



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

General Government Division

B-282840

July 20, 1999

The Honorable Dick Armey
Majority Leader
House of Representatives

The Honorable Dan Burton
Chairman, Committee on Government Reform
House of Representatives

The Honorable Fred Thompson
Chairman, Committee on Governmental Affairs
United States Senate

Subject: Observations on the Department of Justice's Fiscal Year 2000 Performance Plan

As you requested, we have reviewed and evaluated the fiscal year 2000 performance plans for the 24 Chief Financial Officers (CFO) Act agencies that were submitted to Congress as required by the Government Performance and Results Act of 1993 (Results Act). Enclosure I to this letter provides our observations on the fiscal year 2000 performance plan for the Department of Justice. Enclosure II lists the identified GAO management challenges and the Justice Inspector General's areas of concern and the applicable goals and measures in the fiscal year 2000 annual performance plan.

Our objectives were to (1) assess the usefulness of the agency's plan for decisionmaking and (2) identify the degree of improvement the agency's fiscal year 2000 performance plan represents over the fiscal year 1999 plan. Our observations were generally based on the requirements of the Results Act, guidance to agencies from the Office of Management and Budget (OMB) for developing the plan (OMB Circular A-11, Part 2), our previous reports and knowledge of Justice's operations and programs, and our observations on Justice's fiscal year 1999 performance plan. Our summary report on the CFO Act agencies' fiscal year 2000 plans contains a complete discussion of our objectives, scope, and methodology.¹

¹ Managing for Results: Opportunities for Continued Improvements in Agencies' Performance Plans (GAO/GGD/AIMD-99-215, July 20, 1999).

B-282840

As agreed, unless you announce the contents of this letter earlier, we plan no further distribution until 30 days from the date of the letter. The major contributors to this report are listed in enclosure III. Please call me on (202) 512-3610 if you or your staff have any questions.

A handwritten signature in black ink that reads "Norman Rabkin". The signature is written in a cursive style with a large initial 'N' and a long, sweeping tail on the 'k'.

Norman J. Rabkin
Director, Administration of Justice Issues

Enclosures - 3

Observations on the Department of Justice's Performance Plan for Fiscal Year 2000

Justice's fiscal year 2000 performance plan¹ provides a general picture of intended performance across the Department, a general discussion of strategies and resources the Department will use to achieve its goals, and general confidence that the Department's performance information will be credible. However, the plan did not identify mutually reinforcing goals and measures. An illustration of intended performance is the Tax Division's use of Internal Revenue Service's current compliance rate measure of its success in reaching its goal to maximize deterrence and foster voluntary taxpayer compliance. Also, to ensure credible performance information, Justice will be assessing data quality, consistency, and reliability; and collecting, verifying, and analyzing performance data. However, a summary performance plan goal related to reducing white-collar crime is to confront the increase in health care fraud by successfully prosecuting and obtaining judgments against individuals and organizations that defraud federal health care programs. The summary performance plan identifies three components—Federal Bureau of Investigation (FBI), Criminal Division, and the U.S. Attorney—that are responsible for achieving this goal. The plan does not explain how the strategies of the components 'and agencies' with roles in health care are mutually reinforcing nor does it establish common or complimentary performance indicators. The following figure highlights the plan's major strengths and key weaknesses as Justice seeks to make additional improvements to its plan.

Figure 1: Major Strengths and Key Weaknesses of Fiscal Year 2000 Performance Plan

Major Strengths

- Provides clear relationships between goals and measures
- Contains goals and measures that are quantifiable, with related baselines and targets
- Discusses strategies for ensuring that its performance data are credible

Key Weaknesses

- Does not sufficiently identify mutually reinforcing goals and measures among Justice components
- Does not fully show how funding from program activities will be allocated to performance goals

Justice's fiscal year 2000 performance plan represents a moderate improvement over the fiscal year 1999 plan in that it indicates some degree of progress in addressing the

¹ Justice prepared a summary performance plan that includes the major program goals the Department expects to achieve in fiscal year 2000 and summarizes the more detailed performance plans of its components. The component plans are part of Justice's fiscal year 2000 congressional authorization and budget submission. Together, Justice's summary performance plan and the component performance plans constitute Justice's performance plan for fiscal year 2000.

weaknesses that we identified in our assessment of the fiscal year 1999 plan. In reviewing the fiscal year 1999 plan, we observed that the plan could be more useful if it (1) clarified how major Justice programs would contribute to achieving the performance goals, (2) better described how requested resources would produce the expected results, and (3) provided more specific information on plans to improve the accuracy and completeness of performance data. Among improvements in the fiscal year 2000 plan is the emphasis Justice places on data integrity, including its requirement that components identify the data source for each performance indicator and discuss steps they will take to insure data accuracy. For example, the Civil Division has identified steps it is taking to achieve integrity of its database through contractor verification of a representative sample of data. However, the plan did not identify mutually reinforcing goals and measures. For example, a summary performance plan goal related to reducing white-collar crime is to confront the increase in health care fraud by successfully prosecuting and obtaining judgments against individuals and organizations that defraud federal health care programs. The summary performance plan identifies three components—Federal Bureau of Investigation (FBI), Criminal Division, and the U.S. Attorney—that are responsible for achieving this goal. The plan does not explain how the strategies of the components' and agencies' with roles in health care are mutually reinforcing nor does it establish common or complimentary performance indicators.

Justice's Performance Plan Provides a General Picture of Intended Performance Across the Department

Justice's performance plan provides a general picture of intended performance across the Department. The component performance plans contain outcome indicators, some of which are more results-oriented, and others are more output-oriented. An illustration of a results-oriented indicator would be the Tax Division's use of Internal Revenue Service's current compliance rate measure of its success in reaching its goal to maximize deterrence and foster voluntary taxpayer compliance. The Bureau of Prisons (BOP) has a goal to provide services and programs to address inmate needs. The BOP noted a study that found inmates who completed a residential drug abuse-counseling program were less likely to relapse into drug use than non-participants were. One of its performance indicators for this goal is the number of participants in residential drug abuse counseling programs. An example of a less results-oriented goal would be the United States Attorneys' goal to identify, prosecute, and convict persons and legal entities that have committed drug-related criminal offenses. The United States Attorneys' identified an outcome indicator for this goal to be the number of drug cases handled involving major drug organizations. This goal would be more outcome-oriented if it focused on the number of organizations disrupted or dismantled.

Justice points out that it did not always establish numerical performance targets. It states that in some cases, quantified goals could raise serious ethical concerns and could be seen as bounty-hunting targets. Accordingly, Justice's performance plan does not contain quantified

targets for certain selected indicators, such as number of arrests or indictments. However, Justice does have quantified targets for other indicators, such as the number of cases terminated involving the number of public corruption and number of white-collar crime cases closed. For those areas where it has good reason not to propose quantified targets, Justice could establish separate descriptive statements of a minimally effective program and a successful program, an alternative format allowed by the Results Act.

The component plans have identified intermediate outcome indicators for some goals. For example, the Tax Division's goal to maximize deterrence and foster voluntary compliance has an intermediate outcome to establish a system to publicize criminal tax information to enhance public awareness and promote general deterrence. DEA's goal to disrupt and dismantle drug syndicates has an intermediate outcome indicator, which is the ratio of the number of targeted organizations disrupted to the total number of targeted organizations.

Further, the component plans generally have baseline and trend data for past performance to show how a program's anticipated performance level compares with improvements or declines in past performance. Generally the component plans have data for fiscal years 1997 through 2000. However, when data were not available, component plans discuss actions being taken or planned to develop such data. For example, the FBI has established as an outcome indicator the number of violent gangs affiliated with targeted groups that have been dismantled. In fiscal year 1998, the FBI began tracking the disruption and dismantling of violent street gangs. In fiscal year 1999, the FBI implemented a tracking system to identify dismantled target groups. Additionally, the Antitrust Division is working to develop definitions and quantifiable measures to track certain inherent aspects of its work, such as case complexity, international matters, savings to the consumer, and deterrence.

The Justice Inspector General (IG) and we have identified mission-critical management problems confronting Justice and its components.² Half of the problems were specific to INS. As shown in figure 1, Justice's summary performance plan or component plans either directly or indirectly address these problems. Two of the management problems were not addressed.

When different programs contribute to the same or similar results, however, Justice's plan could better explain how and to what extent each component will contribute to achieving the goals. The summary performance plan identifies the components that are responsible for each performance goal and the component plans generally identify relationships between their goals and performance indicators. However, the component plans do not explain how their strategies are mutually reinforcing or establish common or complementary performance

² The management problems we identified are discussed in Major Management Challenges and Program Risks: Department of Justice, GAO/OCG-99-10, Jan., 1999.

indicators. For example, a summary performance plan goal related to reducing white-collar crime is to confront the increase in health care fraud by successfully prosecuting and obtaining judgments against individuals and organizations that defraud federal health care programs. The summary performance plan identifies three components—FBI, Criminal Division, and the U.S. Attorney—that are responsible for achieving this goal. The FBI's indicators deal with health care fraud in general and specifically with Medicare fraud. The Criminal Division does not have indicators that are health care specific, only overall convictions rate for fraud. The U.S. Attorneys include as a performance indicator the number of cases handled involving health care fraud schemes and the amount of restitution ordered in health care and other cases. However, the summary plan does not explain how the strategies of the components and agencies with health care roles are mutually reinforcing nor does it establish common or complimentary performance indicators.

The fiscal year 2000 performance plan indicates moderate improvement in addressing the weaknesses that we identified in our assessment of the fiscal year 1999 performance plan as it relates to providing a clear picture of intended performance across the Department. In reviewing the fiscal year 1999 plan, we observed that the plan could include (1) intermediate outcome goals that cover key aspects of individual components' performance and adequately capture important distinctions between components and (2) descriptive standards in lieu of establishing quantified targets when they could be perceived as bounty hunting. Among improvements in the fiscal year 2000 plan are Justice's efforts to improve previous performance indicators and develop new indicators. In addition, Justice has identified additional intermediate outcome indicators.

Justice's Performance Plan Provides a General Discussion of the Strategies and Resources the Department Will Use to Achieve Its Goals

The plan provides a general discussion of the resources and strategies Justice will use to achieve performance goals. One of the Results Act's requirements is that performance goals should cover all of the budget program activities in the President's budget. The plan would be more useful to decisionmakers if it showed how funding from these activities will be allocated to performance goals.

The summary performance plan shows resource levels by core function for fiscal years 1998, 1999, and 2000. Our analysis of the major Justice components' plans, however, showed that although most plans had clear linkages between program activities and performance goals, others did not. The DEA plan's three core business systems—enforcement of federal laws and investigations, investigative support, and program direction—bear a direct relationship to budget program activities, and BOP relates one or more of its program activities to each of its strategic goals and their underlying performance goals. As a result, these component plans

generally present a clear picture of which program activities support performance goals and how much funding is being allocated to achieve those goals. On the other hand, the Immigration and Naturalization Service (INS) displays its performance goals by six program goal areas but these areas are not explicitly related to any program activities. Therefore, it is difficult to determine whether INS has covered all of its program activities or how resources will be deployed to meet performance goals. With respect to the FBI, it relates sets of performance goals to a “decision unit/program.” However, the FBI’s component plan does not show how these decision units/programs relate to the program activities in FBI’s budget. For example, the plan provides performance goals for its “violent crimes/civil rights” decision unit/program but it is not clear which program activity is addressed by these goals.

In our assessment of Justice’s fiscal year 1999 summary performance plan, we said that it contained reasonably clear strategies associated with achieving related performance goals and identified the responsible organizational components. Its fiscal year 2000 summary plan does not contain strategies for achieving performance goals. However, the component plans for fiscal year 2000 generally contain these strategies. For example, one of Justice’s goals is to provide security to ensure the integrity of judicial proceedings. This goal is the responsibility of the U.S. Marshals Service’s (USMS). Part of USMS’ strategy, as stated in its performance plan, is to conduct an annual court security facilities survey; review the results within 30 days of receipt; recommend improvements and prioritize them within 60 days of review; and begin implementing improvements within 90 days of prioritizing recommendations. The FBI has a goal to deter civil rights violations through aggressive investigative and proactive measures. Its strategy includes forging partnerships with local law enforcement and local communities and through these partnerships, developing training and education models to be used by law enforcement and communities to identify, investigate, and prevent hate crimes. An INS goal is to maximize deterrence to unlawful migration and enforce the immigration laws in the interior of the United States. Its related strategy includes focusing on aliens who have received final removal orders by implementing revised detention procedures; increasing the use of information from the National Crime Information Center; and developing additional agreements with foreign countries on removal, repatriation, and information sharing.

Justice’s performance plan generally discusses the use of information technology (IT) to help it achieve its performance goals. Each of the seven core functions is supported by several IT initiatives. In most cases, however, the performance plan does not clearly link the IT initiatives to individual goals or groups of goals—that is, the plan does not provide details on any system’s individual costs or information linking the expenditures to specific goals. Without such details, the plan does not provide a clear rationale as to how IT resources will contribute to or support achievement of individual goals or groups of goals. For example, Justice plans to spend \$257 million in fiscal year 2000 to support core function 1, Investigation and Prosecution of Criminal Offenses. While the performance plan describes several FBI, DEA, and Justice systems that will support this function, it does not link these

systems to specific performance goals. Additionally, the components' plans do not link IT resources to the Justice's performance goals.

The Results Act and Office of Management and Budget (OMB) guidance requires agencies to discuss the operational processes, skills, technology, and resources (human, capital, information or other resources) needed to achieve the performance goals. The discussions in the component plans do not specifically link individual goals or groups of goals directly to the skills, technology, and information resources required to meet them, as illustrated in the IT example provided above. However, a number of component plans have performance goals to address human capital. For example, INS and the Criminal Division each have a goal to ensure a motivated and diverse workforce that is well trained and empowered to do its job. BOP has a goal to have a competent and representative workforce meeting the organization's needs up to and beyond the year 2000.

Justice's performance plan has minimal discussion on the effects of external factors on the accomplishment of performance goals. A discussion of external factors would provide additional context for anticipated performance. Such a discussion could include strategies Justice plans to take to mitigate the influence these external factors could have on achieving results. For example, in the summary performance plan, Justice points out efforts to assess progress in the areas of national and economic security are complicated by several key external factors that are particularly difficult to control, such as foreign-based threats. However, the plan does not discuss efforts underway to address these threats, such as the FBI's growing deployment of agents in foreign countries. The Civil Division's performance plan discusses various external factors that affect its ability to achieve its performance targets. For example, the Division has limited control over the composition and size of its caseload because 80 percent of its cases involves defending the U. S. government.

The fiscal year 2000 performance plan represents moderate improvement in addressing the weaknesses that we identified in our assessment of the fiscal year 1999 performance plan as it relates to providing a specific discussion of strategies and resources the Department will use to achieve performance goals. In reviewing the fiscal year 1999 plan, we observed that some component plans did not associate budgetary resources with performance goals and that some results were not connected to strategies. Among improvements in the fiscal year 2000 plan are (1) the summary performance plan provides resources by core function for a 3-year period and (2) the discussions of strategies in the component plans. The discussions, in some cases, provide additional details as to how components will achieve their goals.

Justice's Performance Plan Provides General Confidence That Department Performance Information Will Be Credible

Justice's plan provides general confidence that the Department's performance information will be credible. The plan contains a discussion of its efforts to verify and validate performance data. In addition, many of its components' plans also contain discussions on their verification and validation efforts. Justice recognizes that data for some performance indicators are currently not available. For example, to assess the effectiveness of its support to state and local governments to combat youth violence, Justice has proposed measuring the incidence of juveniles illegally carrying guns. However, Justice has not provided baseline data nor established a target for fiscal year 2000. To address the data unavailability, it is trying to identify alternative indicators to measure performance. Justice's fiscal year 2000 summary performance plan recognizes the financial management weaknesses that we identified in our assessment of the fiscal year 1999 performance plan and makes commitments or shows actual attempts to address those weaknesses. However, many of the components' plans still do not specifically address how they plan to correct financial management problems identified during the financial statement audits or measure progress in this area.

Justice's performance plan recognizes the need to develop an organizational capability to measure and report program performance. Justice states that it is taking steps to address performance measurements and data integrity concerns. According to Justice, it is developing a systemic performance measurement process and system. For example, with contractor assistance it plans to assess data quality, consistency, and reliability; and collect, verify, and analyze performance data. Justice's Office of Inspector General (IG) indicated that it would increase its efforts to verify and validate data sources and information systems.

Some of the components specifically address data verification and validation in their performance plans. For example, the Civil Division has identified steps it is taking to achieve the integrity of its database. One of its steps is to have contractors verify a representative sample of data. The DEA also describes its efforts to validate and verify data. For example, case data are to be validated through supervisory reviews and DEA's statistical unit is to routinely test arrest and disposition data for accuracy. Further, INS has included enhancing the integrity and integration of immigration data and data systems as one of its performance goals. In addition, the component plans, overall, identify their data sources for the performance indicators.

Justice's summary performance plan does not discuss the implications of data limitations for assessing performance. However, it discusses unavailable data and actions it plans to take to collect such data or identify alternative performance indicators. For example, reliable data do not exist for certain types of white-collar crime, such as computer crime. Justice components are working to develop reasonable measures and identify baseline data that provide a proxy for measuring the intended outcomes. In another example, the FBI recognizes the difficulty in

measuring the effectiveness of preventing crime. Instead, it is proposing to focus on anticipatory measures for certain goals. In order to do this, it will emphasize implementation of process changes that would result in the prevention of crime. Using the specific example of hate crimes, the FBI's approach might involve tracking the proportion of agencies and communities that adopt and use training and other models developed to counter this problem. In other words, more emphasis is given to the implementation of process or procedural changes that would result in the prevention of crime. This approach should provide information about performance data. However, Justice's performance plan could be more informative if it included timeframes for developing new and refining existing performance indicators.

Justice has a departmentwide goal to obtain an unqualified audit opinion on the departmentwide and individual component's financial statements by fiscal year 2000. Justice and 4 of its 9 components that were subject to audit received a disclaimer of opinion on their fiscal year 1998 financial statements because the auditors were unable to obtain sufficient evidence about certain balances and disclosures. Two other components received unqualified opinions only on their balance sheets and disclaimer of opinions on all other financial statements. Additionally, auditors of the 9 components reported a total of 13 material weaknesses and 18 reportable conditions, some of which affected the components' ability to receive opinions on their financial statements. These deficiencies also affect the reliability of financial management information, which is taken from the same data sources as the financial statements.

Finally, auditors identified two non-compliance conditions related to the Federal Financial Management Improvement Act of 1996. These conditions existed at most components and involved (1) the departure from certain requirements of federal accounting standards and (2) the inability to meet certain federal management system requirements. The fiscal year 2000 summary plan makes commitments or shows actual attempts to address its financial management weaknesses including (1) a description of progress made towards improving its financial management systems, (2) implementation of a corrective action plan to obtain an unqualified opinion on all its financial statements, and (3) that progress will be continuously monitored and reported to the OMB quarterly. However, many of the components' plans still do not specifically address how they plan to correct financial management problems identified during the financial statement audits or measure progress in this area. The summary plan indicates that several components received an unqualified opinion on their fiscal year 1998 financial statements. As noted above, 2 of these components received disclaimers on all financial statements except their balance sheets. In total, the Department and 6 of its components received a disclaimer of opinion on most of their financial statements.

The fiscal year 2000 performance plan indicates moderate improvement in addressing the weaknesses that we identified in our assessment of the fiscal year 1999 performance plan as

it relates to providing full confidence that the Department's performance information will be credible. In reviewing the fiscal year 1999 plan we observed that, although Justice's plan generally addressed the data limitation and implication issues, there appeared to be much uncertainty as to what the results of some of its planned efforts would be, or when the efforts would even take place. As a result, it was difficult to determine the adequacy of Justice's proposed performance plan efforts. We stated that Justice could strengthen its plan by providing more specific information in its next summary plan on how it plans to ensure the accuracy and completeness of performance data and how it plans to better address data limitations. We also observed that Justice's summary plan and many of the components' plans did not specifically address how Justice plans to correct financial management problems or measure progress in this area. Among improvements in the fiscal year 2000 summary plan is the section on measurement issues in which Justice provides more specific information on how it plans to ensure the accuracy and completeness of performance data and how it plans to address data limitations.

Other Observations on Justice's Implementation of Performance-Based Management

In two of our reports related to INS programs, we found that Justice had incorporated several aspects of performance-based management but should continue to refine these efforts to better measure performance. In our December 1997 report on illegal immigration, we discussed the Attorney General strategy for deterring illegal entry across the southwest border.³ The strategy envisions three distinct but related results: fewer aliens will be able to cross the border illegally; fewer aliens will try to illegally immigrate into the United States; and, consequently, the number of illegal aliens in the United States will decrease. However the indicators presently used for measuring the overall success are not sufficiently comprehensive to address these three results, and, in many cases, data are not being gathered systematically. In addition, there is no overall plan describing how these and other indicators could be used to systematically evaluate the strategy to deter illegal entry. To gauge the overall success of the strategy, data would be needed to assess each of the results envisioned by the strategy and an evaluation plan would be needed to describe the interrelationship of those results.

In another report, we discuss one of Justice's strategic goals in its 1997 strategic plan was to reduce the incentives for unauthorized employment by (1) focusing enforcement efforts in areas that have a high probability of violation and (2) facilitating the replacement of

³ Illegal Immigration: Southwest Border Strategy Results Inconclusive; More Evaluation Needed, GAO/GGD-98-21, Dec.11, 1997.

unauthorized worker with legal workers.⁴ In line with these strategic goals, INS established a goal that its worksite program would investigate employers who intentionally hired unauthorized aliens, that is, substantive violators. To measure its effectiveness in meeting its goal, INS set a goal that 60 percent of all fines should be substantive violations, and that 146 criminal cases would be presented for prosecution. Further, INS' worksite enforcement was to serve as a catalyst for lawful employment by causing as many as 38,507 jobs to be vacated by unauthorized aliens and, therefore, made available for authorized workers.

Agency Comments

On April 14, 1999, we obtained comments from Justice Department officials, including the Deputy Director, Budget Staff, on a draft of our analysis of Justice's fiscal year 2000 performance plan. These officials generally agreed with the draft of our analysis.

⁴ Illegal Aliens: Significant Obstacles to Reducing Unauthorized Alien Employment Exist, GAO/GGD-99-33, Apr. 2, 1999.

Management Challenges

The following table contains a discussion of Justice’s major management challenges identified by the Department of Justice’s Office of Inspector General and us and a discussion of these challenges contained in Justice’s fiscal year 2000 performance plan.

Table II.1 Management Challenges	
Management Challenge	Applicable Goals And Measures In The Fiscal Year 2000 Performance Plan
INS’ organizational structure has impeded its ability to effectively enforce immigration laws and provide immigration and citizenship services. INS has begun an organizational restructuring effort intended to address these problems, but the details had not been worked out as of October 1998.	None.
INS has for years experienced challenges with internal communications and coordination. INS lacks written guidance on appropriate communication channels and coordination methods between offices, and lacks up-to-date policies and procedures on how to implement immigration laws.	None. INS, though, has a performance goal to ensure a motivated and diverse workforce that is well trained and empowered to do its job. Under this goal, INS is to continue to review and assess policies, procedures, and operations to identify opportunities for improvements in efficiency and effectiveness.
INS’ financial management weaknesses, including the absence of appropriate accounting records and internal controls, resulted in a disclaimer of opinion on INS’ financial statements by INS’ auditor.	<p>The Justice summary performance plan does not specifically address INS financial management weaknesses; however, the plan mentions immigration and ensuring accurate data. The key performance indicator at the Justice level included the auditor findings on new Financial Management System.</p> <p>The key performance indicator at the INS level included the unqualified opinion on financial statements produced for FY 2000.</p> <p>The INS performance plan lists conditions to be corrected, for example, “reconciliation of fund balance with Treasury, accounting for and recording fixed assets, accounting for accounts receivable, and accounting for and recording accounts payable.” However, the plan does not specifically address how such conditions will be corrected in order to achieve an unqualified opinion. In addition, the INS plan emphasizes modernizing its financial management systems.</p>
The effectiveness of INS’ southwest border strategy is unknown because INS did not have evaluative data to indicate whether illegal aliens were deterred from entering the United States, whether there had been a decrease in attempted reentries by those who had previously been apprehended, or whether the strategy had reduced border violence.	Justice’s performance plan does not directly address developing data on this challenge. However, INS’ component plan says it will continue to implement Border Patrol Strategic Plan, maintain control in areas where deterrence strategies have been successfully implemented, and increase the flexibility to respond to new areas of concern.

Enclosure II
Management Challenges

Management Challenge	Applicable Goals And Measures In The Fiscal Year 2000 Performance Plan
<p>INS' process for removing criminal aliens through the Institutional Hearing Program (IHP)¹ needs improvement. INS has failed to identify thousands of potentially deportable aliens before they completed their prison sentences. As a result, criminal aliens, including aggravated felons, have been released into communities, and some have been rearrested for new crimes. INS has also incurred millions of dollars in avoidable detention costs because it has not completed removal proceedings for all identified criminal aliens while they were in state and federal prisons.</p> <p>(The IG also identified this as a management challenge.)</p> <p>¹Expanded and renamed the Institutional Removal Program.</p>	<p>Justice's summary performance plan states that INS will continue to place emphasis on the removal of deportable criminal aliens and the efficiency and effectiveness of the IHP. INS' fiscal year goals for the IHP include removing 18,100 aliens via the IHP and, of the deportable inmates released to INS from institutions, 44 percent will be criminal aliens who received a final order through the IHP.</p>
<p>INS' procedures for granting citizenship were weakened by INS' failure to conduct complete criminal history checks before granting applications for citizenship. As a result, INS improperly naturalized citizens with felony convictions. INS has begun restructuring its naturalization process.</p> <p>(The IG also identified this as a management challenge.)</p>	<p>INS' component plan has a goal to deliver services to the public in a timely, consistent, fair, and high quality manner. As part of this goal it will measure its level of compliance with naturalization quality procedures.</p>
<p>Justice has significant financial management weaknesses. Six of its 9 components received disclaimers of opinion on their 1997 financial statements. Additionally, auditors of the 6 components reported a total of 24 material weaknesses and 20 reportable conditions that affected the components' ability to receive opinions on their financial statements.</p> <p>(The IG also identified this as a management challenge.)</p>	<p>Justice's performance plan addresses management goals, including financial management goals. The performance plan states that Justice's goal is to achieve unqualified audited financial statements, for itself and its components, by fiscal year 2000. Improvements in the fiscal year 2000 summary performance plan include a description of progress made towards improving its financial management systems. In addition, the summary performance plan mentions implementation of a corrective action plan to obtain an unqualified opinion on all its financial statements and that progress is continuously being monitored and reported to OMB quarterly. The plan's key performance indicator included the number of Justice annual financial statements that received an unqualified opinion.</p> <p>Many of the components' plans do not specifically address how they plan to correct financial management problems or measure progress in this area.</p>

Enclosure II
Management Challenges

Management Challenge	Applicable Goals And Measures In The Fiscal Year 2000 Performance Plan
<p>Internal control weaknesses within DEA have allowed embezzlements to occur. One embezzlement case involved a single employee who allegedly embezzled more than \$6 million during a 6-year period. The second case involved collusion among three DEA employees who used DEA funds to purchase various equipment—valued at approximately \$2.7 million—that was diverted for their own use.</p>	<p>None. Justice's performance plan does not specifically address DEA's internal control weaknesses.</p> <p>In addition, DEA's component plan does not specifically address how Justice plans to correct identified financial management problems or measure progress in this area. Key performance indicators include the annual audited financial statements with the end outcome of an unqualified audit opinion.</p>
<p>Justice's asset forfeiture program continues to be designated a high-risk area. Challenges remain, consisting of inadequate asset forfeiture information systems, a disclaimer of opinion on the asset forfeiture program's fiscal year 1997 financial statements, weaknesses in the management of seized drugs at INS Border Patrol stations, and operating two similar but separate seized asset management and disposal programs without plans for consolidation.</p> <p>(The IG also identified this as a management challenge.)</p>	<p>One of Justice's summary performance plan goals, which is also included in the USMS component plan, is that USMS will increase accountability of the asset forfeiture program. The indicators provided were:</p> <ul style="list-style-type: none"> • Percent of real property disposed of within one year. • Percent of real property sold at 85 percent or more of its market value. • Dispose seized properties. • Decrease days needed to dispose of property from USMS custody. <p>These key summary indicators relate to the disposal of seized and forfeited property. The plans do not contain any specific strategies, goals, or indicators to ensure effective management of seized and forfeited property.</p> <p>The Assets Forfeiture Fund component plan mentions effective management of seized and forfeited property as a program goal, however, the plan did not contain any specific strategies or indicators to address weaknesses identified by auditors in this area.</p> <p>The INS component plan does not contain any specific strategies, goals, or indicators to address weaknesses identified in its management of seized drugs.</p>

Enclosure II
Management Challenges

Other areas identified by the IG-Justice:

Computer security has been a material weakness in Justice since 1985. The ever-expanding availability of new and more powerful computers, databases, and networks has brought with it new threats to the security of Justice systems and data. Past audits and inspections have disclosed serious problems in computer security that could lead to the compromise of sensitive computer systems and data.

Justice has identified as one of its goals: to improve the security of its computer and telecommunications systems by accrediting the operational systems in each of its five major law enforcement components in accordance with security requirements. The key summary indicator associated with this goal is the secure exchange of information using authentication technologies is a cross-organizational pilot, based on a 1999 prototype project. Justice also plans to use 30 percent of the IG's computer audit resources for security reviews in fiscal year 2000.

Justice is behind in addressing the Year 2000 problem. According to Justice management officials, almost 100 percent of its mission-critical systems have been assessed. However, as of August 1998, the IG was advised that only 83 percent of the renovations have been completed.

Justice has identified as one of its goals to be compliant with Year 2000 requirements for all its mission-critical systems. The key summary indicator associated with this goal is the percentage of systems that successfully pass the January 1, 2000 date without significant interruption in operation or data loss. In February, Justice reported to OMB that 86 percent of its mission-critical systems was Year 2000 compliant.

Prison overcrowding remains a Justice major problem. Progress has been made by Justice to reduce prison overcrowding, but much more needs to be done. Justice houses approximately 98,000 inmates in Bureau of Prisons facilities that have a combined rated capacity of 78,000 inmates.

Justice's summary performance plan has a performance goal, that Justice will support BOP's efforts to reduce the system-wide overcrowding rate to 31 percent with the addition of over 4,300 new beds resulting from the activations of three facilities. The related performance indicators presented were number of beds added and percent overcrowding by security level.

The detention space and infrastructure for criminals and illegal migrants is facing maximum capacity. USMS continues to experience a shortage of detention facilities near federal courthouses. Justice is increasingly turning to outside contractors ... The INS is experiencing rapid growth in the use of detention space, from an average of 8,592 beds used daily in 1996 to a projected 15,000 beds used daily in 1998.

The plan does not address the location of detention facilities. USMS's performance plan has a goal to fund a sufficient number of Intergovernmental Agreement jail days in state and local facilities for detainees in the custody of the USMS. One of the related indicators is the number of detainees needed to be housed in non-federal facilities. One of the indicators for INS' interior enforcement goal, is the total bedspace available, i.e., number of beds.

INS' program to remove illegal aliens is largely ineffective. Only a small percentage of non-detained illegal aliens are annually removed even after being processed through the entire INS system.

None. However, INS is measuring the number of criminal and noncriminal aliens removed. These numbers are separated by those aliens who wear or were not detained.

Although there has been a major investment in taxpayer money, the INS automation system is experiencing waste and abuse. INS is undertaking a huge investment in automation technology and information systems ... in excess of \$2 billion ... Our March 1998 audit disclosed material weaknesses in the management of the initiative.

None. Justice in its summary performance plan and in INS' component plan point out the need to improve the accuracy and timely availability of data used to provide information to the public and to ensure immigration-related benefits and enforcement actions are based on correct and complete information.

Enclosure II
Management Challenges

Other areas identified by the IG-Justice:

Information systems planning and implementation is still failing. IG audits and inspections have identified numerous mission-critical computer systems that were poorly planned, experienced long delays in implementation, or did not provide timely or reliable data.

None. The performance plan does not address any system planning and implementation issues.

GAO Contacts and Staff Acknowledgments

GAO Contact

Norman J. Rabkin, (202) 512-8777

Acknowledgments

In addition to the contact named above, James M. Blume, Mary Lane Renninger, Deborah A. Davis, Carl L. Higginbotham, Laura E. Castro, Casey L. Keplinger, and Michael S. Wetklow made key contributions to this product.

(182069)


