

Office of the Inspector General

Semiannual Report to Congress



October 1, 2000–March 31, 2001

Tribute

The Office of the Inspector General (OIG) depends not only upon the assistance of other Department of Justice components and employees but also upon other law enforcement agencies throughout the United States. We take this opportunity to honor a state law enforcement officer who has made a special contribution to our work.



Texas Ranger Sergeant Israel Pacheco, Jr. (left), receiving award from Special Agent-in-Charge Wayne D. Beaman (right), OIG McAllen Field Office.

The OIG pays tribute to Texas Ranger Sergeant Israel Pacheco, Jr., McAllen, Texas, for his assistance to the OIG McAllen Field Office during a bribery investigation of a U.S. Marshals Service employee and her husband, a U.S. Customs Service Investigations special agent. During September 2000, these two federal employees contacted one of Ranger Pacheco's confidential informants and offered to sell sensitive judicial information about a convicted drug felon in exchange for \$5,000. An intensive investigation resulted in several OIG-controlled meetings in which Ranger Pacheco's informant made recorded undercover bribery payments directly to the Customs Service special agent. Both federal employees were arrested and subsequently pled guilty.

Throughout the course of this investigation, Ranger Pacheco worked closely with the OIG and allowed OIG agents to direct the covert activities of his confidential informant. In addition, Ranger Pacheco offered investigative expertise that was critical to the arrest and conviction of the two corrupt federal employees. Ranger Pacheco's timely reporting and complete cooperation with the McAllen Field Office were essential to this case. His actions illustrate the need to maintain cooperation among all law enforcement agencies.

The OIG thanks the Texas Department of Public Safety, Texas Rangers and specifically Texas Ranger Sergeant Israel Pacheco, Jr. for their critical assistance in this investigation.



U.S. Department of Justice

Office of the Inspector General

Message from the Inspector General

This semiannual report summarizes the accomplishments of the Office of the Inspector General (OIG) during the 6-month period ending March 31, 2001. During this period, the OIG completed many important audits, inspections, and investigations of Department of Justice (Department) programs and personnel. As the recently confirmed Inspector General, I am proud of the work performed by our dedicated and talented staff and the value that the OIG adds to the Department.

As we look to the future, we recognize that the nature and scope of our work has changed in significant ways since the OIG opened its doors in 1989. We have expanded OIG audits and inspections to monitor the increasing amount of grant money distributed by the Department, to provide more performance reviews of Department programs, and to address emerging areas of concern such as information technology security. In the months ahead, we plan to perform follow-up work on issues that are particularly important to the Department. We will continue to expend significant resources on investigations of possible criminal wrongdoing or administrative misconduct by Department employees. When the need arises, the OIG is able to examine sensitive issues that confront the Department. A recent example is the review we have just initiated, at the request of the Attorney General and Congress, regarding the Department's performance in preventing and detecting the alleged espionage activities of Federal Bureau of Investigation (FBI) agent Robert Philip Hanssen.

Although the nature of the OIG's work may change to reflect the priorities of the Department and Congress, we continue to face several enduring challenges. The first is to approach our mission in a spirit of constructive criticism. Although it is unlikely that the OIG's decision to conduct an audit, inspection, or program review always will be met with enthusiasm, we strive to ensure that our reviews are perceived as fair, objective, and reasonable.

Second, one of the OIG's primary goals in the coming months will be to improve the timeliness of our products. Our Investigations Division has already made significant progress in expediting its examination of misconduct allegations against Department employees. We are reorienting our Inspections Division to increase its focus on expedited evaluations and reviews of Department operations. Our Audit Division is continuing its high-quality financial and programmatic oversight work but is placing renewed emphasis on completing its projects more expeditiously so that our findings will be more useful to Department managers. However, while timeliness is important, the soundness and

professionalism of our work remains our paramount objective, and we are committed to continuing to produce high-quality reports like those described in this *Semiannual Report to Congress* (Report).

Third, our investigations should narrow the opportunities for misconduct and corruption within the Department. During the coming months, we will continue to seek ways to learn from our criminal and administrative investigations and to recommend procedural or systemic reforms that will make similar misconduct less likely in the future. Such progress is not as easily measured as arrests, convictions, and the imposition of administrative discipline but is central to the mission of any OIG.

Fourth, in large measure the OIG's ability to help make significant and positive change in the Department is tied to the availability of resources. Unfortunately, the OIG has not kept pace with the significant growth of the Department during the last seven years. While the Department has grown dramatically in terms of positions and budgets, the OIG has not kept pace. We believe that rectifying this imbalance is an important priority that will aid the OIG and the Department in confronting the many challenges to be faced in the years ahead.

The OIG is committed to using its audit, inspections, and investigations resources to help promote integrity and efficiency in Department operations. We look forward to working closely with the Attorney General and Congress in this endeavor.

A handwritten signature in black ink that reads "Glenn A. Fine". The signature is written in a cursive, flowing style.

Glenn A. Fine
Inspector General
April 30, 2001

Highlights of OIG Accomplishments

October 1, 2000 –
March 31, 2001

Following are highlights of OIG accomplishments that are discussed in detail in this Report.

Statistical Highlights

Allegations Received by the Investigations Division	3,245
Investigations Opened	328
Investigations Closed	283
Arrests	70
Indictments	77
Convictions/Pleas	59
Administrative Actions	74
Fines/Restitutions/Recoveries	\$178,045
<hr/>	
Audit Reports Issued	199
Questioned Costs	\$94 million
Funds Put To Better Use	\$8.5 million
Recommendations for Management Improvements	337

OIG Investigations

The Investigations Division investigated allegations of bribery, fraud, sexual abuse, theft, alien and drug smuggling, introduction of contraband into federal prisons, civil rights violations, false statements, and violations of other laws and procedures that govern Department employees, contractors, and grantees. Examples of the types of significant cases that are described in this Report include:

- A clerk assigned to the U.S. Attorney's Office (USAO) for the Central District of California embezzled hundreds of thousands of dollars over a 3-year period using government credit cards to make hundreds of personal purchases, including clothing, equipment, and personal services. Based on an investigation by the OIG's Los Angeles Field Office, the clerk pled guilty to mail fraud charges and admitted to stealing \$350,000 to \$500,000.
- An investigation by the OIG Tucson Field Office and the Nogales Police Department led to a criminal complaint alleging that a Border Patrol agent in Arizona took a female alien he had apprehended to a remote location where he sexually assaulted her before allowing her to return to Mexico. The Border Patrol agent was arrested on charges of kidnapping, sexual assault, and sexual abuse.
- The OIG McAllen Field Office investigated allegations that a Border Patrol agent struck and severely injured a Mexican alien while attempting to arrest several aliens in Texas. The Border Patrol agent was convicted following a jury trial on charges of deprivation of rights under color of law.
- The OIG San Diego Field Office and the San Diego Border Corruption Task Force determined that an Immigration and Naturalization Service (INS) immigration

inspector received approximately \$90,000 in bribes from four Mexican nationals to allow drugs and illegal immigrants to enter the United States through the inspector's assigned lane at the San Ysidro Port of Entry (POE). Based on this investigation, the inspector and three of the Mexican nationals were arrested.

- An investigation by the OIG Houston Field Office disclosed that a Bureau of Prisons (BOP) correctional officer had facilitated the entry of drugs into the Beaumont Correctional Complex for distribution to inmates. An OIG agent, posing as a drug supplier for inmates, met with the correctional officer in a hotel parking lot and provided the officer with 500 grams of cocaine and \$1,500. The correctional officer was then arrested.

OIG Audits

The Audit Division reviewed Department organizations, programs, computer technology and security systems, and financial statements. Audit also conducted or oversaw external audits of expenditures made under Department contracts, grants, and other agreements. Examples of significant audits described in this Report include:

- OIG auditors assessed the INS's property management system and found that the INS could not account for approximately 61,000 items that cost \$68.9 million and failed to perform and document physical inventories. The audit also found that, in 539 instances, INS staff did not report lost, missing, or stolen weapons and that some of these weapons were later used in state or local crimes.
- During this reporting period, we conducted 22 audits of Office of Community Oriented Policing Services (COPS) hiring and redeployment grants that identified more than \$16 million in questioned costs and more than \$5 million in funds to bet-

ter use. Our review of \$5.8 million in COPS grants awarded to the Camden, New Jersey, Police Department, for example, found that the Police Department (1) could not show it had provided local matching funds; (2) overstated its anticipated expenditures; (3) could not support costs charged to its grants, and (4) did not enhance community policing by the number of sworn officers funded by the grants. In this audit, we identified \$2.1 million in questioned costs and recommended \$3.7 million be put to better use.

- The OIG issued the fiscal year (FY) 2000 audit of the Department of Justice Consolidated Financial Statement. The Department received an unqualified opinion on its FY 2000 consolidated balance sheet and statement of custodial activity and a qualified opinion on its other financial statements. While the Department has made slow but steady progress in moving toward a "clean" opinion on its annual financial statement, the OIG expressed concern that the Department lacks automated systems to support its accounting operations, financial statement preparation, and the audit process.

Other important audit reports discussed in this Report involve:

- the adequacy of INS inspection facilities at airports;
- the costs of an intergovernmental service agreement under which the Government of Guam housed U.S. Marshals Service (USMS) and INS detainees;
- the INS's data system pertaining to secondary inspections at airports;
- computer security at Department data centers; and
- state and local laboratories that participate in the FBI's Combined DNA Index System.

OIG Inspections and Special Reviews

The Inspections Division produced management assessments and program evaluations that reviewed the efficiency, vulnerability, and effectiveness of Department operations. The Special Investigations and Review Unit (SIRU) investigated sensitive matters involving Department programs or employees. Examples of Inspections and SIRU reviews discussed in this Report include:

- An OIG review found that the Department's Offices, Boards, and Divisions (OBDs) were not following security procedures applicable to contract employees. This resulted in hundreds of contract employees who did not have the necessary security clearances being granted access to sensitive Department data and facilities. We found that 44 percent of the 628 contract employees we examined did not have the required security clearance and that clearances for other contract employees were insufficient given the sensitivity of their work.
- The OIG found that Department employees accrued unpaid debts of \$1.2 million on their government travel charge cards from November 1998 to December 2000. We are currently conducting a separate review of travel charge card debt in the INS.
- At the request of the Attorney General and the Senate Select Committee on Intelligence, the OIG has begun an examination of the Department's performance in preventing, detecting, and investigating the alleged espionage activities of FBI agent Robert Philip Hanssen.

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OIG Profile

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

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

The OIG carried out its mission during this reporting period with a nationwide workforce of approximately 350 special agents, auditors,

inspectors, attorneys, and support staff. For FY 2001 the OIG's direct appropriation is \$41.484 million. Additionally, the OIG expects to earn reimbursements of \$1.5 million from the INS for audit and investigative oversight work of the INS User Fee account; \$1.65 million from the Working Capital Fund and other Department components for oversight of financial statement audit work; and \$1.25 million from the Executive Office for U.S. Trustees (EOUST) for trustee audits. The Department is seeking reimbursement for the OIG for its oversight of an annual independent evaluation of the Department's information security program and practices as required by the *Government Information Security Reform Act of 2001* (GISRA).

This Report reviews the accomplishments of the OIG for the 6-month period ending March 31, 2001. As required by Section 5 of the *Inspector General Act of 1978* (IG Act), as amended, this Report is submitted no later than April 30, 2001, to the Attorney General for his review. No later than May 31, 2001, 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 its activities is available on the OIG's website at <http://www.usdoj.gov/oig>.

The Investigations Division

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

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

Investigations carries out its mission through the work of its special agents who are assigned to 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, DC (the Washington Field Office and Fraud Detection Office), and smaller, area offices in Atlanta, Boston,

Colorado Springs, Dallas, El Centro, Houston, and Seattle. Investigations Headquarters, in Washington, DC, consists of the immediate office of the Assistant Inspector General (AIG) and three branches: Operations, Investigative Support, and Policy and Administration.

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

During this reporting period, Investigations received 3,245 complaints. It opened 328 investigations and closed 283. Its agents made 70 arrests involving 32 Department employees, 35 civilians, and 3 Department contract personnel. Convictions resulted in 58 individuals receiving sentences – one for nine years' incarceration – and \$178,045 in fines, recoveries,



and orders of restitution. As a result of OIG investigations, 29 employees and 9 contract employees received disciplinary action, including 15 who were terminated. In addition, 30 employees and 6 contract employees resigned either during or at the conclusion of these investigations.

Significant Investigations

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

Fraud

- A clerk assigned to the USAO for the Central District of California was arrested and pled guilty to charges of mail fraud. An investigation by the Los Angeles Field Office developed evidence that the clerk embezzled approximately \$900,000 over a 3-year period using government credit cards issued to herself and two former co-workers. The clerk made hundreds of personal purchases, including clothing, equipment, and services. In addition, she used the office's Federal Express account to mail the fraudulent purchases to persons to whom she sold some merchandise. As part of her plea agreement, the clerk admitted to stealing \$350,000 to \$500,000. She has been on administrative leave without pay since March 2000. Sentencing is pending.
- A former acting chief of the Navajo Department of Law Enforcement was convicted at trial in the District of New Mexico on charges of wire fraud and attempted wire fraud and sentenced to 30 months' incarceration and ordered to pay \$102,877 in restitution. A joint investigation by the OIG Fraud Detection Office and the FBI determined that the acting chief fraudulently applied for and received a COPS training grant, then diverted more than \$100,000 in grant funds to personal

use by making illegal sub-awards to members of his immediate family. The acting chief used the diverted funds for personal expenditures, such as automobiles and other items.

- In the Eastern District of Texas, an administrative assistant assigned to the USAO was arrested and pled guilty to charges of making false statements. The Houston Area Office initiated an investigation after receiving a complaint that the administrative assistant had filed false documents to qualify for employment under the Student Temporary Employment Program. The false documents purported to show that the administrative assistant was a registered student when she was, in fact, not enrolled or attending school. The investigation confirmed the original allegation and further established that the administrative assistant used her USAO computer to falsify automobile insurance documents and download pornographic material from the Internet. Sentencing is pending.
- In the Northern District of Illinois, a civilian was arrested on charges of impersonating a federal officer. An investigation by the Chicago Field Office, assisted by the INS and local police, led to a complaint alleging that the civilian, a convicted felon, posed as an INS investigator to extort money from his victims by promising to assist them in obtaining legal residency in the United States. The civilian extorted \$5,700 from two victims and attempted to extort an additional \$4,000. Trial is pending.

Bribery

- An INS immigration inspector assigned to the San Ysidro POE and three Mexican nationals were arrested on charges of bribery, conspiracy to bring in illegal aliens for financial gain, and conspiracy to import marijuana. The investigation, initiated by the San Diego Field Office and conducted jointly with the San Diego Border Corruption Task Force, disclosed that, between October 1997 and November 1999, the immigration inspector received approximately \$90,000 in bribe monies from

four Mexican nationals to allow drugs and illegal immigrants to enter the country through his assigned lane at the U.S.-Mexico border without inspection. One defendant remains at large. Judicial proceedings continue.

- In the Southern District of Texas, a USMS contract administrative employee and her husband, a special agent for the U.S. Customs Service (Customs Service), were arrested and pled guilty to charges of bribery. This McAllen Field Office investigation was initiated when a confidential informant claimed that two federal employees solicited a bribe in return for sensitive USMS information concerning the sentencing of a convicted narcotics felon. During the investigation, the Customs Service agent accepted partial payment of \$3,500 from the confidential informant for information provided by the USMS employee. Each was sentenced to three years' probation. (This case is the subject of the tribute on the inside front cover of this Report.)
- In the Eastern District of Texas, a former BOP correctional officer previously assigned to the Beaumont Correctional Complex (BCC) was arrested and pled guilty to charges of possession with intent to distribute 500 grams of cocaine. The Houston Area Office initiated an investigation following allegations that the correctional officer had facilitated the entry of drugs into the BCC for distribution to inmates. An OIG agent, posing as a drug supplier for a cooperating inmate, met with the correctional officer in a hotel parking lot and provided him with 500 grams of powdered cocaine and \$1,500. Following this transaction, OIG agents and Jefferson County, Texas, Task Force officers arrested the correctional officer and recovered the cocaine and \$1,500. Sentencing is pending.
- An INS immigration examiner assigned to the INS Chicago District Office was arrested on charges of bribery. A Chicago Field Office investigation led to a grand jury indictment in the Northern District of Illinois alleging that the immigration examiner accepted sexual favors from two aliens in exchange for approv-

ing permanent residency applications. The immigration examiner is currently awaiting trial.

- A former information officer previously assigned to the INS New York District Office was arrested and pled guilty to charges of accepting compensation in matters affecting the government. This New York Field Office investigation determined that the former information officer accepted between \$9,000 and \$10,000 in cash from a civilian (who was previously arrested, convicted, and sentenced) in exchange for expediting INS applications. The former information officer was sentenced to two years' probation and fined \$1,000.
- In our September 1999 *Semiannual Report to Congress*, we reported on a case in which an INS supervisory asylum officer was arrested on charges of bribery and obstruction of justice. A 2-year joint investigation by the OIG New York Field Office and the FBI led to an indictment alleging that the supervisory asylum officer altered hundreds of decisions in the INS's computer system changing the original assessments written by asylum officers from disapproval to approval. Since we first reported this investigation, the supervisory asylum officer was convicted at trial in the Eastern District of New York on 21 counts of bribery and obstruction of justice and was sentenced to 21 months' incarceration and 3 years' supervised release. In addition, three document vendors and three aliens implicated in this scheme were arrested and pled guilty; five were sentenced. Their sentences ranged from six months' incarceration to one year's probation.
- Our September 2000 *Semiannual Report to Congress* described a case in which an INS special agent assigned to the INS Los Angeles District Office Anti-Smuggling Unit released previously smuggled illegal aliens from the custody of the INS to his co-conspirators, who then held them for ransom paid by the illegal aliens' relatives. During this reporting period, the INS special agent was sentenced to 18 months' incarceration and 3 years'

supervised release and ordered to serve 800 hours of community service. One co-conspirator was sentenced to 4 months' incarceration and 3 years' supervised release. A second, in prison on other charges, was sentenced to serve an additional 34 months' incarceration and 3 years' supervised release. The convicted INS special agent identified an additional civilian who was involved in the alien smuggling scheme. A search of the civilian's residence uncovered a machine gun and two semi-automatic weapons. The civilian was arrested and pled guilty to charges of being a felon in possession of a firearm and possession of a machine gun. He was sentenced to 37 months' incarceration and 3 years' supervised release.

Attempts to Corrupt Department Employees

- Two Polish nationals were arrested pursuant to a criminal complaint filed in the Northern District of Illinois on charges of alien smuggling and bribery of a public official. The Chicago Field Office, responding to a report that two aliens had attempted to bribe INS immigration inspectors at O'Hare International Airport, recorded a conversation in which one of the subjects offered the inspectors a \$3,000 bribe. One of the aliens subsequently admitted that he was paid \$500 to smuggle the second alien into the United States using fraudulent documents. The second alien admitted to offering a \$3,000 bribe to two immigration inspectors in exchange for entry into the United States. Judicial proceedings continue.

- A Mexican national was sentenced in the Western District of Texas to concurrent terms of five years' incarceration and three years' supervised release on charges of illegal reentry and bribery of a public official. Prior to the Mexican national's arrest by the OIG, the INS arrested him on charges of attempting to reenter the United States after deportation and importation of a controlled substance.

Following his arrest by the INS, the Mexican national offered an INS officer \$2,000 to allow him to escape. The INS officer reported the bribe attempt to the El Paso Field Office, which conducted an investigation that resulted in the alien's indictment, arrest, and guilty plea.

- In the District of Delaware, a civilian and an Indian national were arrested and pled guilty to charges of conspiracy to bribe a public official. An investigation by the New York Field Office developed evidence that the Indian national paid a cooperating INS immigration inspector \$1,000 in exchange for being introduced to a second INS employee who could arrange for the manufacture and sale of employment authorization documents. The civilian and the Indian national offered this second INS agent, who was working in an undercover capacity, \$5,500 in exchange for fraudulent employment authorization documents. Sentencing is pending for both defendants. The Indian national has been ordered to be deported upon completion of his sentence.

Sexual Abuse

- An INS 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 Tucson Field Office and the Nogales Police Department led to a criminal complaint alleging that the Border Patrol agent sexually abused three female aliens he was transporting for processing following their apprehension for illegally being in the United States. After processing the aliens and transporting them to the Nogales POE, where they were to be returned to Mexico, the Border Patrol agent took one of the women to a remote location where he sexually assaulted her before allowing her to return to Mexico. Judicial proceedings continue.

- Two former BOP correctional officers were arrested on charges of engaging in a sexual act with a ward. An investigation by the San Diego Field Office developed evidence

that the correctional officers, while assigned to the Metropolitan Correction Center in San Diego, had engaged in a sexual act with a female inmate under their supervision. Both correctional officers pled guilty and resigned as a result of this investigation. Sentencing is pending.

- A Border Patrol agent assigned to the Douglas Border Patrol Station was arrested on Arizona state charges of kidnapping and sexual abuse. The OIG Tucson Field Office, along with the Cochise County Sheriff's Department, initiated an investigation after the Border Patrol reported that an El Salvadoran female complained of having been sexually abused by a Border Patrol agent. The investigation developed information that the Border Patrol agent allegedly apprehended the El Salvadoran female while she was riding in a vehicle with other illegal aliens, then drove her to an isolated area and sexually assaulted her. Trial is pending.

Misconduct

- An OIG investigation revealed that an assistant U.S. attorney (AUSA) had been detained by a local police department after being observed in the company of a known prostitute. During an interview with the OIG, the AUSA admitted to soliciting a prostitute on two occasions. Subsequently, he voluntarily entered into a Pretrial Diversion Program with the local prosecutor's office, with the agreement that, upon successfully completing the program, no solicitation charges would be filed against him. The AUSA received a 14-day suspension.

- An AUSA resigned his position after being confronted with allegations that he had submitted fraudulent travel vouchers for payment. An OIG investigation developed evidence that the AUSA received \$2,868 in expenses to which he was not entitled by regularly inflating the mileage he claimed and regularly submitting fraudulent claims for parking expenses when he had not paid for parking.

The AUSA repaid the USAO in full. The Public Integrity Section of the Criminal Division declined the case for prosecution but forwarded the OIG's investigative report to the DOJ OPR to determine whether, consistent with Department policy, the AUSA's conduct should be referred to the State Bar Association.

- The OIG investigated an allegation that an AUSA failed to surrender several weapons, seized during state criminal proceedings, that he obtained while serving as a state prosecutor. The investigation did not conclude that the AUSA obtained these weapons illegally but questioned his failure to return the weapons after resigning his position to become an AUSA.

- An investigation conducted by the OIG resulted in the termination of an INS assistant district director for examinations. The investigation disclosed that the assistant district director had an ongoing personal relationship with an alien whose immigration status was pending before the INS. In addition, he was aware that the alien was engaged in a potential marriage fraud, and he was residing with the alien and the alien's brother, who was an illegal alien.

Theft

- In the Central District of California, an INS contract employee was arrested and found guilty on California state charges of grand theft. An investigation by the Los Angeles Police Department and OIG Los Angeles Field Office developed evidence that the contract employee, who worked for a contractor in charge of filing and processing records at the INS Service Processing Center in Laguna Niguel, California, solicited \$7,000 from an alien who had a petition pending with the processing center. In exchange for these funds, the contract employee promised the alien that his petition would be favorably adjudicated. The contract employee was terminated from her position, sentenced to three

years' supervised release, and ordered to pay \$3,600 in restitution.

- An administrative employee for the USAO in Portland, Oregon, pled guilty to charges of theft of government funds. An investigation conducted by the Seattle Area Office disclosed that the employee authorized the issuance of third-party draft checks from the Department to herself, her government travel charge card account, and other businesses for her personal use. She created fictitious obligation accounts, used existing obligation accounts, and forged signatures in order to obtain the money. The investigation revealed that she converted more than \$39,000 in government money for her personal use. As part of a plea agreement, she agreed to make restitution and resigned her position with the USAO. Sentencing is pending.
- A former Department contract employee was arrested and pled guilty to charges of theft of government funds. An investigation by the Washington Field Office determined that the employee, a travel account representative responsible for handling the official travel requests for the USAO for the Southern District of New York, used government credit cards to obtain travel services that she sold or provided to friends. The investigation determined that the employee inappropriately charged approximately \$13,000 to the USAO credit cards. She previously was arrested in 1996 and convicted for airline ticket fraud and was serving probation at the time of her arrest. Sentencing is pending.
- A former BOP correctional officer previously assigned to the Beaumont Correctional Complex was arrested on charges of theft of government funds. The Houston Area Office initiated an undercover investigation after receiving an allegation from a cooperating inmate that the correctional officer had agreed to bring cocaine into the prison in exchange for \$3,000. An undercover OIG agent, posing as the cooperating inmate's outside contact, arranged a meeting at which the correctional officer took \$3,000 from the OIG agent's vehicle but left the drugs in the car. The correctional officer admitted stealing the \$3,000 and acknowledged accepting payment from inmates in return for preparing memoranda for "reduction of sentence" requests, but he denied introducing contraband into the prison. The correctional officer resigned from the BOP. Judicial proceedings continue.
- A technician employed by the Border Patrol in El Paso was arrested pursuant to an indictment filed in the Western District of Texas alleging that he intentionally and knowingly received material involving the sexual exploitation of children and engaged in theft of government property. A joint investigation by the OIG El Paso Field Office and the Customs Service revealed that the technician ordered and took possession of a videotape depicting child pornography. A subsequent search revealed that the technician was illegally in possession of a computer and monitor belonging to the Border Patrol. Upon learning that he was under investigation, the technician stole the computer hard drive from his Border Patrol workstation in order to obstruct the investigation. Judicial proceedings continue.
- Our March 2000 *Semiannual Report to Congress* reported a case in which two Border Patrol agents were arrested on charges of conspiracy to steal government property, theft of government property, and aiding and abetting. An investigation by the San Diego Field Office disclosed that Border Patrol agents assigned to the "Retro-Fit Unit" removed vehicle equipment from the Border Patrol warehouse for resale at a local retailer. In total, the investigation disclosed that the agents stole approximately \$260,000 in government property. During this reporting period, the agents were convicted in the Southern District of California following a jury trial on charges of conspiracy to steal government property and theft of government property. The Border Patrol agents each were sentenced to four months in a halfway house and two years' supervised release.

Alien & Drug Smuggling

- In the Northern District of Georgia, a deportation officer assigned to the INS Atlanta District Office was arrested and pled guilty to an indictment charging him with harboring and transporting an illegal alien. An investigation by the Atlanta Area Office developed evidence that the deportation officer induced a deported alien to illegally reenter the United States. The alien, a Turkish national, had been ordered deported after serving prison time for a felony conviction. Following her deportation, the deportation officer returned the alien's green card and passport and later provided her with an airplane ticket to reenter the United States. The deportation officer resigned from the INS after his indictment. Judicial proceedings continue.

- The San Diego Border Corruption Task Force arrested five Mexican nationals on charges of smuggling narcotics and aliens. The San Diego Field Office participated in an investigation that was initiated in early 1998 when a Mexican national attempted to smuggle 200 pounds of marijuana into the United States through a POE. Through the use of informants and undercover operations, 12 individuals were identified as members of the smuggling organization. During a search of the alleged ring-leader's home, agents found approximately 1,200 pounds of marijuana. The alleged ring-leader has since pled guilty to charges of possession with intent to distribute 1,200 pounds of marijuana and awaits sentencing. Judicial proceedings continue for the four other Mexican nationals. The remaining seven individuals are being sought.

- Our September 2000 *Semiannual Report to Congress* reported a case in which a civilian narcotics smuggler and a Mexican national were arrested on multiple drug charges, including importation, possession, and intent to distribute. A joint OIG McAllen Field Office and FBI investigation into allegations that an INS immigration inspector had aided a nar-

cotics smuggler in transporting drugs through the Pharr POE resulted in the seizure of more than 1,000 pounds of marijuana. Both defendants pled guilty. During this reporting period, the civilian narcotics smuggler and Mexican national were sentenced to 108 months' incarceration and 48 months' supervised release, and 12 months' incarceration and 36 months' supervised release, respectively. The INS immigration inspector committed suicide during the investigation.

Introduction of Contraband

- In the Western District of Oklahoma, an ordained minister who leads the Native American Indian Worship Services at the Federal Correctional Institution (FCI) in El Reno was arrested and pled guilty to charges of possession with intent to distribute marijuana. A joint OIG El Paso Field Office and FBI Oklahoma City investigation revealed a scheme in which inmates used the inmate telephone system to arrange for the delivery of marijuana to the minister, who would then bring the marijuana into FCI El Reno in exchange for money. To date, two inmates and two civilians have been implicated in the scheme; all have been charged and pled guilty to various drug distribution charges. The minister was sentenced to five years' probation. Sentencing is pending for the inmates and civilians.

- The Los Angeles Field Office received an allegation that a BOP cook supervisor assigned to FCI Lompoc introduced marijuana into the institution. The investigation developed evidence that the employee used a rented post office box to receive narcotics that he would bring into the prison. OIG agents confronted the employee and he confessed to the scheme, admitting to both receiving the drugs and to bringing them into FCI Lompoc. The employee immediately resigned from the BOP. The case was presented

to the USAO in the Central District of California but was declined for prosecution.

Civil Rights

- A Border Patrol agent assigned to the McAllen Sector was arrested pursuant to an indictment filed in the Southern District of Texas on charges of deprivation of rights under color of law. An investigation by the McAllen Field Office disclosed that the Border Patrol agent struck a Mexican alien on the head with a flashlight, severely injuring him, while attempting to arrest him and several other aliens. The Border Patrol agent was convicted following a jury trial. Sentencing is pending.

Obstruction of Justice

- In the Eastern District of Texas, a BOP supervisory correctional officer assigned to the U.S. Penitentiary in Beaumont was arrested and pled guilty to charges of conspiracy to obstruct justice. This Houston Area Office investigation disclosed that the supervisory correctional officer approved the submission of false statements and documents to conceal assaults on inmates. In addition, the investigation revealed that the officer was a convicted felon prior to beginning his 10-year career with the BOP. The officer resigned from the BOP as a result of this investigation. Sentencing is pending.

False Statements

- A former supervisory deputy U.S. Marshal (SDUSM), who was responsible for juror security during Timothy McVeigh's trial, was arrested for making a false statement to the judge who conducted McVeigh's trial. An investigation by the Colorado Springs Area Office developed evidence that the SDUSM made willful false statements concerning his personal relationship with an alternate juror in the McVeigh case. The SDUSM lied about his relationship with the juror when ques-

tioned about it under oath by the judge.

Although the initial allegation suggested that the SDUSM and the alternate juror began an affair during the trial and thus potentially affected jury deliberations and the trial verdict, the OIG investigation revealed that the affair began after the jury reached a guilty verdict in the case. The SDUSM, a 29-year veteran of the USMS, retired from the Department during this investigation. Judicial proceedings continue.

Program Improvement Recommendations

The Investigations Division prepares Procedural Reform Recommendations (PRR) to facilitate corrective action by Department components when the results of an investigation identify a systemic weakness in an internal policy, practice, procedure, or program. Provided below are examples of PRRs sent to components for action during this reporting period.

- In the Northern District of New York, the firearm of an AUSA who had received special deputation from the USMS was stolen from the AUSA's vehicle and used in two robberies in which homicides occurred. A subsequent Boston Area Office investigation identified a number of deficiencies in the special deputation program that is administered jointly by the USMS and Executive Office for U.S. Attorneys (EOUSA) that permits AUSAs to carry firearms in certain circumstances. The OIG developed a PRR addressing the weaknesses found and offered specific recommendations to the EOUSA and USMS on how to prevent future occurrences. The OIG recommended that the EOUSA coordinate with the USMS in jointly implementing a policy under which the EOUSA requires its personnel to follow USMS firearms regulations and standards and that the USMS ensure that other non-law enforcement personnel who receive special deputations – including attorneys, judges,

legislators, and other federal officials – receive appropriate training.

- The OIG receives a number of complaints alleging theft of alien detainees' property at airports and other POEs. In response to these complaints, the Miami Field Office developed a form to track a detainee's property and provided it to the supervisor in charge of training at the Miami International Airport (MIA). The form has since been adopted and is currently used at the MIA. The form has been forwarded to the INS's Office of Internal Audit for consideration that it be used at other POEs across the country.
- An investigation by the McAllen Field Office found that prison gang inmates in BOP institutions were coercing other inmates to supply copies of their Pre-Sentence Investigation Reports (PSI). After receiving the PSIs, the gang inmates extorted money from the inmates by threatening to divulge sensitive, personal information contained in these reports. The OIG developed a PRR recommending that the BOP consider changing its policy to allow inmates to review their PSIs only in a controlled environment rather than providing them copies of their own reports, thus protecting the inmates from possible coercion. The BOP responded that it was in the process of changing its policies to prohibit inmates from obtaining or possessing photocopies of their PSIs.

Investigations Statistics

The following chart summarizes the workload and accomplishments of Investigations during the 6-month period ending March 31, 2001.

Investigations Statistics

Source of Allegations

Hotline (telephone and mail)	607
Other sources	2,638
Total allegations received ¹	3,245

Investigative Caseload

Investigations opened this period	328
Investigations closed this period	283
Investigations in progress as of 3/31/01	517

Prosecutive Actions

Criminal indictments/informations	77
Arrests	70
Convictions/Pleas	59

Administrative Actions

Terminations	15
Resignations	36
Disciplinary action	23

Monetary Results

Fines/Restitutions/Recoveries	\$178,045
Seizures	\$1,260
Bribe monies deposited to the Treasury	\$83,600

¹ The total number of allegations received, as reflected in this chart, appears lower than normal because it does not include BOP Class III complaints (minor offenses) received by the OIG but not included in the total allegations received because of a data conversion issue in our case tracking system. The inclusion of Class III complaints from this reporting period will be reflected in the next reporting period.

The Audit Division

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

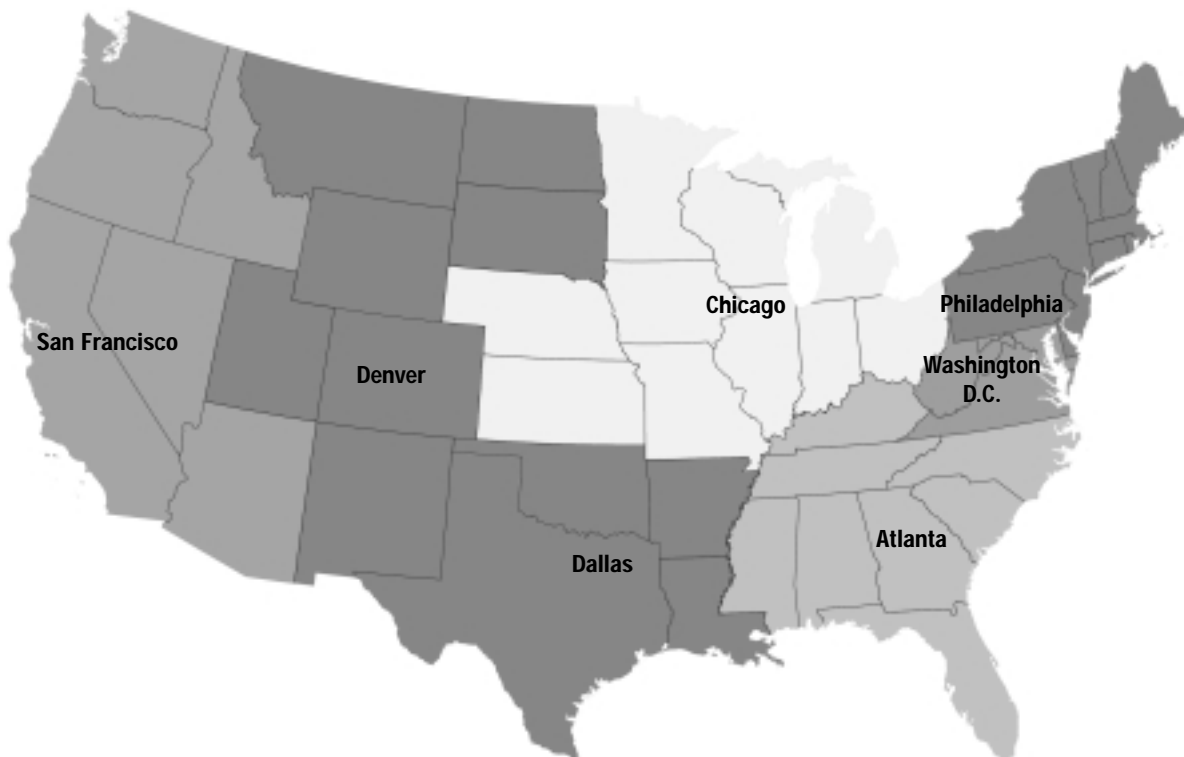
The Audit Division (Audit) audits Department organizations, programs, functions, computer technology and security systems, and financial statements. Audit also conducts or oversees external audits of expenditures made under Department contracts, grants, and other agreements. Audits are conducted in accordance 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 works with Department management to develop recommendations for corrective actions that will resolve identified weaknesses. By doing so, Audit remains responsive to its customers and promotes more efficient and effective Department operations. During the course of regularly scheduled work, Audit also lends fiscal and programmatic expertise to Department components.

Audit has field offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, DC. The Financial Statement Audit Office and Computer Security and Information Technology Audit Office also are located in Washington, DC. Audit Headquarters consists of the immediate office of the 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 199 audit reports containing more than \$94 million in questioned costs and \$8.5 million in funds to better use and made 337 recommendations for management improvement. Specifically, Audit issued 13 internal reports of programs funded at more than \$672 million;



30 external reports of contracts, grants, and other agreements funded at more than \$86 million; 70 audits of bankruptcy trustees with responsibility for funds of more than \$87.9 million; and 86 Single Audit Act audits.

Significant Audit Products

INS Management of Property

We conducted an audit of INS property management to assess the INS's controls for ensuring that property is safeguarded against waste, loss, unauthorized use, and misappropriation. The INS's property inventory is valued at over \$640 million.

We found that the INS (1) could not account for more than 61,000 items that cost \$68.9 million, (2) failed to perform and document physical inventories, and (3) did not record the acquisition of all property in its automated database so that it could be tracked. Moreover, controls for computer equipment that may have been used to store sensitive information and controls over firearms were inadequate. In 539 instances, INS staff did not report lost, missing, or stolen weapons through proper channels. In at least six instances, we found that state or local law enforcement agencies had recovered lost, missing, or stolen INS weapons that had been linked to subsequent crimes.

We recommended corrective action, and the INS has begun implementing our recommendations. For example, the INS is revising its *Personal Property Handbook* and enhancing internal reviews to strengthen controls over property. The *Property Accountability Manual* was revised to make certification of personal property inventories a critical element in the annual performance appraisals for property custodians. Moreover, all property with data storage capabilities will be

inventoried regardless of acquisition cost, and appropriate follow-up will be conducted on all unaccounted-for weapons. Additionally, the INS categorized property management as a material weakness in the *FY 2000 Department of Justice Management Controls Report*.

Department Financial Statement Audits

The *Chief Financial Officers Act of 1990* and the *Government Management Reform Act of 1994* require financial statement audits of the Department. Audit oversees and issues the reports based on the work performed by independent public accountants. During this reporting period, we issued the audit report for the *Department of Justice Annual Financial Statement for FY 2000*.

The Department received an unqualified opinion on its FY 2000 consolidated balance sheet and statement of custodial activity and a qualified opinion on its other financial 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 FY 2000 qualification resulted from the INS's inability to substantiate its earned revenues.

In FY 1999, the Department received a qualified opinion on all its financial statements. The improvement to an unqualified opinion on the balance sheet for FY 2000 required tremendous effort and cost by the Department. 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 auditors reported three material weaknesses and one reportable condition in the *FY 2000 Report on Internal Controls*, all of which were repeated from prior fiscal years:

- All ten components had weaknesses recording financial transactions in

accordance with generally accepted accounting principles, laws and regulations, or the Department’s financial reporting policies. This finding primarily mostly reflected problems with the accounting and reporting of liabilities, revenue, property, and inventories.

- All ten components had weaknesses in financial management systems’ general and application controls. This material weakness also included security issues cited at the Department’s data processing centers.
- Six of ten Department components did not have effective financial statement preparation processes to ensure that financial statements were completed in conformance with Department requirements. Additional issues relating to the consolidation process also were noted.
- The reportable condition concerned the need for improvement in three components’ controls over their fund balance with the Department of the Treasury.

In the *Report on Compliance with Laws and Regulations*, the auditors also identified five Department components that were not compliant with the *Federal Financial Management Improvement Act of 1996*, which specifically addresses the adequacy of federal financial management systems. In addition, two other instances of components’ noncompliance with laws and regulations were cited. The first instance involved inadequate notification to Congress of reprogrammings, and the second involved a failure to pay accrued interest in accordance with the *Prompt Pay Act of 1982*.

The auditors recommended that the Department’s chief financial officer establish department-wide financial statement reporting requirements and monitor components’ efforts to correct all deficiencies noted. The Department concurred with the recommendations.

The following table depicts the audit results for the Department’s consolidated audit as well as for the ten individual component audits for FY 2000.

Fiscal Year 2000 Audit Results

Reporting Entity	Auditors’ Opinion on Balance Sheet and Statement of Custodial Activity	Auditors’ Opinion on Other Financial Statements	Number of Material Weaknesses	Number of Reportable Conditions
Consolidated Department of Justice	Unqualified	Qualified	3	1
Assets Forfeiture Fund and Seized Asset Deposit Fund	Unqualified	Unqualified	0	2
Bureau of Prisons	Unqualified	Unqualified	0	3
Drug Enforcement Administration	Unqualified	Unqualified	4	2
Federal Bureau of Investigation	Unqualified	Unqualified	2	1
Federal Prison Industries, Inc.	Qualified	Qualified	5	1
Immigration and Naturalization Service	Unqualified	Qualified	3	3
Offices, Boards, and Divisions	Unqualified	Unqualified	0	2
Office of Justice Programs	Unqualified	Unqualified	0	3
U.S. Marshals Service	Unqualified	Unqualified	1	3
Working Capital Fund	Unqualified	Unqualified	0	3

Consolidated Asset Tracking System

The Consolidated Asset Tracking System (CATS) was established to support the Department's Asset Forfeiture Program and provide an integrated asset information system for the Department and other agencies. The system was fully implemented in 1998 at a cost of about \$150 million. CATS stores over 300,000 seized and forfeited property records with an estimated value of over \$7 billion. We performed our audit at the request of Justice Management Division (JMD) to assess the effectiveness of CATS.

Based on our audit tests and feedback from CATS users, we determined that the system met its original objectives. Most importantly, it provides a national telecommunications network through which all program offices can track and share asset information. In addition, users said that CATS is an improvement over previous asset tracking systems and has made it easier to track an asset from seizure to disposition.

We did, however, identify weaknesses and make recommendations in the areas of computer security, user training, user IDs and passwords, updating system technology, and the lack of performance measures to evaluate how well CATS supports the Asset Forfeiture Program. As a result, JMD agreed to strengthen policies and procedures governing data entered into CATS, identify and catalog training needs, and develop a curriculum to meet users' needs. In addition, more stringent controls over user IDs and passwords will be implemented. Furthermore, JMD has begun to incorporate technology improvements and relevant performance measures in the Automated Information System plan for CATS.

Combined DNA Index System Laboratory Audits

To date, Audit has conducted reviews of ten laboratories that participate in the FBI's Combined DNA Index System (CODIS). The laboratories reviewed during this reporting period are located in Little Rock, Arkansas, and St. Paul, Minnesota. CODIS is a national information repository maintained by the FBI that permits the storing, maintaining, tracking, and searching of DNA specimen information to facilitate the exchange of DNA information by law enforcement agencies. Participating states and localities submit the DNA profiles to the FBI.

The laboratory audits were conducted at the request of the FBI to assess compliance with the FBI's Quality Assurance Standards and National DNA Index System requirements and to evaluate the accuracy and appropriateness of the data the states and localities have submitted to the FBI. The Quality Assurance Standards (QAS) place specific requirements on laboratories, and the National DNA Index System (NDIS) requirements establish the responsibilities and obligations for laboratories that participate in the program. DNA profiles that clearly match a victim of a crime or another known person other than the suspected perpetrator cannot be included in the FBI's system. In addition, state legislation establishes the specific crimes for which the DNA profiles of convicted offenders must be obtained and may be submitted to the FBI.

We found, for example, the following exceptions for the Arkansas State Crime Laboratory (Laboratory):

- With respect to QAS requirements, we found that (1) evidence and sample storage were not secured independently (although evidence and sample storage were within secured Laboratory space), (2) vials were not properly labeled according to the QAS requirements, (3) Laboratory staff could

not locate documentation to show that the required annual calibration of one piece of equipment had been performed in 1998, and (4) documentation of courtroom testimony monitoring could not be located. Laboratory management subsequently provided us with documentation showing that locks had been purchased to independently secure evidence and sample storage.

- With respect to NDIS requirements, we found that, of the 71 casework profiles we reviewed, the Laboratory improperly uploaded 11 DNA profiles to NDIS. All of these profiles matched the DNA profiles of the victims of each case. Laboratory management took immediate steps to remove the 11 inappropriate profiles from their CODIS databases. In addition, the Laboratory provided documentation of measures taken to ensure that Laboratory analysts fully understood and complied with the relevant NDIS requirements.

The INS's Airport Inspection Facilities

Concerned about the overall adequacy of inspection facilities at airports, the INS asked Audit to review the adequacy of INS inspection facilities at selected international airports. In 1998, the INS processed 39.7 million alien passengers through inspection facilities at about 150 airports. Along with other federal inspection agencies, the INS approves the design of inspection facilities, which are provided by individual airlines and airport authorities to prevent smuggling and illegal entry.

The INS designates which airports may receive international passengers and may withdraw such designations if suitable landing stations are not provided in accordance with the *Immigration and Nationality Act of 1952* (Act). We performed on-site reviews at 12 of the country's busiest international airports and surveyed INS staff on the conditions at 30 additional airports. These 42 airports accounted for

75 percent of international passengers processed through inspection facilities in FY 1998.

We found deficiencies at all 42 airports. Three airports – John F. Kennedy, Los Angeles, and Miami – handled the largest number of passengers, and their facilities needed some of the most extensive modifications. We found that inspection facilities were badly designed and had faulty monitoring, surveillance, and communication systems. Hold rooms used to confine potentially inadmissible aliens were too small and did not permit separate confinement of male, female, and juvenile detainees. Thirteen airports had no hold rooms. As a result, the airports were vulnerable to illegal entry, escapes, injuries, health hazards, and the hiding or disposing of contraband or documents.

We concluded that these conditions existed mainly because the INS dealt ineffectively with airlines and airport authorities. By failing to enforce provisions of the Act, the INS undermined its ability to influence airlines and airport authorities to meet federal standards. We recommended that the INS reinforce airlines' and airport authorities' understanding of design and construction standards and apply sanctions permitted by the Act, where appropriate, at airports not providing suitable facilities. We also recommended that the INS develop, in accordance with the Government Performance and Results Act (GPRA), performance indicators pertaining to facilities and also that the INS work with other federal inspection agencies to make improvements. The INS concurred with all of our recommendations and is implementing the necessary corrective action.

Federal Cost Recovery and Program Monitoring in the Equitable Sharing Program

The Department's Equitable Sharing program is designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from federal forfeitures. State and local law enforcement agencies generally receive equitable sharing revenues by participating directly with Department components in joint investigations that lead to the seizure and forfeiture of property. The amount of forfeiture proceeds shared with state and local law enforcement agencies after recovery of federal expenses is based on the degree of the agencies' direct participation in a case. In FY 1999, the Department shared approximately \$231 million in cash and other proceeds with state and local law enforcement agencies.

We reviewed equitable sharing activities conducted by the Criminal Division, JMD, and USMS. Our objectives were to determine whether federal program costs for administering the program are being recovered and whether the Criminal Division adequately monitored participating agencies to ensure compliance with program requirements.

We concluded that case-related contract costs, directly related to equitable sharing cases, are not recovered from gross forfeiture proceeds before Department personnel determine the amounts available for equitable sharing. Our report contains an example showing that approximately \$12 million in FY 1999 case-related contract costs were not deducted from gross forfeiture receipts before determining amounts available for equitable sharing with state and local law enforcement agencies. Instead, the costs were borne entirely by the federal government. This condition reduces resources available in the Assets Forfeiture Fund that could be used for other law enforcement purposes. We also deter-

mined that the Criminal Division could improve file maintenance and monitoring efforts, while the USMS could improve the timeliness of equitable sharing disbursements.

The Criminal Division and the USMS have taken corrective action sufficient to close the recommendations concerning file maintenance, monitoring, and timeliness of disbursements. The recommendation concerning recovery of case-related contract costs is resolved pending a consistent department-wide policy to identify and recover costs before they are shared with state and local law enforcement agencies.

Intergovernmental Jail Agreement Audit of Guam

We completed an audit of the costs incurred by the Government of Guam (Guam) Department of Corrections (DOC) to house USMS prisoners and INS detainees for the Department in accordance with the Intergovernmental Service Agreement (IGA) between the USMS and Guam DOC. For the period October 1, 1998, through September 30, 2000, the USMS and INS paid Guam a total of \$13.5 million for 236,043 jail days.

Our audit was initiated in response to a sharp increase in detention costs related to a massive influx of illegal immigrants on Guam. From the period January 3 through April 17, 1999, federal and local agencies apprehended nearly 600 Chinese immigrants attempting to enter the United States illegally via sea vessels destined for Guam. To accommodate the influx of illegal immigrants, the INS and Army Corps of Engineers, in coordination with the DOC, erected a temporary tent facility within the main facility compound. The objectives of the audit were to establish audited jail-day rates for the main and tent facilities based on allowable incurred costs and jail days used during the audit period and to determine whether Guam was properly reimbursed.

Based on our audited jail-day rates, we determined that the Department overpaid Guam \$3.6 million for the review period.

The INS's System Data Pertaining to Secondary Inspections at Selected Preclearance Airports

The INS's inspection program at airports relies daily on INS inspection data maintained in the Treasury Enforcement Communications System (TECS) – a mainframe-based enforcement and inspection support system used by the Customs Service, INS, and other federal agencies. TECS allows inspectors to review travel history, including the results of prior inspections, when determining the admissibility of persons seeking entry into the United States.

Audit tested INS system data pertaining to secondary inspections – inspections of travelers that require a more detailed review than the standard inspection. Our objectives were to determine whether the INS's data in TECS accurately reflected referrals of travelers to secondary inspections and included secondary inspection results. In addition, we examined whether the INS's workload statistics compiled from monthly POE data transmissions accurately reflected the number of secondary inspections performed. We tested data for 3 of the 11 preclearance airports – Montreal, Toronto, and Vancouver. According to the INS, during FY 2000 the three airports tested performed approximately 76 percent of the secondary inspections at all preclearance airports.

Audit tests showed that the INS's data in TECS for the inspections performed at Montreal and Vancouver were reliable; in general, inspectors accurately designated whether travelers were referred to secondary inspection and routinely recorded the results of secondary inspections in TECS. However, the data for the inspections at Toronto were unreliable. Toronto's inspectors entered the required referral designation and secondary inspection results in TECS for only 3 percent of the approximately 51,000 secondary inspections performed during the audit period. Audit tests also showed that the INS's workload statistics for the number of secondary inspections performed at

Montreal and Toronto were reliable; however, the statistics for Vancouver were significantly overstated.

We recommended that the INS standardize record-keeping and ensure that secondary referrals and the results of secondary referrals are reported in TECS. We also recommended that the INS consider expanding this type of review to other POEs. INS officials agreed with all of our recommendations and started implementing procedures to ensure that the INS's data in TECS accurately reflect referrals of travelers to secondary inspections and include secondary inspection results. In addition, the INS will ensure its workload statistics accurately reflect the number of secondary inspections performed.

Computer Security at Department Data Centers

JMD maintains two major data processing centers to support the computer needs of the Department (excluding the FBI). An assessment of the general controls environment for these two data centers was performed in support of the FY 1999 financial statement audit of the Department. Independent public accountants, with oversight by Audit, performed the assessment in accordance with the General Accounting Office's (GAO) *Federal Information System Controls Audit Manual*. The assessment focused on evaluating the adequacy of management and internal controls.

Three reportable conditions and eleven management letter comments addressed the areas of program change management, business continuity planning and tape back-up, and entity-wide security policies and procedures. The three reportable conditions and seven of the management letter comments were repeat issues. Although the assessment identified these control weaknesses, the independent public accountants concluded that the general controls in place were adequate to safeguard the programs and data files

processed at the data centers. JMD concurred with the recommendations. The audit report is not publicly available because disclosure of the report could compromise data processed by the Department's computer systems.

Department Monitoring of Internet Site Access

The *Treasury and General Government Appropriations Act of 2001* required the OIG to determine whether Department Internet sites or third parties working for the Department collect personally identifiable information from users who access Department Internet sites. "Cookies" are small software files placed on computers, without a person's knowledge, that can track their movement on an Internet site. Cookies capture user-specific information transmitted by the Internet server onto the user's computer so the information might be available for later access. Internet servers automatically gain access to relevant cookies whenever the user establishes a connection to them, usually in the form of Internet requests.

Our review disclosed that Department Internet sites tested were not collecting, reviewing, or obtaining personally identifiable information relating to any individual's access or viewing habits. When we tested all 56 Department Internet sites, we were not asked to accept Department or third-party cookies, and, upon examining the browser's cookies log, we found that no Department or third-party cookies had been recorded.

Water and Sewer Payments to the District of Columbia

In response to the *Consolidated Appropriations Act of 2001*, Public Law 106-554, we conducted a review to determine if the Department made timely payments to the Treasury account entitled "Federal Payment for Water and Sewer Services"

(Treasury Fund). The fund is used to reimburse the District of Columbia (DC) Water and Sewer Authority (WASA) for water and sewer services.

We found that no Department component occupying space in DC paid directly into the Treasury Fund for WASA services. Rather, the Department made rental payments to the General Services Administration (GSA) for space occupied in federal buildings or in privately owned buildings where GSA acts as the agent. GSA then made payments to the Treasury Fund for the Department's share of water and sewer services.

Critical Infrastructure Protection – Planning for the Protection of Computer-Based Infrastructure

Presidential Decision Directive (PDD) 63 requires the Department and other government agencies to prepare plans for protecting their critical infrastructure. The infrastructure includes systems essential to the minimum operations of the economy and government, such as telecommunications, banking and finance, energy, and transportation. The plans ordered by PDD 63 must include an inventory of the Department's mission-essential assets, the vulnerability of each, and plans to remedy those vulnerabilities.

As part of an effort sponsored by the President's Council on Integrity and Efficiency (PCIE), we audited the Department's planning and assessment activities for protecting its critical computer-based infrastructure. We focused on the Department's May 2000 draft critical infrastructure plan.

We found that the Department submitted its initial critical infrastructure protection plan to the Critical Infrastructure Assurance Office, as required, and then revised the plan according to comments received. However, the Department's plan was incomplete in the following areas:

- The identification of mission-essential assets did not meet the intent of PDD 63 because it did not include personnel, interdependencies, and a complete list of facilities. Further, the methodology used did not link the mission-essential infrastructure to those Department missions absolutely necessary to national security, national economic security, or the continuity of government services, and it did not document the criteria used to select each asset.
- The Department decided not to fund an adequate vulnerability assessment for inclusion in the draft Initial Operating Capability plan. The vulnerability assessment included in the draft plan differed from the assessment planned in the previous version of the plan.
- Because an inventory of vulnerabilities has not been developed, there are also no remedial plans or funding plans to address the Department's vulnerabilities.

We recommended that the Department (1) properly inventory its mission-essential infrastructure, (2) complete vulnerability assessments of the mission-essential infrastructure by December 31, 2000, (3) develop remedial plans to address weaknesses identified by the vulnerability assessments, and (4) develop a multi-year funding plan to remedy vulnerabilities. The Department concurred with the findings and agreed with the recommendations but advised that it could not meet the December 31, 2000, date for completion of vulnerability assessments.

Community Oriented Policing Services Grant Audits

We continue to maintain extensive audit coverage of the COPS grant program. The *Violent Crime Control and Law Enforcement Act of 1994* authorized \$8.8 billion over six years for grants to add 100,000 police officers to the nation's streets. During this reporting period, we performed 22 audits of COPS hiring

and redeployment grants. Our audits identified more than \$16 million in questioned costs and more than \$5 million in funds to better use.

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

- The Compton, California, Police Department was awarded a total of \$2.1 million in COPS grants to hire 20 additional sworn law enforcement officers and to redeploy 4 police officers into community policing activities through the hiring of civilians. We determined that the Police Department budgeted for decreases in local officer positions, did not hire and maintain the required number of officers, did not provide the required local matching funds, did not enhance community policing by the number of officers funded by the grants, and could not demonstrate the redeployment of officers into community policing as a result of hiring civilians. As a result, we identified \$1.7 million in questioned costs and recommended \$76,311 be put to better use. This report is resolved.
- The Camden, New Jersey, Police Department was awarded a total of \$5.8 million in COPS grants to hire 34 additional sworn law enforcement officers and to redeploy 41 police officers into community policing activities through the purchase of equipment and technology. We determined that the Police Department could not provide reliable budget and position data, could not support that local matching funds had been provided, overstated its anticipated expenditures in its grant application, could not support costs charged to its grants, earned interest in excess of the amount allowed by grant regulations, could not demonstrate the redeployment of officers into community policing as a result of purchasing equipment and technology for one grant, had not developed

a plan on how it was going to track the redeployment of officers into community policing as a result of purchasing equipment and technology for another grant, and did not enhance community policing by the number of sworn officers funded by the grants. As a result of these deficiencies, we identified \$2.1 million in questioned costs and recommended \$3.7 million be put to better use. This report is resolved.

- The McRae, Arkansas, Police Department was awarded a total of \$166,451 in COPS grants to hire four additional sworn law enforcement officers. We determined that the Police Department budgeted for decreases in local officer positions, did not hire and maintain the required number of officers, used grant funds to pay for an officer previously funded with local funds, did not provide the required local matching funds, could not demonstrate that local match funds came from sources not previously budgeted for law enforcement, charged unallowable and unsupported costs to its grants, did not retain two grant-funded officers and are unlikely to retain two additional officers, and did not enhance community policing by the number of officers funded by the grants. As a result, we identified \$116,187 in questioned costs and recommended \$50,264 be put to better use. This report is resolved.

Trustee Audits

Audit contributes significantly to the integrity of the bankruptcy program by conducting performance audits of trustees under a reimbursable agreement with the EOUST. During this reporting period, Audit issued 70 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* requires recipients of federal funds to arrange for audits of their activities. Federal agencies that award federal funds must review these audits to determine whether prompt and appropriate corrective action has been taken in response to audit findings.

During this reporting period, Audit reviewed and transmitted to the Office of Justice Programs (OJP) 86 reports encompassing 454 Department contracts, grants, and other agreements totaling more than \$230 million. These audits report on financial activities, compliance with applicable laws, and the adequacy of recipients' management controls over federal expenditures.

Audits in Progress

During the reporting period, Audit performed work on several significant projects that are in the process of being completed. We anticipate issuing the following audits in the next reporting period:

- The Department's Reliance on Private Prison Contractors audit is examining the extent to which the Department uses pri-

vate contractors to provide prison space and the contingency plans if contractors are unable to provide jail space.

- We are continuing our examination of the FBI's progress in implementing CODIS and state/local labs' adherence to quality standards for DNA profiles.
- The Civil Litigation Automated Support System audit is examining the Department's progress in implementing a single automated system to track over \$3.2 billion in civil debt.
- The Maintenance and Disposal of Seized Assets audit is assessing whether seized assets are adequately secured, maintained, and accounted for and whether forfeited assets are disposed of in a cost-effective, timely manner.

Audit Follow-Up

OMB Circular A-50

Office of Management and Budget (OMB) Circular A-50, *Audit Follow-Up*, requires audit reports to be resolved within six months of the audit report issuance date. Audit continuously monitors the status of open audit reports to track the audit resolution and closure process. As of March 30, 2001, the OIG had closed 138 audit reports and was monitoring the resolution process of 429 open audit reports.

Quality Control

Every three years, Audit is required by Comptroller General standards to undergo a quality control review by a separate external entity. In November 2000, the Federal Deposit Insurance Corporation (FDIC) OIG completed its external quality control review of Audit. The FDIC OIG issued an unqualified opinion stating that the system of quality control for the Department of Justice OIG audit function was designed in accordance with the quality stan-

dards established by the PCIE. In addition, Audit completed an external quality control review of the Social Security Administration (SSA) OIG's Office of Audit and issued an unqualified opinion stating that the system of quality control for the SSA OIG audit function was designed in accordance with the quality standards established by the PCIE.

Growing Backlog of Single Audit Act Reports – Dispute Between COPS and OJP

The OIG monitors corrective action of states and local units of government pursuant to audits conducted under the Single Audit Act of 1996, as amended. OJP has traditionally been the component within the Department to follow up on Single Audits. However, approximately one year ago, OJP stopped processing Single Audit reports in which the preponderance of Department money was related to COPS grants. The dispute appears to relate to a funding issue, with OJP seeking reimbursement from the COPS Office for processing COPS-related Single Audit Act reports. However, as a result of this dispute, the OIG's backlog of Single Audits awaiting resolution currently stands at approximately 85 reports.

Unresolved Audits

Audits Over Six Months Old Without Management Decisions

As of March 31, 2001, the following audits had no management decisions:

- Austin, Arkansas, Police Department
- Board of County Commissioners, Santa Rosa County, Florida
- City of Athens, Alabama
- City of Chattanooga, Tennessee

- City of Douglasville, Georgia
- City of East Palo Alto, California
- City of Franklin, Massachusetts
- City of Gainesville, Florida
- City of Georgetown, Kentucky
- City of Globe, Arizona
- City of Hapeville, Georgia
- City of Hatfield, Massachusetts
- City of High Point, North Carolina
- City of Jacksonville, Florida
- City of Johnston, New York
- City of Johnstown, New York
- City of Kenner, Louisiana
- City of Lauderhille, Florida
- City of Lavergne, Tennessee
- City of Live Oak, Florida
- City of Lodi, California
- City of Louisville, Kentucky, for FY 1998
- City of Louisville, Kentucky, for FY 1999
- City of Lowell, Massachusetts
- City of Lubbock, Texas
- City of Manchester, Georgia
- City of New York, New York, for FY 1998
- City of New York, New York, for FY 1999
- City of Norco, California
- City of Oak Ridge, Tennessee
- City of Ocoee, Florida
- City of Ormond Beach, Florida
- City of Selma, Alabama, for FY 1997
- City of Selma, Alabama, for FY 1998
- City of Ukiah, California
- City of Wrens, Georgia
- Combined DNA Index System Activities, Commonwealth of Virginia Division of Forensic Science Central Laboratory
- Commonwealth of Massachusetts
- County of Durham, North Carolina
- County of Maui, Hawaii
- Manatee County, Florida
- Metropolitan Government of Nashville and Davidson County, Tennessee
- Mobile County Commission, Mobile, Alabama
- Municipality of Caguas, Puerto Rico
- Municipality of Carolina, Puerto Rico for FY 1998
- Municipality of Carolina, Puerto Rico for FY 1999
- Municipality of Vega Baja, Puerto Rico
- Panama City, Florida
- St. Tammany Parish Sheriff, Louisiana
- State of California
- State of Mississippi
- Suisun City, California

- Town of Abington, Massachusetts
- Town of East Hampton, Connecticut
- Town of East Windsor, Connecticut
- Town of Greeneville, Tennessee
- Town of Hampden, Massachusetts
- Town of Sylva, North Carolina
- Town of Wayneville, North Carolina
- Warran County, Kentucky
- Washington County, Oregon
- White Pine County, California, for FY 1999
- White Pine County, Nevada, for FY 1998
- Yamhill County, Oregon

Audit Statistics

Funds Recommended to be Put to Better Use

Audit Reports	Number of Audit Reports	Funds Recommended to be Put to Better Use
No management decision made by beginning of period	4	\$265,210
Issued during period	14	\$8,567,310
Needing management decision during period	18	\$8,832,520
Management decisions made during period:		
• Amounts management agreed to put to better use ¹	15	\$5,330,271
• Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	3	\$3,502,249

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

Audits With Questioned Costs

Audit Reports	Number of Audit Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs
No management decision made by beginning of period	42	\$10,210,766	\$986,303
Issued during period	54	\$94,734,513	\$81,879,930
Needing management decision during period	96	\$104,945,279	\$82,866,233
Management decisions made during period:			
• Amount of disallowed costs ¹	35	\$82,994,338	\$75,095,241
• Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	61	\$21,950,941	\$7,770,992

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

Audits Involving Recommendations for Management Improvements

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision made by beginning of period	77	141
Issued during period	117	337
Needing management decision during period	194	478
Management decisions made during period:		
• Number management agreed to implement ¹	84	234
• Number management disagreed to implement	0	0
No management decision at end of period	110	244

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

The Inspections Division

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

The Inspections Division (Inspections) provides the IG with alternatives to traditional audits and investigations through short-term management assessments and program evaluations that assess the efficiency, vulnerability, and effectiveness of Department operations. Inspections relies on its multidisciplinary workforce to provide timely information to managers on diverse issues. Inspections is located in Washington, DC, and is directed by the AIG for Inspections.

Significant Inspections

Implementation of the Contractor Personnel Security Program in Selected OBDs

Most program offices within the Department use contractor personnel to provide services that previously had been performed by Department employees. In July 1997, the Department amended the Justice Acquisition Regulations to establish a Contractor Personnel Security Program. This action transferred the responsibility for contractor personnel security from JMD's Security and Emergency Planning Staff (SEPS) to the Department's OBDs. This change significantly altered the way the Department manages contract employee security. Prior to the change, SEPS approved and monitored contractor personnel security clearances for all the OBDs. As a result of the change, each of the OBDs' Security Programs Managers (SPMs) is responsible for ensuring that the personnel security requirements are met for each contract.

Our review found that the OBDs were not effectively implementing their contractor personnel security responsibilities and, consequently, allowed access to sensitive Department data and facilities to hundreds of contract employees who did not have the necessary

security clearances. We found that 44 percent of the 628 contract employees we examined did not have the required security clearance and that clearances for other contract employees were insufficient given the sensitivity of their work. In addition, fewer than 25 percent of the FY 1999 and 2000 contracts we reviewed had been certified by the SPM as having the appropriate personnel security requirements.

We concluded that Department security was placed at risk by these deficiencies. Some uncleared or insufficiently cleared contract employees had access to sensitive law enforcement information as well as some of the Department's most important automated information systems. The OBDs' failure to ensure that all contract employees received an appropriate security review presented an unacceptable security risk to the Department's data, facilities, and personnel.

Survey of INS's Anti-Smuggling Units

The detection, disruption, and dismantling of alien smuggling organizations are enforcement priorities for the INS. The INS's anti-smuggling strategy involves multiple components – international enforcement, border enforcement, and interior enforcement – and its Anti-Smuggling Units (ASUs) are an integral part of this strategy. Situated in approximately 35 sites throughout the continental United States, Hawaii, and Puerto Rico, ASUs are located either in Border Patrol sectors or are part of INS district office Investigations divisions.

We examined ASUs to provide INS headquarters managers with a candid field perspective of how to improve their anti-smuggling program. To obtain that information, we surveyed all ASU supervisors and visited five ASUs, assessing issues such as the clarity of ASUs' mission and the level of coordination between ASUs and other INS entities.

Our survey found that ASUs believed that INS headquarters does not provide sufficient direction regarding the anti-smuggling strategy. Further, the current structure of the INS's anti-smuggling program can lead to coordination problems and duplication of effort. INS participants in our survey and interviews complained that ASUs do not receive adequate resources to accomplish their mission. We recommended that the INS (1) determine whether a single chain of command for the anti-smuggling program would be more effective and efficient than the current structure in which ASUs are located in both INS district offices and Border Patrol sectors and (2) reevaluate the practice of routing time-sensitive communications from ASUs through the regional offices and, if feasible, eliminate the routing through regional offices altogether. In response to our report, the INS said it plans to evaluate both the command structure of its anti-smuggling program and the procedures governing communications between ASUs and other INS entities.

Review of Travel Charge Card Delinquencies

The Department provides its employees with travel charge cards issued by a contracting bank – currently Bank One – to use for official government travel. The Department expects these employees to pay any charges they incurred while on official travel. While examining issues related to procurement cards, the OIG learned that Department employees often accrue significant travel charge card debts. We subsequently determined that, from November 1998 to December 2000, unpaid debt amounted to \$1.2 million.

We found that, with the exception of the INS, the components had adequate practices for monitoring their travel charge card programs. However, our review identified ways the Department could reduce delinquencies and strengthen its travel charge card program. We suggested practices that would help the

components further reduce delinquencies and misuse of travel charge cards. These practices included: (1) demonstration of management support for and headquarters oversight of the program; (2) more timely identification by the program coordinators of delinquencies and misuse and referral to cardholder supervisors, management, and internal investigative units for resolution; and (3) disciplinary action for employees who misuse their credit cards or neglect to pay their bills.

The Emergency Witness Assistance Program

The Emergency Witness Assistance Program (EWAP), which began in April 1997, authorizes the USAOs to provide money and services to witnesses and potential witnesses on an emergency basis to ensure their well-being and availability for ongoing civil or criminal cases. We reviewed the EWAP in five USAOs and the EOUSA to determine whether the program is administered effectively and whether it is achieving its purpose.

The OIG found that the EWAP has provided short-term assistance to witnesses and helped them cooperate with federal prosecutors. At the time of our review, 81 of the 93 USAOs had assisted witnesses through the program and, since the beginning of the program, the USAOs had spent \$1.7 million to assist 852 witnesses. Based on a review of a sample of EWAP files, the USAOs were generally adhering to program guidelines. However, we found that the USAO for the District of Columbia (USAO-DC) has encountered complicated situations involving witnesses who require financial assistance and social services not covered within EWAP guidelines. We recommended that the EOUSA determine whether to use EWAP funds for these longer-term witness needs or to assist the USAO-DC in identifying other ways to address its unique witness issues.

We also found that the EOUSA's administration of the EWAP should be strengthened.

The EOUSA has not established program goals, performance measures, and associated data collection requirements for the EWAP, nor assessed overall program effectiveness. The EOUSA also did not consistently review the USAOs' EWAP financial data to identify and resolve discrepancies. Therefore, the EOUSA cannot readily determine whether EWAP is achieving its purpose and whether internal controls are in place for appropriate program and financial management. We recommended that the EOUSA ensure that (1) performance goals, performance measures, and associated data collection requirements are established and implemented; (2) EWAP data collected from the USAOs is timely, accurate, and analyzed in relation to the program's performance measures; and (3) the USAOs implement procedures for managing EWAP funds according to EOUSA and USAO guidelines. The EOUSA concurred with all of our recommendations.

Ongoing Inspections

During this reporting period, Inspections worked on several important reviews that we anticipate issuing in the next reporting period.

INS Escort of Criminal Aliens

The INS uses commercial airlines to transport some aliens who are deported, including some with histories of violence. The OIG reviewed the INS's practice of escorting criminal aliens on commercial airlines when aliens are removed from the United States to non-border countries. The review focuses on violent felons or those who have exhibited unruly, disruptive behavior – the most dangerous segment of the criminal alien population and the greatest risk to the traveling public.

International Extradition of Fugitives

The Department's Office of International Affairs (OIA) within the Criminal Division

advises federal and state prosecutors about the procedures for requesting extradition from abroad and handling foreign extradition requests for fugitives found in the United States. This inspection is evaluating how OIA manages the extradition process. Inspectors are examining the methods OIA uses to manage the caseload, to track extradition requests through the process, and to facilitate communication among the USAOs, USMS, state and local prosecutors, and foreign governments.

Treatment of Unaccompanied Juveniles Held in INS Custody

The INS has about 400 unaccompanied juveniles in custody at any one time and approximately 4,300 unaccompanied juveniles in custody throughout a year. INS regulations require that detained juveniles be given certain protections, such as being placed in the least restrictive setting, being given notice of rights in their native language, and being provided contact with family members. This inspection will assess how the INS complies with regulatory requirements designed to ensure appropriate treatment of juveniles in its custody.

Disciplinary Actions of the USMS

Inspectors are reviewing the employee disciplinary process in the USMS to evaluate the timeliness and consistency of disciplinary actions concerning substantiated misconduct allegations involving USMS employees.

Review of INS Travel Charge Card Delinquencies

While reviewing Department travel charge card delinquencies that occurred over a 2-year period, the OIG found that INS employees owed nearly \$825,000, or 69 percent, of the \$1.2 million debt. The OIG's forthcoming report will identify ways for INS to improve its monitoring of the travel card program and reduce delinquencies.

Follow-Up Activities

Unresolved Inspections

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the OIG*, requires inspection reports to be resolved within six months of the report issuance date. As of March 31, there are no unresolved inspection reports.

Inspections Statistics

The chart below summarizes Inspections' accomplishments for the 6-month reporting period ending March 31, 2001.

Inspections Workload Accomplishments	Number of Inspections
Inspections active at beginning of period	6
Inspections initiated	3
Final inspection reports issued	4
Inspections active at end of reporting period	5

The Special Investigations and Review Unit (SIRU) is composed of attorneys, special agents, program analysts, and administrative personnel. SIRU investigates sensitive allegations involving Department employees, often at the request of the Attorney General, senior Department managers, or Congress. SIRU also conducts systemic reviews of Department programs, such as a review of how Department employees handle classified national security information or how the BOP monitors inmates who use prison telephones to commit crimes.

SIRU Activities

During this reporting period, SIRU completed investigations of allegations of sexual harassment, intimidation and retaliation, and conflict of interest. SIRU conducted preliminary inquiries concerning contractor fraud, the rehiring of a former employee, and favoritism.

- SIRU completed two investigations involving senior officials within the OBDs. One investigation involved sexual harassment; the second concerned a possible conflict of interest. Neither allegation was sustained. However, SIRU did recommend, as part of the sexual harassment investigation, that an office within OJP implement a performance management program and complete annual written appraisals of its employees.
- SIRU investigated an allegation that an immigration judge violated ethical rules by his marriage to an illegal alien. Our investigation revealed no ethical violation, but we recommended that the Executive Office for Immigration Review develop guidelines to recuse the judge from cases that would raise the appearance of a conflict of interest while his wife's immigration case is pending.
- SIRU investigated an allegation that officials within a USAO tried to prevent officials of the Bureau of Alcohol, Tobacco and Firearms (ATF) from providing information about gun statistics to Congress. It was also alleged that the USAO's personnel retaliated against and tried to intimidate senior officials within the ATF. The OIG did not sustain the allegations.
- SIRU initiated a program review after a federal district judge requested that the Department investigate the cause of the U.S. Parole Commission's failure to provide timely parole hearings to over 100 District of Columbia inmates. SIRU is currently reviewing documents and conducting interviews.
- As part of an ongoing review of Department security procedures, SIRU received responses to a survey of all Department components regarding component security programs. SIRU will analyze this information and use it as part of its ongoing review.
- In this reporting period, the OIG completed its investigation of allegations of misconduct by the South Carolina USAO and the South Carolina FBI in a series of prosecutions known as the "Lost Trust" cases. A U.S. district judge had dismissed many charges in the Lost Trust cases, alleging errors in the conduct of the undercover investigation, failures by the government to meet its discovery obligations, and possibly perjured testimony by government witnesses. At the request of the Deputy Attorney General, the OIG reviewed the Lost Trust prosecutions and investigations implicated in the court's dismissal order and other related issues. The OIG did not find prosecutorial misconduct but was critical of the government's management of its discovery obligations. The OIG review criticized the FBI's failure to attend to its discovery responsibilities, provide effective supervision to a new special agent, seek guidance from the USAO, or apply the resources

necessary to support the investigation and trial. The OIG was also critical of the South Carolina USAO for its failure to ensure that the FBI produced discoverable material; the USAO's failure to press for material that it knew, or should have suspected, existed; and the incompleteness and inaccuracies of some of the prosecutors' responses to defendants and representations to the court regarding discovery. The OIG did not find credible evidence of any effort to improperly abort or bias meritorious investigations or prosecutions, or to withhold discovery material purposefully, or to condone perjurious testimony.

- At the request of the Attorney General and the Senate Select Committee on Intelligence, the OIG has begun an examination of the Department's performance in preventing, detecting, and investigating the alleged espionage activities of FBI agent Robert Philip Hanssen. The OIG completed a similar review in April 1997 of the Department's performance in the Aldrich Ames spy matter.

Other OIG Activities

Briefings and Training Activities

OIG personnel regularly offer their expertise to Department components and to the governmental community and serve as instructors for various training activities. For example, during this reporting period:

- OIG investigators conducted 61 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 more than 1,750 employees with a message highlighting the devastating effect corruption has on both the employee and the agency.
- Audit continued to monitor the Department's critical automation initiatives to enhance automated data processing operations. Auditors attended briefings by INS, DEA, FBI, and EOUSA senior management to monitor their use of automation resources. Audit staff also attended meetings of the Department Chief Information Officers Council, whose objectives are to improve the Department's use of IT to perform the Department's core missions and ensure IT resources are properly managed.
- The AIGI participated as an instructor at the Department's Adverse Actions Seminar at the National Advocacy Center in Columbia, South Carolina; a seminar hosted by the USMS Witness Security Division in Annapolis, Maryland, on the handling of USMS funds in the Witness Security Program; and an FBI Public Corruption In-Service Training program at the FBI Academy in Quantico, Virginia, for approximately 35 agents from the FBI, INS, Customs Service, local police, and OIG Southwest Border offices.
- An OIG special agent, at the request of the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), traveled to Budapest, Hungary, to train investigators and police officials from the Budapest law enforcement community on developing public corruption cases and teambuilding. Also at the request of OPDAT, a second OIG special agent traveled to the Republic of Georgia to assist in an evaluation of its prison system.
- A special agent from the Chicago Field Office assisted the Inspector General Academy (IGA) at the Federal Law Enforcement Training Center (FLETC) in developing and presenting its Undercover Operations Training Program. The agent developed presentations covering such topics as Department undercover guidelines, the psychological impact of undercover work, and the challenges of undercover work. The special agent-in-charge of the OIG's Fraud Detection Office assisted the IGA at FLETC in developing the curriculum of its Contract and Grant Fraud Training course for investigators in the IG community.
- Inspections participated in the Department's Security Programs Managers Training series. Inspections staff provided technical assistance and discussed personnel security issues that surfaced during the OIG inspection of the Department's Contractor Personnel Security Program. This training session was a direct result of the OIG inspection. (See page 29 for more information.)

Task Forces, Working Groups, and Committees

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

- The San Diego Field Office participates, along with the FBI, DEA, U.S. Customs Office of Internal Affairs, and Internal Revenue Service, in the San Diego Border Corruption Task Force that investigates allegations of corruption against federal law enforcement officials. Currently there are 26 ongoing BCTF investigations, 13 of which were initially reported to the OIG's San Diego Field Office.
- Investigations staff participated in a Department task force that developed the *2001 Department of Justice Guidelines Regarding the Use of Confidential Informants*. Investigations staff also participated in the Weapons Carriage Task Force, which is organized by the Federal Aviation Administration and is attempting to establish standards and regulations by which armed law enforcement personnel with a need to board public aircraft can be identified on a national basis.
- Audit is a member and attended meetings of the Intelligence Community Inspector General Forum, Information Assurance Working Group (IAWG). The IAWG serves as the Intelligence Community IG Forum's principal mechanism to provide information sharing and coordination on information assurance oversight projects and related initiatives. During this reporting period, the group hosted speakers who discussed topics that included computer crimes, the Defense Criminal Investigative Service Computer Intrusion Program, and legal issues in information operations.
- Audit participates in 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.
- Audit also participates in the Department's Financial Statement Working Group meetings. These meetings provide continuing guidance to Department components on the compilation of consolidated and component financial statements.
- As part of the Federal Audit Executive Committee's Financial Statement Audit Network, Audit participates in the interagency group that is revising the GAO's *Financial Audit Manual* for use by the IG community.
- Inspections participates in the Department's Research Council, which informs the Attorney General and Deputy Attorney General of current law enforcement research projects, and in the OIG community's Misconduct in Research Working Group. During this reporting period, the working group completed its review of a government-wide executive policy addressing research misconduct.
- The Office of General Counsel served on the Attorney General's Committee on the Department of Justice Deadly Force Policy. The Office of the Deputy Attorney General is reviewing the recommendations made by this working group to clarify the current policy and make it more useful to Department law enforcement personnel.
- The National Archives and Records Administration (NARA) asked the OIG to participate in its review of records management. Inspections coordinated this activity and arranged for OIG staff to participate in a focus group to provide input on current recordkeeping and records uses, particularly electronic records, within the OIG and Department. NARA will use this in-

formation to evaluate the effectiveness of its records program and to assess needed changes.

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 a bill that formally established an OIG Criminal Investigator Academy and a Forensic Laboratory to perform forensic services for OIG investigations.

President's Council on Integrity and Efficiency Activities

The PCIE consists of the 28 Presidentially appointed IGs in the federal government. OIG staff participate in a variety of PCIE activities and serve on numerous PCIE committees and subgroups. During this reporting period, the Deputy IG served on the PCIE working group that drafted a proposed strategic plan for the PCIE. The General Counsel represented the PCIE on an inter-agency working group that addressed the implementation of the *Administrative Disputes Resolution (ADR) Act*, particularly relating to issues of confidentiality and access to records of ADR proceedings. The General Counsel also worked on new privacy rules of interest to the PCIE that relate to health care providers.

Audit staff attend regular meetings of the PCIE OIG GPRAs Coordinators' Interest Group; this group addresses issues of consistency when the OIG deals with Congress, OMB, and the GAO on GPRAs issues. Audit

staff also attend meetings of the PCIE Information Technology (IT) Roundtable. During this reporting period, the PCIE IT Roundtable surveyed OIG information technology resources and clarified the IG requirements for GISRA, which requires IGs to submit to Congress a report disclosing any activity relating to the collection of data about individuals who access a department's or agency's Internet site. Audit also is participating in the Infrastructure Protection audits sponsored by the PCIE.

The Investigations AIG (AIGI) is a member of the PCIE Investigations Advisory Subcommittee. The Subcommittee advises the Investigations Committee of the PCIE on matters of policy, training, and practices relating to OIG investigations. During this reporting period, the AIGI and Deputy AIGI attended the PCIE's Annual Association of Directors of Investigations Conference. The conference focused on "addressing the challenges of the 21st century" in both the OIG and law enforcement communities.

Also during this reporting period, Inspections staff participated in the PCIE Inspection and Evaluation Council meetings. These meetings have addressed training initiatives for the Inspection and Evaluation community and future proposals for joint PCIE/ECIE (Executive Council on Integrity and Efficiency) projects.

Appendix 1

INSPECTIONS DIVISION REPORTS

October 1, 2000 – March 31, 2001

Implementation of the Contractor Personnel Security Program in Selected Offices, Boards, and Divisions

Survey of INS's Anti-Smuggling Units

Review of Travel Charge Card Delinquencies

The Emergency Witness Assistance Program

Appendix 2

AUDIT DIVISION REPORTS

October 1, 2000 – March 31, 2001

INTERNAL AND EXTERNAL AUDIT REPORTS

Camden, New Jersey Police Department	Immigration and Naturalization Service's Airport Inspection Facilities
Combined DNA Index System Activities, Arkansas State Crime Laboratory	Inglewood, California Police Department
Combined DNA Index System Activities, Minnesota Bureau of Criminal Apprehension Forensic Science Laboratory	Interest Penalties Paid as a Result of the Prompt Pay Act by the Department of Justice During FY 1999
Compton, California Police Department	Jackson, Mississippi Police Department
Consolidated Asset Tracking System	Louisville, Kentucky Police Department
Departmental Critical Infrastructure – Planning for the Protection of Computer Based Infrastructure	Marshall University Research Center Forensic DNA Laboratory Improvement Program
Durango, Colorado Police Department	Maryland Natural Resources Police, Annapolis, Maryland
Elizabeth, New Jersey Police Department	McRae, Arkansas Police Department
Escondido, California Police Department	Metropolitan Police Department, Washington, DC
Federal Cost Recovery and Program Monitoring in the Equitable Sharing Program	Minnehaha County, South Dakota Sheriff's Department
Fort Collins, Colorado Police Department	New Albany, Indiana Police Department
Glendale, Arizona Police Department	Office of the Election Officer Annual Financial Statement for FY 1999
Immigration and Naturalization Service Management of Property	Olathe, Kansas Police Department
	Pine Bluff, Arkansas Police Department
	Promptness of Payments for Water and Sewer Services Provided by the District of Columbia Water and Sewer Authority
	Rapid City, South Dakota Police Department
	Review of the Department of Justice Internet Sites
	Review of the Federal Bureau of Investigation's Data Center and Information Systems Control Environment for FY 1999

Review of the Rockville and Dallas Data Centers for FY 1999

Rhodell, West Virginia Police Department

Salt Lake City, Utah Police Department

Security Penetration Review of Access Controls at the U.S. Department of Justice for FYs 1998 and 1999

Storey County, Nevada Sheriff's Department

The Immigration and Naturalization Service's System Data Pertaining to Secondary Inspections at Selected Preclearance Airports

U.S. Department of Justice Annual Financial Statement for FY 2000

U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Government of Guam

Umatilla Tribal Police, Oregon

Use of Equitable Sharing of Revenues by the New York State Police Department

Use of Equitable Sharing of Revenues by the Nueces County, Texas Sheriff's Department

Use of Equitable Sharing of Revenues by the Virgin Islands Police Department

TRUSTEE AUDIT REPORTS

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

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Chapter 7 Trustee
Steven Weiss

Chapter 7 Trustee
Frederick Wetzel, III

Chapter 7 Trustee
Timothy Yoo

SINGLE AUDIT ACT
 REPORTS OF DEPARTMENT
 OF JUSTICE ACTIVITIES

Boys and Girls Clubs of America

Camden County, Missouri

Cathedral City, California

Constitutional Rights Foundation –
 Chicago, Illinois

Cuyahoga, Ohio Metropolitan Housing
 Authority

Dekalb County, Georgia

Development Research and Programs, Inc.

Fort Belknap College, Inc., Montana

Guernsey County, Ohio

Gulf Coast Women's Center for
 Nonviolence, Inc.

Illinois Law Related Education Resource
 Network (LEARN)

Kankakee County, Illinois

Lake County, Montana

Marion County, Indiana

Martin County, Minnesota

Metropolitan Enforcement Group of
 Cook County, Illinois for FY 1998

Metropolitan Enforcement Group of Cook
 County, Illinois for FY 1999

National Juvenile Detention Association, Inc.,
 Richmond, Kentucky

Porter County, Indiana

Rockdale County, Georgia

San Juan County, New Mexico

Sandoval County, New Mexico

St. Louis County, Missouri

St. Tammany Parish Sheriff, Louisiana

The Administrative Office of the Courts,
 New Mexico

The City of Akron, Ohio

The City of Brownsville, Texas

The City of Cairo, Illinois

The City of Cape Girardeau, Missouri

The City of Charleston, South Carolina

The City of Chattanooga, Tennessee

The City of Citrus Heights, California

The City of Cleveland, Ohio

The City of Dallas, Texas

The City of Durham, North Carolina
 for FY 2000

The City of East Point, Georgia for FY 1998

The City of East Point, Georgia for FY 1999

The City of Elkhart, Indiana

The City of Fridley, Minnesota

The City of Grand Rapids, Michigan

The City of Highland Park, Michigan

The City of Hot Springs, Arkansas

The City of Houston, Texas	The Department of Attorney General, State of Hawaii
The City of Independence, Missouri	The Department of Corrections, Michigan
The City of Kansas City, Missouri	The Government of Guam
The City of Kissimmee, Florida	The Government of the U.S. Virgin Islands
The City of Knoxville, Tennessee	The Mid-States Organized Crime Information Center
The City of Lenexa, Kansas	The Municipality of Quebradillas, Puerto Rico
The City of Luling, Texas	The Municipality of Sabana Grande, Puerto Rico
The City of Madison, Wisconsin	The Municipality of San Juan, Puerto Rico
The City of Miles City, Montana	The National Indian Justice Center, Inc.
The City of Pontiac, Michigan	The Organized Village of Kwethluk, Alaska
The City of Riverside, Ohio	The State of Alaska
The City of Saginaw, Michigan	The State of Idaho
The City of Selma, Alabama	The State of Illinois Court of Claims
The City of Sleepy Eye, Minnesota	The State of New Mexico Corrections Department
The City of South Bend, Indiana	The State of North Carolina
The City of St. Francisville, Illinois for FY 1999	The State of Utah
The City of St. Francisville, Illinois for FY 2000	The Town of Jupiter, Florida
The City of Suisun City, California	The Town of Latta, South Carolina
The City of University City, Missouri	The Town of Normal, Illinois
The City of Valley, Alabama	The Village of Melrose Park, Illinois
The Commonwealth of Puerto Rico, Office of Youth Affairs for FY 1998	The Village of Ruidoso, New Mexico
The Commonwealth of Puerto Rico, Office of Youth Affairs for FY 1999	
The County of Durham, North Carolina for FY 1997	

AUDIT DIVISION REPORTS

October 1, 2000 – March 31, 2001

Quantifiable Potential Monetary Benefits

Audit Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Camden, New Jersey Police Department	\$2,083,051	\$2,083,051	\$3,698,035
Cathedral City, California	\$13,134		
Compton, California Police Department	\$1,690,398		\$76,311
Elizabeth, New Jersey Police Department	\$871,882	\$862,128	
Escondido, California Police Department	\$43,773		\$179
Fort Belknap College, Inc., Montana	\$64,488		
Fort Collins, Colorado Police Department			\$11,927
Glendale, Arizona Police Department	\$48,754		\$7,410
Illinois Law Related Education Resource Network (LEARN)	\$275,000	\$275,000	
Immigration and Naturalization Service Management of Property	\$68,907,085	\$68,907,085	
Inglewood, California Police Department	\$450,000		
Jackson, Mississippi Police Department	\$3,173,594		
Kankakee County, Illinois	\$24,864		
Louisville, Kentucky Police Department	\$777,856	\$140,156	\$643,683
Marion County, Indiana	\$273,177		
Maryland Natural Resources Police, Annapolis, Maryland	\$288,737		\$300,000
McRae, Arkansas Police Department	\$116,187	\$1,000	\$50,264
Metropolitan Enforcement Group of Cook County, Illinois for FY 1998	\$48,555		
Metropolitan Enforcement Group of Cook County, Illinois for FY 1999	\$3,390	\$3,390	
Metropolitan Police Department, Washington, DC	\$6,061,806	\$6,061,806	
National Juvenile Detention Association, Inc., Richmond, Kentucky	\$211,264		
Pine Bluff, Arkansas Police Department			\$3,488
Porter County, Indiana	\$21,500	\$21,500	
Rapid City, South Dakota Police Department	\$132,000		\$225,000

Audit Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Rhodell, West Virginia Police Department	\$121,015	\$121,015	\$44,869
Salt Lake City, Utah Police Department	\$219,274		\$27,141
St. Louis County, Missouri	\$18,007		
Storey County, Nevada Sheriff's Department	\$25,760		\$147,897
The City of University City, Missouri	\$152,198	\$152,198	
The City of Akron, Ohio	\$31,740	\$31,740	
The City of Brownsville, Texas	\$22,523		
The City of Cairo, Illinois	\$4,719		
The City of Durham, North Carolina	\$18,750		
The City of East Point, Georgia for FY 1998	\$22,159		
The City of Elkhart, Indiana	\$18,535		
The City of Fridley, Minnesota	\$284		
The City of Grand Rapids, Michigan	\$3,826	\$3,826	
The City of Hot Springs, Arkansas	\$16,475		
The City of Houston, Texas	\$33,665		
The City of Kansas City, Missouri	\$3,071,254	\$3,071,254	
The City of Riverside, Ohio	\$124,781	\$124,781	
The City of Saginaw, Michigan	\$128,617		
The City of Selma, Alabama	\$91,314		
The City of Sleepy Eye, Minnesota	\$69,344		
The City of South Bend, Indiana	\$1,120		
The City of Suisun City, California	\$1,009		
The Municipality of Quebradillas, Puerto Rico	\$73,354		
The Municipality of San Juan, Puerto Rico	\$229		
The State of Illinois Court of Claims	\$12,000		
The State of North Carolina	\$1,028,233		
The Town of Normal, Illinois	\$30,069	\$20,000	
The Village of Ruidoso, New Mexico	\$16,518		
U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Government of Guam	\$3,609,124		\$3,331,106

Audit Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Umatilla Tribal Police, Oregon	\$48,300		
Use of Equitable Sharing of Revenues by the Nueces County, Texas Sheriff's Department	\$2,000		
Use of Equitable Sharing of Revenues by the Virgin Islands Police Department	\$137,822		
Total	\$94,734,513	\$81,879,930	\$8,567,310

Appendix 3

ACRONYMS AND ABBREVIATIONS

The following are acronyms and abbreviations used in the report.

AIG	Assistant Inspector General	INS	Immigration and Naturalization Service
Audit	Audit Division of the Office of the Inspector General	Inspections	Inspections Division of the Office of the Inspector General
AUSA	Assistant U.S. Attorney	Investigations	Investigations Division of the Office of the Inspector General
BOP	Bureau of Prisons	JMD	Justice Management Division
CODIS	Combined DNA Index System	OBDs	Offices, Boards, and Divisions of the Department of Justice
COPS	Office of Community Oriented Policing Services	OIG	Office of the Inspector General
Department	U.S. Department of Justice	OJP	Office of Justice Programs
DOJ	U.S. Department of Justice	OMB	Office of Management and Budget
EOUSA	Executive Office for U.S. Attorneys	OPR	Office of Professional Responsibility
EOUST	Executive Office for U.S. Trustees	PCIE	President's Council on Integrity and Efficiency
FBI	Federal Bureau of Investigation	POE	Port of entry
FCI	Federal Correctional Institution	USAO	U.S. Attorney's Office
FY	Fiscal Year	USMS	U.S. Marshals Service
GAO	General Accounting Office		
GISRA	Government Information Security Reform Act of 2001		
GPRA	Government Performance and Results Act		
IG	Inspector General		
IG Act	Inspector General Act of 1978, as amended		

Appendix 4

GLOSSARY OF TERMS

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

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

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

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

External Audit Report: The results of audits and related reviews of expenditures made under Department of Justice contracts, grants, and other agreements. External audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

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

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

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

Preclearance: The full inspection at foreign ports of U.S.-bound travelers and their luggage for immigration, customs, public health, and agriculture purposes. Preclearance allows travelers to enter the United States without undergoing any other clearance checks upon their arrival.

Pre-Sentence Investigation (PSI) Report: The primary vehicle used by a sentencing court in selecting an appropriate sentence for a convicted defendant. PSIs contain information specific to the convicted defendant, such as inmate identifying information, offense information, criminal history, personal inmate information, sentencing options, and other recommendations.

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 Funds: 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 Inspector General Act of 1978, as amended, 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	37
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	3-34
Section 5(a)(2)	Significant Recommendations for Corrective Actions	13-34
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	23-25
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	3-11
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	39-48
Section 5(a)(7)	Summary of Significant Reports	3-34
Section 5(a)(8)	Audit Reports—Questioned Costs	27
Section 5(a)(9)	Audit Reports—Funds to be Put to Better Use	26
Section 5(a)(10)	Prior Audit Reports Unresolved	23-25
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with Which the OIG Disagreed	None

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**Department of Justice
Office of the Inspector General**

Established April 14, 1989