

November 1988

# FBI INTERNAL AUDIT

## Opportunities for Improvement



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United States  
General Accounting Office  
Washington, D.C. 20548

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**General Government Division**

B-179296

November 23, 1988

The Honorable Peter W. Rodino, Jr.  
Chairman, Committee on the Judiciary  
House of Representatives

The Honorable Joseph R. Biden, Jr.  
Chairman, Committee on the Judiciary  
United States Senate

This report presents the results of our review of the FBI's Inspection Division, as you requested. Our review included improvements the FBI has made since our 1979 report and areas where additional improvements can still be made.

Unless you publicly announce the contents of this report earlier, we will not distribute it until 30 days from the date of this report. At that time, we will send copies of the report to the Attorney General, the Director of the FBI, the Director of the Office of Management and Budget, interested congressional committees, and other interested parties. We will also make copies available to others upon request.

A handwritten signature in cursive script that reads 'Richard L. Fogel'.

Richard L. Fogel  
Assistant Comptroller General

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# Executive Summary

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## Purpose

The Chairmen of the Senate and House Judiciary Committees requested that GAO review the Federal Bureau of Investigation's (FBI) internal audit activities. GAO was asked to address three specific questions:

- To what extent have inspections and program results audits focused on the FBI's major investigative programs?
- What steps has the FBI taken and what additional options could it pursue to increase the qualifications, independence, and permanence of the inspection and audit staffs?
- What are the potential weaknesses in the quality and effectiveness of the FBI's program results audits?

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## Background

The FBI's Inspection Division, among other duties, does all internal audits of the agency. The division consists of three offices.

- The Office of Inspections does periodic reviews of all FBI offices to determine compliance with FBI policies and procedures.
- The Office of Program Evaluations and Audits (OPEA) produces evaluations, management assistance studies, and financial audits.
- The Office of Professional Responsibility investigates allegations of impropriety by FBI special agents. (This office was not included in GAO's review.)

GAO last reviewed the FBI's internal audit operations in 1979 and made several recommendations to improve the effectiveness of audit operations. GAO recommended, among other actions, that the FBI (1) increase the qualifications, independence and permanence of its internal audit staff; (2) make in-depth program results reviews of major FBI programs; and (3) place more emphasis on investigative programs during its inspection process and less emphasis on administrative areas.

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## Results in Brief

The FBI has improved its inspections and program evaluations since GAO's 1979 report. The Office of Inspections has refocused its activities and now concentrates its efforts on the FBI's investigative programs, as well as various administrative matters, during its periodic inspections of headquarters divisions and field offices. Program results audits have been initiated and all major investigative programs, except the recently added Drug Program, have been evaluated at least once, and several have received a second evaluation.

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The FBI has also raised the requirements for staff selected for the Program Evaluations Unit and most staff have advanced degrees and several had auditing experience before joining the evaluation staff. However, improvements can be made in the way the audits are planned and done.

GAO is concerned with the possible impairment to independence of internal audits caused by FBI special agents filling audit management positions on a temporary basis and later returning to line positions in the FBI.

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## GAO's Analysis

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### Improvements Since 1979

GAO's 1979 report recommended that the FBI focus its inspections on, and do in-depth program results audits of, major investigative programs. GAO found that inspections now focus on the FBI's 11 major investigative programs (the 12th program was recently added), as well as examining various administrative matters. This was not the situation at the time of GAO's earlier review. (See p. 15.)

Since 1979, the FBI has made program evaluations of all major investigative programs at least once, except for the recently established Drug Program, and has evaluated several programs for the second time. (See p. 16.) Additionally, the FBI has made changes to improve the qualifications of its Program Evaluations Unit staff. Nine of the 12 staff members hold advanced degrees and two staff members are Certified Public Accountants. Additionally, seven staff members had audit experience prior to joining the evaluation staff. (See p. 17.)

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### Potential Weaknesses in Quality of Program Results Audits

GAO observed the following areas in which the evaluation unit could improve the planning and execution of program results audits: revising the long- and short-range planning procedures to provide for changes in priorities and to more clearly identify how audit objectives will be accomplished; establishing a decision point to consider whether or not an audit should be continued to avoid unnecessary expenditure of resources; and developing and implementing workpaper standards to facilitate third party review of the workpapers. (See pp. 18-23.)

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## Need to Strengthen Independence of Internal Audits of FBI

Congress recently passed legislation establishing an Inspector General (IG) in the Department of Justice and this action will improve the independence of the Department's internal audits. GAO recognizes that, even with the statutory IG, such organizations as the FBI might continue to need internal management and audit reviews.

In this regard, while GAO found no specific problems with the independence of the audits done, it is concerned with the possible impairment to independence of internal audits caused by FBI special agents filling audit management positions on a temporary basis and later returning to line positions in the FBI. Both the Assistant Director in charge of the Inspection Division and the Deputy Assistant Director in charge of OPEA rotate from and back to other managerial positions within the FBI. The staff working in the Inspections Division also rotate.

Instances could arise where the leaders of those units may not be willing to report situations or make recommendations consistent with what should be done because of their concern about their future careers as a result of presenting "bad news" to the leadership of the organization. To address this problem GAO believes the heads of the Inspection Division and OPEA should be made permanent, nonrotational positions. (See pp. 24-26.)

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## Recommendations

GAO recommends several corrective actions to the FBI Director to help the FBI's internal audits better comply with generally accepted government auditing standards. (See p. 23.) GAO also recommends that the Attorney General require the Director of the FBI to improve the independence of the FBI's inspection activities by making the heads of the Inspection Division and internal audit activities permanent positions. (See p. 26.)

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## Agency Comments

The Department of Justice generally agreed that the FBI's internal audit operations could be improved in the areas discussed in this report. However, the Department disagreed with GAO's presentation of some findings. GAO has considered the Department's concerns and made appropriate revisions. (See pp. 42-46.)

The Department disagreed with GAO's recommendation to increase the permanency of persons responsible for directing the FBI's Inspection Division and said this recommendation was based on GAO policy and not

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on facts cited in the draft report. GAO's position on the need for permanency in audit organizations is based on generally accepted government auditing standards. (See p. 44.)

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**Abbreviations**

FBI	Federal Bureau of Investigation
GGCP	General Government Crimes Program
IG	Inspector General
OMB	Office of Management and Budget
OPEA	Office of Program Evaluations and Audits

# Introduction

On February 11, 1987, the Chairmen of the Senate and House Committees on the Judiciary requested that we review the internal audit operations of the Federal Bureau of Investigation (FBI). The Chairmen asked us to determine what progress the FBI has made in improving internal audits since our previous report entitled The FBI Can Improve Its Management Control Over Operations by Providing Effective Internal Audit (GAO/GGD-78-93, Jan. 17, 1979). In that report, we recommended, among other actions, that the FBI (1) increase the qualifications, independence, and permanence of its internal audit staff; (2) conduct in-depth program results reviews of major FBI programs; and (3) place more emphasis on investigative programs during its inspection process and less emphasis on administrative areas.

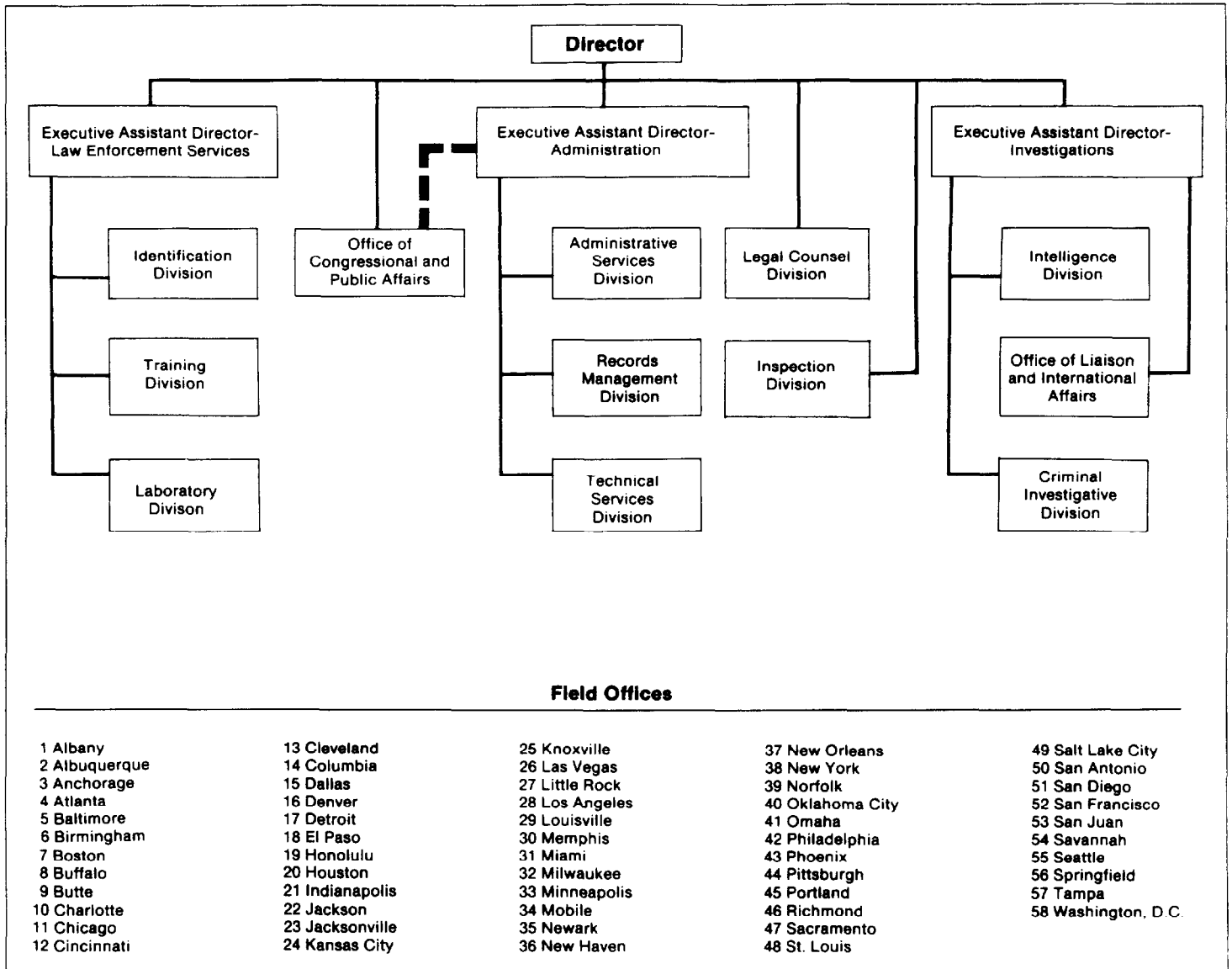
## Organization of the FBI

As the principal investigative arm of the Department of Justice, the FBI is responsible for carrying out criminal investigations in over 250 statutorily designated categories, as well as background investigations of certain individuals applying for employment with federal agencies. FBI investigations are grouped into 12 major programs: (1) Organized Crime, (2) White-Collar Crime, (3) Foreign Counterintelligence, (4) Terrorism, (5) Antitrust and Civil Matters, (6) General Government Crimes, (7) Personal Crimes, (8) General Property Crimes, (9) Fugitives, (10) Civil Rights, (11) Drugs, and (12) Reimbursable and Nonreimbursable Applicants (employee background investigations). (See app. I.) The FBI considers five of these to be national priority programs—Organized Crime, White-Collar Crime, Foreign Counterintelligence, Terrorism, and Drugs—and places the greatest emphasis on them.

As of March 1988, the FBI had a staffing level of 22,718, including 9,518 special agents. FBI operations are conducted in its Washington, D.C., headquarters, 58 field offices, 13 foreign liaison offices, and more than 390 resident agencies (suboffices). The agency's appropriation for fiscal year 1988 is \$1.39 billion.

Figure 1.1 identifies the 10 headquarters divisions, which direct and coordinate all FBI operations and the FBI's 58 field offices. The Inspection Division, in addition to other duties, is responsible for all of the FBI's internal audits.

Figure 1.1: Organization of the FBI



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## Organization and Responsibilities of the Inspection Division

As shown in figure 1.2, the Inspection Division is headed by an Assistant Director who reports directly to the Director of the FBI. The Inspection Division consists of the Office of Inspections, the Office of Program Evaluations and Audits (OPEA), and the Office of Professional Responsibility. These separate offices all have separate and distinct responsibilities.

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### Office of Inspections

This office is responsible for doing periodic in-depth inspections of all headquarters divisions, foreign liaison offices, and field offices. Inspectors examine the investigative and administrative operations of each office to determine whether applicable laws, regulations, and policies have been complied with, and staff and equipment are managed and used in an effective manner. An additional objective of the inspection process is to provide training in a wide variety of FBI programs to FBI special agents.

As of February 1988, a staff of 31 inspectors and inspector's-aides were doing inspections in 2-year cycles for field offices and headquarters divisions and in 3-year cycles for foreign liaison offices at U.S. embassies. The staff is composed primarily of special agents who rotate into the Office of Inspections for 1-year tours of duty. The staff is sometimes supplemented by special agents drawn from various other offices. The Office of Inspections also does investigations related to certain Equal Employment Opportunity matters as well as other inquiries that the FBI Director may order. In fiscal year 1986, the staff completed 41 inspections and issued 1,832 instructions and recommendations relating to compliance deficiencies and effectiveness, efficiency, and economy of operations.

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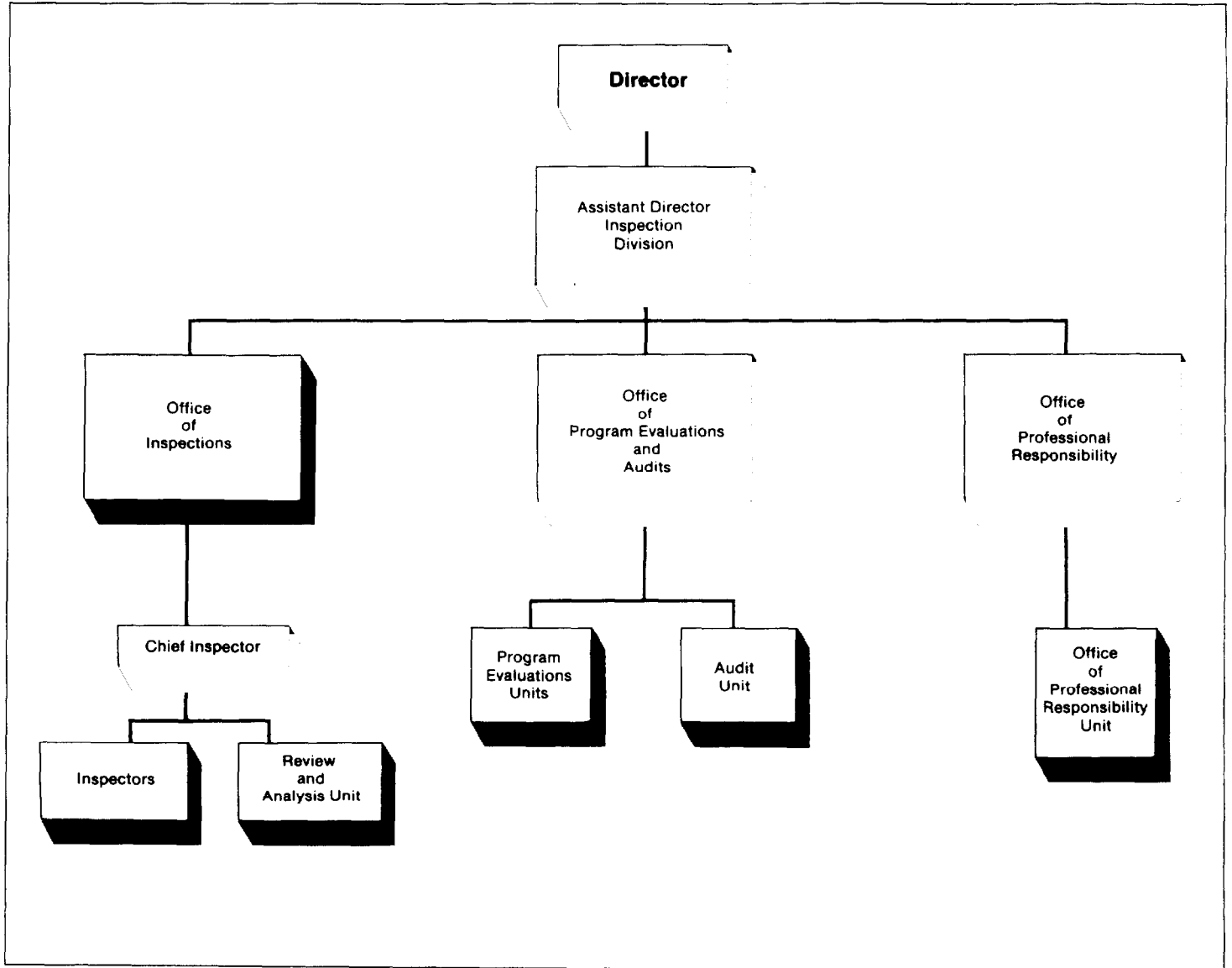
### Office of Program Evaluations and Audits

After our 1979 recommendation regarding program results audits, the FBI reorganized its Planning and Inspection Division and renamed it the Inspection Division. OPEA was established within the Inspection Division.

FBI procedures state that the financial audits and program evaluations done by OPEA are internal audits that should comply with the Comptroller General's Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. OPEA is composed of two separate units:

- Program Evaluations. Responsibility for doing program results audits is assigned to OPEA's Program Evaluations Unit. The unit's mission is to

Figure 1.2: Organization of the FBI's Inspection Division



assist management in identifying, analyzing, and resolving organizational performance and policy issues. The unit accomplishes its mission through periodic program evaluations, studies of specific problems of concern to management, and internally generating initiatives for organizational change. The FBI considers the unit's program evaluations to be program results audits that should be done in accordance with the

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Comptroller General's standards for making governmental audits. We agree.

A typical program evaluation involves two staff members and lasts approximately 1 year. It consists of reviews of inspection reports, management information system data, major case files, and interviews with FBI managers in headquarters divisions and in selected field offices. The FBI began making these evaluations after our 1979 recommendation that it make program results audits. Evaluations of the FBI's major investigative programs and selected support activities are planned on a 5-year cycle. In addition, the program evaluations staff makes various ad hoc studies at the request of management.

In each program evaluation, the evaluations unit reviews program activities in selected field offices throughout the FBI. The evaluation attempts to determine how the program is being implemented, if goals are being accomplished, and where improvements can be made. All but 1 member of the 12-member professional staff are FBI special agents who rotate to other units after completing their tours in the unit. During fiscal year 1986, the unit completed 11 studies and 3 program evaluations.

- **Financial Audits.** This unit is responsible for making financial and electronic data processing audits within the FBI. Each field office, as well as headquarters division and undercover operation, is to be audited every 2 to 2.5 years, except for the 12 largest offices which are to be audited annually. In addition, the unit makes some centralized audits of such items as payroll and the employees' insurance fund. As of January 1988, the unit's professional staff consisted of 19 people—13 nonagent auditors and 6 special agent supervisors, including the unit chief.

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## Office of Professional Responsibility

This office's six-member professional staff is responsible for supervising and/or investigating all allegations of criminality and serious misconduct on the part of FBI employees. All of the staff are FBI special agents. The office also oversees all disciplinary actions taken against FBI employees. As discussed below, we did not review the activities of this office.

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## Objectives, Scope, and Methodology

As agreed with the Committees, our work addressed the following questions:

- To what extent have inspections and program results audits focused on the FBI's major investigative programs?
- What steps has the FBI taken and what additional options could it pursue to increase the qualifications, independence, and permanence of the inspection and audit staffs?
- What are the potential weaknesses in the quality and effectiveness of the FBI's program results audits?

Our work was done primarily at FBI headquarters in Washington, D.C. We interviewed FBI executives and management officials to determine the role of inspections, program results audits, and financial audits in the FBI's management control system, and to identify relevant FBI policies and procedures for making inspections and internal audits. We met with officials from the Department of Justice's Management Division audit staff to obtain information about their work regarding the FBI. We also met with the internal audit staffs of the Drug Enforcement Administration; the Immigration and Naturalization Service; and the Bureau of Alcohol, Tobacco and Firearms to obtain information about internal audit activities at other federal investigative agencies.

As agreed with the Committees, we reviewed the activities of the Office of Inspections and OPEA, but we did not review the activities of the Office of Professional Responsibility. The primary focus of our review was on OPEA's Program Evaluations Unit because of the Committees' interest in the FBI's program results audits.

To examine the inspection process, we reviewed the Office of Inspections Handbook, Inspection staff guidelines, and four judgmentally selected inspection reports and workpapers. We also interviewed staff members of the inspection unit and, to familiarize ourselves with the inspection process, accompanied FBI staff on an inspection of the FBI's Boston Field Office.

Our review of the financial audit activities included reviewing the financial audit reference manual and the standardized financial audit programs for their logic, clarity, and appropriateness. We also interviewed the chief of the financial audit unit to obtain background information, and reviewed two judgmentally selected financial audit reports and compared them to government auditing standards.

To examine the program results audits, we reviewed OPEA's Standard Operating Procedures to analyze their logic, clarity, and appropriateness. We also reviewed all program evaluation reports issued between

May 1979 and November 1987, as well as a judgmentally selected sample of six studies that were issued since June 1985 by the Program Evaluations Unit, including the correspondence files for those reports and studies, plus selected workpapers.

To determine if weaknesses existed in the FBI's program results audits, we assessed the evaluation reports and selected workpapers against generally accepted government auditing standards, which are contained in the Comptroller General's Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). Office of Management and Budget Circular A-73 (Revised) says audits of federal organizations, programs, activities and functions, state and local governments, and others will be made in accordance with the standards issued by the Comptroller General, and FBI officials have said that their financial audits and program evaluations are done in accordance with government standards for audits.

In making our assessments, we relied on the evaluation reports and workpapers and did not replicate the audit work that had been done. We reviewed personnel summaries of the education and experience of the special agents and nonagents assigned to the program evaluations and financial audit units to determine whether their experience and training qualified them to serve as auditors in accordance with government auditing standards.

We did our audit work from March 1987 to May 1988 in accordance with generally accepted government auditing standards.



# Improvements Made in Inspection Division Activities Since GAO's 1979 Report

The FBI has improved its inspection and program evaluation activities since our 1979 report. Inspections now focus on investigative programs, and program results audits are being made of major investigative programs. The FBI raised the requirements for staff selected for the Program Evaluations Unit.

## Inspections Focus on Investigative Programs

The Inspection Division's Office of Inspections has refocused its activities since our last review and now concentrates its efforts on the FBI's investigative programs. Our 1979 report found that most inspections concentrated on noninvestigative administrative or support areas, even though no major problems were anticipated or found in these areas. We recommended that inspections place more emphasis on investigative programs and less emphasis on administrative areas.

Our current review found that the Office of Inspections now focuses on the FBI's investigative programs, as well as various administrative matters, during its periodic inspections of headquarters divisions and field offices. Each investigative and administrative program is reviewed to determine if it is in compliance with FBI policies and procedures and if resources are being used economically and efficiently. Before each inspection, questionnaires are sent to the headquarters division or field office to be inspected. The Office of Inspections reviews the completed questionnaires and prepares questions that should be answered during the inspection. Additionally, before inspecting a field office, the inspection team queries headquarters division managers in each major program area for information.

Inspections are made on an 18- to 24-month cycle and normally take 2 to 3 weeks to complete, depending on the type and size of the office to be inspected. During this period, the inspection team (1) reviews the completed questionnaires and statistical analyses of case activity, examines the use of staff and equipment, reviews all pending cases and a sample of closed cases for adherence to policies; and (2) interviews the special agent-in-charge, assistant special agents-in-charge, and all field supervisors and special agents in the office being inspected. The team also interviews the local U.S. attorney, judges, and local law enforcement officials to obtain their views on criminal problems within the geographical area and the FBI's contributions to addressing these problems.

While looking at all investigative programs, the team concentrates on the local priority programs (those that consume 10 percent or more of the local FBI office's staff time). During the inspection, concurrence is

received on all factual matters. The inspection report includes a complete summary of findings regarding each of the major investigative programs and discusses other programs in which a problem is identified. The inspection report is signed by the Assistant Director of the Inspection Division and is forwarded to the Director of the FBI for approval, and to the FBI official in charge of the inspected office.

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## The FBI Makes Evaluations of Major Investigative Programs

The FBI initiated program evaluations of major investigative programs as a result of our 1979 recommendation that it make in-depth program results reviews of major investigative programs. Before our 1979 report, the FBI made limited program reviews of minor activities and of selected aspects of major programs, but had not made broad-based program results reviews of any major programs.

The Program Evaluations Unit has developed a 5-year plan for evaluating the major investigative programs plus selected investigative support activities. During the period from the issuance of our prior report in January 1979 until November 1987 the unit issued 29 program evaluation reports, which contained a total of 230 recommendations, and 36 management assistance studies. All major investigative programs, except the Drug Program, have been evaluated at least once, and several have received a second evaluation (see app. II). The most recent published evaluation of one of the five national priority investigative programs was in 1982. However, two of the priority programs, the White-Collar Crime Program and the Foreign Counterintelligence Program, were being evaluated while our review was in progress. The Drug Program did not become an FBI program until December 1986.

In appendix III, we summarize three evaluations. These summaries consist of the two most recent evaluations of major investigative programs, the 1987 Civil Rights and the 1987 Personal Crimes Programs, and the most recent unclassified evaluation of a priority investigative program, the 1981 Organized Crime Program evaluation. The most recently published priority program evaluation was the 1982 Terrorism Program, but is not included because it is classified.

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## The FBI Has Taken Steps to Increase the Qualifications of the Program Evaluation Staff

Since our 1979 report, the FBI has made changes to improve the qualifications of its Program Evaluations Unit staff, including emphasizing the importance of a graduate education. Auditing standards require that the staff on an assignment collectively possess adequate professional proficiency for the tasks required. The unit advertises position vacancies and interested special agents are asked to apply. The unit selects applicants based on, among other things, the possession of an advanced degree in a field relevant to program evaluation. Staff selected are expected to serve 2.5 to 3 years on the evaluation staff.

The Program Evaluations Unit, directed by a GM-15 special agent, has a staff of 12 auditors, consisting of 11 special agents, all GM-14s, and 1 nonagent with a background in program results auditing. Nine current staff members hold advanced degrees, including one with a Ph.D., in areas ranging from public administration to forensic science, and two staff members are Certified Public Accountants. Several staff members belong to professional associations, such as the American Evaluation Association and the American Society for Public Administration.

Training is mainly on-the-job training, supplemented with college courses and seminars that cover various facets of evaluations. Experience is also considered in the selection of staff, and seven staff in the unit have previously been assigned to perform audits with the investigative staff of the House Committee on Appropriations. Also, the unit has tentative plans to add additional nonagents with backgrounds in doing program results audits.

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## Agency Comments and Our Evaluation

In commenting on a draft of this report, the Department of Justice said our portrayal of OPEA as not having recently evaluated the FBI's national priority programs was misleading. The Department believed we should acknowledge that, even though no evaluation reports on the national priority programs have been issued since 1982, evaluations of the White-Collar Crime Program and the Foreign Counterintelligence Program were under way while our study was in progress. They also said the Drug Program is new to the FBI and evaluation of it from a results perspective would be premature. We agree that evaluations of the White-Collar Crime and the Foreign Counterintelligence Programs were under way during our review and we have added a statement to this effect in our report. We also added a statement that the Drug Program did not become an FBI program until December 1986.

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# Opportunities for Further Improvements in FBI Internal Audits

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We found weaknesses in the planning and execution of program results audits by the Program Evaluations Unit that could adversely affect the quality and effectiveness of the FBI's program results audits. Although we cannot say definitely that these weaknesses will result in less than optimal program results audits, they present that potential. We believe there are opportunities for improvement.

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## OPEA Needs to Modify Its Long-Range Planning Process

The long-range planning process for scheduling evaluations of major investigative programs does not provide flexibility for expending audit staff in areas with the greatest current audit needs. Program results audits are scheduled to be routinely made on a 5-year cycle regardless of the possibility that there may be a greater need to evaluate a different program, subprogram, or other activity. Each major investigative program consists of many different categories of crimes.

We found that after our 1979 report, OPEA initiated a 5-year cyclical process of making program results audits of the FBI's 11 major investigative programs (recently increased to 12 with the addition of the Drug Program) and 16 administrative operations programs. OPEA is currently in the second cycle of program results audits, with the sequence of planned audits generally being the same as in the first cycle. OPEA officials annually review the 5-year plan to prepare an annual plan, detailing the program results audits and management assistance studies scheduled for the fiscal year. However, decisions generally are not made as to whether or not a particular program evaluation should be done, but instead focus on how the evaluations will be staffed and what management assistance studies will be done. In particular, we noted that the last evaluation of one of the FBI's five national priority investigative programs was done in 1982.

Since that time, five evaluations have been done of nonpriority major investigative programs, including four programs evaluated for the second time, and 15 noninvestigative support programs have been evaluated, suggesting a possible lack of prioritization in the planning process and the need for currently updating planned audits rather than relying on a cyclical plan.

We compared the long-range planning process of OPEA with OMB Circular A-73 requirements, which governs audits of federal operations and programs. Circular A-73 requires each federal audit organization to periodically review its audit universe and determine the coverage, frequency, and priority of audits required. In commenting on our draft report, the

FBI said its current strategic plan contains the objective of developing an evaluation strategy to replace the 5-year evaluation cycle.

The current 5-year cycle for program results audits of major investigative programs should be periodically reviewed to allow for changes in priorities and updating assessments of which programs are most vulnerable to fraud, waste, and abuse; to add new issues; and to alter frequency as needed. One consideration might be to involve FBI's upper management in the planning process, such as having them meet periodically with OPEA officials to identify major areas of concern and to determine high priority needs.

One example of a long-range planning system is one used by us. The purpose of our planning system is to identify important national issues to be audited, develop audit approaches, and describe anticipated results. Our system is designed around issue areas covering large national topics, and issue area plans, which usually cover 2- to 4-year periods. These issue area plans are updated annually. For each issue area, annual work plans are developed that identify individual assignments planned to be started during the upcoming year. Our planning system is one example of many that exist and illustrates the components that might be included in the FBI's long-range planning of audits/evaluations.

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## Audit Programs for Specific Evaluations Need to Be More Definitive

Our review of OPEA audit programs for selected program results audits raised methodological issues regarding the planning and performance of these audits. The Comptroller General's examination and evaluation standards for program results audits place the responsibility for thoroughly planning an effective audit on the auditor or audit organization. Adequate planning should include consideration of the work to be done and the format and general content of the report to be issued. The standards suggest that a written audit program should be prepared for each audit and it should clearly state the specific goals of the audit and prescribe procedures for the auditors to follow.

We made the following observations regarding the seven audit programs we reviewed:

- Four of the seven audit programs had no performance criteria. For instance, the objective of one audit plan was "to determine if it [the unit undergoing review] is an effective and efficient investigative tool," but

the audit program did not identify what criteria would be used to determine what constitutes an "effective" or "efficient" investigative tool.

- Five of the seven audit programs lacked statistical rationale for selecting certain locations for review. For instance, one audit program stated which locations would be included in the review, but did not explain what procedures were used to determine the number of field offices to be visited and to choose their locations.
- Procedures in the audit programs did not identify the rationale used to select audit samples, nor did they identify the reliability of the samples chosen.

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## Opportunities for Improving the Evaluation Process

We identified two areas where the evaluation process could be improved. Specifically, the evaluations unit could

- establish a decisionmaking point in the evaluation process to determine whether an audit should continue and
- develop and implement workpaper standards.

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## OPEA Should Establish a Decision Point in the Evaluation Process

The current evaluation process OPEA follows does not provide for making cost-benefit decisions regarding the continuation of an evaluation. There is no mechanism for curtailing an evaluation if preliminary audit efforts indicate a program is functioning satisfactorily and there are no anticipated problems. Once evaluations are initiated, they are completed even if there are indications that continuing the audit would not be productive. A premise of government audit standards is that resources should be effectively and efficiently utilized. As a result of not having a decision point, the FBI may not be receiving maximum benefit from the use of its audit resources. The limited number of audit staff might be more productively used if the audit process contained a point where the benefits of continuing an audit were compared with the potential benefits of using the staff to audit other programs.

OPEA's Standard Operating Procedures Handbook, which contains the FBI's standards for how program evaluations should be made, details the steps in the evaluation process as (1) doing preliminary work, (2) preparing the audit plan, (3) collecting the data, (4) analyzing the data, (5) writing the report and making recommendations, and (6) following up on the recommendations. There is no point in the evaluation process when a decision is made comparing the additional expenditure of audit resources with the anticipated benefits. Evaluations unit staff said that after a program results audit has been initiated, it is always completed

whether or not the results would warrant continuing. According to the unit chief, the only time a program results audit was curtailed was when the unit being evaluated was in the process of being automated and was unauditable until the transition was completed.

An example of an audit that continued until completion, but could have been curtailed, is the 1987 Civil Rights evaluation. There were no indications in the preliminary audit work that an evaluation was necessary, and the unit with responsibility for managing Civil Rights investigations was concurrently doing its own internal review. At the eventual completion of the evaluation, no recommendations were made.

We believe that OPEA's evaluation process would benefit from having a definite point that would force a decision on whether or not an audit should continue and would compare the expenditure of additional audit resources with the anticipated benefits. One logical point to do this would be after the FBI completes its preliminary work phase. This would enable audit resources to be used on the most productive audits. We discussed this issue with FBI officials and they agreed.

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### OPEA Needs to Develop and Implement Standards for Preparing Workpapers

OPEA has not implemented specific standards governing the preparation of workpapers, relying instead on the preferences of the individual staff member for the method and details of workpaper preparation.

We reviewed OPEA's operating procedures to determine if workpaper standards are specified and found that standards are briefly discussed. For example, the standard operating procedures dictate that workpapers include all information and data necessary to allow a third party to reconstruct and understand what was done, why it was done, and what the results were; that the workpapers be organized in a sequence similar to that of the final report; and that one copy of the report be annotated in the margins to refer to the location in the workpapers where support could be found. However, these procedures would be of greater benefit to the auditors if they contained more specific guidance. For example, there is no specific guidance on how to prepare and index workpapers or any requirement that they should be cross-referenced to the audit program.

The Program Evaluations Unit staff said that they do not use any standards for workpaper preparation. The staff said that workpapers are prepared according to the preferences of the individual staff member. Staff also said that there is no systematic third-party review of the

workpapers, and this is the reason why workpaper standards are not used. This lack of proper workpaper preparation effectively prevents a third party from reviewing the accuracy of report statements because of the length of time required to locate the source documents, an important quality control procedure that helps ensure that reports are accurately and adequately supported.

Government audit standards require auditors to obtain sufficient, competent, and relevant evidence to afford a reasonable basis for their judgment and conclusions. This evidence should be retained in the form of workpapers. These workpapers provide the link between field work and the audit report and should be, among other things, clear and understandable without detailed supplementary explanations. Anyone using them should be able to readily determine their purpose, source, the nature and scope of the work done, and the preparer's conclusions. Also, the workpapers should be reviewed by the supervisor and this review should be documented and retained.

We reviewed three selected sets of workpapers—two for program results audits (Fugitive Program and General Government Crimes Program) and one management assistance study (Indexing Guidelines)—to determine if the workpapers met government audit standards. We found that the workpapers could not be followed and understood by individuals unfamiliar with the audit. For example, some workpapers did not cite sources or were not indexed by numbers or letters, and workpaper folders did not include tables of contents. In two of the three sets of workpapers we reviewed, the workpapers were loosely filed in folders and did not include any summary schedules of information. In the other set of workpapers, workpapers were more organized and bound in folders, but they were not indexed and several did not contain summary schedules of work that had been done.

In attempting to trace selected report statements to their source documents, we found that the report statements were not indexed to specific workpapers, but were indexed to voluminous folders of unnumbered, loosely filed papers. Also, some workpapers did not contain summary schedules to support such statements as “most” or “the majority.” Indexed references cited in the report for these summary statements were to entire folders or sections within a folder. We also noticed no evidence of supervisory review of the workpapers.

To better comply with government audit standards regarding preparation of workpapers, and to readily provide for third party review, OPEA



should develop and implement detailed workpaper standards that provide specific guidance to the evaluation staff. We discussed this issue with FBI officials and they agreed.

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## Recommendations to the Director of the FBI

We recommend that the Director of the FBI modify the internal audit procedures of the Office of Program Evaluations and Audits to

- improve its long-range planning of program evaluations through periodically assessing the vulnerabilities of FBI operations and considering these vulnerabilities in its long-range evaluation plans, and consider assessing the vulnerabilities of the individual categories of crimes that make up the major criminal investigative programs;
- require that individual audit programs include specific statistical audit procedures where appropriate that will support conclusions made as a result of program results audits;
- establish a specific point in the evaluation process where a decision is made on whether or not continuation of the evaluation justifies the additional expenditures of resources; and
- develop and implement standards for preparing workpapers.

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## Agency Comments and Our Evaluation

In commenting on a draft of this report, the Department of Justice generally agreed that the OPEA's audit operations can be improved in the areas we mentioned. However, the Department took issue with our discussion of the need for OPEA to modify its long-range planning process.

The Department contended that OPEA had already recognized the need for this modification and had pointed this out to our auditors. However, FBI officials did not discuss OPEA's intention to modify its planning process with us, either during the audit or the exit conference when we discussed our findings with OPEA officials. Nevertheless, we are pleased that the FBI has included the objective to "develop an evaluation strategy to replace the five-year evaluation cycle" by 1990 in its strategic plan and have added a statement to this effect in our report.

The Department also criticized a section of chapter 3, in which we took issue with the adequacy of the support for certain FBI report conclusions. We agree with the Department that the reports contain conclusions that support the actions recommended and have therefore deleted this section and the related recommendations from our report.

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# Need to Strengthen Independence of Internal Audits of the FBI

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Generally accepted government auditing standards require that audit organizations and individual auditors “be free from personal or external impairments to independence, must be organizationally independent, and shall maintain an independent attitude and appearance.” Independence is necessary to ensure that “opinions, conclusions, judgments and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties.”

Generally accepted government auditing standards emphasize that auditors should consider “whether there is anything about their situation that might lead others to question their independence.”

We found nothing specifically in the FBI’s internal audit operations that led us to question whether in fact there was a problem with independence of the audits done. Our concern, however, is with the possible impairment to independence of internal audits caused by FBI special agents filling audit management positions on a temporary basis and later returning to line positions in the FBI.

But the question of the independence of internal audit within various organizations of the Department of Justice (such as the FBI, the Immigration and Naturalization Service, the Drug Enforcement Administration, or the Bureau of Prisons) must be looked at in a broader context. From our perspective, the best way to achieve independence for the audit function in situations such as this is at the department level. And the department auditors must have independent authority and access to all agency operations to carry out their functions effectively.

To achieve that goal, we have supported the need for establishing a statutory IG who could audit and investigate all operations at the Department of Justice, including the FBI, without restrictions. On October 5, 1988, Congress passed legislation that established an IG at the Department of Justice and other federal agencies, including the Department of the Treasury.

Under the legislation, the IG generally has authority to initiate, make and supervise such audits and investigations in the Department as the IG considers appropriate. The existing audit resources from many of the Department’s agencies are transferred into the Office of the Inspector General. The legislation provides authority for the Attorney General to prohibit the IG from carrying out audits or investigations involving sensitive matters, confidential sources, or intelligence and national security matters. This restriction is similar to that imposed on the IGs of the

Departments of Defense and the Treasury. We should note, however, that when the Attorney General exercises that authority, the reasons for the action must be transmitted to the IG in writing. The IG is then required to transmit a copy of such notification to appropriate congressional committees within 30 days of its receipt.

The legislation recognizes the Department's Office of Professional Responsibility by increasing its staffing and requiring that the IG refer to that office any allegations relating to the conduct of attorney, investigative, or law enforcement personnel.

We believe that the legislation will improve the ability of the Attorney General and the Congress to be provided independent, objective assessments of the Department's activities. We do note, however, that the Inspection Division of the FBI remains organizationally unaffected by the legislation.

We recognize that, even with the statutory IG, such organizations as the FBI might need internal management and audit reviews to help assure their own management that they are properly carrying out their operations. In this regard, some of the current practices of the FBI continue to give us some cause for concern.

Both the Assistant Director of the Inspection Division and the Deputy Assistant Director of OPEA rotate from and back to other managerial positions within the FBI. For example, as of February 1988, the current Assistant Director had been in his position for 14 months. Before that, he served as Deputy Assistant Director, Office of Inspections, with responsibility for supervising periodic inspections. The two previous Assistant Directors came from the FBI's New York and Atlanta Field Offices. One returned to the New York Office, and the other became the Executive Assistant Director for Administration.

The Deputy Assistant Director of OPEA has been in that position since September 1982 and before this assignment was an inspector in the Office of Inspections. The previous Deputy Assistant Director is now assigned to the Drug Enforcement Administration and is in charge of doing inspections at that agency.

The staff working in the Inspections Division also rotate. We recognize that there are definite benefits in terms of organizational growth and development for staff to rotate through internal review and internal audit functions. However, we are concerned that the leadership in those

positions also rotates. Situations could arise where the leaders of those units may be (or be perceived to be) less willing to report situations or make recommendations consistent with what should be done because of their concern about their future careers as a result of presenting "bad news" to the leadership of the organization.

A solution is to make the heads of the Inspection Division and OPEA permanent nonrotational positions. These positions could be filled by either professional auditors from outside or by qualified FBI officials.

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## Recommendation to the Attorney General

We recommend that the Attorney General require the Director of the FBI to improve the independence of the FBI's inspection activities by increasing the permanency of the persons responsible for directing (or managing) the Inspection Division and internal audit activities.

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## Agency Comments and Our Evaluation

In commenting on a draft of this report, the Department of Justice said our recommendation that the Attorney General should require the Director of the FBI to increase the permanency of persons responsible for directing the Inspection Division is not supported by any facts or findings cited in the draft report, but instead is based wholly on our internal policy and philosophy. Our position on the need for permanency in audit management positions is based on generally accepted government auditing standards which govern audits of federal organizations. We have consistently taken this position in our past reports.

In its comments, the Department also reiterated several objections to the establishment of a statutory IG. For details on Justice's position and our rebuttals, see our report entitled Justice Department: An Assessment of the Need for a Statutory Inspector General (GAO/AFMD-86-8, Feb. 24, 1986).



# Components of the FBI's 12 Major Investigative Programs (As of 9/30/88)

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## 1. Antitrust and Civil Matters

- Fraud Against Government
- Antitrust
- Lands Division Matter
- Claims Court
- Ascertaining Financial Ability
- Federal Tort Claims Act
- Admiralty Matter
- Civil Suits and Administrative Claims

## 2. Applicant - Reimbursable and Nonreimbursable

- Special Agent Recruitment and Processing
- Special Agent Applicant Investigations
- Support Applicant Recruitment and Processing
- Support Applicant Investigations
- Background Investigations
- Special Inquiries
- DEA Applicant Investigations

## 3. Civil Rights

- Civil Rights
- Involuntary Servitude and Slavery
- Civil Rights Act of 1964
- Discrimination in Housing
- Privacy Act of 1974
- Equal Credit Opportunity Act
- Federal Revenue Sharing
- Civil Rights of Institutionalized Persons Act

## 4. Drug

- Italian Drug Trafficking Organizations
- Colombian/South American Drug Trafficking Organizations
- Mexican Drug Trafficking Organizations
- Major National Outlaw Motorcycle Gangs
- Major Oriental Organized Crime Groups
- Other Major Drug Trafficking Organizations
- Informants
- Organized Crime Drug Enforcement Task Forces

5. Foreign Counterintelligence

- Counterintelligence Matters

6. Fugitive

- Deserter
- Domestic Police Cooperation
- Fugitive Investigations for Other Federal Agencies
- Escaped Federal Prisoner
- Unlawful Flight to Avoid Prosecution
- Bond Default
- Fraud and Related Activity
- Mailing Private Identification Without Disclaimer

7. General Government Crimes

- Firearms Act
- Income Tax
- Migratory Bird Act
- Red Cross Act
- Tax (other than income)
- May Act
- Food and Drug
- Prohibition
- Selective Service Act
- False Advertising or Misuse of Federal Agency Name, et al.
- Impersonation
- Postal Violations (except mail fraud)
- Theft of Government Property
- Customs Laws and Smuggling
- Counterfeiting
- Crime on Government Reservation
- Illegal Use of Government Transportation Requests
- Irregularities in Federal Penal Institutions
- Interstate Transportation of Prison-Made Goods
- Switchblade Knife Act
- Desecration of the Flag
- Crime on Indian Reservation
- Fraud and Related Activity

## 8. General Property Crimes

- Theft from Interstate Shipment
- Interstate Transportation of Stolen Motor Vehicle
- Interstate Transportation of Stolen Aircraft
- Crime on the High Seas
- Bills of Lading Act
- Interstate Transportation of Stolen Property
- Interstate Transportation of Stolen Livestock
- Informants
- Illegal Use of a Railroad Pass
- Interstate Transportation of Fireworks
- Destruction of Aircraft or Motor Vehicle
- Automobile Information Disclosure Act
- Interstate Transportation of Unsafe Refrigerators
- Federal Train Wreck Statute
- Interstate Transportation in Aid of Racketeering
- Destruction of Interstate Property
- Racketeer Influenced and Corrupt Organizations
- Destruction of Energy Facilities
- Hazardous Liquid Pipeline Safety Act

## 9. Organized Crime

- Interstate Transportation of Strikebreakers
- White Slave Traffic Act
- Racketeer Enterprise Investigation
- Federal Regulation of Lobbying Act
- Labor Management Relations Act, 1947
- Railway Labor Act
- Informants
- False Entries in Records of Interstate Carriers
- Interstate Transportation of Gambling Device
- Interstate Transportation of Lottery Tickets
- Interstate Transportation of Obscene Matter
- Employee Retirement Income Security Act
- Labor-Management Reporting and Disclosure Act of 1959
- Interstate Gambling Activities
- Interstate Transmission of Wager Information
- Interstate Transportation in Aid of Racketeering
- Interstate Transportation of Wager Paraphernalia
- Sports Bribery
- Extortionate Credit Transactions



- Illegal Gambling Business
- Racketeer Influenced and Corrupt Organizations
- Hobbs Act

10. Personal Crimes

- Kidnapping
- Extortion
- White Slave Traffic Act
- Election Laws
- Assassination, Kidnap, Assault
- Assault or Killing a Federal Officer
- Conspiracy to Impede or Injure a Federal Officer
- Crimes Against Family Members - Federal Officials
- Bank Robbery
- Interstate Transportation of Obscene Matter
- Crime Aboard Aircraft
- Threats Against President, Protection of President
- Interstate Obscene or Harassing Telephone Calls
- Police Killings
- Hobbs Act
- Tampering with Consumer Products
- Controlled Substances
- National Center for Analysis of Violent Crime/Violent Criminal Apprehension Program

11. Terrorism

- Neutrality Matters
- Overthrow or Destruction of the Government
- Sedition
- Passport and Visa Matter
- Treason: Misprision of Treason
- Espionage-X
- Sabotage
- Domestic Security Investigations
- Atomic Energy Act
- Informants
- National Aeronautics and Space Act of 1958
- Civil Unrest
- Foreign Police Cooperation
- Actual and Attempted Bombings and Explosive Violence
- Anti-Riot Laws

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**Appendix I**  
**Components of the FBI's 12 Major**  
**Investigative Programs (As of 9/30/88)**

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- Racketeer Influenced and Corrupt Organizations
- Protection of Foreign Officials and Guests
- Intelligence Identities Protection Act
- Hostage Rescue Team
- Fraud and Related Activity
- Hostage Taking
- Overseas Homicide/Attempted Homicide

12. White-Collar Crime

- Fraud Against Government
- Patent Matters
- Copyright Matters
- Bank Fraud and Embezzlement
- Mail Fraud
- National Bankruptcy Act
- Jury Panel Investigations
- Election Laws
- Bribery; Conflict of Interest
- Administrative Inquiry
- Contempt of Court
- Obstruction of Justice
- Perjury
- Bondsmen and Sureties
- Interstate Transfer of Stolen Property
- Informants
- Interception of Communications
- Consumer Credit Protection Act
- Real Estate Settlement Procedures Act 1974
- Hobbs Act
- Fraud by Wire
- Foreign Corrupt Practices Act of 1977
- Ethics in Government Act of 1978
- Environmental Crimes
- Counterfeiting of State and Corporate Securities
- Trademark Counterfeiting Act
- Credit and/or Debit Card Fraud
- Computer Fraud and Abuse

# Listing of Evaluations and Studies (For the Period 1/17/79 to 11/31/87)

Date	Evaluations	Studies
05/01/79	Fugitive Program <sup>a</sup>	
10/23/79		Springfield Division
11/28/79	Anti-Trust and Civil Matters Program <sup>a</sup>	
03/31/80	Personal Crimes Program (file not available at time of audit) <sup>a</sup>	
04/30/80	General Government Crimes Program <sup>a</sup>	
04/30/80	White-Collar Crime Program <sup>a</sup>	
05/20/80		Off-Premise Sites
11/12/80		Role of Assistant Special Agent-in-Charge
03/11/81	Civil Rights Program <sup>a</sup>	
04/29/81	Foreign Counterintelligence Program <sup>a</sup>	
08/12/81		Metropolitan Field Office Concept
09/01/81		Identification Division Move -Feasibility Study
12/31/81	Organized Crime Program <sup>a</sup>	
07/27/82	Terrorism Program <sup>a</sup>	
11/19/82		No. 1 Register (study of time and attendance forms)
01/01/83		Special Agent Personnel Incident Review
01/12/83	Administrative Services -Support Applicant Program	
01/14/83	Forensic Services Program	
05/04/83		Surveys to the Field (study of headquarter's requests for information)
05/05/83	Identification Division	
05/05/83		Word Processing Pilot Project
05/20/83		Resident Agent Study
05/25/83	General Property Crimes Program <sup>a</sup>	
06/29/83		Undercover Development and Operations
06/30/83		Undercover Operations in Criminal Matter
08/31/83		Undercover Agent Study
11/01/83		Non-Stationary Supervisor Position
11/10/83	Aircraft Operations	
12/01/83		Physical Security of FBI Building
04/30/84	National Applicant Recruitment	
05/10/84		Relocation of Butte FBI Field Office
07/10/84	Foreign Language Program	
10/16/84		Regional Computer Support Centers

(continued)

**Appendix II**  
**Listing of Evaluations and Studies (For the**  
**Period 1/17/79 to 11/31/87)**

<b>Date</b>	<b>Evaluations</b>	<b>Studies</b>
12/04/84		Regional Recruiting Office
12/10/84		Drug Deterrence Program
01/09/85	Legal Counsel Division	
01/24/85		Relocation of Pocatello Resident Agency
02/01/85		Role of Organized Crime Task Force Coordinator
02/04/85		Resource Management Information System
03/11/85	Records Management Division	
03/20/85	New Agents Training	
03/28/85		History of Inspection Division
04/01/85	Probationary Agent Training	
05/17/85	Advanced Professional Training	
07/08/85		Special Agent Personnel Incident Update
07/11/85	Special Operations Groups	
08/12/85		Police Corruption Project
11/07/85		Transfer Matters
01/28/86		Electronic Surveillance Study
01/29/86	Special Agent Background Investigations	
03/05/86		Married Couples in the Career Development Program
07/10/86	General Government Crimes Program (2nd cycle) <sup>a</sup>	
09/16/86		Expenditure of Discretionary Funds Study
09/17/86		Traffic Management, FBI/Drug Enforcement Agency
09/17/86	Fugitive Program (2nd cycle) <sup>a</sup>	
09/26/86		Coordinators in Field Divisions
10/14/86	Field Police Training Program	
11/12/86	Office of Congressional and Public Affairs	
01/08/87		Metropolitan Field Office Concept
07/21/87		Use of Non-Agent Pilots
08/03/87		Collocation of FBI/Drug Enforcement Agency
08/20/87		Evidence Handling and Storage
09/28/87	Personal Crimes Program (2nd cycle) <sup>a</sup>	
09/28/87	Civil Rights Program (2nd cycle) <sup>a</sup>	
11/16/87		FBI Indexing Guidelines

<sup>a</sup>Major Investigative Program

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# Summaries of Three Program Evaluations (Abstracted From FBI Files)

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## Organized Crime Program (1981 Evaluation)

Organized Crime Program investigations are targeted against any member or members of an organized crime group involved in violation of federal statutes specifically aimed at racketeering activities. For the purposes of managing these investigations, an organized crime group has a formal structure whose primary objective is to obtain money through the use of violence or threats of violence, corruption of public officials, graft, and extortion. Traditional organized crime groups include La Cosa Nostra and the Sicilian Mafia. Nontraditional organized crime groups include the outlaw motorcycle gangs, Colombian and Mexican narcotics cartels, ethnic groups, prison-spawned gangs, and oriental crime groups.

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## Objectives of Evaluation

We sought to determine if the Organized Crime Program is efficiently, effectively, and economically meeting the purposes for which it was established and to assess the legal and operational justification for the expenditure of resources.

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## Methodology

We reviewed statistical and other administrative data at FBI headquarters in order to establish Organized Crime Program costs and results, and to profile the Organized Crime Program in each field office. From these profiles, offices were selected for on-site field reviews and interviews of investigative supervisory and management personnel.

Prior to on-site field office reviews in 10 field offices, each office was requested to identify

- all pending organized crime cases and designate those considered most significant;
- all auxiliary office cases considered to have significant impact on divisions' investigative efforts;
- all significant organized crime accomplishments since October 1, 1978;
- all organized crime electronic surveillance affidavits submitted and organized crime undercover operations proposed since October 1, 1978; and
- all organized crime and terrorism informants.

We reviewed each investigative matter designated as a significant organized crime or terrorism case, as well as a random sample of organized crime files not so designated. The files were reviewed to determine actual organized crime program accomplishments, investigative concepts, techniques utilized, and resources behind successes and failures.

Generally, those field offices having the largest organized crime program committed were selected for on-site reviews. Selected offices with limited La Cosa Nostra investigative matters were also visited. Interviews and data collections were done in total of 15 field divisions.

We interviewed Supervisory Agents at FBI headquarters and in the field to establish levels of experience, training, continuity of positions, job functions, and responsibilities.

Representatives from the Department Of Justice, state and local investigative agencies, and academic institutions were contacted regarding their perceptions and experience relating to organized crime investigations and prosecution.

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## Report Conclusion

Overall program management and training could be improved. Changes can and should be made to improve the efficiency, effectiveness, and economy of the Organized Crime Program. At the headquarters level, Organized Crime Program priorities need to be reassessed and modified. Training efforts relating to the Organized Crime Program should be enhanced at the headquarters level, Quantico, Virginia, and in the field. Field supervisors and managers should more effectively manage their resources and investigative activities.

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## Report Recommendations

1. We believe that the Organized Crime Section can enhance its overall program management efforts through the following suggested actions:

- review priorities and revise as necessary;
- issue further specific instructions in target areas, to include policy, priorities, and investigative responsibilities;
- continue to improve data collection and analysis for enhanced management of the Organized Crime Program;
- collect copies of Racketeer Influenced and Corrupt Organizations indictments and materials in one location for reference purposes and designate an FBI headquarters supervisor, thoroughly familiar with these matters, to assist the field as necessary in racketeer-related problems; and
- coordinate with the Office of Inspections to ensure the inspection process produces a usable product for Organized Crime Program managers.

2. The Organized Crime Section, with the support of FBI headquarters management, should hold the field office management accountable by requiring

- improvement in the areas of target identification and assessment, management of the Organized Crime Program, and effective case management;
- that each field office fulfill its responsibility to continually assess Organized Crime Program training needs and, as necessary, supplement available FBI training with intra-office efforts; and
- that serious consideration be given to continuity of programs, personnel and investigations before field office reorganizational changes are made.

3. The Organized Crime Section should be provided staffing level and structure that permit the program managers to effectively handle the operational needs as well as develop a training curriculum commensurate with needs and participate in the training function.

4. Since some of the above recommendations will require changes in staffing and funding levels, approval of such recommendations includes a commitment for adequate resources. The Organized Crime Section will justify such with separate communications implementing these actions.

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## Personal Crimes Program (1987 Evaluation)

Through this program, the FBI addresses criminal offenses involving threatened or actual personal injury or loss of life. These crimes include, in part, assassination of the President, Vice-President, and other federal officials; bank robberies; kidnappings; tampering with consumer products; thefts of controlled substances; extortions; crimes aboard aircraft; and sexual exploitation of children.

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## Objectives of Evaluation

To determine the following:

- The status of the FBI/other federal agencies/local partnership in the investigation and prosecution of personal crimes, and whether or not this partnership is successful in addressing the violent crimes associated with the Personal Crimes Program.
- The effects of new legislation on the Personal Crimes Program with the addition of Tampering with Consumer Products and Controlled Substances and Robbery and Burglary violations to the Personal Crimes Program.

- The effects of the new responsibilities by the inclusion of sexual exploitation of children in the Personal Crimes Program with the related classifications of kidnapping, missing persons (children), White Slave Traffic Act, and Interstate Transportation of Obscene Materials.
- The status of the Violent Criminal Apprehension Program, a program with dual administrative oversight by the Personal Crimes Unit and the Training Division.
- The effectiveness of the program management of the Personal Crimes Program, including the (1) the establishment of program goals and objectives; (2) the standards of measurement used to determine effectiveness and efficiency of the Personal Crimes Program in both FBI headquarters and in the field; (3) economic, effective, and efficient use of FBI manpower and resources in meeting the program goals; and (4) Personal Crimes Program as a Priority II Program.

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## Methodology

This evaluation included a review of administrative files and statistical data maintained by the Personal Crimes Unit in FBI headquarters and a review of the prior evaluation report, including the workpapers. We interviewed program managers at the FBI headquarters and officials at the Department of Justice.

To determine the status and effectiveness of the program, site visits were made to 12 field offices. United States attorneys and local law enforcement personnel were interviewed. The 12 field offices were chosen for selected program outcome information.

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## Report Conclusions

The current level of cooperation between the FBI and local authorities was determined to be excellent. FBI relationships with other federal agencies having jurisdictional interest in Personal Crime Program classifications were also described as excellent, with the exception of the U.S. Marshals Service. Significant problems remain unresolved regarding service of subpoenas, transportation of prisoners, and overlapping fugitive investigations. The Personal Crimes Program continues to expend staffdays on these non-Bureau functions as a result of the nonresolution of these issues.

In instances where personal crime violations are prosecuted by local authorities, dispositions are often unknown. At issue is the need to follow the dispositions of concurrent jurisdiction personal crime program offenses, who should be responsible, and what benefits are accrued should the FBI be held accountable for this activity.



The new and additional classifications have generally been absorbed by the Personal Crimes Program without difficulty; however, several areas of concern remain. A number of misconceptions continue to exist with respect to missing and/or abducted children. There is confusion with respect to the guidelines in both the Tampering and Controlled Substances classifications. The National Center for Analysis of Violent Crime anticipates increased demand for behavioral science-related services. The potential increase in statutory authority in areas such as serial murders also portends a requirement for increased investigative resources.

The current management approach is case-oriented rather than program-focused.

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## Report Recommendations

1. The Criminal Investigation Division should secure a clearer delineation of responsibilities between the FBI and the U.S. Marshals Service in the following areas that affect the Personal Crimes Program and other criminal programs:

- the service of subpoenas,
- the transportation of prisoners, and
- the investigation of concurrent escaped federal prisoner/substantive PCP fugitives.

2. The Criminal Investigative Division should formulate a position regarding FBI responsibility in the tracking of deferred cases and resolve the issue with the Department of Justice. If held accountable for this activity, the division should develop the means to acquire this information.

3. The Personal Crimes Unit emphasizes a more aggressive investigative posture to decrease the sexual exploitation of children through increased specialized training and proactive investigative techniques.

4. The Criminal Investigative Division, in concert with the National Crime Information Center Section, Technical Services Division, should develop and disseminate a standardized definition of missing/abducted children.

5. The Personal Crimes Unit should place increased emphasis on program management fundamentals by making more effective use of available program data and analysts and requiring that Resource

Management and Allocation submissions emphasize meaningful quantitative and qualitative data.

6. The Personal Crimes Unit, in conjunction with the Training Division, should develop a long-range training program that would include not only investigative and administrative topics, but a tactical training program that can be conducted jointly in the field with local police departments.

7. The Personal Crimes Unit should standardize statistical reporting methods for bank robbery convictions.

8. The Personal Crimes Unit should clarify the investigation and prosecution guidelines of the Controlled Substance - Robbery/Burglary classification so that the field offices can

- ensure prompt notification of violations by the Drug Enforcement Agency, local law enforcement agencies, and victim establishments;
- make sure local authorities are aware of FBI investigative jurisdiction in these matters;
- submit appropriate forms for all violations, and
- ensure that prosecutive guidelines are established.

9. The Personal Crimes Unit, utilizing knowledge already available in selected field offices, should take the lead in developing a software package that will allow field offices to program manage personal crimes by maintaining bank robbery "books" and records, managing major cases, tracking cases deferred to local authorities, and following program trends and patterns.

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## Civil Rights Program (1987 Evaluation)

The Civil Rights Program addresses investigative matters which involve the actual or attempted abridgment of rights provided to citizens and inhabitants of the United States under the Constitution and laws of the country. The primary objective of this program is to enhance and protect those rights through investigation of matters within FBI jurisdiction. Both civil and criminal matters are investigated in coordination with the Civil Rights Division of the U.S. Department of Justice.

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Objectives of Evaluation

This evaluation seeks to look into the

- relationship and role of the Civil Rights Unit with the field and the Department of Justice's Civil Rights Division,
- impact of training in reduction of brutality complaints,
- quality over quantity view of Civil Rights cases, and
- Civil Rights Information System.

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Methodology

The methodology consisted of interviewing FBI headquarters staff and reviewing a variety of documents (e.g., the previous evaluation report and its workpapers, the most recent inspection report, statistical data, journal articles).

Using an open-ended interview guide, the evaluation team visited seven field offices and interviewed field office personnel, local law enforcement officials, federal and local prosecutors, and corrections officials. Selection of the seven field locations was based on statistical data and on recommendations of supervisors in the FBI headquarters Civil Rights Unit.

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Report Conclusion

Unencumbered by the Civil Rights Division, Department of Justice, the Civil Rights Program would be fashioned more like the FBI's other investigative programs. Ideally, handling civil rights matters like any other violent crime would create a more efficient and effective program. Support for the prevention and deterrence rationale would be afforded the same consideration that it is given in other programs. Protection of all citizens' rights is neither evidenced nor measured by results obtained in the Civil Rights Program. The cost per conviction is so high that the only good argument for continuing rests in deterrence. Since the cost is known, it is time to examine, with great care, how much deterrence there is and whether or not other methods are worthy of being tried.

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Report Recommendations

None

# Comments From the Department of Justice



U.S. Department of Justice

Washington, D.C. 20530

September 16, 1988

Mr. Richard L. Fogel  
Assistant Comptroller General  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Fogel:

This letter responds to your request to the Attorney General for the comments of the Department of Justice on your draft report entitled "FBI Internal Audit: Opportunities for Improvement." The Federal Bureau of Investigation's (FBI) Office of Program Evaluations and Audits (OPEA) has reviewed the draft report in detail. The report essentially can be divided into two sections, a first section dealing with perceived weaknesses and opportunities for improvement in OPEA operations, specifically in the area of program evaluations; and a second seemingly unrelated section dealing with a perceived lack of independence on the part of the FBI's internal inspection and audit operation. Since these two sections appear unrelated, they will be considered separately in the response.

### Chapter 3

The FBI is in general agreement that OPEA internal inspection and audit operations can be improved in the areas mentioned in the report. However, the FBI believes that, while certain statements made in the report are factually correct, what is not reported, or in some cases the manner in which otherwise correct statements are made, creates a false and misleading impression. For example, a major heading on page 22 of the draft states "THE FBI MAKES EVALUATIONS OF MAJOR INVESTIGATIVE PROGRAMS BUT HAS NOT RECENTLY EVALUATED NATIONAL PRIORITY PROGRAMS." The text goes on to point out that the most recent evaluation of one of the five "national priority" investigative programs was in 1982. While correct in the sense that no report on the five identified programs has been published since 1982, it is somewhat misleading since the White Collar Crime Program and the Foreign Counterintelligence Program were under evaluation while the GAO study was in progress. A third "national priority program," the Drug Program, is new to the FBI and evaluation of it from a "results" perspective would be premature. In addition to these evaluations, OPEA has published reviews of the Identification Division, a very large and nationally important Law Enforcement Assistance Program; a study of the structure and management of

Text Amended See p. 16.

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the FBI resident agency system; studies of undercover operations and undercover Agents which have resulted in significant changes in the way undercover Agents are selected and supervised; and a study of the Languages Services Program, which resulted in the consolidation of numerous aspects of language services into one unified structure.

Now on p. 18.

On page 25 of the draft report, GAO states in a major heading that "OPEA NEEDS TO MODIFY ITS LONG-RANGE PLANNING PROCESS." The FBI agrees with this observation but considers it important to point out, as was pointed out to the GAO auditors, that OPEA had already recognized the need for this modification, and strategic objectives to implement this change in concept were included in the FBI's strategic plan as follows: "Develop an evaluation strategy to replace the five-year evaluation cycle," and "Conduct evaluations in support of the long-range planning process and the evaluation strategy." Here again, the GAO report is misleading in that it correctly states a need for change, but fails to point out that the need had already been identified and objectives already established to satisfy it.

See page 23.

The GAO draft report takes issue with certain FBI report conclusions in that GAO believes there are inconsistencies in the details supporting the conclusions. As an example of inconsistencies, the GAO report cites several quotations from the report of the General Government Crimes Program evaluation. The quotations used are selected from different sections of the report, taken out of context, and juxtaposed in such a manner as to suggest contradictory findings. We dispute this conclusion and submit that taking sentences from differing sections of a report, removing them from context, and juxtaposing them to show "inconsistency" is neither helpful nor justifiable.

Section deleted.

See p. 23.

The major objection to the particular portion of the draft report discussed above is that GAO states "Based on this conclusion, [that the FBI is meeting its investigative responsibilities in the General Government Crimes Program] the report recommended a reorganization of the fugitive/general government crimes unit because it would result in more effective and efficient program management." This is completely erroneous. The recommendation to reorganize the fugitive/general government crimes unit was in no way linked to any conclusion reached regarding the degree to which the General Government Crimes Program is meeting its investigative responsibilities. The recommendation to reorganize the unit was, in fact, based on five pages of discussion beginning on page 19 of the report. Nowhere in this discussion, which touches on administrative and management issues, is the question of adequacy of coverage of General Government Crime Program matters even mentioned.

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The second example cited by GAO is taken from the report on Special Operations Groups. The GAO draft report states, "The report does not conclude nor make the case that the groups have been undertrained or that operations have suffered. Despite the report not addressing a lack of training, it goes on to recommend additional training courses be provided."

We do not understand the basis for the statement that the report does not make the case that the groups have been undertrained. Beginning on page 27 and concluding on page 31, the report fully discusses training currently provided and training needs. The report states "The consensus, both in the field and at FBIHQ is that a major weakness of the program has been the lack of a formal training program for SOG Agents." The report goes on to discuss the basic surveillance course which was characterized as "the bare minimum essential for SOG Agents;" a need for driver training, photography training, and familiarization with technical equipment; and finally a need for a training course relative to the modified shotgun issued to SOG Agents. The above facts clearly indicate that the statement contained in the GAO draft report specifically referring to "the report not addressing a lack of training," is inaccurate.

The two examples chosen by GAO to demonstrate that the FBI's reports do not support the conclusions are erroneous. We believe both examples should be removed from the draft report.

#### Chapter 4

Chapter 4 of GAO's draft report, which deals with the need to strengthen the independence of internal audits of the FBI, is not supported by data in the report. GAO's contention that a statutory Inspector General (IG) be established at the Department of Justice, or that, alternatively, the Attorney General require the Director of the FBI to increase the permanency of persons responsible for directing the Inspection Division, is based wholly on GAO internal policy and philosophy, not on any facts or findings cited in the draft report. If GAO wishes to argue the case for an IG, or for changes in the management of the FBI's Inspection Division, we suggest it would more properly be done in a different context. Even though GAO states "We found nothing specifically in the FBI's internal audit operations that led us to question whether in fact there was a problem with independence of the audits done," the inclusion of this discussion in this report implies to the contrary. GAO speculates that the leadership in the Inspection Division might not present "bad news" situations for fear of damaging their careers. No empirical basis is offered to substantiate this position. We believe the report would be more in keeping with Generally Accepted Government Auditing Standards if Chapter 4 and the resulting recommendations were removed in their entirety and

See p. 26.

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the issues presented and argued in a policy rather than an evaluative context.

Recommendation to the Congress

The Department notes GAO's recommendation that the Congress pass legislation establishing a statutory IG in the Department of Justice. The most significant aspect of this recommendation is that it is inconsistent with any supporting evidence discussed in the report.

With respect to this specific draft report, we believe that GAO overlooks one management process already built into Department agencies' annual efforts to review and monitor program progress. Specifically, the Department's formal internal control process requires each agency's head to assess annually the operational integrity of the organization's administrative and program management systems. The process involves a high-level examination of potential vulnerable areas and the designation (for later follow-up) of any material weaknesses or nonconformances.

As this GAO report implies, the establishment of an IG in the Department of Justice has been the subject of a recommendation to the Congress in a prior report entitled "Justice Department: An Assessment of the Need for a Statutory Inspector General," AFMD-86-8, dated February 24, 1986. The Department's opposition to establishment of an IG function involves three major legal concerns:

1. Inclusion of the Justice Department under the IG Act would unwisely superimpose an IG over the present authority of the Attorney General.
2. Extension of the IG Act to the Department could permit an independent IG to interfere with or jeopardize ongoing external investigations and prosecutions.
3. Extension of the IG Act to the Department could permit the IG to disclose sensitive or classified information.

Other issues are also addressed in our response to GAO's report relating to audit authority, auditors' independence, coordination and follow-up, and authority and independence of the Department's investigative reporting structure.

In terms of the legal implications of GAO's recommendation, we continue to believe that a blanket extension of the IG Act to the Department in any form would not be a prudent decision. Such a reorganization would disrupt the core functions of the Department

Recommendation deleted.

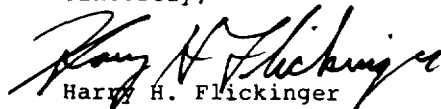
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and undermine the accountability of its officials for the Department's activities.

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We appreciate the opportunity to provide comments on the report while in draft form. Should you have any questions concerning our response, please feel free to contact me.

Sincerely,

  
Harry H. Flickinger  
Assistant Attorney General  
for Administration



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