix, New Jersey, was arrested on charges of providing contraband in prison and bribery. An investigation by the New York Field Office

developed evidence that the correctional officer was introducing contraband, including marijuana, into FCI Fort Dix for an inmate. On two separate occasions, the correctional officer met with an OIG undercover agent and received marijuana, food, workout supplements, and more than \$1,500 as payment for introducing the contraband into FCI Fort Dix and providing the items to the inmate. The correctional officer resigned her position.

- ◆ A BOP correctional officer assigned to the U.S. Penitentiary (USP) in Pollock, Louisiana, was arrested and pled guilty to charges of introducing contraband into a federal prison. An investigation by the OIG's Atlanta Area Office, assisted by the FBI and state and local law enforcement agencies, developed evidence that the correctional officer was introducing marijuana into USP Pollock for an inmate. During an undercover operation, the correctional officer met with an OIG undercover agent and took possession of one pound of marijuana and \$1,000 as payment for providing it to an inmate. He was sentenced to six months' incarceration and two years' supervised release and fined \$2,500.
- ◆ A former BOP correctional officer assigned to the Low Security Correctional Institution (LSCI) in Allenwood, Pennsylvania, was sentenced to 27 months' incarceration and 3 years' supervised release. Multiple investigations by the OIG's New York Field Office, FBI, and BOP revealed a scheme in which inmates in LSCI Allenwood conspired with civilians and a former inmate to bribe correctional officers in exchange for smuggling contraband into and out of the facility.
- ◆ In our March 2002 *Semiannual Report to Congress*, we reported on a joint investigation by the OIG's McAllen Field Office and DEA in which a BOP correctional officer assigned to the FCI in Three Rivers, Texas, was indicted and pled guilty to charges of bribery and possession of narcotics with intent to distribute. During an undercover operation, the BOP correctional officer met with an undercover agent to purchase four ounces of heroin and received \$1,500 for delivering the heroin to an inmate at FCI Three Rivers. During this reporting period, the correctional officer was sentenced to five months' incarceration and three years' supervised release.

Fraud

- ◆ In the Eastern District of Texas, a state penitentiary inmate was indicted on five counts of mail fraud for attempting to illegally obtain compensation from the September 11 Victim Compensation Fund (Fund). The inmate falsely claimed that he and two others had been severely injured in the World Trade Center terrorist attacks when, in fact, all three were in custody in Beaumont, Texas, on September 11, 2001. This was the first indictment for attempted fraud involving the Fund. This investigation was conducted by the OIG's Fraud Detection Office.
- ◆ A Jamaican national was arrested at Miami International Airport as he disembarked from a flight after being deported from Panama. An investigation by the OIG's Fraud Detection Office led to the Jamaican national's indictment for false claims and mail fraud in connection with his claim to the September 11 Fund. In his application to the Fund, he said that his father perished during the World Trade Center terrorist attacks. No such person was killed or injured during the attacks.
- ◆ On September 16, 2002, OJP sent a letter to the City of Portland, Oregon, demanding repayment in the amount of \$114,514 for the misuse of funds received between 1996 and 1998 under an OJP Local Law Enforcement Block Grant. A joint investigation by the OIG's Seattle Area Office and the Portland Police Bureau disclosed that over 25 police officers received overtime pay from the Block Grant on 100 or more occasions for work they did not perform. Both the USAO and the Multnomah County District Attorney's Office declined criminal prosecution.
- ◆ A former INS deputy assistant district director for adjudications was arrested and convicted of receiving supplemental salary after a 2-week jury trial in the Northern District of California. An investigation by the San Francisco Field Office revealed that the former INS employee solicited money from several aliens and their family members for nonexistent or unnecessary fees and deposited the money into his personal bank accounts. The former INS deputy assistant district director for adjudications, previously assigned to the INS San Francisco District Office, retired during the investigation.

Alien and Drug Smuggling

◆ An INS immigration inspector, his wife, and mother-in-law were arrested in the Western District of Texas on charges of importation of controlled substances and conspiracy to import approximately 50 pounds of cocaine. In addition, two civilians were arrested on charges of bribery of a public official. A joint investigation by the OIG's El Paso Field Office and the U.S. Customs Service determined that the defendants conspired to facilitate the passage of narcotics and, in the civilians' cases, illegal immigrants, through the immigration inspector's inspection lane at the Eagle Pass port of entry. The immigration inspector also admitted to involvement in smuggling an additional 583 pounds of marijuana and cocaine and accepting more than \$40,000 in bribes to permit at least 20 vehicles containing narcotics into the country during a 13-month period. In addition, the immigration inspector admitted to taking more than \$40,000 in additional bribes from the civilians to issue unauthorized immigration documents to more than 160 undocumented aliens.

◆ A former INS immigration inspector assigned to the INS's pre-flight inspection station in Vancouver, British Columbia, Canada, pled guilty and was sentenced in British Columbia to 18 months' incarceration for possessing a controlled substance for the purpose of trafficking. A joint investigation by the OIG's Seattle Area Office and the North Vancouver, British Columbia, Police Department disclosed that the former immigration inspector was selling several illegal drugs. A search warrant executed at his residence resulted in the seizure of drugs and an INS ballistic vest that he had reported as being stolen. Additional charges against the former immigration inspector are pending in the Western District of Washington.

◆ In our March 2002 *Semiannual Report to Congress*, we reported that an INS immigration inspector assigned to the Calxico port of entry was arrested and convicted on charges of conspiracy to import cocaine, importation of cocaine, aiding and abetting, and disclosure of confidential information. A joint investigation by the OIG's El Centro Area Office, Customs Service, and FBI disclosed that the immigration inspector permitted a vehicle with more than 1,000 pounds of

cocaine to enter the United States from Mexico without proper inspection. During this reporting period, the immigration inspector was sentenced to 135 months' incarceration followed by 5 years' supervised release.

◆ In our March 2002 *Semiannual Report to Congress*, we reported on a joint investigation by the OIG's Tucson Field Office and the Customs Service that resulted in the arrest of a former INS immigration inspector and her Mexican national boyfriend on charges of drug smuggling and bribery of a public official. The investigation established that the immigration inspector allowed her boyfriend to smuggle marijuana through her primary inspection lane when she was an INS employee in exchange for \$7,500 and real estate in Mexico. During this reporting period, the former immigration inspector was sentenced to two years' incarceration and three years' supervised release. Her boyfriend was sentenced to three years' incarceration and four years' supervised release.

◆ In our March 2002 *Semiannual Report to Congress*, we reported that an INS immigration inspector, his civilian wife, and a Mexican national were arrested by members of the Public Corruption Task Force (PCTF), of which the El Paso Field Office is a member, on charges of conspiracy to import a controlled substance, importation of a controlled substance, bribery of a public official, and money laundering; three other indicted drug traffickers remain at large. The investigation determined that the immigration inspector was paid \$5,000 to \$10,000 for every load of marijuana smuggled into the United States through his inspection lane at the Bridge of Americas port of entry. The PCTF estimated that the immigration inspector permitted a total of 164,000 to 500,000 pounds of marijuana into the United States between November 1998 and December 2001. During this reporting period, the former immigration inspector was sentenced to 20 years' incarceration and 5 years' supervised release for money laundering and conspiring to import controlled substances. He also was ordered to forfeit \$3 million and his \$275,000 home. The Mexican national, his brother-in-law, was sentenced to 14 years' incarceration and 5 years' supervised release for bribery of a public official and conspiring and importing a controlled substance.

Sexual Abuse

◆ The executive assistant to the warden and the unit manager of the USP in Florence, Colorado, were arrested in the District of Colorado on charges of sexual abuse of a ward. An investigation by the Colorado Springs Area Office found that the executive assistant and the unit manager were involved in sexual relationships with multiple inmates and that the executive assistant had used her position to shield the women's activities from discovery. To date, the unit manager has pled guilty and the executive assistant awaits trial. Both women resigned their positions with the BOP following OIG interviews, during which they admitted to having sexual relationships with USP Florence inmates.

◆ A former BOP nurse, previously assigned to the Federal Medical Center in Rochester, Minnesota, was arrested and subsequently convicted by a federal jury in the District of Minnesota of sexual contact with a ward. An investigation by the Chicago Field Office led to an indictment charging that the BOP nurse had engaged in a sexual relationship with a male inmate under her custodial supervision. She resigned from her position with the BOP as a result of the investigation. Sentencing is pending.

◆ In our March 2001 *Semiannual Report to Congress*, we reported that a Border Patrol agent assigned to the Nogales Border Patrol station was arrested on Arizona state charges of kidnapping, sexual assault, and sexual abuse. An investigation conducted by the OIG's Tucson Field Office and the Nogales Police Department led to a criminal complaint alleging that the Border Patrol agent had sexually abused one of three female aliens he was transporting for processing following their apprehension for illegally being in the United States. Following his conviction in federal court, the Border Patrol agent was sentenced concurrently to seven years' incarceration for sexual assault and five years' for kidnapping.

Theft

◆ A former district adjudications officer at the INS Los Angeles District was arrested and pled guilty to California state charges of identity theft, grand theft, forgery, and possession of forged driver's licenses and was sentenced to five years' incarceration and five years' supervised release

and ordered to pay \$20,000 in restitution. A joint investigation by the OIG's Los Angeles Field Office and the Signal Hill, California, Police Department revealed that the former INS district adjudications officer possessed several copies of altered INS identification documents, an INS "A" file, and other INS immigration-related documents. Although the former INS employee falsely claimed to be a current INS employee on a leave of absence, she had been terminated by the INS in October 2001 subsequent to a bribery investigation conducted by the Los Angeles Field Office.

Civil Rights

◆ Three INS deportation officers assigned to the INS San Antonio District were arrested on charges of deprivation of rights under color of law as a result of a 20-month investigation by the Houston Area Office into the death of a Mexican national resident alien. During a March 2001 INS arrest of illegal aliens residing in Bryan, Texas, the resident alien suffered a broken neck and a severed spinal cord allegedly due to mistreatment by the officers. He died one year later as a result of these injuries. The three deportation officers are charged separately with deliberate indifference to the resident alien's serious medical needs.

◆ A Border Patrol agent assigned to the San Clemente Border Patrol station pled guilty to charges of civil rights violations under color of law. An investigation by the San Diego Field Office developed evidence that the Border Patrol agent obtained custody of three undocumented immigrants from a local sheriff's department in August 2000. While transporting the aliens to the Border Patrol station, the Border Patrol agent pulled off the road, took the aliens out of the vehicle, and physically assaulted at least one of the handcuffed aliens. Another Border Patrol agent assisting with the transport witnessed the incident. The Border Patrol agent's plea agreement requires that he resign from the Border Patrol and not seek employment with any law enforcement agency.

◆ A Border Patrol agent assigned to the Eagle Pass, Texas, Border Patrol station was arrested pursuant to an indictment on charges of deprivation of rights under color of law. An investigation by the El Paso Field Office determined that the Border Patrol agent assaulted several Mexican

nationals who had attempted to illegally cross the border. The Civil Rights Division and USAO for the Western District of Texas concluded that the Border Patrol agent's action warranted prosecution on at least one of the incidents.

- ◆ An INS political asylum officer assigned to the INS's Anaheim, California, office was arrested in the Central District of California on charges of bribery and deprivation of rights under color of law. An investigation by the Los Angeles Field Office revealed that the political asylum officer was soliciting Chinese female asylum applicants for sexual favors and money in exchange for granting them asylum.

- ◆ A federal grand jury indicted a Border Patrol agent assigned to the Tucson Border Patrol station on charges of deprivation of rights under color of law and tampering with a witness. An investigation by the Tucson Field Office developed evidence that the Border Patrol agent physically assaulted an illegal alien who had been apprehended and detained by another Border Patrol agent. After the assault, the Border Patrol agent threatened the illegal alien with prosecution if he did not say that his injuries resulted from a fall.

Extortion

- ◆ In our March 2002 *Semiannual Report to Congress*, we reported that a BOP correctional officer assigned to the FCI in Morgantown, West Virginia, was arrested and convicted on extortion charges. An investigation by the Washington Field Office developed evidence that the correctional officer solicited \$30,000 from several inmates at FCI Morgantown in exchange for not restricting their visitation privileges and telephone usage or isolating them in the facility's Special Housing Unit. During this reporting period, the correctional officer was sentenced to 41 months' incarceration and 1 year of supervised release.

Program Improvement Recommendations

Investigations prepares Procedural Reform Recommendations (PRRs) recommending corrective action by Department components when an investigation identifies a systemic weakness in an

internal policy, practice, procedure, or program. Provided below are examples of PRRs sent to components during this reporting period.

- ◆ The Miami Field Office recently completed an investigation involving an INS deportation officer (DO) who met with a former alien detainee outside the scope of his duties as a DO. The DO had been acquainted with the alien while the alien was detained at the Krome Service Processing Center (KSPC). During his confinement, the alien provided credible information to the DO about drugs in the KSPC. After being released, the alien contacted the DO and requested a meeting in order to provide information. The DO met with the alien, who provided an envelope containing a passport and asked the DO to run inquiries on the name in the passport. Although the DO refused, the alien told the DO that there was additional information in the envelope that the DO should review later. When the DO opened the envelope, he found \$1,000 in cash. He immediately reported the bribe attempt to his supervisor. A review of the INS Administrative Manual indicates that the issue of INS employees interacting with alien detainees after they have been released from custody is not addressed. The OIG recommended that the INS amend its manual to address INS employees' interactions with detainees that have been released and to provide clarification regarding contact or interaction with other agency informants.
- ◆ The Washington Field Office conducted an investigation into allegations that the USMS denied medical treatment to a prisoner in its custody for approximately 10 days after he had sustained serious injuries to his face and head after being assaulted by another prisoner. Although the OIG investigation did not uncover any evidence that medical treatment was willfully denied, it did find that USMS policy for handling requests for medical treatment and USMS employees' understanding of their obligation to provide such treatment is unclear and inadequate. The OIG recommended the development of specific regulations on the action required when a prisoner in USMS custody makes a request for medical treatment and how such a

request and subsequent action should be documented. The USMS is in the process of revising its policy governing prisoner health care to address the OIG's recommendations.

- ◆ The Los Angeles Field Office recently conducted an investigation into allegations that several farm equipment items were missing from the farm facility at the USP Lompac. The investigation established that many of the items reported missing were on neighboring land; however, two pieces of equipment were ultimately located on a former BOP employee's personal ranch. The investigation found that these items had not been entered or tracked as part of BOP inventory because of the lack of a Vehicle Identification Number, or assignment of specific monetary value, or the item was dropped from inventory because value declined below an established baseline. No criminal or civil action was feasible in this case because of lack of evidence documenting BOP ownership of the equipment. Although the BOP has procedures to inventory equipment and track its disposal, those procedures were not followed in this case. The OIG recommended revision to current policies to require the BOP to enter in inventory all useful equipment, regardless of age, value, or source of acquisition; to track equipment until its disposal; and to create and retain records of the disposal.

Investigations Statistics

The following chart summarizes the workload and accomplishments of Investigations during the 6-month period ending September 30, 2002.

Source of Allegations

Hotline (telephone and mail)	688
Other sources	5,444
Total allegations received	6,132

Investigative Caseload

Investigations opened this period	326
Investigations closed this period	295
Investigations in progress as of 9/30/02	626

Prosecutive Actions

Criminal indictments/informations	113
Arrests	127
Convictions/Pleas	74

Administrative Actions

Terminations	30
Resignations	48
Disciplinary action	12

Monetary Results

Fines/Restitutions/Recoveries	\$3,560,512
Seizures	\$4,542
Bribe monies deposited to the Treasury	\$34,350

Other OIG Activities

Congressional Testimony

During this reporting period, the IG testified before congressional committees three times.

- ◆ **Homeland Security: Tracking International Students in Higher Education—Progress and Issues Since 9-11:** The IG testified on September 24, 2002, before a joint hearing of the House Committee on Education and the Workforce's Subcommittees on 21st Century Competitiveness and Subcommittee on Select Education. The IG discussed the INS's progress in implementing SEVIS, its new Internet-based system to monitor foreign students studying in the United States.
- ◆ **The INS's Implementation of the Foreign Student Tracking Program:** During a September 18, 2002, hearing before the House Committee on the Judiciary's Subcommittee on Immigration, Border Security, and Claims, the IG discussed the OIG's May 2002 report that examined the INS's contacts with two September 11 terrorists. The IG also discussed the significant progress the INS has made toward implementing SEVIS and identified a series of issues the INS needs to address more comprehensively in order to improve its implementation of SEVIS and its monitoring of foreign students.
- ◆ **Counterterrorism and National Security Issues in the Department of Justice:** The IG testified before the Senate Committee on the Judiciary on June 6, 2002, about several ongoing and recently completed OIG reviews that relate to counterterrorism. The IG's remarks highlighted OIG audits, inspections, and special reviews that found that the Department's counterterrorism and law enforcement responsibilities require timely access to automated information and effective systems for sharing that information. In particular, OIG reviews in the INS and FBI identified mission-critical

computer systems that were not adequately planned, experienced long delays in implementation, or failed to share information with other agency systems.

Briefings and Training

OIG personnel regularly provide briefings and training inside and outside the Department. For example, during this reporting period:

- ◆ OIG investigators conducted 67 Integrity Awareness Briefings for Department employees throughout the country. 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 1,744 employees.
- ◆ By invitation of the USAO for the Southern District of Florida, the Miami Field Office participated in the Criminal Division's Office of Overseas Prosecutorial Development, Assistance and Training in Santo Domingo, Dominican Republic, in June 2002. The Miami Field Office presented material on conducting anti-corruption and financial investigations, developing effective prosecutor-agent relationships, and report writing.
- ◆ The special agent in charge (SAC) of the Miami Field Office was invited to be a guest speaker at the Northern District of Florida USAO Law Enforcement Coordinating Committee Conference in April 2002. This annual conference draws approximately 200 law enforcement personnel from federal, state, and local agencies. The SAC spoke about public integrity investigations and the OIG's role within the Department.

Task Forces, Working Groups, and Committees

In addition to the work it conducts within the Department, the OIG participates in cooperative endeavors with other entities. Some noteworthy activities during this reporting period are described below.

- ◆ The San Diego Field Office participates, along with the FBI, DEA, U.S. Customs Service 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. Of the 18 ongoing BCTF investigations, 7 were initially reported to the OIG's San Diego Field Office.
- ◆ The AIG for Investigations and the SAC of the Special Operations branch made numerous presentations to FBI and DEA management at their headquarters and in the field. The presentations focused on defining the OIG's mission, structure, jurisdictional authority, and our new oversight responsibilities as they pertain to the FBI and DEA.
- ◆ Special agents assigned to the Washington Field Office participated in a federal task force established to determine if employees working at Washington Dulles International Airport and Ronald Reagan Washington National Airport obtained their Security Identification Display Area (SIDA) badges, which gave them access to secure areas of the airport, via fraud or material false statements. On April 23, 2002, the task force, which included agents from 10 agencies, arrested 94 workers at Dulles and Reagan Airports. Arrest warrants were issued for an additional 44 employees. Those arrested were indicted on charges that included falsifying the SIDA badge application, Social Security fraud, and immigration violations such as illegal re-entry after deportation, failure to depart after being deported, and falsifying information to obtain naturalization.
- ◆ The SAC of the San Diego Field Office participated in the U.S. Department of State International Visitors project and met with the chief government prosecutor for the Tongyeong Public Prosecutor's Office, Seoul, Korea. During the meeting, the SAC discussed the OIG's mission and the OIG concept as an anti-corruption model and explained the OIG's jurisdiction.
- ◆ The Miami Field Office continues to participate in the High Intensity Drug Trafficking Area (HIDTA) Task Force in Miami, Florida. This multi-agency task force investigates the drug organizations that have the greatest impact on communities. The Miami Field Office brought one such organization to the attention of the task force, and the task force has been successful in identifying corrupt Department officials who facilitated drug trafficking activities.
- ◆ Audit provided suggestions for revising the Department's *Financial Statements Requirements and Preparation Guide* during meetings of the Department's Financial Statement Working Group, which provides guidance to Department components on compiling consolidated and component financial statements.
- ◆ Audit also participated in the following working groups:
 - ◆ Federal Audit Executive Council's Financial Statement Audit Network, which includes representatives from OMB, other Executive branch agencies, the General Accounting Office (GAO), and the Federal Accounting Standards Advisory Board who meet monthly to discuss common audit and accounting issues.
 - ◆ An interagency group that is updating the GAO/President's Council on Integrity and Efficiency (PCIE) *Financial Audit Manual*, which will be used by the IG community, GAO, and independent public accountants in performing federal financial statement audits.
 - ◆ The Department's Chief Information Officer Council, a forum for sharing information and resolving information resource management issues that affect multiple components.

- ◆ The Department's Information Technology Security Officers Working Group, a forum for Department security personnel to learn about the latest in security vulnerabilities, technologies, and solutions; exchange information and ideas with peers throughout the Department; and improve cooperation and information sharing across components.
- ◆ E&I participated in a meeting at OMB regarding the implementation of SEVIS, the Internet-based system the INS is developing to track foreign students. Members from various Department offices, the Department of Education, and the Office of Homeland Security were in attendance to discuss OMB's concerns about the INS's proposed rule relating to the process by which schools will receive INS approval to access SEVIS. E&I staff briefed attendees on the OIG's assessment of SEVIS.

(1) House and Senate bills to reauthorize the Department that, among other things, would codify the Attorney General's July 2001 expansion of the OIG's investigative jurisdiction in the FBI and DEA, (2) a Senate bill that would amend the IG Act to provide statutory law enforcement authority for OIG special agents engaged in their official duties, and (3) legislation to create a new Department of Homeland Security, including provisions in several draft bills to create an OIG.

PCIE Activities

The PCIE consists of the 28 Presidentially appointed IGs in the federal government. IG Fine is a member of the PCIE's Investigations Committee and its Inspections and Evaluations Committee. He is also a member of the Intelligence Forum, a group comprised of IGs from agencies with significant intelligence operations, and the OIG has provided support to several of this group's activities. In addition, OIG staff participate in a variety of PCIE activities and serve on numerous PCIE committees and subgroups.

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 a variety of legislation, including

Appendix 1

AUDIT DIVISION REPORTS

April 1, 2002 – September 30, 2002

INTERNAL AND EXTERNAL AUDIT REPORTS

Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statement Fiscal Year 2001

COPS Grant to the Amtrak Police Department

COPS Grant to the Baltimore, Maryland Police Department

COPS Grant to the City of Murfreesboro, Tennessee Parks and Recreation Department

COPS Grant to the City of Pueblo, Colorado Police Department

COPS Grant to the Crow Creek Sioux Tribe Police Department, South Dakota

COPS Grant to the Frederick County, Maryland Sheriff's Department

COPS Grant to the Picuris Pueblo Police Department, New Mexico

COPS Grant to the Spotsylvania County, Virginia Sheriff's Office

Drug Enforcement Administration Annual Financial Statement Fiscal Year 2001

Federal Bureau of Investigation Annual Financial Statement Fiscal Year 2001

Federal Bureau of Investigation Counterterrorism Program: Threat Assessment, Strategic Planning, and Resource Management

Federal Bureau of Investigation Headquarters Information Systems Control Environment Fiscal Year 2001

Federal Bureau of Prisons Annual Financial Statement Fiscal Year 2001

Federal Bureau of Prisons Management of Construction Contracts

Federal Prison Industries, Inc., Annual Financial Statement Fiscal Year 2001

Immigration and Naturalization Service Annual Financial Statement Fiscal Year 2001

Immigration and Naturalization Service Collection of Fees at Air Ports of Entry

Immigration and Naturalization Service Institutional Removal Program

Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 – The Federal Bureau of Prisons Network

Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 – The Drug Enforcement Administration's El Paso Intelligence Center Information System

Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 – The Federal Bureau of Investigation Headquarters and Clarksburg, West Virginia Data Centers Administrative and Investigative Mainframe Systems

National Institute of Justice Cooperative Agreements with the Trustees of Dartmouth College

Office of Justice Programs Annual Financial Statement Fiscal Year 2001

Offices, Boards and Divisions Annual Financial Statement Fiscal Year 2001

Office of Justice Programs Grants Administered by Cangleska, Inc., Kyle, South Dakota

Summary of the Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 – Sensitive But Unclassified Systems

Summary of the Independent Evaluation Pursuant to the Government Information Security Reform Act Fiscal Year 2001 – Classified Systems

The Administration of Contracts and Agreements for Linguistic Services by the Drug Enforcement Administration

The Department of Justice's Control Over Weapons and Laptop Computers

The Drug Enforcement Administration's Control Over Weapons and Laptop Computers

The Federal Bureau of Investigation's Control Over Weapons and Laptop Computers

The Federal Bureau of Prisons' Control Over Weapons and Laptop Computers

The Office of Justice Programs Convicted Offender DNA Sample Backlog Reduction Grant Program

The United States Marshals Service's Control Over Weapons and Laptop Computers

The Use of Equitable Sharing of Revenues by the City of Memphis, Tennessee Police Department

United States Marshals Service Annual Financial Statement Fiscal Year 2001

Victims of Crime Grant to the Georgia Bureau of Investigation, National Criminal History Improvement Program

Working Capital Fund Annual Financial Statement Fiscal Year 2001

TRUSTEE AUDIT REPORTS

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

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Byron Z. Moldo

Chapter 7 Trustee
Lucien A. Morin, II

Chapter 7 Trustee
Albert F. Nasuti

Chapter 7 Trustee
Raymond T. Neilson

Chapter 7 Trustee
Dean T. Ogawa

Chapter 7 Trustee
Tom K. O'Loughlin, II

Chapter 7 Trustee
Geneva F. Parris

Chapter 7 Trustee
Gordon P. Peyton

Chapter 7 Trustee
Mary Reitmeyer

Chapter 7 Trustee
Thomas C. Richardson

Chapter 7 Trustee
C. Daniel Roberts

Chapter 7 Trustee
David G. Rogers

Chapter 7 Trustee
Kenneth R. Sanders

Chapter 7 Trustee
Joel A. Schechter

Chapter 7 Trustee
Alexander G. Smith

Chapter 7 Trustee
Dwayne P. Smith

Chapter 7 Trustee
W. Alan Smith

Chapter 7 Trustee
David A. Sosne

Chapter 7 Trustee
Robert M. Souther

Chapter 7 Trustee
Henry M. Spacone

Chapter 7 Trustee
Karen K. Specie

Chapter 7 Trustee
Ronald R. Sticka

Chapter 7 Trustee
Patti J. Sullivan

Chapter 7 Trustee
Robert E. Thomas

Chapter 7 Trustee
Alan J. Treinish

Chapter 7 Trustee
Robert W. Trumble

Chapter 7 Trustee
Gilbert R. Vasquez

Chapter 7 Trustee
Richard P. Vullo

Chapter 7 Trustee
Karen S. Walsh

Chapter 7 Trustee
John A. Weil

Chapter 7 Trustee
James R. Westenhofer

Chapter 7 Trustee
Marianna G. Williams

Chapter 7 Trustee
Renee S. Williams

Chapter 7 Trustee
Mark J. Wittman

Chapter 7 Trustee
David A. Wolff

Chapter 7 Trustee
Catherine E. Youngman

SINGLE AUDIT ACT REPORTS OF DEPARTMENT OF JUSTICE ACTIVITIES

A Component Unit of the Commonwealth of Puerto Rico	Platte County, Missouri
Caldwell County, Missouri	Plymouth County, Iowa
Camden County, Missouri	Pulaski County, Illinois
Cass County, Michigan	Pulaski County, Missouri
Coconino County, Arizona, FY 1998	Tangipohoa Parish, Louisiana Sheriff
Coconino County, Arizona, FY 1999	Terrebonne Parish, Louisiana Sheriff
Cullman County Commission, Alabama	The City of Augusta, Georgia
Darke County, Ohio	The City of Bainbridge, Georgia
Dekalb County, Georgia, FY 2000	The City of Birmingham, Alabama
Dekalb County, Georgia, FY 2001	The City of Blue Springs, Missouri
Department of Public Safety, State of Hawaii	The City of Boynton Beach, Florida
DuPage County, Illinois	The City of Chattanooga, Tennessee
Eastern Kentucky University, Richmond, Kentucky	The City of Chicago, Illinois
Karidat, Commonwealth of the Northern Mariana Islands	The City of Columbia, South Carolina
Knox County, Tennessee	The City of Douglasville, Georgia
Lauderdale County, Mississippi	The City of Duluth, Minnesota
Legal Services of Southern Michigan	The City of Durham, North Carolina
Marion County, Indiana	The City of East Chicago, Indiana
Mayor's Drug Free Communities Committee, Inc.	The City of East Point, Georgia
Mineral Area College, Park Hills, Missouri	The City of Fairbanks, Alaska
Montgomery County, Indiana	The City of Flint, Michigan
MST Institute, Inc., Mount Pleasant, South Carolina	The City of Frisco, Texas
Multnomah County, Oregon	The City of Gillette, Wyoming
Municipality of Camuy, Puerto Rico	The City of Hapeville, Georgia
Operation Weed and Seed of Southeast Missouri, Inc.	The City of Joplin, Missouri
Pearl River County, Mississippi	The City of Kalamazoo, Michigan
Pennyrile Narcotics Task Force	The City of Kansas City, Missouri
Methamphetamine Enforcement Hot Spots Program	The City of Knoxville, Tennessee
Pinellas County, Florida	The City of Louisville, Kentucky
	The City of Madison, Wisconsin
	The City of Murfreesboro, Tennessee

The City of Oak Harbor, Island County,
 Washington
 The City of Oakley, California
 The City of Opelika, Alabama
 The City of Port Arthur, Texas
 The City of Prichard, Alabama
 The City of Raleigh, North Carolina
 The City of Rio Rancho, New Mexico
 The City of Riviera Beach, Florida, FY 2000
 The City of Riviera Beach, Florida, FY 2001
 The City of Rockford, Illinois
 The City of St. Louis, Missouri, FY 2000
 The City of St. Louis, Missouri, FY 2001
 The City of Trotwood, Ohio
 The City of Tulsa, Oklahoma
 The Commonwealth of Puerto Rico, Office of
 Youth Affairs, FY 2000
 The Commonwealth of Puerto Rico, Office of
 Youth Affairs, FY 2001
 The County of Valencia, New Mexico
 The Havasupai Tribe, Arizona
 The Municipality of Sabana Grande, Puerto Rico
 The Pueblo of Texuque, New Mexico
 The State of Alaska
 The State of Florida
 The State of Idaho
 The State of Louisiana
 The State of South Dakota
 The State of Texas
 The State of Washington
 The Town of Eatonville, Florida
 The Town of Parrish, Alabama
 The Unified Government of Wyandotte County,
 Kansas City, Kansas
 The University of Oklahoma Health Science
 Center
 The Upper Midwest Community Policing Institute
 The Village of Bolingbrook, Illinois
 The Village of Maywood, Illinois
 Van Buren County, Michigan
 Walker County, Georgia
 White Buffalo Calf Woman's Society, Inc.,
 South Dakota
 Woodbury County, Iowa
 Yellowstone County, Montana

AUDIT DIVISION REPORTS**April 1, 2002 – September 30, 2002****Quantifiable Potential Monetary Benefits**

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
A Component Unit of the Commonwealth of Puerto Rico	\$45,000		
Coconino County, Arizona, FY 1998	\$264,237		
Coconino County, Arizona, FY 1999	\$416,557		
COPS Grant to the Amtrak Police Department	\$750,000		
COPS Grant to the Baltimore, Maryland Police Department	\$738,018		\$356,413
COPS Grant to the City of Murfreesboro, Tennessee Parks and Recreation Department	\$32,886		
COPS Grant to the City of Pueblo, Colorado Police Department	\$87,804		\$450,000
COPS Grant to the Crow Creek Sioux Tribe Police Department, South Dakota	\$621,914		
COPS Grant to the Frederick County, Maryland Sheriff's Department	\$102,491		
COPS Grant to the Picuris Pueblo Police Department, New Mexico	\$495,449	\$141,409	\$60,277
COPS Grant to the Spotsylvania County, Virginia Sheriff's Office	\$10,211		
Eastern Kentucky University, Richmond, Kentucky	\$18,060		
Federal Bureau of Prisons Management of Construction Contracts	\$307,293	\$307,293	\$1,600,000
Immigration and Naturalization Service Institutional Removal Program			\$2,300,000
Marion County, Indiana	\$465,000		
Montgomery County, Indiana	\$26,266	\$19,435	
Office of Justice Programs Grants Administered by Cangleska, Inc., Kyle, South Dakota	\$376,877	\$57,980	

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Operation Weed and Seed of Southeast Missouri, Inc.	\$40,567	\$10,067	
Pearl River County, Mississippi	\$10,067		
Pinellas County, Florida	\$88,310		
The Administration of Contracts and Agreements for Linguistic Services by the Drug Enforcement Administration	\$518,912	\$119,247	
The City of Duluth, Minnesota	\$38,791		
The City of East Point, Georgia	\$438,946		
The City of Joplin, Missouri	\$302,112		
The City of Kansas City, Missouri	\$51,788		
The City of Oak Harbor, Island County, Washington	\$160,000		
The City of Oakley, California	\$10,041		
The City of Port Arthur, Texas	\$9,369		
The City of Prichard, Alabama	\$22,008		
The City of Raleigh, North Carolina	\$213,421		
The City of Riviera Beach, Florida, FY 2000	\$10,790		
The City of Riviera Beach, Florida, FY 2001	\$105,855		
The City of St. Louis, Missouri, FY 2000	\$10,172		
The City of St. Louis, Missouri, FY 2001	\$157,605		
The City of Trotwood, Ohio	\$63,875		
The Commonwealth of Puerto Rico, Office of Youth Affairs, FY 2001	\$249,259		
The State of Alaska	\$735,380		
The State of Florida	\$26,011		
The Town of Parrish, Alabama	\$155,000		
The Unified Government of Wyandotte County, Kansas City, Kansas	\$10,000		

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
The Use of Equitable Sharing of Revenues by the City of Memphis, Tennessee Police Department	\$85,945		
The Village of Maywood, Illinois	\$105,468		
Total	\$8,377,755	\$655,431	\$4,766,690

Appendix 2

Evaluation and Inspections Division Reports

April 1, 2002 – September 30, 2002

The Immigration and Naturalization Service's Contact with Two September 11 Terrorists: A Review of the INS's Admissions of Mohamed Atta and Marwan Alshehhi, its Processing of their Change of Status Applications, and its Efforts to Track Foreign Students in the United States

Follow-up Report on INS Efforts to Improve the Control of Nonimmigrant Overstays

DEA's Investigations of the Diversion of Controlled Pharmaceuticals

Appendix 3

Acronyms and Abbreviations

The following are acronyms and abbreviations used in the report.

AIG	Assistant Inspector General	PCIE	President's Council on Integrity and Efficiency
Audit	Audit Division of the Office of the Inspector General	SAC	Special agent in charge
BOP	Federal Bureau of Prisons	SBU	Sensitive but unclassified
COPS	Office of Community Oriented Policing Services	SEVIS	Student and Exchange Visitor Information System
DEA	Drug Enforcement Administration	USAO	U.S. Attorney's Office
Department	U.S. Department of Justice	USP	U.S. Penitentiary
E&I	Evaluation and Inspections Division of the Office of the Inspector General	USMS	U.S. Marshals Service
FBI	Federal Bureau of Investigation		
FCI	Federal Correctional Institution		
FY	Fiscal Year		
GISRA	Government Information Security Reform Act of 2001		
IG	Inspector General		
IG Act	Inspector General Act of 1978, as amended		
INS	Immigration and Naturalization Service		
Investigations	Investigations Division of the Office of the Inspector General		
IRP	Institutional Removal Program		
IT	Information technology		
O&R	Office of Oversight and Review of the Office of the Inspector General		
OIG	Office of the Inspector General		
OJP	Office of Justice Programs		
OMB	Office of Management and Budget		

Appendix 4

Glossary of Terms

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

“A” File: The history file maintained by the INS that contains all data and documents pertaining to an individual. Also referred to as an Alien file.

ADIT (I-551) Stamp: An INS stamp placed in an alien’s passport, signifying temporary evidence of lawful admission for permanent residence.

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

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.

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.

Material Weakness: A failure in a system of control, or a lack of control determined by the agency head to be important enough to be reported to the President and Congress. A weakness of this type could significantly impair fulfillment of an agency’s mission; deprive the public of needed services; violate statutory or regulatory requirements; significantly weaken safeguards against waste, loss, unauthorized use or misappropriation of funds, property, or other assets; and/or result in a conflict of interest.

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

National DNA Index System (NDIS): NDIS is part of the national network of state and local DNA profile databases, known as the Combined DNA Index System (CODIS), and is maintained by the FBI. All records in NDIS are provided by participating state and local DNA laboratories.

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.

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

Secondary Inspection: A secondary inspection at a port of entry allows an INS inspector to conduct a more in-depth review of a traveler's documents and perform tasks that cannot be completed within the limited time frame of the primary inspection.

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 5

Reporting Requirements Index

The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages.

IG Act References	Reporting Requirements	Page
Section 4(a)(2)	Review of Legislation and Regulations	35
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	5–32
Section 5(a)(2)	Significant Recommendations for Corrective Actions	5–24
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	16
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	25–32
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	36–45
Section 5(a)(7)	Summary of Significant Reports	5–32
Section 5(a)(8)	Audit Reports—Questioned Costs	18
Section 5(a)(9)	Audit Reports—Funds to be Put to Better Use	17
Section 5(a)(10)	Prior Audit Reports Unresolved	16
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with Which the OIG Disagreed	None

Report waste, fraud, and abuse

To report allegations of waste, fraud, or abuse in
Department of Justice programs, send complaints to:

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

Investigations Division
950 Pennsylvania Avenue, NW
Room 4322
Washington, DC 20530

E-Mail: oig.hotline@usdoj.gov

Hotline: 1-800-869-4499

Facsimile: (202) 616-9898

Report violations of civil rights/liberties

Individuals who believe that a Department of Justice
employee has violated their civil rights or civil liberties
may send complaints to:

**Civil Rights & Civil Liberties Complaints
Office of the Inspector General**

U.S. Department of Justice
950 Pennsylvania Avenue, NW
Room 4322
Washington, DC 20530

E-mail: inspector.general@usdoj.gov

Hotline: (800) 869-4499

Hotline fax: (202) 616-9898

On-Line Report Availability

Many audit, evaluation and inspection, and special reports are available at the following Internet address:

www.usdoj.gov/oig.

In addition, other materials are available through the Inspectors General Network's World Wide Web server at: **www.ignet.gov/**.

For additional copies of this report or copies of previous editions, write:

DOJ/OIG/M&P
1425 New York Avenue, NW
Suite 7000
Washington, DC 20530

Or call:
(202) 616-4550

Department of Justice
Office of the Inspector General

Established April 14, 1989