

Office of the Inspector General Semiannual Report to Congress



April 1, 2004–September 30, 2004



Message From the Inspector General

This semiannual report summarizes the audits, evaluations, investigations, and special reviews conducted by the Office of the Inspector General (OIG) from April 1, 2004, through September 30, 2004. These reports and activities demonstrate our continued commitment to detecting and deterring waste, fraud, and abuse and promoting economy and efficiency in Department of Justice (Department) operations.

Over the past 15 years, the OIG's focus has changed to address the evolving priorities of the Department. Our work during this reporting period reflects the priorities of the Department. Recent OIG reviews have examined important counterterrorism-related issues, grant management and accountability, the security of computer systems, and other Department top priorities and challenges.

For example, during this reporting period we reviewed the Federal Bureau of Investigation's (FBI) ability to translate critical foreign language material and its success in meeting its linguist hiring goals. We also issued a classified review that examined the FBI's handling of certain intelligence information prior to the September 11 terrorist attacks. Our findings were used by the National Commission on Terrorist Attacks upon the United States in developing its final report.

In other work, we examined the selection, screening, and supervision of Muslim chaplains, contractors, and volunteers who provide religious services to inmates in the Federal Bureau of Prisons (BOP). In addition, we reviewed the inspections of federally licensed firearms dealers by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). We also examined protocols and procedures in the FBI's DNA Laboratory and made recommendations to improve laboratory operations. At the same time, we continued to investigate allegations of criminal and administrative misconduct and worked closely with Department components to maintain the integrity of Department operations.

We are gratified by the response we receive from the Department and Congress for our work as we seek to assist the Department in increasing the efficiency and effectiveness of its operations.

Finally, I want to thank the dedicated OIG staff who work diligently on a daily basis to fulfill the OIG's critical mission.

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

Glenn A. Fine
Inspector General
October 31, 2004

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Highlights of OIG Activities

The following table summarizes OIG activities discussed in this report. As these statistics and the following highlights illustrate, the OIG has conducted wide-ranging oversight of Department programs and operations.

Statistical Highlights

April 1, 2004 – September 30, 2004

Allegations Received by the Investigations Division	3,871
Investigations Opened	179
Investigations Closed	232
Arrests	51
Indictments/Informations	41
Convictions/Pleas	59
Administrative Actions	63
Fines/Restitutions/Recoveries	\$675,296
Audit Reports Issued	99
Questioned Costs	\$21 million
Funds Put to Better Use	\$1.1 million
Recommendations for Management Improvements	424

Examples of OIG audits, evaluations, and special reports completed during this semiannual reporting period include:

- ◆ **Handling of Intelligence Information Prior to 9/11.** The OIG issued a classified report describing the results of a review that examined the FBI's handling of certain intelligence information prior to the September 11 terrorist attacks, including the FBI's handling of the Moussaoui case, a document known as the Phoenix Electronic Communication, and the Hazmi/Mihdhar case. The OIG provided copies of the classified final report to the FBI, congressional committees, and the National Commission on Terrorist Attacks upon the United States, which cited our work in its final report.
- ◆ **Effects of the FBI's Reprioritization.** The OIG reviewed the changes in the FBI's allocation of personnel resources and determined that the FBI has reallocated staff positions in accord with its changed priorities. This detailed statistical review described how the FBI changed its resource allocations since September 11.
- ◆ **Inspecting Licensed Firearms Dealers.** The OIG examined the ATF's program for inspecting Federal Firearms Licensees (FFL) and found that the program is not fully effective in ensuring that FFLs comply with federal firearms laws. We found that the ATF's inspections of FFLs are infrequent and of inconsistent quality. The OIG made nine recommendations to improve the inspection program, including developing a standard inspection process, revising staffing requirements, improving the comprehensiveness of crime gun tracing by law enforcement agencies, and creating a tracking system to monitor the progress and timeliness of FFL denials and revocations.
- ◆ **Enforcement of Brady Act Violations.** The OIG examined how the ATF responds to violations of the *Brady Handgun Violence Prevention Act of 1993* (Brady Act), which result in prohibited persons obtaining firearms. The OIG found that firearms retrievals
- ◆ **The FBI's Foreign Language Translation Program.** The OIG audited the FBI's translation of counterterrorism and counterintelligence foreign language material and found that the FBI did not translate all the material it collected. In addition, the audit noted that the FBI is not effectively prioritizing its translation workload. The OIG provided 18 recommendations to help improve the FBI's Foreign Language Translation Program.

were not always timely, that few such cases were prosecuted, and that the ATF's Brady Operations Branch does not have sufficient resources to pursue Brady Act violations in a timely manner. We made ten recommendations to the ATF to help better manage its Brady Act caseload and improve the effectiveness of its process for referring cases to ATF field agents and prosecutors.

- ◆ **Muslim Religious Services Providers.** The OIG reviewed the BOP's procedures for recruiting, selecting, and supervising individuals to provide Islamic religious services to federal inmates. The review documented a number of deficiencies in the process, leading to concerns that inappropriate and extremist messages may be delivered to inmates. The OIG's report made 16 recommendations to help the BOP improve its process for selecting, screening, and supervising Muslim religious services providers.
- ◆ **Department Shooting Incidents.** The OIG evaluated how the ATF, FBI, Drug Enforcement Administration (DEA), and U.S. Marshals Service (USMS) reported, investigated, and reviewed shooting incidents involving their special agents or deputy marshals. The OIG reported on the different processes employed by the components, the timeliness of administrative reviews of shooting incidents, their adherence to a requirement to submit a written report to senior managers within one day of a shooting incident, whether the components rely on local law enforcement agencies to conduct criminal investigations of shooting incidents, and the composition of their shooting review boards. The OIG recommended that the Department establish a working group to consider developing uniform standards for reporting and reviewing shooting incidents.
- ◆ **The FBI's DNA Laboratory.** The OIG reviewed the FBI's DNA Laboratory after a former FBI biologist intentionally bypassed an important step in the DNA testing process and produced dozens of DNA profiles that were scientifically invalid and unusable in

court. The OIG report examined vulnerabilities in the protocols and practices in the FBI's DNA Laboratory. In our report, we provided 35 recommendations to address the vulnerabilities we identified.

Investigations of Misconduct

As shown in the statistics in the table at the beginning of this section, the OIG investigates hundreds of allegations of misconduct. Examples of the OIG's investigations discussed in this report include:

- ◆ A BOP instructor pled guilty to bribery of a public official after the teacher received more than \$65,000 in exchange for promising to provide a federal inmate with benefits such as early release from prison, use of a cell phone, and food from outside the prison.
- ◆ A DEA cashier was arrested and pled guilty to unlawfully taking \$37,000 in government money from her office imprest fund.
- ◆ An FBI special agent was alleged to have misused his official position by engaging in a sexual relationship with female acquaintances of a cooperating witness and discussing FBI investigations and sensitive procedures with unauthorized persons. The FBI special agent resigned his position as a result of this investigation.

Ongoing Reviews

This report also describes many ongoing OIG reviews of important issues throughout the Department, including:

- ◆ The FBI's Terrorist Screening Center.
- ◆ The ATF's implementation of the *Safe Explosives Act*.
- ◆ The Department's operation of counterterrorism task forces.
- ◆ Implementation of the Attorney General's Guidelines for Key Investigative Programs.
- ◆ The USMS's administration of the Witness Security Program.

OIG Profile

The OIG is a statutorily created, independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct involving Department programs and personnel, and to promote economy and efficiency in Department operations. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and effectiveness. The OIG has jurisdiction to review the programs and personnel of the FBI, DEA, BOP, USMS, ATF, U.S. Attorneys' Offices (USAOs), and all other organizations within the Department.

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

- ◆ **Audit Division** is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has field offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, the Office of Operations, the Office of Policy and Planning, and an Advanced Audit Techniques Group.
- ◆ **Investigations Division** is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection

Office is located in Washington, D.C. The Investigations Division has smaller, area offices in Atlanta, Boston, Detroit, El Paso, Houston, Philadelphia, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Special Operations, Investigative Support, Research and Analysis, and Policy and Administration.

- ◆ **Evaluation and Inspections Division** conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and make recommendations for improvement.
- ◆ **Office of Oversight and Review** blends the skills of attorneys, investigators, and program analysts to review Department programs and investigate sensitive allegations involving Department employees and programs.
- ◆ **Management and Planning Division** assists OIG components in budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, strategic planning, quality assurance, and internal controls.
- ◆ **Office of General Counsel** provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, and legal matters; and responds to *Freedom of Information Act* requests.

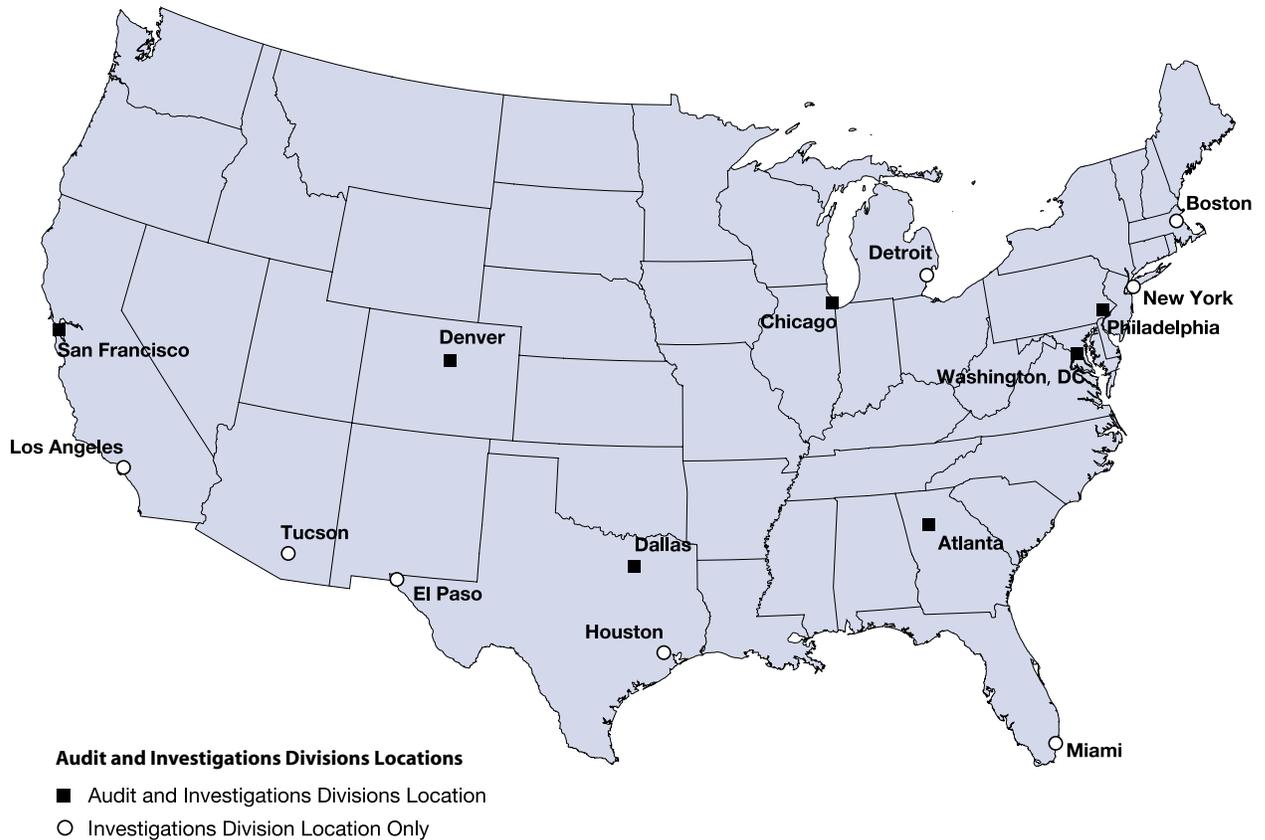
The OIG has a nationwide workforce of approximately 420 special agents, auditors, inspectors, attorneys, and support staff. For Fiscal Year (FY) 2004, the OIG's direct appropriation was \$60.8 million, and the OIG earned an

additional \$2.4 million in reimbursements. The OIG also received \$2.5 million from the *Emergency Wartime Supplemental Appropriations Act, 2003* (Public Law 108-11) – funds that remained available until September 30, 2004.

As required by Section 5 of the *Inspector General Act of 1978* (IG Act), as amended, this *Semiannual Report to Congress* reviewing the accomplishments of the OIG for the 6-month period of April 1, 2004, through September 30,

2004, is to be submitted no later than October 31, 2004, to the Attorney General for his review. The Attorney General is required to forward the report to Congress no later than November 30, 2004, along with information on the Department’s position on audit resolution and follow-up activity in response to matters discussed in this report.

Additional information about the OIG and full-text versions of many of its reports are available at www.usdoj.gov/oig.





The Federal Bureau of Investigation

The FBI is the principal investigative arm of the Department. It investigates counterterrorism, foreign counterintelligence, civil rights violations, organized crime, violent crime, financial crime, and other violations of federal law. FBI Headquarters in Washington, D.C., coordinates the activities of approximately 28,600 employees in 56 field offices, approximately 400 satellite offices, and 45 foreign liaison posts that work abroad on criminal matters within the FBI's jurisdiction.

Reports Issued

The Handling of Intelligence Information Prior to the September 11 Attacks

On July 2, 2004, the OIG issued a 421-page report classified at the Top Secret/Sensitive Compartmented Information level describing the results of a review that examined the FBI's handling of certain intelligence information prior to the September 11 terrorist attacks. The OIG initiated the review at the FBI Director's request. Among the issues we reviewed were the FBI's handling of an electronic communication written by its Phoenix Division in July 2001 regarding extremists attending civil aviation schools in Arizona, the FBI's handling of the Zacarias Moussaoui investigation, and the FBI's handling of information related to September 11 terrorists Nawaf al-Hazmi and Khalid al-Mihdhar.

During the course of the investigation, the OIG reviewed and analyzed thousands of pages of documents and conducted over 200 interviews. In our final report, we made 16 recommendations for improving the FBI's intelligence handling and counterterrorism efforts, including recommendations targeted towards the FBI's analytical program.

Five recommendations in the OIG's final report addressed information sharing between the FBI and the intelligence community. In response to these recommendations, the FBI provided information about specific steps it has taken to: 1) improve the management of FBI employees detailed to other agencies, 2) ensure that FBI employees who interact with other intelligence agencies better understand those agencies' intelligence reporting processes, and 3) improve its technological capabilities as they relate to information sharing. The FBI also reported that it has begun developing intelligence collection and reporting guidance for field agents and has developed a training course dedicated to reporting and disseminating raw intelligence.

In addition to the FBI, we provided copies of the classified final report to congressional committees and the National Commission on Terrorist Attacks upon the United States. The National Commission used the OIG report in its final report. We are currently working with the Department and the intelligence community to produce an unclassified version of our report.

Audit of the FBI's Foreign Language Program – Translation of Counterterrorism and Counterintelligence Foreign Language Material

Critical to the FBI's success in protecting national security is its ability to prioritize, translate, and understand in a timely fashion the information to which it has access.

Our audit found that the FBI did not translate all the foreign language counterterrorism and counterintelligence material that it collected. Despite the infusion of more than 620 additional

linguists since September 11, 2001, the FBI's collection of material requiring translation outpaced its translation capabilities. Using available foreign language program data, we compiled statistics by language and found that as of the first quarter of FY 2004, the FBI has collected over 123,000 hours of audio in counterterrorism languages and over 370,000 hours of audio in counterintelligence languages that had not been reviewed. We attributed the FBI's backlog of unreviewed material to its difficulty hiring a sufficient number of linguists and limitations in the FBI's translation information technology (IT) systems.

The FBI's difficulty hiring linguists stems from two factors – competition with other intelligence community agencies that are responding to similar threats, and its contract linguist security and language proficiency vetting process that eliminates over 90 percent of the applicants processed for hiring. Regarding IT limitations, we found that the FBI's digital collection systems have limited storage capacity. Consequently, audio sessions are sometimes deleted through an automatic file procedure to make room for incoming audio sessions. Although sessions are automatically deleted in a set order, we found that unreviewed sessions are sometimes deleted, especially in offices with a high volume of audio to review. It is important to note, however, that deleted sessions are archived.

Because the FBI did not have the ability to translate all of its foreign language material, the manner in which the FBI prioritizes its translation workload is critically important. According to the Language Services Section, it coordinates the threat-based priority of the *Foreign Intelligence Surveillance Act* (FISA) coverage with operational division officials to ensure that it directs foreign language program resources toward those investigations considered to be the highest priority. Nonetheless, we found that the FBI was not providing sufficient operational information to the Language Services Section to enable it to effectively prioritize its translation workload. In addition, we found that as of June 2004, the FBI's Foreign Language Program had not prioritized its workload nationwide to

ensure a zero backlog in the FBI's highest priority cases – counterterrorism cases and, in particular, Al Qaeda cases.

Because inaccurate translations can have dire consequences to the FBI's intelligence gathering and investigative efforts, the FBI instituted a national Quality Control Program in January 2003. Our review of the Quality Control Program at four FBI offices found that the new-hire and annual review requirements generally were not met in FY 2003.

Our audit report contained 18 recommendations to help improve the FBI's Foreign Language Program, such as: 1) ensuring that each office's digital collection system storage capabilities are sufficient so that unreviewed audio material for critical cases is not automatically deleted, 2) implementing appropriate controls to ensure that the forwarding of audio is accomplished reliably and timely, 3) providing adequate information to the Foreign Language Program regarding the relative priority of individual counterterrorism and counterintelligence cases, and 4) strengthening quality control procedures to ensure the accuracy of translations and that all pertinent material is translated.

Audit of the Internal Effects of the FBI's Reprioritization

In response to the September 11, 2001, terrorist attacks, the FBI Director established a new set of priorities and formally shifted a significant number of agents from traditional criminal investigative work to counterterrorism and counterintelligence matters. According to the FBI Director, each of the changes was designed to reshape the FBI into an organization more capable of combating the imminent threat of terrorism and preventing another large-scale terrorist attack against the United States.

In our almost 500-page report, we reviewed the specific changes in the FBI's field agent allocations for FYs 2000 through 2003. We determined that the FBI generally shifted its allocation to reflect its new priorities. Specifically, we found that the FBI allocated more than 560 additional

field agent positions to terrorism-related matters in FY 2003. During the same period, positions allotted for matters not related to terrorism were reduced. For example, the Organized Crime/Drug Program had 758 of its field agent positions transferred during our review period.

Our report contains a comprehensive, data-driven analysis of the changes in the FBI's use of resources as a result of its shift in priorities and reallocation of staff. We believe this type of analysis can be useful to FBI executive management and program directors for evaluating progress in meeting goals and obtaining a data-based view of the status of FBI operations. We recommended that the FBI conduct similar analyses on a regular basis. In a follow-up review, we intend to examine how the FBI's shift in priorities and operations has affected other federal, state, and local law enforcement agencies.

Allegations Raised By Contract Linguist

In June 2004, the OIG completed a review of the FBI's actions in connection with allegations raised by former FBI contract linguist Sibel Edmonds. During the investigation, the OIG reviewed thousands of pages of documents and conducted over 50 interviews. The review culminated in a 100-page OIG report classified by the FBI at the Secret level.

The OIG provided copies of the classified final report to the Department, the FBI, and the National Commission on Terrorist Attacks upon the United States. We are currently working with the Department in an attempt to produce an unclassified version of the report that can be publicly released.

DNA Laboratory

The OIG completed a 192-page report in May 2004 examining the protocols and practices in the FBI's DNA Laboratory. The FBI Laboratory uses DNA obtained at crime scenes to produce profiles that can be linked to a particular individual. The DNA Laboratory's written protocols and procedures prescribe its testing techniques and ensure that its results are scientifically valid.

The OIG initiated a review of the DNA Laboratory after the FBI discovered that a former biologist in one of the Laboratory's DNA units intentionally bypassed an important step in the DNA testing process and produced dozens of DNA profiles that were scientifically invalid and unusable in court. Specifically, the biologist consistently failed to process control samples that would have identified whether contamination, rather than the DNA evidence, was the source of her testing results. In addition, the biologist falsified her laboratory documentation to indicate that she was generating contamination-free testing results. As a result of an OIG investigation into her actions, the former biologist pled guilty in federal court to a misdemeanor charge of providing false statements in her laboratory reports.

The FBI's retesting of evidence in the former biologist's cases to date indicates that, while she did not properly conduct the testing process, the DNA profiles she generated were accurate and did not result in incorrect matches. However, the biologist's misconduct raised concerns about potential weaknesses in the FBI DNA Laboratory's protocols and practices. The OIG's review examined the vulnerability of the protocols and practices in the Laboratory unit where the biologist worked – the DNA Analysis Unit I (DNA Unit 1). We also examined several areas of concern regarding management's response to the biologist's misconduct. To facilitate our review of the Laboratory's protocols, we recruited three scientists from the national DNA community to consult with the OIG's assessment team.

The OIG's review concluded that certain DNA Unit 1 protocols and practices were vulnerable to undetected, inadvertent, or willful non-compliance by staff members. Specifically, we found that certain protocols lacked sufficient detail, failed to ensure the precision of note taking, were outdated, and failed to adequately describe the decision criteria Laboratory staff should use when required to exercise judgment during the testing process. While in most instances the work practices of Unit staff members diminished the risks, we concluded that the

Unit would remain subject to an increased risk of employee error or inadvertent protocol non-compliance unless the protocols were revised.

In our report, we made 35 recommendations to address the protocol vulnerabilities that we identified and issues of concern regarding the management response of the FBI and the Department to the biologist's misconduct. Those recommendations included: 1) replacing vague sections of the protocols with comprehensive guidance and descriptions of the "best practices" currently in use, 2) adding workflow and decision aides to protocols to assist staff members in exercising proper judgment during the DNA testing process, 3) providing staff members with guidance sufficient to ensure that case documentation and case file reviews meet management expectations, and 4) updating protocols to reflect current methods within DNA Unit 1. We also recommended that the Laboratory develop a comprehensive, written training curriculum and complete implementation of an information management system to improve efficiency and evidence tracking capabilities.

In September 2004, the FBI Laboratory advised the OIG that it is amending its protocols to address the vulnerabilities identified in our report. Also in response to recommendations in the report, the Laboratory agreed to improve its training program and enhance its communications with staff by disseminating protocol-related information more consistently.

Audit of Controls Over Accountable Property at the Baltimore Field Division

On July 7, 2003, a former FBI employee at the Baltimore Field Division was sentenced to one year in prison and ordered to pay restitution after pleading guilty to the theft and sale of FBI photography equipment valued at over \$167,000. The former employee stated that his thefts were easy due to the lack of checks and balances in the office's property control process. In response to these events, the OIG initiated an audit to assess the overall effectiveness of the property controls at the Baltimore Field Division.

We found weaknesses in the FBI's definition of accountable property, which omits certain property from inclusion in the Property Management Application – the FBI's primary system for tracking the location and history of specific property items. We also found that property excluded from the Property Management Application is less likely to be located, even if it is tracked separately by a property custodian, and credit card purchases can be delivered directly to the cardholder – thus bypassing the supply technician who would identify and record accountable property in the Property Management Application. The audit report made five recommendations for improvement, which the FBI agreed to implement.

Combined DNA Index System Laboratory Audits

During this reporting period, we audited laboratories that participate in the FBI's Combined DNA Index System (CODIS). CODIS includes a national information repository maintained by the FBI that permits the storing and searching of DNA specimen information to facilitate the exchange of DNA information by law enforcement agencies. Participating federal, state, and local laboratories submit DNA information to the FBI. Our laboratory audits were conducted to determine compliance with the FBI's Quality Assurance Standards and National DNA Index System (NDIS) requirements and to evaluate the accuracy and appropriateness of the data that laboratories have submitted to the FBI. Below are two examples of the findings reported in our audits of laboratories:

- ◆ The Office of the Chief Medical Examiner Forensic Sciences Laboratory in Wilmington, Delaware, was not in compliance with all of the standards governing CODIS activities for the areas we tested. The Laboratory did not meet NDIS participation requirements because it did not comply with the NDIS operational procedure to complete annual reminder forms for each user. The Laboratory did not comply with the FBI's Quality Assurance Standards because it did not: 1) forward the results of its external

laboratory evaluation to the NDIS custodian within 30 days of receiving the results of the evaluation, 2) implement corrective action for all instances of noncompliance found in its internal evaluation report, 3) perform a visual inspection and evaluation of all forensic profiles sent to its contractor for analysis, and 4) include quality control samples within the convicted offender samples sent to its contractor for analysis. Finally, although most of the profiles we reviewed were complete, accurate, and properly included in the CODIS databases, we found one forensic profile that was inaccurately loaded into the databases.

- ◆ The Baltimore City Police Department Crime Laboratory in Baltimore, Maryland, was not in compliance with all of the standards governing CODIS activities for the areas we tested. We found that the Laboratory's management did not: 1) submit their 2003 external laboratory evaluation report to the NDIS custodian as required by NDIS participation requirements; 2) ensure that access to Laboratory areas, evidence samples, and isolated DNA and case information was restricted to authorized personnel; and 3) verify the integrity of the data for its outsourced forensic samples. Additionally, during our review of 50 forensic DNA profiles, we found that the Laboratory had uploaded 2 unallowable and 3 inaccurate DNA profiles to NDIS.

Investigations

During this reporting period, the OIG received 402 complaints involving the FBI. The most common allegations made against FBI employees included job performance failure, waste and misuse of government property, and improper release of information. The OIG opened 16 cases and referred 11 allegations to the FBI's Inspections Division for investigation.

At the close of the reporting period, the OIG had 47 open cases of alleged misconduct against FBI employees. The criminal investigations cover a wide range of offenses, including the improper release of law enforcement information and theft. The administrative investigations

include serious allegations of misconduct, such as allegations against high-level employees. The following are examples of cases investigated during this reporting period:

- ◆ A federal inmate alleged that an FBI case information assistant, with whom he had a personal relationship prior to his incarceration, committed various acts of misconduct including: 1) accessing FBI and other computer databases to provide him with information about himself, his aliases, and his associates, 2) providing him with information about FBI operations and vehicles, 3) having knowledge of his illegal drug-dealing activity and accompanying him when he engaged in this activity, and 4) receiving approximately \$100,000 from him for her involvement in his illegal activity. An investigation by the OIG's Philadelphia Area Office determined that the FBI employee had a relationship with the inmate prior to his incarceration. During an OIG interview, she admitted that she used FBI computers to obtain information for the inmate and provided him with that information. The investigation did not establish whether she knew of his drug-dealing activity for which he was later incarcerated but did determine that she knew of his prior criminal record. Prosecution was declined and administrative action is pending.
- ◆ An FBI special agent was alleged to have misused his official position by engaging in a sexual relationship with female acquaintances of a cooperating witness, engaging in a sexual relationship with an underage female who was awaiting entry into the Witness Security (WITSEC) Program, brandishing a weapon, and discussing FBI investigations and sensitive procedures with unauthorized persons. An investigation by the OIG's Miami Field Office revealed no evidence of a sexual relationship with an underage female or that the special agent had brandished a weapon. The FBI special agent did admit in a sworn affidavit that he had engaged in sexual relationships with females he befriended during an undercover investigation and that he had general conversations with witnesses regarding

his undercover roles and how the FBI records conversations without using body wires. However, he denied compromising any FBI investigations or sensitive techniques used by the FBI during undercover investigations. The FBI special agent resigned from his position as a result of this investigation.

- ◆ An FBI special agent was accused of accepting money and gifts from an FBI confidential informant in return for providing protection from criminal prosecution and obtaining an Immigration and Naturalization Service (INS) reentry permit for an associate of the confidential informant who was involved in criminal activity. An investigation by the OIG's Chicago Field Office did not develop evidence that the FBI special agent had accepted money or any other item of value from the confidential informant for providing protection or for assisting with the immigration problems of the confidential informant's associate. However, the investigation developed evidence that the FBI special agent failed to comply with FBI policies and improperly used his official position with the FBI to influence the INS to grant entry into the United States for the confidential informant's associate. The FBI special agent was censured for misconduct.
- ◆ An FBI special agent alleged that an FBI supervisory special agent improperly disposed of drug evidence. In response, the OIG's Miami Field Office opened an investigation and interviewed the special agent as a complainant. During the OIG interview, the complainant recanted his statements and claimed that he made no allegations against the supervisory special agent. The OIG then opened a second investigation against the complainant for making false statements. During this investigation, the OIG discovered that the questioned drug evidence had been appropriately recovered, stored, and destroyed. The FBI terminated the special agent as a result of our investigation.

Ongoing Work

The FBI's Terrorist Screening Center

On September 16, 2003, the President established the Terrorist Screening Center for the purpose of consolidating terrorist watch lists and providing constant operational support for thousands of federal screeners across the country and around the world. The FBI was assigned the responsibility of administering the Terrorist Screening Center. The OIG is examining the operations of the Terrorist Screening Center to determine whether it has implemented a viable strategy for accomplishing its mission, has effectively coordinated with participating agencies, and has appropriately managed terrorist-related information in its attempt to ensure that a complete, accurate, and current watch list is developed and maintained.

The FBI's Management of the Trilogy Project

Upgrading IT to successfully perform the counterterrorism mission is among the FBI's highest priorities. The Trilogy project is intended to upgrade the FBI's hardware and software, communications network, and five most important investigative applications. We are currently auditing Trilogy to determine the progress made toward achieving the project's cost, schedule, technical, and performance baselines and the extent to which Trilogy will meet the FBI's overall current and longer-term IT requirements.

Implementation of the Attorney General's Guidelines for Key Investigative Programs

The OIG is reviewing the FBI's implementation of four sets of guidelines issued by the Attorney General on May 30, 2002: the Attorney General's Guidelines Regarding the Use of Confidential Informants; the Attorney General's Guidelines on FBI Undercover Operations; the Attorney General's Guidelines on General Crimes, Racketeering Enterprise, and Terrorism Enterprise Investigations; and

the Revised Department of Justice Procedures for Lawful, Warrantless Monitoring of Verbal Communications. The objectives of the OIG review are to determine what steps the FBI has taken to implement the guidelines, to examine the effectiveness of those steps, and to assess the FBI's compliance with key provisions of the guidelines.

The FBI's Hiring of Intelligence Analysts

The OIG is auditing the FBI's efforts to hire, train, and retain intelligence analysts. As part of the audit, we are reviewing: 1) analyst hiring requirements and qualifications, 2) progress made toward meeting analyst hiring goals and retention of analysts, 3) progress made toward establishing a comprehensive training program and meeting the training goals, and 4) analyst staffing and utilization to support the FBI's mission.

The FBI's Chinese Counterintelligence Program

At the request of the FBI Director, the OIG is reviewing the FBI's performance in connection with the handling of Katrina Leung, who provided information to the FBI's Chinese counterintelligence program. Allegedly, Leung also had a long-term intimate relationship with her FBI handler, special agent James J. Smith. The OIG's review will examine a variety of performance and management issues related to the FBI's handling of Leung and the FBI's counterintelligence program.

The FBI's Handling of the Brandon Mayfield Matter

The OIG is reviewing the FBI's conduct in connection with the erroneous identification of a latent fingerprint found on evidence from the March 11, 2004, Madrid train bombing as belonging to Brandon Mayfield, an attorney in Portland, Oregon. As a result of the identification, the FBI commenced an investigation of Mayfield, resulting in his arrest as a "material witness" and his detention for approximately two weeks in May 2004. Mayfield was released when the Spanish National Police identified the fingerprint and other prints found on the evidence as belonging to an Algerian national. The OIG will examine the cause of the erroneous identification and the FBI's handling of this case.

The FBI's Preparations for Integrated IDENT/IAFIS Workstations

The OIG is reviewing the preparations the Department and the FBI are making to support the Department of Homeland Security's expedited deployment of workstations that integrate the Department of Homeland Security's Automated Biometric Identification System and the FBI's Integrated Automated Fingerprint Identification System (IAFIS). These systems provide automated fingerprint examination services for the identification of suspects and for other law enforcement purposes. The OIG also is reviewing the FBI's plans to develop and deploy the next phase of IAFIS, which will be required to complete the integration project.



The Federal Bureau of Prisons

The BOP operates a nationwide system of prisons and detention facilities to incarcerate those imprisoned for federal crimes and detain those awaiting trial or sentencing in federal court. The BOP has approximately 34,800 employees and operates 105 institutions, 6 regional offices, 2 staff training centers, and 28 community corrections management offices. The BOP is responsible for the custody and care of approximately 180,000 federal offenders, 153,000 of whom are confined in BOP-operated correctional institutions and detention centers. The remainder are confined in facilities operated by state or local governments or in privately operated facilities.

Reports Issued

Review of the BOP's Disciplinary System

The OIG previously reviewed the disciplinary systems of the USMS and the DEA. As the third major review of a component's disciplinary system, the OIG assessed the effectiveness of the BOP's system for investigating employee misconduct and disciplining employees when misconduct is confirmed. Specifically, we reviewed whether BOP employees properly reported misconduct; whether investigations were thorough; and whether disciplinary actions were reasonable, consistent, and timely.

We found that the investigative phase of the BOP's disciplinary process was thorough and the case files we reviewed were well documented. We also found no significant differences in how the BOP treated employees of different races, genders, job series, or grade levels during the disciplinary process. However, we identified several deficiencies in the BOP's disciplinary system:

- ◆ The BOP did not require all cases with sustained allegations to be fully adjudicated;
- ◆ The independence of the investigative and adjudicative phases could be compromised because the chief executive officers at each BOP facility have a role in both phases;
- ◆ The BOP did not ensure that its employees receive similar penalties for similar infractions BOP-wide;
- ◆ The BOP did not have written timeliness standards for processing misconduct allegations;
- ◆ The BOP did not monitor the reasonableness, consistency, and timeliness of disciplinary decisions; and
- ◆ BOP employees did not report all employee misconduct.

We made ten recommendations to help the BOP address these deficiencies. Among the recommendations were that the BOP establish a review process that ensures the investigative and adjudicative phases function independently and the BOP develop procedures to ensure that discipline is imposed consistently across all of its facilities. The BOP generally concurred with all but one of our recommendations.

The Process for Selecting Muslim Religious Services Providers

The OIG completed a review that examined the BOP's procedures for recruiting, selecting, and supervising individuals to provide Islamic religious services to approximately 9,000 BOP inmates who seek Islamic religious services. The OIG initiated this review in response to

concerns from several members of Congress that the BOP relies solely on two Islamic groups to endorse its Muslim chaplains, and that these two groups allegedly are connected to terrorism and promote an exclusionary and extreme form of Islam.

The OIG's review found that while the BOP has made some improvements in how it selects and supervises Muslim religious services providers, a number of deficiencies remain. We found that the BOP typically does not examine the doctrinal beliefs of applicants for religious services positions to determine whether the applicants espouse extremist views that pose a security threat. In addition, we concluded that the BOP and the FBI had not adequately exchanged information regarding the possible connections to terrorism of Muslim organizations that endorse applicants for BOP religious services positions. We also found that because of a shortage of Muslim chaplains, inmates often lead Islamic religious services subject only to intermittent supervision from BOP staff members. This situation increases the risk that inappropriate messages will be delivered to inmates.

The OIG's report made 16 recommendations to help the BOP improve its process for selecting, screening, and supervising Muslim religious services providers. These recommendations include:

- ◆ More effectively using the expertise of its current Muslim chaplains to screen, recruit, and supervise Muslim services providers;
- ◆ Developing a strategy specifically targeted toward recruiting additional Muslim chaplains and contractors;
- ◆ Improving and increasing the information flow between the BOP and the FBI regarding the radicalization and recruitment of inmates;
- ◆ Requiring that all chaplain, religious contractor, and certain volunteer applicants be interviewed by at least one individual knowledgeable of the applicant's religion;
- ◆ Implementing additional security screening requirements for religious services providers; and

- ◆ Supervising inmate-led religious services more closely.

The BOP agreed to implement corrective action with regard to all but one of the recommendations.

Investigations

During this reporting period, the OIG received 2,606 complaints involving the BOP. The most common allegations made against BOP employees included job performance failure, use of unnecessary force, official misconduct, and off-duty misconduct. The vast majority of complaints dealt with non-criminal issues that the OIG referred to the BOP's Office of Internal Affairs.

At the close of the reporting period, the OIG had 236 open cases of alleged misconduct against BOP employees. The criminal investigations cover a wide range of allegations, including bribery of a public official, sexual abuse of inmates, and introduction of contraband. The following are examples of cases investigated during this reporting period:

- ◆ A BOP correctional officer, two inmates, and a civilian were arrested, pled guilty, and were sentenced in the Eastern District of Texas on charges of bribery and conspiracy to introduce narcotics into a federal prison. An investigation by the OIG's Houston Area Office determined that the BOP correctional officer conspired with the inmates and the civilian to introduce four pounds of marijuana into the Federal Correctional Complex in Beaumont, Texas, in exchange for \$3,000. The correctional officer was sentenced to 10 months' incarceration and 36 months' supervised release and ordered to pay a \$2,000 fine.
- ◆ A BOP educational teacher assigned to the Federal Correctional Institution (FCI) in Miami, Florida, was arrested and pled guilty to bribery of a public official. A joint investigation by the OIG's Miami Field Office

and the FBI found that the teacher received approximately \$66,000 from parents, relatives, and friends of a federal inmate under her supervision in return for a promise to provide benefits for the federal inmate. Some of the promised benefits included an early release from prison, food not provided by the prison, and the use of a cell phone. The teacher was sentenced to 18 months' incarceration and 36 months' supervised release, fined \$20,000, and ordered to perform 400 hours of community service and participate in a drug and alcohol treatment program.

- ◆ A BOP correctional officer assigned to the Federal Medical Center-Carswell (FMC) in Ft. Worth, Texas, was arrested and pled guilty to an information filed in the Northern District of Texas charging him with having sex with inmates. An investigation by the OIG's Dallas Field Office determined that the correctional officer engaged in sexual relations on several occasions with four female inmates at the FMC. In addition, he smuggled contraband into the FMC. Sentencing is pending.
- ◆ A BOP correctional officer assigned to the FCI in Petersburg, Virginia, was arrested and pled guilty in the Eastern District of Virginia to willfully and knowingly making a materially false and fictitious statement. An investigation by the OIG's Washington Field Office developed evidence that the correctional officer was involved in a physical altercation with an inmate and the inmate suffered injuries that required surgery. The correctional officer submitted a written memorandum to his supervisor regarding the altercation, which he later admitted to the OIG contained materially false information. The correctional officer resigned from the BOP as a result of this investigation, and his sentencing is pending.
- ◆ A BOP correctional officer and a federal inmate assigned to the FCI in Victorville, California, were arrested and pled guilty in the Central District of California to charges of introducing narcotics into the prison and possessing narcotics in prison, respectively. An investigation by the OIG's Los Angeles

Field Office determined that the correctional officer received a package containing one pound of marijuana from an outside source, smuggled it into the FCI, and delivered it to the inmate. Sentencing is pending for both the correctional officer and the inmate.

- ◆ A BOP correctional officer assigned to the Atwood Prison Camp of the FMC in Lexington, Kentucky, was arrested and entered a plea of no contest to charges of sexual abuse of a ward. An investigation by the OIG's Chicago Field Office determined that the correctional officer had engaged in sexual relations with a female inmate under his custodial supervision. Sentencing is pending.

Procedural Reform Recommendation

The OIG prepares a Procedural Reform Recommendation (PRR) recommending corrective action by a Department component when an investigation identifies a systemic weakness in an internal policy, practice, procedure, or program. The following is an example of a PRR sent to the BOP during this reporting period.

An OIG PRR regarding the use of postage stamps as currency by BOP inmates was developed from information obtained in the course of several OIG investigations. The investigations disclosed that inmates frequently use postage stamps to purchase soft contraband and drugs, pay debts, engage in illegal gambling activities, and operate black market commissaries.

The PRR recommends that the BOP replace the process for issuing postage stamps to inmates with a metered postage system. This action would prevent inmates from using postage stamps as currency for illegal activities but still allow them to mail letters and legal correspondence. The BOP currently is considering the OIG's PRR.



The U.S. Marshals Service

The USMS protects more than 2,000 federal judges and other members of the federal judiciary, transports federal prisoners, protects endangered federal witnesses, manages assets seized from criminal enterprises, and pursues and arrests federal fugitives. The Director and Deputy Director of the USMS work with 94 U.S. Marshals, each appointed by the President or the Attorney General, to direct the work of approximately 4,400 employees at more than 350 locations throughout the 50 states, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Reports Issued

Audit of the USMS's Prisoner Tracking System

The USMS uses a Prisoner Tracking System (PTS) to maintain tracking information for federal prisoners in USMS custody and as an informational and scheduling tool to assist USMS personnel in locating prisoners for court appearances. The PTS contains information specific to each individual prisoner, including the prisoner's personal data, property, medical information, criminal information, and location.

The objectives of this OIG audit were to assess the security of the PTS system. We examined the effectiveness of general controls for the PTS at the entity-wide level, reviewed the PTS's application controls, and performed data integrity testing. Our review identified weaknesses in these areas. We considered our findings in these areas to be major weaknesses and concluded that the state of the PTS's existing controls posed a high risk to the protection of its data from unauthorized use, loss, or modification.

We concluded that these weaknesses occurred because the USMS did not fully comply with current Department security policies and procedures, National Institute of Standards and Technology standards, Office of Management and Budget (OMB) guidelines, or its own procedures for prisoner processing and cellblock operations. If not corrected, these security vulnerabilities could impair the USMS's ability to fully ensure the integrity, confidentiality, and availability of data within the PTS.

This report contains 20 recommendations for improving select general controls, application controls, and the integrity of data for the PTS. The USMS concurred with many of the recommendations and agreed to implement corrective action.

Investigations

During this reporting period, the OIG received 213 complaints involving the USMS. The most common allegations made against USMS employees included job performance failure, use of unnecessary force, official misconduct, and security failure. The OIG opened 12 investigations and referred 6 other allegations to the USMS Office of Internal Affairs for investigation.

At the close of the reporting period, the OIG had 21 open cases of alleged misconduct against USMS employees. The following is an example of a case involving the USMS that the OIG investigated:

- ◆ In our March 2004 *Semiannual Report to Congress*, we detailed a case in which a

deputy U.S. marshal (DUSM) for the Northern District of Texas was arrested on charges of tax evasion and conspiracy to transport, harbor, and encourage an alien to enter the United States. A joint investigation by the OIG's Dallas Field Office, the Internal Revenue Service (IRS), and the Department of Homeland Security's OIG revealed that the DUSM, with the assistance of two Border Patrol agents, "paroled" aliens into the United States under the guise of "law enforcement confidential informants." After obtaining parole documents, the DUSM had the aliens provide manual labor for him and his friends. The investigation determined that the DUSM took fraudulent tax deductions in conjunction with these alleged business expenses and admitted to obtaining prohibited firearms and stealing government property worth several thousand dollars. During this reporting period, the DUSM was sentenced to two years' incarceration and three years' supervised release. In addition, the DUSM was fined \$100,000 and ordered to pay \$22,406 in restitution to the IRS.

Procedural Reform Recommendation

The following is an example of a PRR sent to the USMS during this reporting period:

The OIG's PRR concerned the USMS's policy on the transport of male and female inmates in the same vehicle. The PRR was based on an investigation conducted by the OIG's New York Field Office into allegations that a male inmate sexually assaulted a female inmate on a USMS bus during transport from the USMS for the Southern District of New York to the Metropolitan Detention Center in Brooklyn, New York. Our investigation sustained the abusive sexual contact allegation.

Our investigation also disclosed numerous inadequacies involving record keeping, equipment, and regulations concerning prisoner transport within the USMS's Southern District of New York. The USMS's policy states that male and female inmates should not be transported together unless the vehicle is equipped with a separate compartment. However, this policy allows discretion on the part of supervisors to authorize the transport on vehicles that lack such separation equipment.

We believe that the lack of appropriately equipped vehicles – only 5 of the 21 USMS transport buses operating nationwide have separate compartments and none of the transport vans are so equipped – as well as the USMS's discretionary policy with respect to transport of male and female inmates in the same vehicle, contributed to the incident we investigated and provides the opportunity for similar and more egregious incidents to occur. Therefore, our PRR recommended that the USMS revise its policy to mandate that male and female or juvenile inmates are transported in separate vehicles or, if together, in vehicles properly equipped for separation. We also recommended that sufficient vehicles should be equipped or provided to comply with the revised policy.

Ongoing Work

Administration of the Witness Security Program

WITSEC provides for the security, health, and safety of government witnesses whose lives are in danger as a result of their testimony against drug traffickers, terrorists, organized crime members, and other major criminals. Since the inception of WITSEC in 1970, the USMS has protected, relocated, and provided new identities to more than 7,500 witnesses and more than 9,600 family members or other authorized associates. The OIG is reviewing the USMS's administration of WITSEC.

The USMS's Fugitive Apprehension Program

The OIG is examining the effectiveness of the USMS's Fugitive Apprehension Program in apprehending violent fugitives. This review will assess the ability of the USMS, particularly of the five Regional Fugitive Task Forces that it operates, to carry out its mission by locating and apprehending the most dangerous fugitives.

Background Investigations of USMS Employees and Contractors

The OIG is reviewing background investigations for USMS employees and contractors. We are also assessing whether the background investigations and adjudications managed by the USMS's Judicial Security Division for contract court security officers and by the Department's Security and Emergency Planning Staff for political appointees, attorneys, and other designated positions are generally timely and thorough.

The USMS's Personal Services Contract Guards

The USMS employs individuals on personal contracts to guard prisoners appearing as a witness or for a court hearing and to transport prisoners who are in need of medical treatment. Individual contract guards are often off-duty or former law enforcement officers (LEOs). The OIG is reviewing the USMS's risk assessments and internal controls associated with the procurement and reimbursement of personal contract guards. We also are determining whether the performance of individual contract guards is adequately monitored, contractors are meeting experience and fitness-for-duty requirements, adequate training is provided to contract personnel, and contract guards are performing only authorized duties.



The Office of Justice Programs

The Office of Justice Programs (OJP) manages the Department's multi-faceted grant program. Since its inception in 1984, OJP has awarded more than 80,000 grants totaling more than \$39 billion for a wide variety of programs to prevent and control crime. OJP has 686 employees and is led by the Assistant Attorney General (AAG) for Justice Programs, with a senior management team comprised of the Deputy AAG and five bureau heads. The five bureaus are: 1) the Bureau of Justice Assistance; 2) the Office of Juvenile Justice and Delinquency Prevention (OJJDP); 3) the Bureau of Justice Statistics; 4) the National Institute of Justice; and 5) the Office for Victims of Crime (OVC). The two program offices include the Office of the Police Corps and Law Enforcement Education and the Community Capacity Development Office.

Reports Issued

Audit of OJP's Technical Assistance and Training Program

The technical assistance and training program is the product of many OJP bureaus and program offices and includes a wide range of funding sources, types of services, and products. For example, OJJDP provides training, technical assistance, and information on trends, new approaches, and innovative techniques to juvenile courts and court personnel; law enforcement; detention and corrections; youth service providers; and child advocacy organizations. Grantees include universities, non-profit organizations, states, and municipalities.

We audited 21 of the 158 technical assistance and training grants awarded by OJP between FYs 1995 and 2002. These 21 grants totaled

\$77.7 million, or 25 percent of the \$312.5 million in total technical assistance and training grant dollars awarded. Our objectives were to determine if OJP implemented internal control measures to ensure accurate financial reporting by grantees and to assess OJP's monitoring and evaluation of grant objectives.

Our audits disclosed several weaknesses in OJP's monitoring efforts. We found that grantees were reimbursed for unallowable and unsupported costs, financial status reports and progress reports were submitted untimely, and closeout requirements were not observed. Our audits also determined that key elements for monitoring grant activity in OJP's automated system for managing grants were missing. OJP's Grants Management System (GMS) was initiated in December 1998 as a pilot program to streamline the solicitation, application, and awarding of grants. When functioning at full capacity, GMS should provide "one-stop," full life-cycle support for all OJP grant management efforts. While OJP has mandated that its various components implement GMS, we found that certain GMS modules were not fully operational during the audit period.

Another contributing factor to the weaknesses we found during this audit was the lack of a structured method for tracking program monitoring activities. In addition, OJP was not collecting sufficient data to measure the performance of technical assistance and training grants. Further, OJP does not play a role in developing grantees' performance or outcome measures for program evaluation purposes, nor does it have specific requirements that grantees must adhere to in developing performance measures. As a result, for the 21 grants that we audited, it was not possible to assess the impact

of the technical assistance and training program and determine whether the grants were achieving their intended purposes.

In total, we identified approximately \$5.2 million in questioned costs and funds that could be put to better use. Our report contained three recommendations to improve OJP's technical assistance and training program. OJP agreed with the recommendations to: 1) ensure that grant managers receive annual training on OJP's requirements governing the submission of timely and accurate reports, allowable cost, grant monitoring, and grant closeout procedures; 2) ensure that its automated system for managing grants is brought up to full functioning capacity as soon as possible and grant managers are trained to utilize this system; and 3) develop performance or outcome measures to assess the effectiveness of technical assistance and training grants.

Grant Audits

We continue to audit grants awarded by OJP and the Office of Community Oriented Policing Services (COPS). Examples of findings from these audits during this reporting period include the following:

- ◆ The City of Waterbury, Connecticut, was awarded more than \$4.4 million in COPS grants to hire 49 additional police officers and redeploy 31 police officers from administrative duties to community policing. We determined that the grantee charged unallowable costs to the grants, could not fully account for grant expenditures, began its procurement process before the award start date, and could not demonstrate the required level of redeployment of officer positions into community policing for the required periods. As a result, we identified in excess of \$2.5 million in questioned costs.
- ◆ The Blackfeet Tribal Business Council in Montana was awarded more than \$2.6 million in COPS grants to hire 17 additional full-time police officers and provide equipment and training for the officers. We determined

that the grantee violated the non-supplanting requirement, charged unallowable and unsupported costs to grant funds, had not implemented the community policing activities outlined in the grant applications, had no retention plans, and will not retain the 17 grant funded officers for the required period. As a result, we identified in excess of \$1.1 million in questioned costs and recommended that \$597,465 be put to better use.

- ◆ The University of Central Florida in Orlando was awarded more than \$7.8 million in OJP grant funds to continue the operations of the National Center for Forensic Science project established at the University. We determined that the grantee incorrectly reported total outlays and indirect cost amounts and charged unallowable and unsupported costs to grant funds. As a result, we identified \$909,534 in questioned costs.
- ◆ The Midwest Regional Children's Advocacy Center Project in St. Paul, Minnesota, was awarded more than \$1.2 million in grant funds by OJJDP. The grants were awarded to provide technical assistance and training to improve services available in the Midwest Region to victims of child physical and sexual abuse and neglect. We determined that the grantee transferred funds between budget cost categories in excess of authorized levels, had not credited a portion of the program income to the grant – resulting in excessive draw downs and overstated expenses, and did not document the time spent on grant activities by grant funded employees. As a result, we identified \$351,484 in questioned costs.

Investigations

The following is an example of a case involving COPS that the OIG investigated during this reporting period:

- ◆ A former COPS grant administrator was indicted in the Southern District of Ohio on theft charges. An investigation by the OIG's

Fraud Detection Office determined that the grant administrator stole money from a COPS grant awarded to the Village of Smithfield, Ohio. The grant was supposed to be used to hire one full-time and two part-time police officers in the village. Instead, the grant administrator used some of the grant money to pay for trips to the racetrack, clothing, and monthly fees at a resort. Judicial proceedings continue.

Ongoing Work

No Suspect Casework DNA Backlog Reduction Grant Program

Through the National Institute of Justice, OJP provides funding to states for the identification, collection, and analysis of DNA samples from evidence collected in cases where no suspect has been developed or in which the original suspect has been eliminated. Our audit is focusing on funding provided in the first year of the program (FY 2001) to evaluate the: 1) administration and oversight of the program by OJP, 2) oversight of contract laboratories by states receiving grants, 3) allowability of costs charged to grants, and 4) achievement of program goals.

Grants to Native American and Alaskan Native Tribal Governments

From FYs 2000 to 2003, OJP awarded over \$200 million in tribal specific grant programs. From FYs 1999 to 2003, COPS awarded more than \$165 million in tribal specific grant programs. The OIG is auditing the overall strategy of COPS and OJP for awarding grants to tribal governments; COPS' and OJP's monitoring of tribal grantees; and whether costs charged by grantees are allowable and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants.

OVC's Antiterrorism and Emergency Assistance Program

OVC was created in 1984 to assist crime victims with recovery from physical, emotional, and psychological injury. The OIG is reviewing OVC to determine whether: 1) timely assistance was provided to jurisdictions in order to address victim needs in the aftermath of an act of terrorism or mass violence, 2) the eligibility of applicants was properly ascertained, and 3) the purposes for funding grants were allowable.

Other Department Components

The Bureau of Alcohol, Tobacco, Firearms and Explosives

The ATF enforces federal laws on firearms, explosives, and arson and administers the U.S. Criminal Code provisions on alcohol and tobacco smuggling and diversion. It seeks to combat terrorism, regulate the firearms and explosives industries, and provide training to federal, state, local, and international law enforcement partners. Its nearly 4,700 special agents, inspectors, regulatory specialists, forensic auditors, laboratory technicians, and other personnel work primarily in 23 field divisions across the 50 states and in offices in Guam, the U.S. Virgin Islands, Puerto Rico, Mexico, Canada, Colombia, and France.

Reports Issued

Inspection of Federally Licensed Firearms Dealers

This report was the OIG's first major review of the ATF, which transferred to the Department in January 2003 from the Department of the Treasury. During the review, the OIG examined the ATF's program for inspecting the more than 104,000 Federal Firearms Licensees (FFL). The

OIG focused on how the ATF selects firearms dealers for inspection, the frequency and quality of the ATF's inspections, and the enforcement actions taken by the ATF against dealers who violate federal firearms laws.

The OIG's review found that the ATF's inspection program is not fully effective in ensuring that FFLs comply with federal firearms laws because inspections are infrequent and of inconsistent quality. In addition, follow-up inspections and adverse actions taken against FFLs by the ATF have been sporadic. We found that the ATF does not conduct in-person inspections on all applicants before licensing them to sell firearms and that ATF compliance inspections of active firearms dealers are infrequent and vary in quality. Even when the ATF found numerous or serious violations, it did not uniformly take adverse actions, refer FFLs for investigation, or conduct timely follow-up inspections. The OIG's review also found wide variations in the ATF inspection program's productivity and its implementation among the ATF's 23 field divisions. At its current rate, the ATF would take more than 22 years to conduct compliance inspections on all FFLs.

The OIG made nine recommendations to help improve the ATF's inspection program, including developing a standard inspection process, revising staffing requirements, improving the comprehensiveness of crime gun tracing by law enforcement agencies, and creating a tracking system to monitor the progress and timeliness of FFL denials and revocations. The review also noted that the ATF had taken significant steps to improve its inspection program since the OIG began its review. The ATF fully concurred

with seven of the recommendations, conditionally concurred with one, and did not concur with one recommendation.

Enforcement of Brady Act Violations

The OIG examined how the ATF responds to violations of the Brady Act by firearms purchasers. *The Gun Control Act of 1968* established nine categories of persons prohibited from possessing firearms (e.g., illegal aliens or individuals with felony convictions). In addition, the Brady Act established the 3-day waiting period during which the FBI checks the prospective firearms purchaser's background through its National Instant Criminal Background Check System (NICS). If the background check takes longer than three days, the firearms dealer is permitted to transfer the firearm to the purchaser. If prohibiting factors are later identified in the purchaser's background, the ATF must retrieve the weapon or ensure that it is turned over to someone permitted under federal law to possess the firearm.

The OIG found that although the ATF eventually was able to retrieve firearms transferred to these prohibited persons in almost all cases, the retrievals were not always timely. Of the 188 cases in the OIG's sample, the ATF resolved 110 (59 percent) within one month. However, in 28 cases, the ATF took from 4 months to more than 1 year to retrieve the firearms. In addition, the OIG found that the ATF's Brady Operations Branch does not have sufficient resources to pursue Brady Act violations in a timely manner. Furthermore, the OIG's review found that few NICS cases are prosecuted, partly because the cases lack "jury appeal" and partly because of the difficulty proving that the prohibited person was aware of the prohibition against possessing a firearm and intentionally lied to the firearms dealer.

The OIG's report made ten recommendations to the ATF to help better manage its Brady Act caseload and improve the effectiveness of its process for referring cases to ATF field agents and prosecutors. The ATF concurred with eight

of the recommendations. The OIG also made one recommendation each to the Executive Office for U.S. Attorneys (EOUSA) and the FBI. These recommendations will help ensure that the ATF's resources are focused on Brady Act cases that are likely to be prosecuted and cases in which the FBI has determined that prohibited persons have obtained firearms. The EOUSA and the FBI concurred with the recommendations and are taking corrective actions.

Ongoing Work

Implementation of the *Safe Explosives Act*

The OIG is assessing the ATF's implementation of the *Safe Explosives Act*, which is intended to prevent explosives accidents and reduce the possibility of the theft of explosives for potential terrorist use. The review is assessing whether the ATF has timely and effectively implemented appropriate management systems, oversight mechanisms, and review and enforcement procedures designed to meet the objectives of the legislation.

The National Integrated Ballistic Information Network Program

The National Integrated Ballistic Information Network (NIBIN) is a national ballistic imaging system used by forensic firearms examiners to obtain computerized images of the unique marks made on bullets and cartridge cases when firearms are fired. The OIG is reviewing whether NIBIN has been fully deployed with the capability to compare ballistic images on a national level; whether controls are adequate to ensure that all bullets and cartridge casings collected at crime scenes and from test-fires of crime firearms are entered into NIBIN; and whether controls are adequate to ensure that ballistic images of bullets and cartridge casings from newly manufactured, imported, or sold firearms are not available in, or connected in any way to, NIBIN.

The Drug Enforcement Administration

The DEA enforces federal laws and regulations related to the growth, production, or distribution of controlled substances. In addition, the DEA seeks to reduce the supply of and demand for illicit drugs, both domestically and internationally. The DEA has approximately 10,500 employees staffing its 21 division offices in the United States and the Caribbean and 80 offices in 58 other countries.

Reports Issued

Audit of the Management of Enterprise Architecture and IT Investments

To properly manage its IT investments, the DEA is in the process of developing an Enterprise Architecture and Information Technology Investment Management (ITIM) process. Enterprise Architecture establishes an agencywide roadmap to achieve an agency's mission through optimal performance of its core business processes within an efficient IT environment. ITIM involves implementing processes such as identifying existing IT systems and projects, identifying the business needs for the projects, tracking and overseeing projects' costs and schedules, and selecting new projects rationally.

Because of the importance of the DEA's management of its 38 IT systems, as listed in its current Enterprise Architecture, we performed an audit to determine if the DEA is effectively managing its Enterprise Architecture and IT investments. We concluded that the DEA is effectively pursuing completion of both its Enterprise Architecture and ITIM. Although the Enterprise Architecture is still being developed and the DEA has not established a target date for completing its ITIM processes, the

DEA is using many sound practices from both. The DEA will be more fully effective in managing its Enterprise Architecture and IT investments once these processes are completed and have matured.

The OIG made seven recommendations to help the DEA further improve its IT management:

- ◆ Apply metrics to measure Enterprise Architecture progress, quality, compliance, and return on investment;
- ◆ Establish an organizational policy for Enterprise Architecture development and maintenance;
- ◆ Ensure that the completed Enterprise Architecture undergoes configuration management;
- ◆ Ensure that the target architecture addresses security;
- ◆ Complete and implement the remaining Enterprise Architecture stages to ensure that IT investments are not duplicative, are well integrated, are cost effective, and support the DEA's mission;
- ◆ Train members of the investment boards on the criteria for evaluating IT investments; and
- ◆ Establish a schedule for completing the remaining stages of the ITIM process to control and evaluate the DEA's IT investments.

The DEA accepted these recommendations.

Investigations

During this reporting period, the OIG received 279 complaints involving the DEA. The most common allegations made against DEA employees included misuse of a credit card, job performance failure, and false statements. The OIG opened 12 investigations and referred 19 allegations to the DEA's Office of Professional Responsibility (OPR) for investigation.

At the close of the reporting period, the OIG had 30 open cases of alleged misconduct against

DEA employees. The following are examples of cases investigated during this reporting period:

- ◆ A DEA cashier was arrested and pled guilty in the Southern District of Florida to theft of public money. In an investigation by the OIG's Miami Field Office and the DEA, the cashier confessed to unlawfully taking \$37,000 in government money from her office imprest fund. The cashier was sentenced to five months' incarceration, five months' home confinement, and two years' supervised release and ordered to pay \$35,682 in restitution.
- ◆ A Westchester County Police Department secretary assigned to the DEA Westchester Task Force was arrested in the Southern District of New York and charged with theft of government property. A joint investigation by the OIG's New York Field Office and the DEA's OPR developed evidence that the secretary stole money from a DEA evidence room and hid the money in her residence. To date, over \$100,000 has been recovered. The DEA has revoked her security clearance and the Westchester County Police Department has suspended her. Judicial proceedings continue.
- ◆ The OIG's Washington Field Office opened an investigation into an allegation from a U.S. District Court judge that an unidentified individual had forged his signature on a secondary surveillance order issued pursuant to FISA. Due to an administrative oversight, the judge failed to sign one of the documents. A DEA attorney on temporary assignment to the Department's Office of Intelligence Policy Review signed the document himself rather than requesting the judge to sign the document. The DEA attorney originally denied knowledge of the forgery and was required, by subpoena, to provide handwriting exemplars, fingerprints, and palm prints. After he signed a proffer agreeing that he would not be prosecuted for his statements, he executed a sworn affidavit implicating himself in the forgery. He subsequently resigned his position with the DEA.

Ongoing Work

Payments to Informants by the DEA

The OIG is assessing the DEA's compliance with regulations and controls over payments to confidential informants.

The U.S. Attorneys' Offices

U.S. Attorneys serve as the federal government's principal criminal and civil litigators and conduct most of the trial work in which the United States is a party. Under the direction of the Attorney General, 93 U.S. Attorneys are stationed throughout the United States, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. More than 11,600 employees work in those offices and in the EOUSA.

Investigations

The following is an example of a case involving the USAOs that the OIG investigated during this reporting period:

- ◆ A USAO employee for the Northern District of New York was arrested and pled guilty in the Western District of New York to an information charging her with embezzlement. An investigation by the OIG's New York Field Office developed evidence that the USAO employee used her Department travel credit card to make personal purchases in excess of \$5,000 at local businesses and while on personal travel in Florida. Sentencing is pending.

Multicomponent Audits, Reviews, and Investigations

While many of the OIG's audits, reviews, and investigations are specific to a particular component of the Department, other work spans more than one component and, in some instances, extends outside the Department to contractors and grant recipients.

Reports Issued

Review of Shooting Incidents

This review evaluated how the ATF, DEA, FBI, and USMS reported, investigated, and reviewed shooting incidents involving their special agents or deputy marshals. The OIG assessed whether the components adhered to the Department's *Policy Statement on Reporting and Review of Shooting Incidents* (1995), which was established to ensure objective, thorough, and timely reviews of shooting incidents involving federal LEOs. We also assessed the components' compliance with internal shooting incident policies and requirements to report specific types of shooting incidents to the OIG and the Civil Rights Division (CRD).

The OIG found that all of the components require a written report containing specific information within one day of a shooting incident so that senior management can make investigative decisions. However, on average, only the ATF and the FBI consistently met the requirement. Further, the FBI and the DEA are required to report shooting incidents involving injury or death to the CRD, and all the components are required to report shooting incidents to the OIG, but neither the CRD nor the OIG were informed of all reportable incidents. The review also found that three of the compo-

nents – the ATF, DEA, and USMS – rely on local law enforcement to conduct the criminal investigations of shooting incidents, but the FBI conducts its own criminal investigations.

In addition, the OIG's review found that each component's Review Board prepares a memorandum for every shooting incident reviewed, but only those prepared by the FBI and USMS boards consistently included analysis and recommendations specific to the incident being reviewed. Further, each component has different Review Board membership requirements, ranging from only senior-level managers to LEOs from other components to nonsupervisory personnel.

Another distinction between components was their shooting incident review processes. We found that the components' Review Boards applied the standard for the reasonable use of deadly force differently. The ATF, DEA, and FBI focused on the moment that LEOs discharged their firearms. In contrast, the USMS took into account the circumstances leading up to the shooting incident. These different applications of the standard for the reasonable use of deadly force can lead to different conclusions about similar shooting incidents. Finally, the components did not systematically share the lessons learned from shooting incident reports, and the Department did not aggregate shooting incident data to identify improvements to law enforcement operations.

To address the OIG's findings, we recommended the Department establish a working group to consider uniform Department standards for shooting incident reviews. We also made recommendations specific to each components' review process. The Department and each component

concluded with the recommendations in our report and have agreed to take the necessary corrective action.

Department's Use of Polygraph Examinations

The OIG surveyed Department components to identify those that use polygraph examinations. The survey was designed to identify all components that use or administer polygraph examinations and determine how polygraph examinations are used throughout the Department. This information was obtained through responses to a questionnaire that was sent to 43 Department components asking them whether they administered polygraph examinations or used examinations administered by other components, the purposes for polygraph examinations, whether they had written policies and procedures for governing the use of polygraphs, and to provide an estimate of the cost of each polygraph.

Of the 43 components responding to the questionnaire, 12 reported that they used polygraph examinations. Five of the 12 said they conducted examinations not only for their own use, but for the use of the other 7 components as well. The survey also revealed that Department components conducted a total of 27,426 polygraph examinations from FYs 2001 through 2003. During that period, the FBI conducted the most polygraph examinations – 79 percent (21,616 of 27,426) of all the examinations conducted in the Department. FBI officials stated that they expect the number of polygraph examinations to grow by about 25 percent annually, from 8,079 in FY 2003 to about 10,000 in FY 2004.

Department components reported that they used polygraph examinations as an aid in criminal investigations, employment screening, administrative investigations, witness security, foreign special investigative and vetted units overseas, counterintelligence, personnel security, sex offender assessments, and personnel integrity (internal). The survey revealed several issues that we believe warrant additional review. As a result, we are initiating an extensive evaluation.

Civil Rights and Civil Liberties Complaints

Section 1001 of the *USA Patriot Act* directs the OIG to receive and review complaints of civil rights and civil liberties abuses by Department employees, to publicize how people can contact the OIG to file a complaint, and to submit a semiannual report to Congress discussing our implementation of these responsibilities. In September 2004, the OIG issued its fifth report summarizing our Section 1001 activities.

The report, covering the period from December 16, 2003, through June 21, 2004, described the status of the OIG's and Department's investigations of alleged civil rights and civil liberties abuses by Department employees. In addition, the report highlighted several OIG reviews undertaken in furtherance of our Section 1001 responsibilities. During the 6-month period covered by the report, the OIG received more than 1,600 complaints alleging civil rights and civil liberties abuses. Only 208 of these complaints were against Department employees. Many of the 208 complaints did not raise issues covered by the OIG's duties under Section 1001.

After analyzing the 208 complaints, the OIG identified 13 matters that we believed warranted an investigation or a closer review. These matters included allegations of racial profiling by FBI agents, denial of access to counsel, verbal abuse of inmates, and placement of an inmate in solitary confinement without cause. The OIG is investigating several of those complaints and has referred the remainder to the internal affairs offices of the affected component.

Superfund Audit for FYs 2002 and 2003

The *Comprehensive Environmental Response, Compensation, and Liability Act of 1980* (known as Superfund) provides for liability, compensation, cleanup, and emergency response for hazardous substances released into the environment and for uncontrolled and abandoned hazardous waste sites. The Department conducts and controls all litigation arising under Superfund and is reimbursed through

interagency agreements with the Environmental Protection Agency.

Our audit, conducted at the request of the Department, compared reported costs on the contractor-developed accounting schedules and summaries for FYs 2002 and 2003 to those recorded on the Department's accounting records. Based on the results of the audit, in our judgment the Environment and Natural Resources Division provided an equitable distribution of total labor costs, other direct costs, and indirect costs to Superfund cases during FYs 2002 and 2003.

The Department's Financial Statement Audits

The *Chief Financial Officers Act of 1990* and the *Government Management Reform Act of 1994* require annual financial statement audits of the Department. The OIG oversees audits by independent public accountants and issues the reports based on the work performed by the accountants. During this reporting period, we issued 11 FY 2003 Department component financial statement audit reports for the following:

- ◆ Assets Forfeiture Fund and Seized Asset Deposit Fund
- ◆ Bureau of Alcohol, Tobacco, Firearms and Explosives
- ◆ Drug Enforcement Administration
- ◆ Federal Bureau of Investigation
- ◆ Federal Bureau of Prisons
- ◆ Federal Prison Industries, Inc.
- ◆ Immigration and Naturalization Service
- ◆ Offices, Boards and Divisions
- ◆ Office of Justice Programs
- ◆ U.S. Marshals Service
- ◆ Working Capital Fund

Each of these audits was in support of the FY 2003 consolidated Department audit, which was issued in the prior semiannual reporting period. For the third consecutive year, the Department received an unqualified opinion on its consolidated financial statements. Additionally, the number of material weaknesses reported at the consolidated level declined from two to one.

The Department's unqualified opinion also included unqualified opinions on all 11 of the reporting components' financial statements that comprise the consolidated report. Importantly, some components were able to reduce their material weaknesses and reportable conditions. Others had new issues identified and, thus, overall the number of material weaknesses and reportable conditions at the components remained constant at nine material weaknesses and ten reportable conditions.

While improvements in internal controls have been made, a long-standing material weakness remains in financial controls at the consolidated level that was considered even more serious this year than in prior years. Eight out of the 11 components had reportable conditions or material weaknesses in financial accounting and reporting that contributed to this consolidated level material weakness. These issues were only overcome in FY 2003, as in past years, by significant year-end manual efforts. As we have pointed out in previous reports, the Department lacks sufficient automated systems to readily support ongoing accounting operations. Manual efforts compromise the ability of the Department to prepare timely financial statements in accordance with generally accepted accounting principles, require considerable monetary and human resources, and represent an inefficient use of these resources. These manual processes represent a significant risk to the Department and certain components for successful audits in FY 2004, when the OMB will require an accelerated reporting date of November 15 – 2½ months earlier than required in FY 2003.

The Department also had one consolidated level reportable condition on the financial systems' general and application controls and the general

controls at the Department's data centers. Because this long-standing issue had previously been a material weakness for the Department, improvements were made in FY 2003.

In the *Report on Compliance with Laws and Regulations*, the auditors identified six 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. Additionally, the audits identified five components that were not compliant with OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*.

The following table compares FYs 2003 and 2002 audit results for the Department consolidated audit as well as for the 11 individual component audits.

Comparison of FY 2003 and FY 2002 Audit Results						
Reporting Entity	Auditors' Opinion On Financial Statements		Number of Material Weaknesses		Number of Reportable Conditions	
	2003	2002	2003	2002	2003	2002
Consolidated Department of Justice	Unqualified	Unqualified	1	2	1	0
Assets Forfeiture Fund and Seized Asset Deposit Fund	Unqualified	Unqualified	1	0	0	1
Bureau of Alcohol, Tobacco, Firearms and Explosives ¹	Unqualified	N/A	0	N/A	1	N/A
Drug Enforcement Administration	Unqualified	Unqualified	0	0	2	2
Federal Bureau of Investigation	Unqualified	Unqualified	2	3	0	0
Federal Bureau of Prisons	Unqualified	Unqualified	0	0	2	2
Federal Prison Industries, Inc.	Unqualified	Unqualified	0	1	1	1
Immigration and Naturalization Service ¹	Unqualified	Unqualified	3	3	1	0
Offices, Boards and Divisions	Unqualified	Unqualified	1	1	1	1
Office of Justice Programs	Unqualified	Unqualified	0	0	1	1
U.S. Marshals Service	Unqualified	Unqualified	1	0	1	2
Working Capital Fund	Unqualified	Unqualified	1	1	0	0
		Component Totals	9	9	10	10

Note: For definitions of terms used in this table, please see the glossary at the end of this report.

¹ Pursuant to the Homeland Security Act of 2002, Public Law 107-296, the INS transferred to the Department of Homeland Security on March 1, 2003. Additionally, the ATF transferred from the Department of the Treasury to the Department on January 24, 2003.

Ongoing Work

The Department's Counterterrorism Task Forces

The OIG is evaluating the Department's Joint Terrorism Task Forces, National Joint Terrorism Task Force, Anti-Terrorism Advisory Councils, Foreign Terrorist Tracking Task Force, and the National Security Coordination Council to:

- 1) determine if they are achieving their purposes;
- 2) evaluate gaps, duplication, and overlap in terrorism coverage; and
- 3) identify how the performance of each task force and council is measured.

Arson and Explosives Intelligence

The two principal federal agencies responsible for compiling data related to arson and explosives incidents in the United States are the ATF and the FBI. To collect such data, the ATF created the Arson and Explosives National Repository (Repository), and the FBI created the Bomb Data Center. Both the Repository and the Bomb Data Center maintain databases that collect and disseminate information for statistical analysis and research, investigative leads, and intelligence. Our audit objective is to examine overlap between the systems and evaluate whether the Department has efficiently and effectively collected and made available to the federal, state, and local law enforcement community information involving arson and the criminal misuse of explosives.

Audit of the Department's Information Security Program Pursuant to FISMA

The *Federal Information Security Management Act* (FISMA), which replaced the *Government Information Security Reform Act*, directed OIGs to perform an annual independent evaluation of their departments' information security programs and practices and required the results to be submitted to the OMB.

For FY 2004, we selected for review the Department's information security program and practices performance measurement tools. According to the Department, the performance measurement tools were revised to correlate directly with the Department's information security orders and standards to determine the effectiveness of the Department's information security policies, procedures, and practices. We also are reviewing the Department's reorganization of its information security staff that is assigned to perform oversight of the Department components' adherence to FISMA requirements.

To examine the Department's information security program, we are reviewing the security programs of three major Department components – the USMS, FBI, and DEA. From each of these components, we also selected a mission-critical system to review. We will issue one overall consolidated Department report, three reports for each component reviewed, and three individual reports for each of the systems reviewed.

Office of Federal Detention Trustee Review

Historically, the confinement of persons in federal custody awaiting trial or immigration proceedings was the responsibility of the USMS and the former INS. In September 2001, Congress established the Office of the Federal Detention Trustee (OFDT) in the Department to oversee and coordinate the Department's detention activities. The objectives of this OIG audit are to: 1) review the funding and the accomplishments of the OFDT since its inception, 2) determine how the OFDT coordinates and oversees detention within the Department, and 3) examine the OFDT's plans and goals for managing detention needs.

The Joint Automated Booking System

The Department's Joint Automated Booking System (JABS) is designed to automate information on persons booked for criminal offenses by federal authorities so information can be shared electronically by law enforcement agencies to improve criminal identification. The system goals of JABS are to streamline the booking process through automation and eliminate duplication, allow updates to prisoner data, standardize data, and improve the process to identify repeat offenders and persons with outstanding charges. This OIG audit is examining whether the use of JABS is meeting system goals and objectives and the extent to which JABS has been implemented throughout the Department.

Top Management Challenges

The OIG has created a list of top management challenges in the Department annually since 1998, initially in response to congressional requests but in recent years as part of the Department's annual *Performance and Accountability Report*.

The OIG's list of top challenges for this year, issued in October 2004, is below. The challenges are not presented in order of priority – we believe that all are critical management issues facing the Department. However, it is clear that the top challenge facing the Department is its ongoing response to the threat of terrorism. Several other top challenges are closely related to and impact directly on the Department's counterterrorism efforts.

Eight of the challenges from last year's list remain and are long-standing, difficult challenges that will not be solved quickly or easily. However, we note that the Department is making progress on many of these complex issues. Two challenges from last year's list have been replaced by two other challenges. We removed "Performance Based Management" and "Protecting the Security of Department Information and Infrastructure" this year and added two new challenges – "Detention and Incarceration" and "Forensic Laboratories."

Top Management Challenges in the Department of Justice – 2004

1. Counterterrorism
2. Sharing of Intelligence and Law Enforcement Information
3. Information Technology Systems Planning and Implementation
4. Computer Systems Security
5. Financial Management and Systems
6. Grant Management
7. Detention and Incarceration
8. Human Capital
9. Forensic Laboratories
10. Reducing the Supply of and Demand for Illegal Drugs

Detailed information about these management challenges can be found at www.usdoj.gov/oig/challenges.htm.

Congressional Testimony

During this reporting period, a director in the OIG's Evaluation and Inspections Division testified before the House Committee on Government Reform, Subcommittee on National Security, Emerging Threats and International Relations at an August 2, 2004, field hearing that examined the safeguarding of stored explosives.

The director discussed the results of a recently completed review of the ATF's Federal Firearms Licensees inspection program as well as the scope of a separate, ongoing OIG review that is examining the ATF's implementation of the *Safe Explosives Act*.

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 and 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 to reauthorize the Department that included a provision that would establish an Office of Audit, Assessment, and Management within OJP. In addition, the OIG reviewed legislation that, among other things, would permit off-duty and retired federal law enforcement agents to carry weapons and a bill under which the OIG would review compliance by states that receive Department grants to improve their capital representation and prosecution programs.

Statistical Information

Audit Statistics

Audit Summary

During this reporting period, the Audit Division issued 99 audit reports containing more than \$21 million in questioned costs and more than \$1.1 million in funds to be put to better use and

made 424 recommendations for management improvement. Specifically, the Audit Division issued 21 internal reports of programs funded at more than \$78 million; 40 external reports of contracts, grants, and other agreements funded at more than \$108 million; and 38 *Single Audit Act* audits. In addition, the Audit Division issued 9 Notifications of Irregularities, 1 Management Improvement Memorandum, and 11 Management Letter Reports.

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	1	\$3,331,106
Issued during period	4	\$1,196,595
Needing management decision during period	5	\$4,527,701
Management decisions made during period:		
◆ Amounts management agreed to put to better use ¹	3	\$599,130
◆ Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	2	\$3,928,571

¹ Includes instances in which 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	20	\$8,997,834	\$2,377,918
Issued during period	37	\$21,873,820	\$5,435,994
Needing management decision during period	57	\$30,871,654	\$7,813,912
Management decisions made during period:			
◆ Amount of disallowed costs ¹	47 ²	\$14,304,315	\$5,701,789
◆ Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	13	\$16,567,339	\$2,112,123

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

² Three audit reports were not resolved during this reporting period because management has agreed with some, but not all, of the questioned costs in the audits.

Audits Involving Recommendations for Management Improvements

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision made by beginning of period	31	85
Issued during period	85	339
Needing management decision during period	116	424
Management decisions made during period:		
◆ Number management agreed to implement ¹	105 ²	372
◆ Number management disagreed with	0	0
No management decision at end of period	15	52

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

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

Audit Follow-Up

OMB Circular A-50

OMB Circular A-50, *Audit Follow-Up*, requires audit reports to be resolved within six months of the audit report issuance date. The Audit Division monitors the status of open audit reports to track the audit resolution and closure process. As of September 30, 2004, the OIG had closed 128 audit reports and was monitoring the resolution process of 424 open audit reports.

Unresolved Audits

Audits Over Six Months Old Without Management Decisions

As of September 30, 2004, the following audits had no management decision or were in disagreement:

- ◆ COPS Grants to Albuquerque, New Mexico, Police Department
- ◆ COPS Grants to AMTRAK Police Department
- ◆ COPS Grants to Camden, New Jersey, Police Department
- ◆ COPS Grants to Dona Ana County, New Mexico, Sheriff's Department
- ◆ COPS Grants to Kleberg County, Texas, Constable Precinct 4
- ◆ COPS Grants to Picuris Pueblo, New Mexico, Police Department
- ◆ COPS Grants to Texas Tech University Police Department, Lubbock, Texas
- ◆ USMS Intergovernmental Service Agreement for Detention Facilities with the Government of Guam

Evaluation and Inspections Statistics

The chart below summarizes E&I's accomplishments for the 6-month reporting period ending September 30, 2004.

E&I Workload Accomplishments	Number of Reviews
Reviews active at beginning of period	7
Reviews initiated	7
Final reports issued	5
Reviews active at end of reporting period	9

Unresolved Reviews

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the OIG*, requires reports to be resolved within six months of the report issuance date. As of September 30, 2004, there are no unresolved recommendations.

Investigations Statistics

The following chart summarizes the workload and accomplishments of the Investigations Division during the 6-month period ending September 30, 2004.

Source of Allegations

Hotline (telephone and mail)	691
Other sources	3,180
Total allegations received	3,871

Investigative Caseload

Investigations opened this period	179
Investigations closed this period	232
Investigations in progress as of 9/30/04	422

Prosecutive Actions

Criminal indictments/informations	41
Arrests	51
Convictions/Pleas	59

Administrative Actions

Terminations	13
Resignations	36
Disciplinary action	14

Monetary Results

Fines/Restitutions/Recoveries	\$675,296
Seizures	\$108,760
Civil penalties	\$15,560

Integrity Awareness Briefings

OIG investigators conducted 59 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 approximately 2,300 employees.

Appendix 1

AUDIT DIVISION REPORTS

April 1, 2004 – September 30, 2004

INTERNAL AND EXTERNAL AUDIT REPORTS

Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statement Fiscal Year 2003

BOP Contract with the Parkview Medical Center for the Acquisition of Medical Services, FCI, Florence, Colorado

Bureau of Alcohol, Tobacco, Firearms and Explosives Annual Financial Statement Fiscal Year 2004

Compliance with Standards Governing Combined DNA Index System Activities at the Georgia Bureau of Investigation, Division of Forensic Sciences Laboratory, Decatur, Georgia

Compliance with Standards Governing Combined DNA Index System Activities at the Nebraska State Police Crime Laboratory, Lincoln, Nebraska

Compliance with Standards Governing Combined DNA Index System Activities at the Office of the Chief Medical Examiner, Forensic Sciences Laboratory, Wilmington, Delaware

Compliance with Standards Governing Combined DNA Index System Activities at the San Diego, California Police Department Forensic Science Section

Compliance with Standards Governing Combined DNA Index System Activities at the Baltimore City, Maryland Police Department Crime Laboratory

Compliance with Standards Governing Combined DNA Index System Activities at the Montgomery County, Maryland Police Department Crime Laboratory

Controls Over Accountable Property at the Baltimore Field Division of the Federal Bureau of Investigation

COPS Grants Administered by the Blackfeet Fish and Wildlife Department, Montana

COPS Grants Administered by the City of Waterbury, Connecticut

COPS Grants Administered by the Columbia River Inter-Tribal Fisheries Commission and Columbia Inter-Tribal Fish Enforcement

COPS Grants Administered by the Nampa, Idaho Police Department

COPS Grants Awarded to the Blackfeet Tribal Business Council, Montana

COPS Grants Awarded to the City of Rockville, Maryland Police Department

COPS Grants Awarded to the Navajo Department of Resource Enforcement, Window Rock, Arizona

COPS Grants to the Harwood Heights, Illinois Police Department

COPS Methamphetamine Initiative Grant to the Oklahoma State Bureau of Investigation, Oklahoma City, Oklahoma

COPS Methamphetamine Initiative Grants to the Arkansas State Police, Little Rock, Arkansas

COPS Technology Grant Administered by the Concurrent Technologies Corporation, Johnstown, Pennsylvania

Correctional Medical Services' Compliance with the Federal Bureau of Prisons Contract for Inmate Medical Services at FCI, Fort Dix, New Jersey

April 1, 2004–September 30, 2004

Drug Enforcement Administration Annual Financial Statement Fiscal Year 2003

Drug Enforcement Administration's Management of Enterprise Architecture and Information Technology Investments

Equitable Sharing Activities of the Marion County, Indiana Justice Agency

Federal Bureau of Investigation Annual Financial Statement Fiscal Year 2003

Federal Bureau of Investigation's Foreign Language Program – Translation of Counterterrorism and Counterintelligence Foreign Language Material

Federal Bureau of Prisons Annual Financial Statement Fiscal Year 2003

Federal Prison Industries, Inc., Annual Financial Statement Fiscal Year 2003

Immigration and Naturalization Service Annual Financial Statement Period Ending February 28, 2003

Justice Management Division Oversight and Information Systems Consolidation Report Pursuant to the Federal Information Security Management Act for Fiscal Year 2003

No Suspect Casework DNA Backlog Reduction Program Grant Awarded to the New York State Division of Criminal Justice Services

Office of Justice Programs Annual Financial Statement Fiscal Year 2003

Office of Justice Programs Technical Assistance and Training Program

Offices, Boards and Divisions Annual Financial Statement Fiscal Year 2003

OJP Bureau of Justice Assistance Judicial Education and Skills Training Grant Awarded to the National Judicial College, Reno, Nevada

OJP Bureau of Justice Assistance Property Crimes Task Force Grant Awarded to the Spokane County, Washington Board of Commissioners

OJP Community Mapping, Planning and Analysis for Safety Strategies Grant Administered by the City of Milwaukee, Wisconsin

OJP Grant Administered by Big Brothers Big Sisters of America, Philadelphia, Pennsylvania

OJP Justice Research, Evaluation, and Development Project Cooperative Agreement Awarded to the University of Central Florida

OJP Midwest Regional Children's Advocacy Center Project Grant Awarded to Children's Hospital, St. Paul, Minnesota

OJP National Criminal History Improvement Program Grant Administered by the Indianapolis, Indiana Police Department

OJP National Institute of Justice Juvenile Breaking the Cycle Cooperative Agreement Awarded to Lane County Department of Youth Services, Eugene, Oregon

OJP No Suspect Casework DNA Backlog Reduction Program Cooperative Agreement Awarded to the Texas Department of Public Safety, Austin, Texas

OJP No Suspect Casework DNA Backlog Reduction Program Cooperative Agreement Awarded to the State of Florida, Department of Law Enforcement, Tallahassee, Florida

OJP Office for Victims of Crime, Crime Victim Compensation for 9/11 Attack on America Grant Awarded to the California Victim Compensation and Government Claims Board, Sacramento, California, Fiscal Year 2003

OJP Office for Victims of Crime, Crime Victim Compensation for 9/11 Attack on America Grant Awarded to the California Victim Compensation and Government Claims Board, Sacramento, California, Fiscal Year 2002

OJP Office of Juvenile Justice and Delinquency Prevention Comprehensive Community-Wide Approach to Gang Prevention, Intervention and Suppression Program Grant Awarded to the Riverside, California Police Department

OJP Office of Juvenile Justice and Delinquency Prevention Internet Crimes Against Children Grant Awarded to the Seattle, Washington Police Department

OJP Office of Juvenile Justice and Delinquency Prevention Project E.S.C.A.P.E. Awarded to the Santa Rosa, California Memorial Hospital

OJP Office of Juvenile Justice and Delinquency Prevention Strengthening At-Risk Families All Across America Grant Awarded to the Parents Anonymous Inc., Claremont, California

OJP Office of Juvenile Justice and Delinquency Prevention Youth Violence and Gambling Project Grant Awarded to Fuller Theological Seminary, Pasadena, California

OJP Teleconferencing Equipment for Prosecutors and Community Education Grant Administered by the University of Kentucky, College of Law

Review of the Federal Bureau of Investigation Headquarters' Information Systems Control Environment Fiscal Year 2003

Review of the U.S. Department of Justice Rockville and Dallas Data Centers General Controls Fiscal Year 2003

Superfund Activities in the Environment and Natural Resources Division for Fiscal Years 2002 and 2003

The Internal Effects of the Federal Bureau of Investigation's Reprioritization

United States Marshals Service Annual Financial Statement Fiscal Year 2003

United States Marshals Service Prisoner Tracking System

Use of Equitable Sharing of Revenues by the Villa Rica, Georgia Police Department

Working Capital Fund Annual Financial Statement Fiscal Year 2003

**SINGLE AUDIT ACT REPORTS
OF DEPARTMENT OF JUSTICE
ACTIVITIES**

Ayuda, Inc.	Montgomery County, Texas
Blackfeet Tribe of the Blackfeet Indian Reservation, Montana	National Capital Area Council Boys Scouts of America
Champaign County, Ohio	National Criminal Justice Association
City of Berkeley, Missouri	National Juvenile Detention Association, Inc.
City of East St. Louis, Illinois	Native American Alliance Foundation, Tulsa, Oklahoma
City of Flint, Michigan	New Mexico Police Athletic Club
City of Gardner, Kansas	Oglala Sioux Tribal Department of Public Safety, South Dakota
City of Greenwood, Indiana	Oglala Sioux Tribe, South Dakota
City of Hopkins, Minnesota	Oklahoma Police Chiefs' Training Foundation
City of Jonesboro, Arkansas	Operation Weed and Seed of Southeast Missouri, Inc.
City of La Vergne, Tennessee	Our Hope for Youth Foundation
City of Naperville, Illinois	Pennyrile Narcotics Task Force Methamphetamine Enforcement Hot Spots Program
City of Tampa, Florida	Prince George's County Economic Development Corporation
City of Toledo, Ohio	Seminole County, Oklahoma
Darke County, Ohio	State of Florida
Hogar Crea, Inc.	State of Ohio, FY 2002
International Education Services, Inc.	State of Ohio, FY 2003
Kane County, Illinois	The Cal Ripken, Sr. Foundation, Inc.
Loudoun County, Virginia	
Martin Luther King, Jr. Community Services of Illinois	

AUDIT DIVISION REPORTS

April 1, 2004 – September 30, 2004

Quantifiable Potential Monetary Benefits

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
COPS Grants Administered by the Blackfeet Fish and Wildlife Department, Montana	\$18,375	\$18,375	
OJP Office for Victims of Crime, Crime Victim Compensation for 9/11 Attack on America Grant Awarded to the California Victim Compensation and Government Claims Board, Sacramento, California, Fiscal Year 2003	\$295,730		
Blackfeet Tribe of the Blackfeet Indian Reservation, Montana	\$180,000	\$180,000	
BOP Contract with the Parkview Medical Center for the Acquisition of Medical Services, FCI, Florence, Colorado	\$519,412	\$424,638	
City of East St. Louis, Illinois	\$24,289	\$24,289	
City of Greenwood, Indiana	\$13,683		
COPS Grants Administered by the City of Waterbury, Connecticut	\$2,588,658	\$1,707,103	
COPS Grants Administered by the Nampa, Idaho Police Department	\$62,657	\$35,355	
COPS Grants Awarded to the Blackfeet Tribal Business Council, Montana	\$1,173,045	\$109,252	\$597,465
COPS Grants Awarded to the City of Rockville, Maryland Police Department	\$95,623		
COPS Grants Awarded to the Navajo Department of Resource Enforcement, Window Rock, Arizona	\$6,272		\$115,632
COPS Methamphetamine Initiative Grant to the Oklahoma State Bureau of Investigation, Oklahoma City, Oklahoma	\$692,414		
COPS Methamphetamine Initiative Grants to the Arkansas State Police, Little Rock, Arkansas	\$860,321		\$15,000
COPS Technology Grant Administered by the Concurrent Technologies Corporation, Johnstown, Pennsylvania	\$1,134,841		\$468,498

April 1, 2004–September 30, 2004

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Correctional Medical Services' Compliance with the Federal Bureau of Prisons Contract for Inmate Medical Services at FCI, Fort Dix, New Jersey	\$9,321,106		
International Education Services, Inc.	\$82,129		
National Juvenile Detention Association, Inc.	\$33,215		
Oglala Sioux Tribal Department of Public Safety, South Dakota	\$716,810		
Oglala Sioux Tribe, South Dakota	\$1,327,112	\$1,327,112	
OJP Grant Administered by Big Brothers Big Sisters of America, Philadelphia, Pennsylvania	\$91,214	\$91,214	
OJP Justice Research, Evaluation, and Development Project Cooperative Agreement Awarded to the University of Central Florida	\$909,534	\$554,983	
OJP Midwest Regional Children's Advocacy Center Project Grant Awarded to Children's Hospital, St. Paul, Minnesota	\$351,484	\$260,986	
OJP National Institute of Justice Juvenile Breaking the Cycle Cooperative Agreement Awarded to Lane County Department of Youth Services, Eugene, Oregon	\$74,670		
OJP No-Suspect Casework DNA Backlog Reduction Program Cooperative Agreement Awarded to the State of Florida, Department of Law Enforcement, Tallahassee, Florida	\$4,542		
OJP Office for Victims of Crime, Crime Victim Compensation for 9/11 Attack on America Grant Awarded to the California Victim Compensation and Government Claims Board, Sacramento, California, Fiscal Year 2002	\$74,419	\$65,695	
OJP Office of Juvenile Justice and Delinquency Prevention Internet Crimes Against Children Grant Awarded to the Seattle, Washington Police Department	\$1,836		
OJP Office of Juvenile Justice and Delinquency Prevention Program Youth Violence and Gambling Project Grant Awarded to Fuller Theological Seminary, Pasadena, California	\$8,365	\$5,594	

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
OJP Office of Juvenile Justice and Delinquency Prevention Project E.S.C.A.P.E. Awarded to the Santa Rosa, California Memorial Hospital	\$7,013	\$7,013	
OJP Teleconferencing Equipment for Prosecutors and Community Education Grant Administered by the University of Kentucky, College of Law	\$76,326	\$76,326	
Operation Weed and Seed of Southeast Missouri, Inc.	\$309		
Prince George's County Economic Development Corporation	\$7,393		
Seminole County, Oklahoma	\$12,500		
State of Florida	\$16,111		
State of Ohio, FY 2002	\$246,303		
State of Ohio, FY 2003	\$219,620		
The Cal Ripken, Sr. Foundation, Inc.	\$21,331		
Use of Equitable Sharing of Revenues by the Villa Rica, Georgia Police Department	\$605,158	\$548,059	
Total	\$21,873,820	\$5,435,994	\$1,196,595

Appendix 2

EVALUATION AND INSPECTIONS DIVISION REPORTS

April 1, 2004–September 30, 2004

Review of Inspections of Firearms Dealers by the ATF

Review of the ATF's Enforcement of Brady Act Violations Identified Through the National Instant Criminal Background Check System

Review of the BOP's Disciplinary System

Survey of the Department's Use of Polygraph Examinations

Review of Shooting Incidents in the Department

Appendix 3

GLOSSARY OF TERMS

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

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

Controlled Personal Property: Items, other than supplies or real property, that because of their nature must be subjected to more stringent controls.

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

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

Internal Audit Report: The results of audits and related reviews of Department 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 reportable condition in which the design or operation of the internal control does not reduce to a relatively low level the risk that error, fraud, or noncompliance in amounts that would be material in relation to the principal statements or to performance measures may occur and not be detected within a timely period by employees in the normal course of their assigned duties.

National Instant Criminal Background Check System (NICS): The FBI's system used to determine whether a potential firearms purchaser is prohibited by federal law from possessing firearms.

Non-Supplanting Requirement: The Crime Act states that federal funds under the COPS Program are not to be used to supplant existing local or state funds. Supplanting is the use of federal funds to replace local funds.

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

Questioned Cost: A cost that is questioned by the OIG because of: 1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; 2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or 3) 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 entity took actions to implement and complete the recommendation, including 1) reductions in outlays; 2) deobligation of funds from programs or operations; 3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; 4) costs not incurred by implementing recommended improvements

related to the operations of the entity, a contractor, or grantee; 5) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or 6) 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 that could adversely affect the entity's ability to properly report financial data.

Soft Contraband: Any item other than hard contraband (e.g., drugs) that is not authorized for possession by an inmate. Examples may include cell phones, steroids, certain types of sneakers, etc.

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

Unqualified Opinion: An auditor's report that states the financial statements present fairly, in all material respects, the financial position and results of operations of the reporting entity, in conformity with generally accepted accounting principles.

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

Appendix 4

ACRONYMS AND ABBREVIATIONS

The following are acronyms and abbreviations used in the report.

ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives	IG Act	<i>Inspector General Act of 1978, as amended</i>
BOP	Federal Bureau of Prisons	INS	Immigration and Naturalization Service
Brady Act	<i>Brady Handgun Violence Prevention Act of 1993</i>	IT	Information technology
COPS	Office of Community Oriented Policing Services	JMD	Justice Management Division
DEA	Drug Enforcement Administration	LEO	Law enforcement officers
Department	U.S. Department of Justice	OIG	Office of the Inspector General
EOUSA	Executive Office for U.S. Attorneys	OJP	Office of Justice Programs
FBI	Federal Bureau of Investigation	OMB	Office of Management and Budget
FISA	<i>Foreign Intelligence Surveillance Act</i>	OPR	Office of Professional Responsibility
FFL	Federal Firearms Licensees	PRR	Procedural Reform Recommendation
FY	Fiscal year	USAO	U.S. Attorney's Office
		USMS	U.S. Marshals Service
		WITSEC	Witness Security Program

Appendix 5

Reporting Requirements Index

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

IG Act References	Reporting Requirements	Page
Section 4(a)(2)	Review of Legislation and Regulations	32
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	5-31
Section 5(a)(2)	Significant Recommendations for Corrective Actions	5-30
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	35
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	9-10, 13-16, 19-20, 23-24
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	37-43
Section 5(a)(7)	Summary of Significant Reports	5-30
Section 5(a)(8)	Audit Reports – Questioned Costs	34
Section 5(a)(9)	Audit Reports – Funds to Be Put to Better Use	33
Section 5(a)(10)	Prior Audit Reports Unresolved	35
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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**Office of the Inspector General
U.S. Department of Justice**

Investigations Division
950 Pennsylvania Avenue, NW
Room 4706
Washington, DC 20530

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Hotline: (800) 869-4499
Hotline fax: (202) 616-9898

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Washington, DC 20530

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