

# Office of the Inspector General Semiannual Report to Congress



April 1, 2008 – September 30, 2008

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## Message From the Inspector General

This semiannual report summarizes the work of the Office of the Inspector General (OIG) from April 1, 2008, through September 30, 2008. This past 6-month period was one of the most productive and challenging periods for the OIG, as we completed reviews on a variety of important issues affecting the Department of Justice (Department).

Of special significance, during this semiannual period we issued three reports of investigations relating to allegations of politicized hiring in the Department and the removal of nine U.S. Attorneys in 2006. These investigations were jointly conducted with the Department's Office of Professional Responsibility.

The first report, issued in June 2008, examined hiring practices in the Department's Honors Program and Summer Law Intern Program. The report found that committees used by the Department to screen applications for the two programs inappropriately used political or ideological affiliations to "deselect" candidates for these programs. The second report, issued in July 2008, found that staff in the Office of the Attorney General improperly considered political or ideological affiliations in screening candidates for certain career positions at the Department, in violation of federal law and Department policy.

The third report, issued in September 2008, examined the removal of nine U.S. Attorneys in 2006. This report concluded that the process the Department used to select the U.S. Attorneys for removal was fundamentally flawed, and that the oversight and implementation of the removal process by the Department's most senior leaders was significantly lacking. Our investigation also found evidence that partisan political considerations played a part in the removal of several of the U.S. Attorneys.

In these three reports, we made a series of recommendations designed to ensure that the problems we found do not occur again. The Department has agreed with these recommendations and either has implemented them or is taking steps to implement them.

In other areas, we continue to review significant programs and issues within the Department. For example, we issued a lengthy report examining the Federal Bureau of Investigation's (FBI) involvement in and observations of detainee interrogations in Guantanamo Bay, Afghanistan, and Iraq. We also completed an investigation examining the mishandling of classified documents by former Attorney General Alberto Gonzales. In addition, we issued audit reports examining the FBI's name check procedures for immigration applications; Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) controls over its weapons and laptop computers; and the management of Department grant programs for victims of human trafficking.

We currently have many other important reviews ongoing, including reviews of the Department's involvement with the Terrorist Surveillance Program, a follow-up review of the FBI's use of exigent letters, an audit of the coordination between the FBI and ATF in explosives investigations, an evaluation of the Department's protection of the federal judiciary and federal prosecutors, an evaluation of the Department's efforts to combat gang violence, and a follow-up audit of the FBI's watchlist nomination process.

Finally, I want to commend the talented OIG employees who continue to produce high quality reports and work diligently to fulfill the OIG's critical mission.

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

Glenn A. Fine  
Inspector General  
October 31, 2008

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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 continues to conduct wide-ranging oversight of Department programs and operations.

## Statistical Highlights

April 1, 2008 - September 30, 2008

Allegations Received by the Investigations Division	5,147
Investigations Opened	163
Investigations Closed	194
Arrests	59
Indictments/Informations	62
Convictions/Pleas	52
Administrative Actions	123
Fines/Restitutions/Recoveries	\$1.3 million
Audit Reports Issued	98
Questioned Costs	\$10 million
Funds Put to Better Use	\$185,383
Recommendations for Management Improvements	217

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

- ◆ [The Department's Removal of Nine U.S. Attorneys in 2006](#). The OIG and

the Department's Office of Professional Responsibility (OPR) jointly investigated the Department's removal of nine U.S. Attorneys in 2006. Our investigation concluded that the process Department officials used to identify the U.S. Attorneys for removal was fundamentally flawed. We found that partisan political considerations played a part in the removal of several of the U.S. Attorneys, and that Department officials made misleading statements to Congress and the public about the reasons for the removals. We recommended that a counsel specially appointed by the Attorney General conduct further investigation and ultimately determine whether the evidence demonstrates that any criminal offense was committed with regard to the removal of any U.S. Attorney or with regard to the testimony of any witness related to the U.S. Attorneys' removals. In response to the report, Attorney General Mukasey selected a career prosecutor to conduct further investigation into the removals.

- ◆ [Politicized Hiring by Monica Goodling and Other Staff in the Office of the Attorney General](#). The OIG and OPR jointly investigated allegations of politicized hiring at the Department by Monica Goodling and other staff in the Office of the Attorney General. The joint investigation found that Goodling, former Chief of Staff to the Attorney General Kyle Sampson, and other staff improperly considered political or ideological affiliations in screening candidates for certain career positions at the

Department, in violation of federal law and Department policy.

- ◆ **Politicized Hiring in the Department's Honors Program and Summer Law Intern Program.** The OIG and OPR jointly investigated allegations of politicized hiring in the Department's Honors Program and Summer Law Intern Program (SLIP) from 2002 to 2006. In 2002, the Attorney General created a Screening Committee, generally comprised of politically appointed employees from the Department's leadership offices, to approve all Honors Program and SLIP candidates for interviews by the components. We found that the Screening Committees in 2002 and 2006 improperly deselected candidates for interviews based on political and ideological affiliations. We determined that candidates with Democratic Party and liberal affiliations apparent on their applications were deselected at a significantly higher rate than applicants with Republican Party, conservative, or neutral affiliations. This pattern continued when we compared a subset of academically highly qualified candidates. We recommended changes to ensure that political or ideological affiliations are not inappropriately used to evaluate candidates for the Honors Program and SLIP. The Department agreed to implement our recommendations.
- ◆ **The FBI's Involvement in and Observations of Detainee Interrogations in Guantanamo Bay, Afghanistan, and Iraq.** The OIG examined the FBI's involvement in and observations of detainee interrogations in Guantanamo Bay, Afghanistan, and Iraq. The OIG report described concerns raised by FBI agents who were involved in the early interrogations of two high-value detainees, Abu Zubaydah

and Muhammad Al-Qahtani, as well as other detainees. Some FBI agents raised concerns to Department of Defense (DOD) and FBI officials. However, we found no evidence that these concerns influenced DOD interrogation policies. We also concluded that most FBI agents deployed in the military zones separated themselves from interrogators using non-FBI techniques and continued to adhere to FBI policies. We believe that while the FBI could have provided clearer guidance to its agents earlier, and while the FBI could have pressed harder for resolution of concerns about detainee treatment by other agencies, the FBI should be credited for its conduct and professionalism in detainee interrogations in the military zones in Guantanamo Bay, Afghanistan, and Iraq and in generally avoiding participation in detainee abuse.

- ◆ **Mishandling of Classified Documents by Attorney General Gonzales.** The OIG investigated allegations that former Attorney General Alberto Gonzales mishandled classified documents. We found that Gonzales took home notes containing Top Secret/Sensitive Compartmented Information (SCI) about the National Security Agency's (NSA) surveillance program and stored them for an indeterminate period of time in his briefcase at his residence rather than in a safe. When he returned the notes to the Department, he kept them and other SCI documents in a safe outside his office rather than in a Sensitive Compartmented Information Facility, as required by Department regulations. Several members of his staff who were not cleared to see these documents had regular access to this safe. We concluded that Attorney General Gonzales's handling of these classified documents violated Department regulations and procedures governing the proper handling of classified material.



◆ **ATF's Controls Over its Weapons, Laptop Computers, and Other Sensitive Property.**

Our audit found serious weaknesses in ATF's controls over its weapons and laptop computers. We found that 76 ATF weapons and 418 laptop computers were lost, stolen, or missing during a 5-year period from 2002 through 2007, and more than half of the weapons losses were due to employee carelessness or failure to follow ATF policy. We determined that ATF's rate for lost, stolen, or missing weapons was nearly double those of the FBI and the Drug Enforcement Administration (DEA). We also found that ATF staff did not report many of the lost, stolen, or missing weapons and laptop computers, as required by ATF policies. In addition, ATF was unable to provide assurance that 398 of the 418 lost, stolen, or missing laptop computers did not contain sensitive or personally identifiable information, and few of these laptop computers were protected by encryption software. We made 14 recommendations, and ATF agreed with most of them.

◆ **Security Check Procedures for Immigration Applications and Petitions.**

The OIG examined the FBI's security check procedures for immigration and naturalization applicants. We found that the FBI's National Name Check Program relies on outdated and inefficient technology, personnel who have limited training, overburdened supervisors, and inadequate quality assurance measures. As a result, the name check process is backlogged and provides little assurance that necessary information is retrieved and transmitted to customer agencies. We found that while 86 percent of the name check requests are processed within 60 days, name check requests for the remaining 14 percent can take anywhere from several months to

over a year to complete, with some name checks pending for as long as 3 years. By contrast, we found that the FBI's Integrated Automated Fingerprint Identification System processes millions of fingerprint submissions in an accurate and timely manner because of the fingerprint system's enhanced technology, well-trained personnel, and efficient tracking mechanisms. The FBI agreed with our recommendations to upgrade the technology of the Name Check Program, implement a formal training curriculum for name check analysts, and reassess fees every 2 years to ensure proper recovery of costs for name checks.

## Investigations

As shown in the statistics in the table at the beginning of this section, the OIG investigates many allegations of misconduct involving Department employees or contractors or grantees who receive Department money. Examples of the OIG's investigations discussed in this semiannual report include:

- ◆ A joint investigation led to the arrest of an inmate and his brother on charges of money laundering conspiracy. The investigation concerned allegations that two inmates provided staff at a federal corrections complex with financial advice in exchange for favorable treatment, including using the Federal Bureau of Prisons' (BOP) e-mail, telephone, and mail systems to carry out their scheme to launder more than \$5.7 million in illicit assets. The funds were laundered through a complex scheme using offshore accounts to invest in movies produced through a California-based production company, with profits returned to the inmates' family. The inmate's brother

has pled guilty, and judicial proceedings continue against the two inmates.

- ◆ A joint investigation resulted in the arrest of the former president of the San Juan Southern Paiute Tribe, who obtained an Office of Community Oriented Policing Services (COPS) grant totaling \$224,997. The tribal president converted \$174,997 of the funds for her own use. The tribal president also converted for her own use approximately \$579,412 of a different COPS grant during 2005.
- ◆ An investigation led to the arrest of an FBI special agent who concealed from the FBI and other law enforcement agencies his improper sexual relationship with the wife of a man he investigated in two separate matters. The special agent used his position to negotiate two favorable plea agreements with the local District Attorney's Office for the husband and later improperly used an FBI confidential witness in an attempt to locate a homicide suspect to secure a favorable plea agreement for the woman's son, who was arrested for an armed robbery. The special agent was charged with wire fraud, making a false statement, and witness tampering.
- ◆ An investigation led to the conviction of a BOP correctional officer who conspired with an inmate's girlfriend to introduce tobacco and a knife into a correctional facility in exchange for approximately \$5,600. The correctional officer was sentenced to 41 months' incarceration followed by 36 months' supervised release.
- ◆ An investigation led to the arrest of a BOP lieutenant who beat an inmate with a flashlight and then falsely reported to the

BOP and OIG that the inmate's injuries were self-inflicted. The lieutenant was charged with deprivation of rights under color of law and falsification of a report in order to obstruct an investigation.

- ◆ A joint investigation led to the arrest of the chief of police in Troy, Texas, who used approximately \$12,000 of a \$43,000 equitable sharing grant to purchase a motorcycle and related accessories for his wife, an insurance policy, five cellular telephones, MP-3 players, an embroidery machine, and a family vacation.

## Ongoing Work

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

- ◆ The Department's involvement with the Terrorist Surveillance Program
- ◆ The FBI's efforts to combat crimes against children
- ◆ The FBI's misuse of exigent letters
- ◆ The Department's efforts to combat gang violence
- ◆ Coordination of FBI and ATF explosives investigations
- ◆ The FBI's watchlist nomination practices
- ◆ The Department's efforts to protect the federal judiciary and federal prosecutors
- ◆ The Department's efforts to prevent staff sexual abuse of federal inmates

# 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 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, ATF, BOP, DEA, U.S. Attorneys' Offices (USAO), U.S. Marshals Service (USMS), and all other organizations within the Department, as well as contractors of the Department and organizations receiving grant money from the Department.

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

- ◆ **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, Office of Operations, Office of Policy and Planning, and 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 Administrative Support.
- ◆ **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 makes recommendations for improvement.
- ◆ **Oversight and Review Division** blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations.

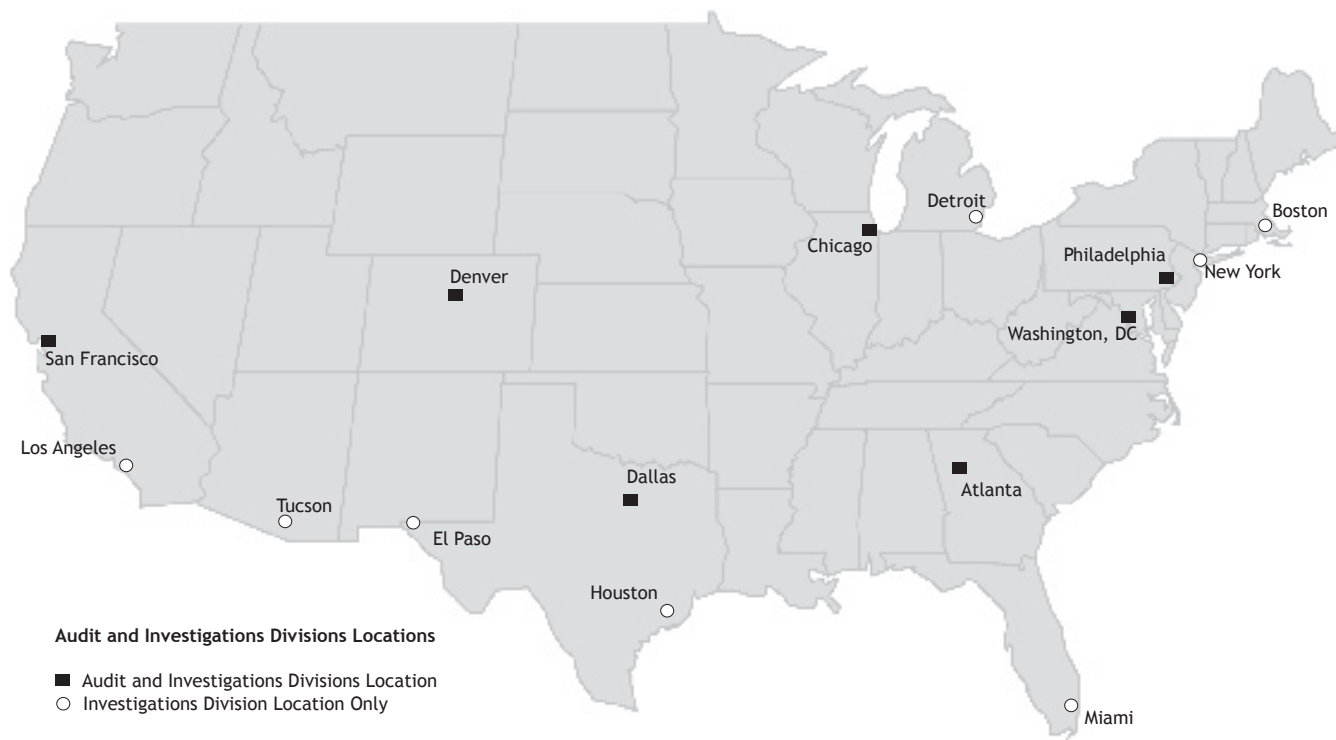
- ◆ **Management and Planning Division** provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, quality assurance, internal controls, and general support.
- ◆ **Office of the 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 410 special agents, auditors,

inspectors, attorneys, and support staff. For fiscal year (FY) 2008, the OIG's direct appropriation was \$71 million, and the OIG received an additional \$3.6 million in reimbursements.

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 from April 1, 2008, through September 30, 2008, is to be submitted no later than October 31, 2008, to the Attorney General for his review. The Attorney General is required to forward the report to Congress no later than November 30, 2008, 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 our reports are available at [www.usdoj.gov/oig](http://www.usdoj.gov/oig).



# 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 to Department contractors and grant recipients. The following describes OIG audits, reviews, and investigations that involve more than one Department component.

## Reports Issued

### The Department's Removal of Nine U.S. Attorneys in 2006

The OIG and Department's Office of Professional Responsibility (OPR) jointly investigated the Department's removal of nine U.S. Attorneys in 2006. U.S. Attorneys are appointed by the President and confirmed by the Senate and, like other presidential appointees, can be removed by the President as long as the reason for the removal is not illegal or improper. Historically, U.S. Attorneys generally have not been removed except in cases of misconduct or when there was a change in administrations. Prior to the events described in this report, the Department had never removed a group of U.S. Attorneys at one time because of alleged performance issues.

On December 7, 2006, seven U.S. Attorneys were told to resign from their positions: David Iglesias, Daniel Bogden, Paul Charlton, John McKay, Carol Lam, Margaret Chiara, and Kevin Ryan. In addition, U.S. Attorneys Todd Graves and Bud Cummins were told to resign earlier in 2006.

Our investigation concluded that the process that Department officials used to identify the U.S. Attorneys for removal was fundamentally flawed. In particular, we found that former Attorney General Alberto Gonzales and former Deputy Attorney General Paul McNulty failed to adequately supervise or oversee the removal process. Instead, Kyle Sampson, Attorney General Gonzales's chief of staff, designed and implemented the process with virtually no oversight. We found no evidence that Gonzales, McNulty, Sampson, or anyone else in the Department carefully evaluated the basis for each U.S. Attorney's removal or attempted to ensure that there were no improper political reasons for the removals. Moreover, after the removals became public, the statements provided by Gonzales, McNulty, Sampson, and other Department officials about the reasons for the removals were inconsistent, misleading, or inaccurate in many respects.

The most serious allegations that arose in the aftermath of the removals were that several of the U.S. Attorneys were forced to resign based on improper political considerations. Our

investigation found substantial evidence that partisan political considerations played a part in the removal of several of the U.S. Attorneys. The most troubling example was the removal of Iglesias, the U.S. Attorney for New Mexico, after the White House and the Department received complaints from New Mexico politicians and party activists about his handling of voter fraud and public corruption cases.

With regard to several other removed U.S. Attorneys, we found that Department officials made misleading statements to Congress and the public by asserting that their removals were based on concerns about their performance. In fact, Sampson acknowledged that he considered whether particular U.S. Attorneys identified for removal had political support. Sampson stated that a U.S. Attorney was considered for removal not if he was considered “mediocre,” but if he was perceived as both mediocre and lacking political support.

We believe our investigation uncovered most of the facts relating to the reasons for most of the U.S. Attorneys’ removals. However, there were gaps in the investigation because of the refusal of certain key witnesses to be interviewed, including former White House officials Karl Rove, Harriet Miers, and William Kelley; former Department White House Liaison Monica Goodling; and Senator Pete Domenici and his chief of staff Steve Bell. In addition, the White House declined to provide internal documents relating to the removals of the U.S. Attorneys.

Our report recommended that a counsel specially appointed by current Attorney General Michael Mukasey assess the facts that we uncovered, conduct further investigation, and ultimately determine whether the evidence

demonstrates that any criminal offense was committed with regard to the removal of any U.S. Attorney or with regard to the testimony of any witness related to the U.S. Attorneys’ removals.

In response to the report, Attorney General Mukasey selected a career prosecutor to conduct further investigation into the removal of the U.S. Attorneys.

### [Politicized Hiring by Monica Goodling and Other Staff in the Office of the Attorney General](#)

The OIG and OPR investigated allegations of politicized hiring at the Department by Monica Goodling and other staff in the Office of the Attorney General. The joint investigation found that Goodling, Kyle Sampson, and other staff improperly considered political or ideological affiliations in screening candidates for certain career positions at the Department, in violation of federal law and Department policy. In addition, the investigation found that Goodling and two other Department employees provided inaccurate information in response to inquiries about Department hiring practices.

We examined allegations that Goodling, who held several positions at the Department, including White House Liaison in the Office of the Attorney General, inappropriately considered political or ideological affiliations in the selection and hiring of certain Assistant U.S. Attorneys (AUSA) and career attorneys in the Department. We also investigated whether Goodling and her predecessors as White House Liaison considered political or ideological affiliations when selecting candidates for details of career attorneys to Department offices.

In addition, we investigated allegations that Goodling, Sampson, and others inappropriately considered political or ideological affiliations in selecting immigration judges, which are career positions, and whether Goodling discriminated against a career Department attorney, who had applied for several temporary details, on the basis of her rumored sexual orientation.

Our investigation substantiated many of the allegations against Goodling, Sampson, and others. We found that they violated federal law and Department policy when they used political affiliation to select candidates for career attorney positions, and that Goodling and Sampson committed misconduct by doing so.

We also determined that Goodling used political or ideological affiliations to select or reject career attorney candidates for temporary details to Department offices, which sometimes resulted in high-quality candidates for important details being rejected in favor of less-qualified candidates. For example, Goodling rejected an experienced career terrorism prosecutor for a detail to the Executive Office for U.S. Attorneys (EOUSA) to work on counterterrorism issues because the candidate's wife was active in the local Democratic Party. Instead, EOUSA had to select a more junior attorney who lacked any experience in counterterrorism issues and who EOUSA officials believed was not qualified for the position.

The most systematic use of improper political or ideological affiliations in screening candidates for career positions occurred in the selection of immigration judges, who work in the Department's Executive Office for Immigration Review (EOIR). In the fall of 2003 and the spring of 2004, Sampson created and implemented a new process for

selecting immigration judges that ensured that all candidates for these positions were selected by staff in the Office of the Attorney General rather than by EOIR officials, which had been the usual practice up until that time. Sampson said he implemented the new process because he believed that immigration judges were not subject to civil service laws based on advice he received from an EOIR official and from the Department's Office of Legal Counsel. However, we did not find evidence to support Sampson's statements about receiving such advice.

We determined that, under the process implemented by Sampson and followed by Goodling, the principal sources for immigration judge candidates were the White House Offices of Political Affairs and Presidential Personnel. We found that Goodling screened candidates for immigration judge positions by using a variety of techniques for determining their political or ideological affiliations, including researching the candidates' political contributions and voter registration records and using an Internet search string containing political and ideological terms. This selection process caused significant delays in appointing immigration judges at a time when the immigration courts were experiencing an increased workload and a high vacancy rate.

We also determined that Goodling committed misconduct by providing inaccurate information to a Civil Division attorney who was defending a lawsuit brought by an unsuccessful immigration judge candidate. Goodling told the attorney that she did not take political factors into consideration in connection with immigration judge hiring, which was inaccurate.

In 2007, in response to allegations about Goodling's inappropriate consideration of

political affiliations on requests by interim U.S. Attorneys to hire AUSAs, Attorney General Gonzales directed that such waiver requests be reviewed by career employees rather than by political appointees in Department offices. In addition, EOUSA recently ended the practice of reviewing the résumés of such candidates and instead assesses those requests based solely on the budgetary status of the USAO and the status of the U.S. Attorney's nomination. With regard to immigration judges, as a result of the civil litigation over the unsuccessful candidacy of an immigration judge applicant, in April 2007 Gonzales approved a new process to fill immigration judge positions that returned the responsibility for evaluating immigration judge candidates to career officials in EOIR. According to EOIR officials, the process is working more effectively now, and political considerations are not being used in the selection of candidates.

We concluded that these changes will address many of the problems that we found in our investigation. However, we recommended additional changes for the Department to help ensure that political or ideological affiliations are not inappropriately used to evaluate candidates for career positions in the future.

### Politicized Hiring in the Department's Honors Program and Summer Law Intern Program

The OIG and OPR jointly investigated allegations of politicized hiring in the Department's Honors Program and Summer Law Intern Program from 2002 to 2006. The Honors Program is a highly competitive hiring program for entry-level Department attorneys. The Summer Law Intern Program (SLIP) is a

highly competitive program for paid summer internships for law students in the Department.

Prior to 2002, career employees within each component decided which applicants to interview and select for both the Honors Program and SLIP. However, under a new system implemented by the Attorney General in 2002, a Screening Committee generally comprised of politically appointed employees from the Department's leadership offices had to approve Honors Program and SLIP candidates for interviews by the components.

Both Department policy and federal law prohibit discrimination in hiring for career positions on the basis of political affiliations and require the Department to use merit-based hiring practices that identify qualified applicants through fair and open competition. Despite these mandates, we found that the Screening Committees in 2002 and 2006 improperly deselected candidates for interviews based on political and ideological affiliations. We determined that candidates with Democratic Party and liberal affiliations apparent on their applications were deselected at a significantly higher rate than applicants with Republican Party, conservative, or neutral affiliations. This pattern continued when we compared a subset of academically highly qualified candidates.

Regarding the 2006 Screening Committee, we again found that a significantly higher percentage of the deselected Honors Program and SLIP candidates had liberal affiliations as compared to candidates with conservative affiliations. This pattern also was apparent when we compared applicants – including those who were highly qualified academically – with Democratic Party affiliations versus Republican Party affiliations for both Honors Program and SLIP candidates.



We concluded that two of the three members of the 2006 Screening Committee took political or ideological affiliations into account in deselecting candidates, in violation of Department policy and federal law, and thereby committed misconduct. One member wrote disparaging statements about candidates' liberal and Democratic Party affiliations on the applications she reviewed and then voted to deselect candidates on that basis. Another committee member, who was a career AUSA on detail to the Office of the Deputy Attorney General, did not use improper considerations in his review of candidates for the Honors Program and SLIP. This member appropriately raised concerns that political or ideological affiliations were being used to the third Committee member, who was the head of the Committee. However, we determined that the head of the Screening Committee not only failed to take appropriate action when he was apprised of these issues, but also wrongly deselected candidates based on impermissible considerations.

With regard to the processes Department components used from 2002 through 2006 for proposing candidates to the Screening Committee, we generally found that the processes were largely controlled by career employees and were merit based. We did not find evidence that components employed inappropriate criteria such as political or ideological affiliations to select candidates to be interviewed for the Honors Program or SLIP. However, we received allegations that inappropriate considerations were used in selecting Honors and SLIP candidates in the Civil Rights Division. The OIG and OPR are jointly investigating various allegations involving the Civil Rights Division, and we will provide our findings in a separate report when that investigation is concluded.

In April 2007, the Department changed the process for selecting Honors Program and SLIP candidates by removing the screening conducted by political officials on the Screening Committee and by providing written guidance on the criteria that should be applied. While these changes were appropriate and will address many of the problems that we found in our investigation, we recommended additional changes to ensure that political or ideological affiliations are not inappropriately used to evaluate candidates for the Honors Program and SLIP.

### [Audit of the Department's Legislative and Public Affairs Expenses](#)

The OIG issued a congressionally mandated audit examining legislative and public affairs expenses throughout the Department. The audit covered FY 2007 legislative and public affairs expenses and staffing among all 40 components and the 94 USAOs.

Our audit found that 25 Department components and 58 USAOs performed significant legislative and public affairs functions in FY 2007. These components and USAOs reported estimated combined legislative and public affairs expenses totaling \$49.35 million and 476 employees performing these functions during the year. The FBI, ATF, DEA, and USAOs accounted for \$34.5 million or 69.9 percent of the total Department legislative and public affairs expenses.

During FY 2007, the Department was funded by a series of continuing resolutions that carried forward FY 2006 restrictions on the number of Office of Legislative Affairs (OLA) and Office of Public Affairs (PAO) staffing. The legislation also stated that within the staffing

ceilings provided OLA and PAO may utilize detailed career employees on a non-reimbursable basis. Our review of FY 2007 OLA and PAO staffing levels indicated that OLA complied with its permanent positions ceiling, while PAO complied with its permanent positions and full-time equivalent work years (FTE) ceilings. However, we found that OLA exceeded its 21 FTE ceiling by 2.8 FTE work years through its use of detailed career employees.

The Department stated that it applied standard federal budgeting practices in determining FTEs for OLA and PAO and did not include non-reimbursable detailed staff in its FTE calculations. Given this methodology, the Department believed that OLA and PAO were within the staffing ceilings mandated by appropriations law, and it disagreed with the OIG's conclusion that OLA exceeded its FTE ceiling. However, we believe that the plain language of the appropriations proviso prevented the Justice Management Division (JMD) from applying standard budgeting practices in this case.

### 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. On August 6, 2008, the OIG issued a report summarizing its Section 1001 activities for the period January 1, 2008, to June 30, 2008.

In addition to describing the number of complaints we received under this section and the status of investigations conducted by the OIG and Department components, the report summarized the findings of several OIG reviews and audits that relate to the OIG's civil rights and civil liberties oversight responsibilities. For example, we described our audit of the Department's watchlist nomination process, as well as our examination of the FBI's involvement in and observations of detainee interrogations in Guantanamo Bay, Afghanistan, and Iraq.

The Section 1001 report also described several ongoing OIG reviews and audits examining civil rights/civil liberties-related issues that are expected to be completed in the coming months: review of the Department's involvement with the NSA's Terrorist Surveillance Program, follow-up audit on the FBI's watchlist nomination process, audit of the FBI's Terrorist Threat and Suspicious Incident Tracking System, and investigation of the FBI's use of exigent letters.

### *Federal Information Security Management Act Audits*

The *Federal Information Security Management Act* (FISMA) requires the Inspector General for each agency to perform an annual independent evaluation of the agency's information security programs and practices. The evaluation includes testing the effectiveness of information security policies, procedures, and practices of a representative subset of agency systems. To oversee the implementation of policies and practices relating to information security, the

Office on Management and Budget (OMB) has issued guidance to agencies for their FISMA requirements.

For FY 2007, the OIG's Audit Division audited the security programs of three major components and a subset of individual systems. The components reviewed were the FBI, USMS, and JMD. In addition, four individual systems were reviewed. Three of the systems, JMD's Civil Applicant System, USMS's Warrant Information Network, and FBI's Combined DNA Index System, are sensitive but unclassified. The remaining system is classified. In these audits, we provided more than 20 recommendations for improving the implementation of the Department's information security program and practices for its sensitive but unclassified, classified, and national security systems.

For FY 2008, the OIG audited the security programs of four major components: the FBI, ATF, DEA, and JMD. Within these components, we selected for review two classified systems within the FBI and three sensitive but unclassified systems: ATF's Arson and Explosives Incident System, DEA's Validation Integrity and Penetration Response System, and JMD's Automated Configuration and Engineering System. The OIG plans to issue separate reports evaluating each of these systems.

Based on our FISMA reviews, we also responded to the OMB questionnaire by providing updated information on the overall effectiveness of the Department's information technology (IT) security program. Our review found that the Department ensured that systems within the FBI, ATF, DEA, and JMD

were all certified and accredited. However, for the FBI systems we reviewed, the security controls had not been tested within the past year. Also, the contingency plans for three ATF systems had not been tested in accordance with the Department's policy. With respect to IT security awareness training, we found that ATF did not fully ensure that all of its employees were trained as required by Department policy.

As part of the FISMA review, on August 1, 2008, we submitted a response to the Office of the Director of National Intelligence with respect to the FBI's compliance with FISMA requirements for national security systems.

## Investigations

- ◆ A joint investigation by the OIG's Oversight and Review Division and the USAO for the District of Maryland led to the April 2008 guilty plea of Robert E. Coughlin II, former Deputy Chief of Staff for the Criminal Division. Coughlin pled guilty to charges of conflict of interest in connection with assistance he provided to former lobbyist and Jack Abramoff associate Kevin Ring and their law and lobbying firm in matters that were before the Department. The investigation found that Coughlin provided assistance to Ring and received in return things of value, including sports and concert tickets, restaurant meals, and a golf outing.

From 2001 to October 2003, Coughlin worked at OLA and the Office of Intergovernmental and Public Liaison. Our investigation revealed that during this time Coughlin provided Ring with information

on internal Department deliberations regarding a bill impacting a client of Ring and information as to the status and responsibilities of certain Department officials, including which officials would be inclined to assist Ring and his firm. Coughlin also contacted Department officials to obtain information for Ring about a land dispute between two Indian tribes, a consent decree between a client of Ring's firm and a competing company, and the purchase of one company by another. In addition, Coughlin agreed to attend, and attended, meetings with Ring, his clients, and other Department officials.

We also found that Coughlin participated in an effort by Ring and his firm to obtain a \$16.3 million grant for a tribal client to build a jail. As of March 2001, the Department had only approved \$9 million in grant funds. Coughlin identified the Department official at OLA who handled the tribal-jail-grant issue as one whose political leanings might not be favorable to Ring. Coughlin set up a meeting with a "friendly" Department official and with others involved in the grant application decision and met with those officials himself. He also updated Ring on the status of the application and the prospects for a reversal of the decision to approve only \$9 million. On January 31, 2002, the Department reversed its prior decision and awarded \$16.3 million to Ring's tribal client for construction of the jail.

The investigation determined that, during the period Coughlin was assisting Ring and his firm, the lobbyist provided things of value (as described above) totaling \$6,180 to Coughlin. Coughlin failed to report these items as gifts on his financial disclosure forms.

Coughlin pled guilty to willfully taking actions affecting a personal financial interest. His sentencing is pending.

- ◆ In a related matter to the case described above, a joint investigation by the OIG's Oversight and Review Division, FBI's Washington Field Office, USAO for the District of Maryland, and Public Integrity and Fraud Sections of the Criminal Division led to the September 2008 indictment of Ring on public corruption and obstruction of justice charges.

A federal grand jury in Washington, D.C., returned a 10-count indictment charging Ring with conspiring with Abramoff and others to corrupt Coughlin and other public officials by providing things of value to induce or reward official actions taken by these officials benefiting Ring and his clients. The indictment also charged Ring with paying a gratuity to Coughlin and engaging in a scheme to deprive U.S. citizens of their right to the honest services of Coughlin. In addition, the indictment charged Ring with two counts of obstructing justice stemming from his efforts to thwart a grand jury and congressional investigation by preventing the reporting of his criminal conduct to federal authorities.

- ◆ In our September 2006 *Semiannual Report to Congress*, we reported on a joint investigation conducted by the OIG's Fraud Detection Office and the New York Field Office that resulted in the arrest of a painter at the World Trade Center on charges that he received more than \$1 million from the September 11 Victim Compensation Fund based on his fraudulent claim that he was permanently disabled and unable to work as a result of back injuries sustained

during the September 11, 2001, terrorism attacks. Videotape evidence gathered by the OIG demonstrated that the painter continued to engage in physical activities, such as bicycling and dancing, which were inconsistent with the injuries he claimed. In addition, the OIG found that the painter continued to paint houses in his neighborhood and fraudulently concealed from the hearing officer a back injury that he sustained in a motor vehicle accident that occurred prior to September 11, 2001. During this reporting period, the painter was sentenced in the Southern District of New York to 30 months' incarceration followed by 3 years' supervised release and ordered to pay \$100,000 in restitution and a \$25,000 fine.

## Ongoing Work

### Review of the Department's Involvement with the Terrorist Surveillance Program

The OIG is reviewing the Department's involvement with the intelligence program generally referred to as the NSA terrorist surveillance program. We are examining the Department's controls over and use of information related to the program and the Department's compliance with legal requirements governing the program.

### Coordination of FBI and ATF Explosives Activities

The OIG is examining how the FBI and ATF coordinate their explosives investigation

activities. We are assessing possible duplication in laboratory, database, and training resources, and assessing the level of cooperation between ATF and FBI headquarters and field office components, as well as with and within the Joint Terrorism Task Forces.

### Combating Gangs and Gang Violence

The OIG is reviewing the intelligence and coordination activities of the National Gang Intelligence Center and the National Gang Targeting, Enforcement, and Coordination Center. Our review is examining how these two organizations contribute to the Department's anti-gang initiatives.

### Assessment of the Departments Major IT Vulnerabilities

This audit is assessing the Department's major IT vulnerabilities and actions taken to mitigate them.

### Sex Offender Registration

The OIG is reviewing the Department's efforts to implement the *Sex Offender Registration and Notification Act* (Title I of the *Adam Walsh Child Safety and Protection Act of 2006*). We are reviewing how the Department is identifying, investigating, arresting, and prosecuting fugitive sex offenders who failed to register or update their registrations. We also are determining the status of the Department's efforts to create and maintain national sex offender registries and provide guidance and assistance to states regarding the maintenance of their sex offender registries.

## Staff Sexual Abuse of Federal Inmates

The OIG is reviewing the Department's efforts to prevent sexual abuse of federal inmates and detainees by BOP and USMS staff. We are examining the Department's policies and procedures for addressing sexual abuse issues, investigating allegations of abuse, and prosecuting substantiated cases.

## Protection of the Federal Judiciary and Federal Prosecutors

The OIG is examining the role of the USMS district offices in the protection of federal judges and prosecutors. We also are examining the role that EOUSA plays in the protection of federal prosecutors.

## Deployment, Use, and Policies Governing Less-Lethal Weapons

The OIG is reviewing the Department's use of and policies governing less-lethal weapons. We are examining which types of less-lethal

weapons the Department's law enforcement components use and under what circumstances they use them.

## Litigation Case Management System

The OIG is examining the development of the Department's Litigation Case Management System to assess whether the project is meeting schedule, cost, technical, and performance requirements; the system design will meet current and long-term enterprise requirements; and the Department is following its Information Technology Investment Management process in developing and implementing this system.

## *Federal Employees' Compensation Act*

The OIG is auditing the Department's administration and oversight of its *Federal Employees' Compensation Act* program. We are assessing whether controls are in place to effectively administer the program, reduce opportunities for claimant fraud, and return employees to work when appropriate.

# Federal Bureau of Investigation



The FBI is responsible for counterterrorism, foreign counterintelligence, and for addressing other national security threats. The FBI also investigates cyber crimes, public corruption, civil rights violations, organized crime, violent crimes, and other violations of federal law. FBI Headquarters in Washington, D.C., coordinates the activities of more than 30,000 employees in 56 domestic field offices, approximately 400 satellite offices, and 61 foreign liaison posts overseas that are responsible for the wide range of national security, criminal, and other matters within the FBI's jurisdiction.

## Reports Issued

### The FBI's Involvement in and Observations of Detainee Interrogations in Guantanamo Bay, Afghanistan, and Iraq

The OIG's Oversight and Review Division examined the FBI's involvement in and observations of detainee interrogations in Guantanamo Bay, Afghanistan, and Iraq. We reviewed whether FBI agents participated in any detainee abuse, witnessed incidents of detainee abuse in the military zones, or reported abuse to their superiors or others. We also assessed how FBI reports of abuse were handled within the FBI and the Department and the adequacy of the policies, guidance, and training the FBI provided to the agents it deployed to the military zones.

The OIG report described concerns raised by FBI agents who were involved in the early interrogations of two high-value detainees, Abu Zubaydah and Muhammad Al-Qahtani.

FBI agents assisting with the Zubaydah interrogations at an overseas facility observed Central Intelligence Agency interrogators using harsh techniques. Around August 2002, FBI Director Robert Mueller decided that the FBI would not participate in joint interrogations of detainees with other agencies in which techniques not allowed under FBI policy would be employed. Later in 2002, FBI agents at Guantanamo became concerned when the military used increasingly harsh and demeaning techniques on Al-Qahtani and others. Several FBI agents raised concerns with the DOD and FBI Headquarters about these techniques, and some of their concerns were communicated to senior officials in the Department's Criminal Division and ultimately to the Attorney General. However, we found no evidence that the FBI's concerns influenced DOD interrogation policies.

The OIG report also examined guidance and training that the FBI provided to its agents. We found that the FBI did not issue specific

guidance to its agents relating to the joint interrogation of detainees until after the Abu Ghraib disclosures in April 2004, and that the policy that the FBI issued in May 2004 did not adequately address agent concerns regarding such matters as defining when FBI agents should report abuse or mistreatment by other agencies' interrogators.

In our investigation, we surveyed over 1,000 FBI employees who served at Guantanamo, Afghanistan, and Iraq, and more than 300 said they saw or heard about military interrogators using a variety of harsh interrogation techniques on detainees. The most commonly reported techniques included sleep deprivation or disruption (sometimes involving loud music or bright lights), short-shackling, stress positions, prolonged isolation, and hooding or blindfolding. Although some FBI agents made reports of these matters to their supervisors, others said they did not make such reports because they understood that these techniques were approved for other agencies' interrogators.

We did not find support for allegations that FBI agents participated in abuse of detainees in the military zones. In a few instances, FBI agents used techniques that would not normally be permitted in the United States or participated in interrogations in which such techniques were used by others. However, these incidents were infrequent and were sometimes related to the unfamiliar circumstances agents encountered in the military zones. The incidents in no way resembled the incidents of detainee mistreatment that occurred at the Abu Ghraib prison in Iraq.

The OIG concluded that the vast majority of the FBI agents deployed in the military zones separated themselves from interrogators using

non-FBI techniques and continued to adhere to FBI policies. We believe that while the FBI could have provided clearer guidance earlier and pressed harder for resolution of concerns about detainee treatment by other agencies, the FBI should be credited for its conduct and professionalism in detainee interrogations in the military zones in Guantanamo Bay, Afghanistan, and Iraq and in generally avoiding participation in detainee abuse.

### Security Check Procedures for Immigration Applications and Petitions

The OIG's Audit Division examined the FBI's security check procedures for immigration and naturalization applicants. Immigration authorities and the FBI have come under criticism for the backlog in processing these applications, which are required for applicants to receive citizenship, a green card, or other immigration benefits.

The OIG examined the FBI's National Name Check Program and its Integrated Automated Fingerprint Identification System (IAFIS). Both programs provide federal agencies, state and local law enforcement agencies, and approved non-governmental institutions with criminal history and identification services from the FBI's vast repositories of investigative records. The FBI's largest name check and fingerprint identification customer is the Department of Homeland Security's U.S. Bureau of Citizenship and Immigration Services (USCIS), which administers immigration and naturalization benefits and relies upon information from the FBI's name check and fingerprint identification services to adjudicate immigration applications and petitions. In FY 2007, the National Name



Check Program received more than 4 million name check requests, including more than 2 million from USCIS. In addition, the FBI processes about 21 million fingerprint requests annually, including more than 3.2 million from USCIS.

We found that the FBI's name check processes rely on outdated and inefficient technology, personnel who have limited training, overburdened supervisors, and inadequate quality assurance measures. As a result, the name check process is backlogged and provides little assurance that necessary information is retrieved and transmitted to customer agencies. We found that the National Name Check Program processes about 86 percent of the name check requests it receives within 60 days. However, name check requests for the remaining 14 percent can take anywhere from several months to over a year to complete, with some name checks pending for as long as 3 years. As of March 2008, the FBI had more than 327,000 pending USCIS name check requests.

Our audit found that while the FBI has explored some electronic tools to assist in the name check search process, it has not conducted a technical assessment of its outdated and potentially ineffective phonetic name-matching algorithm – perhaps the key component in the name matching system – which matches submitted names to the FBI's index of names in its investigative files. We also found that the FBI addressed the USCIS name check backlog primarily by increasing the number of personnel performing name checks. However, the FBI had limited training, supervision, and quality control measures to handle this large influx of new employees, which increased the potential for name-matching errors. In addition, while the FBI said it lacked adequate funding

to implement technological improvements in its name check process, it had not raised its name check fees in 17 years, and thus lost opportunities to enhance its antiquated automated systems and until recently increase staffing levels.

In contrast to our findings on the FBI's name check program, we determined that IAFIS is generally able to process millions of fingerprint submissions in an accurate and timely manner because of the fingerprint system's enhanced technology, well-trained personnel, and efficient tracking mechanisms. We found that USCIS requested 3.2 million fingerprint identifications from the FBI in FY 2007, most of which were processed within 24 hours.

Our report contained 21 recommendations related to improvements in the name check phonetic search capabilities and other technological upgrades; implementation of a formal training curriculum for name check analysts and quality assurance measures in the name check process; and the reassessment of fees every 2 years to ensure proper recovery of costs for name checks.

The FBI agreed with our recommendations and is implementing actions to address them.

## CODIS Audits

The FBI's Combined DNA Index System (CODIS) includes a national information repository that permits the storing and searching of DNA specimen information to facilitate the exchange of DNA information by law enforcement agencies. During this reporting period, the OIG audited several state and local laboratories that participate in CODIS to

determine if they comply with the FBI's Quality Assurance Standards and National DNA Index System (NDIS) requirements. Additionally, we evaluated whether the laboratories' DNA profiles in CODIS databases were complete, accurate, and allowable. Below are examples of our audit findings.

- ◆ The [Illinois State Police Forensic Science Center](#) in Chicago, Illinois, was in compliance with the standards governing CODIS activities with the following exceptions: the Laboratory's CODIS server, while located within a secured building, was not located in an area secure from laboratory personnel who were not authorized, as required by NDIS operational procedures; the Laboratory uploaded three unallowable profiles and one incomplete profile to NDIS; and the Laboratory did not submit its 2006 annual audit to the FBI within 30 days after the Laboratory received it, as required by NDIS operational procedures. Laboratory officials have since taken corrective action to address these deficiencies. We made three recommendations, and the FBI agreed with them.
  
- ◆ The [Alabama Department of Forensic Sciences Huntsville Laboratory](#) was in compliance with the standards governing CODIS activities with two exceptions. For one of seven forensic-candidate NDIS matches we reviewed, the Laboratory did not document timely initiation of the confirmation process and did not complete its match resolution process in a timely manner. However, we considered the single late match to be an isolated case and made no recommendation. The other exception concerned Laboratory staff making errors while manually entering specimen numbers

and profiles into CODIS. Incorrect specimen numbers in CODIS could result in delays in the match confirmation process. During a review of files in preparation for our audit, the Laboratory identified the improperly uploaded profiles and took steps to remove them. Although one specimen number was deleted and given the correct number, it was not re-uploaded. We made one recommendation to the Laboratory's current procedures to ensure that correct specimen numbers are entered into CODIS. The FBI concurred, and corrective action has been completed.

## Investigations

During this reporting period, the OIG received 1,507 complaints involving the FBI. The most common allegations made against FBI employees were Intelligence Oversight Board violations, job performance failure, waste, and misuse of government property. The OIG opened 10 cases and referred other allegations to the FBI's Inspection Division for its review.

At the close of the reporting period, the OIG had 35 open criminal or administrative investigations of alleged misconduct related to FBI employees. The criminal investigations covered a wide range of offenses, including release of information, job performance failure, and false statements. The following are examples of cases involving the FBI that the OIG's Investigations Division handled during this reporting period:

- ◆ An investigation by the OIG's Denver Field Office led to the arrest of an FBI special agent pursuant to an 18-count indictment

on charges of wire fraud, making a false statement, and witness tampering. OIG investigators determined that the special agent concealed from the FBI and other law enforcement agencies his improper sexual relationship from 2002 through 2005 with the wife of a man he investigated in two separate matters. During that same timeframe, the special agent used his position to negotiate two favorable plea agreements with the local District Attorney's Office for the husband. The special agent later improperly used an FBI confidential witness in an attempt to locate a homicide suspect to secure a favorable plea agreement for the woman's son after he was arrested for an armed robbery along with her husband. When the improper sexual relationship was revealed to the OIG and the FBI, the special agent asked two key witnesses to lie to federal investigators and contacted other witnesses in an attempt to influence their testimony. The special agent also provided a false statement in an FBI report concerning his unauthorized disclosure of the confidential informant's true identity to the woman. A jury trial is pending.

- ◆ An investigation by the OIG's Denver Field Office determined that an FBI special agent falsely claimed \$6,832 in lodging expenses from the FBI on three separate travel vouchers when those expenses had already been paid for by the Department's Civil Rights Division via direct billing. The FBI terminated the special agent from his position as a result of this investigation.
- ◆ An investigation by the OIG's Miami Field Office determined that an FBI supervisory special agent directed his subordinates to falsify their time-keeping forms to

reflect that they were conducting cyber-intrusion investigations even though they were working on other matters. In an OIG interview, the supervisory special agent admitted that he had his agents falsify the documents to avoid negative inspection reviews for him and the division he worked for. The FBI suspended the supervisory special agent for 29 days.

- ◆ In our March 2008 *Semiannual Report To Congress*, we reported on an investigation conducted by the OIG's Chicago Field Office that led to the arrest of an FBI financial manager on charges of embezzlement of government funds. The investigation determined that the financial manager stole funds totaling \$22,425 that were designated for undercover operations. She falsified receipts to make it appear that invoices were paid, but instead deposited the money into her own bank accounts. During this reporting period, the financial manager pled guilty and was sentenced to 6 months' home confinement and 36 months' supervised release. She also was ordered to pay restitution to the FBI in the amount of \$86,025. The financial manager resigned from her position as a result of our investigation.

## Ongoing Work

### The FBI's Use of Exigent Letters and Other Improper Requests for Telephone Records

As a follow-up to our reviews of the FBI's use of national security letters (NSL), the OIG is investigating the FBI's use of exigent letters

and other improper requests to obtain telephone records. In our first report on NSLs, issued in March 2007, we reported on a practice by which the FBI used over 700 exigent letters rather than NSLs to obtain telephone toll billing records. We determined that by issuing exigent letters rather than NSLs, the FBI circumvented the NSL statutes and violated the Attorney General's Guidelines and internal FBI policy. Our investigation is examining in greater detail the FBI's use of exigent letters and its issuance of "blanket" NSLs used to "cover" or validate the information obtained from exigent letters and other improper requests.

## The FBI's Watchlist Nomination Practices

As a follow-up to our audit of the Department's watchlist nomination processes, we are examining the FBI's practices for nominating individuals to the consolidated terrorist watchlist. Our review includes determining if the FBI appropriately places or removes individuals on the watchlist in a timely manner and if records are updated with new information.

## The FBI's Efforts to Combat Crimes Against Children

The OIG is examining the FBI's efforts to address various crimes against children, such as cyber-based child pornography, child abductions, and non-cyber sexual exploitation of children.

## The FBI's Foreign Language Translation Services

As a follow-up to our July 2004 audit, the OIG is assessing the FBI's ability to translate critical foreign language material. We are examining the FBI's efforts in meeting linguist hiring goals, and whether the FBI ensures the appropriate prioritization of translation work, accurate and timely translations of pertinent information, and adequate pre- and post-hire security screening of linguists. We also are examining the extent of any translation backlogs and the efforts taken by the FBI to address them.

## The FBI's Guardian Threat Tracking System

FBI guidance requires that terrorist threats and suspicious incidents be reported to its National Threat Center Section, which records them in the FBI's Guardian database. Guardian enables users to enter, assign, and manage the FBI's response to terrorism threats and suspicious activities while simultaneously allowing field offices and Joint Terrorism Task Force members to view the information. The OIG is examining the process and guidance for recording, resolving, and sharing information on terrorism threats in Guardian; the FBI's compliance with the proper recording and resolution of threats; and the status of the FBI's IT tools for tracking the resolution of such threats.

## The FBI's Management and Support of its WMD Coordinator Program

This audit is evaluating the FBI's Weapons of Mass Destruction (WMD) program in its field

divisions and assessing how the FBI supports its WMD coordinators.

## Review of the FBI's Disciplinary System

The OIG is reviewing the FBI's system for reporting and investigating allegations of employee misconduct and for disciplining employees who are found to have committed

misconduct. This is the fifth in a series of reviews of Department component disciplinary systems.

## A Review of the Status of the FBI's Sentinel Case Management System

The OIG's fourth audit on Sentinel is assessing the status of the Sentinel project to upgrade the FBI's Case Management System.

# Bureau of Alcohol, Tobacco, Firearms and Explosives



ATF's 5,000 employees perform the dual responsibilities of enforcing federal criminal laws and regulating the firearms and explosives industries. ATF investigates violent crimes involving firearms and explosives, acts of arson, and illegal trafficking of alcohol and tobacco products. ATF also provides training and support to its federal, state, local, and international law enforcement partners and works in 25 field divisions with representation throughout the United States, Puerto Rico, U.S. Virgin Islands, and Guam. Foreign offices are located in Mexico, Canada, Colombia, and representatives in France.

## Reports Issued

### ATF's Controls Over its Weapons, Laptop Computers, and Other Sensitive Property

The OIG's Audit Division examined ATF's controls over its weapons, laptop computers, ammunition, and explosives. We concluded that ATF had adequate controls over its explosives, but serious weaknesses existed in its controls over weapons, laptop computers, and ammunition.

Our audit found that 76 ATF weapons and 418 laptop computers were lost, stolen, or missing during a 5-year period from 2002 through 2007. We determined that since a 2002 audit by the Department of Treasury OIG (when ATF was

part of Treasury), ATF's rate of weapons loss per month has nearly tripled, and its rate of loss per month for laptop computers has increased significantly. We found that 40 (53 percent) of the 76 weapons that were lost, stolen, or missing during this review period appeared to have resulted from employees' carelessness or failure to follow ATF policy. For laptop computers, 50 of the 418 were stolen; 274 were identified as missing during an inventory; and 94 were lost during shipping, left in a public place, or were unexplainably lost. ATF's rate for lost, stolen, or missing weapons was nearly double those of the FBI (0.29) and the DEA (0.28). In addition, ATF's loss of laptop computers was significantly higher than the FBI and DEA, at nearly 3 per 1,000 agents compared to less than 1 per 1,000 for FBI or DEA agents.

We also found that ATF staff did not report many of the lost, stolen, or missing weapons and laptop computers to ATF's Internal Affairs Division, as required by ATF policies. In addition, ATF could not determine what information was on its lost, stolen, or missing laptop computers, and ATF was unable to provide assurance that 398 of the 418 lost, stolen, or missing laptop computers did not contain sensitive or personally identifiable information. Moreover, few of the laptop computers lost, stolen, or missing during our review period were protected by encryption software because ATF did not begin installing such software on its laptops until May 2007.

With regard to explosives, our audit concluded that ATF had adequate controls over the explosives in its possession and had proper physical security over its ammunition. However, we identified weaknesses in ATF's accountability and controls over ammunition. Of the 20 ATF field offices we tested during the audit, only 11 performed required inventory recordkeeping for ammunition. ATF could not provide documentation that any of its field offices had submitted annual ammunition inventories to ATF headquarters, as required by ATF policy.

Our report made 14 recommendations, including that ATF report all lost, stolen, or missing weapons, laptop computers, and ammunition losses to its Internal Affairs Division; install encryption software on all laptop computers; maintain accurate and complete records in its property management system; follow recordkeeping requirements for ammunition; and determine whether lost, stolen, or missing laptop computers contain sensitive or personally identifiable information. ATF agreed with most of the recommendations.

## Investigations

During this reporting period, the OIG received 188 complaints involving ATF. The most common allegations made against ATF employees were waste, misuse of government property, and theft. The OIG opened three cases and referred other allegations to ATF's Office of Professional Responsibility for review.

At the close of the reporting period, the OIG had six open criminal or administrative investigations of alleged misconduct against ATF employees. The criminal investigations included release of information, denial of rights or due process, and fraud. The administrative investigations involved serious allegations of misconduct. The following is an example of a case involving ATF that the OIG's Investigations Division handled during this reporting period:

- ◆ A joint investigation by the OIG's Chicago Field Office and the FBI led to the arrest and guilty plea of an Indianapolis police officer, assigned by ATF as a deputized task force officer, to charges of disclosing the existence of federal wiretaps. The investigation determined that the police officer, while assigned to a joint federal and state drug task force, disclosed the existence of 14 wiretaps to his girlfriend's nephew. The nephew in turn told two of the targets of the task force investigation of the existence of the wiretaps. When law enforcement officials attempted to arrest the 36 targets of the investigation, 15 of them had fled because of the task force officer's disclosure and, as of this date, two of them remain fugitives. The task force officer was sentenced in the Southern District of Indiana to 4 months'

confinement in a community corrections facility and 6 months' confinement at home. He also was fined \$1,000 and ordered to complete 180 hours of community service.

## Ongoing Work

### ATF's Alcohol and Tobacco Diversion Program

The OIG is reviewing ATF activities that address the domestic and international diversion of alcohol and tobacco products from legitimate commerce. We are examining how ATF has implemented its diversion program and whether it is sufficient to identify and disrupt illegal trafficking of alcohol and tobacco products.



# 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 10,800 employees staffing its 21 division offices in the United States and the Caribbean and 87 offices in 63 other countries.

## Reports Issued

### The DEA's Use of Intelligence Analysts

The OIG's Audit Division evaluated the DEA's hiring, training, and retention of its intelligence analysts and the timeliness and quality of intelligence products produced by its intelligence analysts. The OIG previously conducted similar audits relating to FBI intelligence analysts.

We found that the attrition rate for DEA intelligence analysts ranged from 3.5 percent to 2.6 percent between FYs 2004 and 2007, which was lower than the attrition rate for FBI intelligence analysts during the same period. Our survey of DEA intelligence analysts found that their job satisfaction was generally good and that most planned to stay at the DEA. We also found that other federal agencies found DEA intelligence products to be useful, logical, and of good quality.

However, our audit determined that the DEA has experienced delays in transmitting intelligence products and has not adequately monitored the status of the security clearances for its intelligence analysts. Our testing of 16 strategic intelligence reports found that the reports were published, on average, about 21 months after the source information was first obtained by the DEA. In addition, the DEA transmitted cables with information that had a foreign nexus to other federal agencies, on average, 34 days after the original information was received by the DEA. Three of the 81 cables we tested contained information related to terrorism and met the DEA's criteria for expedited processing within 24 to 48 hours. However, these cables were not transmitted until 39, 44, and 76 days after initial receipt of the information.

Our audit also found that, as of September 2007, 82 of the DEA's 699 intelligence analysts

did not have a required Top Secret clearance or had not been reinvestigated to maintain their security clearance within the last 5 years.

We made nine recommendations regarding DEA intelligence analysts, including improving the timeliness for distributing intelligence products to other federal agencies and establishing an adequate system to monitor the status of the security clearances for its intelligence analysts. The DEA agreed with the recommendations.

## Investigations

During this reporting period, the OIG received 240 complaints involving the DEA. The most common allegations made against DEA employees were job performance failure, waste, misuse of government property, and release of information. The OIG opened seven investigations and referred other allegations to the DEA's Office of Professional Responsibility for review.

At the close of the reporting period, the OIG had 17 open cases of alleged misconduct against DEA employees. The most common allegations were release of information, false statements, and use of unnecessary force. The following is an example of a case involving the DEA that the OIG's Investigations Division investigated:

- ◆ In our March 2006 *Semiannual Report To Congress*, we reported on a joint investigation conducted by the OIG's Miami Field Office, DEA's Office of Professional Responsibility, and Internal Revenue Service (IRS) that led to the arrest of a DEA special agent on charges of converting property of another, embezzlement of public funds, and money laundering. An indictment returned in the Northern District of Georgia alleged that the special agent, who served as a team leader and evidence custodian at the DEA's Atlanta Airport Task Force from early 2003 through January 2005, stole cash seized from money couriers for drug organizations by instructing local police officers to turn over seized money to him without counting it. The special agent allegedly stole more than \$200,000 and used a portion of the stolen money to build a custom home in Orlando, Florida. During this reporting period, the DEA special agent was sentenced pursuant to a plea agreement for filing a false tax return and failing to report more than \$200,000 of cash income. He was sentenced to 21 months' incarceration followed by 12 months' supervised release and was ordered to perform 100 hours community service and pay \$92,614 in restitution to the IRS and the Georgia Department of Revenue. As part of the plea agreement, the DEA special agent is banned from ever seeking employment in federal, state, or local law enforcement.

# Office of Justice Programs



The Office of Justice Programs (OJP) manages the majority of the Department's grant programs and is responsible for developing initiatives to address crime at the state and local level. OJP is composed of five bureaus – Bureau of Justice Assistance (BJA), Bureau of Justice Statistics, National Institute of Justice (NIJ), Office of Juvenile Justice and Delinquency Prevention (OJJDP), and Office for Victims of Crime (OVC) – as well as the Community Capacity Development Office and the Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking Office.

## Reports Issued

### Management of OJP's Grant Programs for Trafficking Victims

The OIG's Audit Division examined the management of OJP grant programs for victims of human trafficking. Human trafficking is a form of modern-day slavery in which traffickers lure victims, mostly women and children, with false promises of better lives and then force them to work under inhumane conditions.

OJP awards grants to task forces that identify and rescue trafficking victims and enters into cooperative agreements with service providers to provide food, clothing, shelter, and other forms of assistance to trafficking victims. During FYs 2003 through 2007, OVC awarded \$31.7 million to providers of services for trafficking victims, and BJA awarded \$19.2 million in grants for 42 task forces across the country.

We found that human trafficking grant programs were effective in building the capacity to serve victims of human trafficking, but the programs were not effective in identifying and serving significant numbers of trafficking victims, ensuring that award amounts were consistent with the anticipated number of victims to be served, and ensuring that service providers and task forces reported accurate performance data on victims identified and served. In addition, OJP had not established an effective system for monitoring service providers and task forces, although improvements to the monitoring system were underway at the time of our audit.

Our audit found that even with the work of the task forces, the service providers were reaching a small number of victims. The Department reported in July 2005 that an estimated 14,500 to 17,500 human trafficking victims are brought into the United States annually. However, from

2005 through 2007 the task forces reported identifying 2,103 potential victims, and the service providers reported serving 1,444 victims.

We also found that OJP's agreement award process resulted in a wide variation in funds awarded compared to the number of victims anticipated to be served. For example, one service provider received nearly \$1.9 million to supply services to an estimated 100 victims over the 3-year agreement period (\$18,965 per estimated victim). Another provider received \$490,829 to service an estimated 100 victims over the 3-year agreement period (\$4,908 per estimated victim). For the 19 agreements we tested, the amount awarded per anticipated victim ranged from a high of \$33,333 to a low of \$2,500.

In addition, the OIG's testing of individual task forces and service providers identified systemic deficiencies similar to those found in past OIG reviews of OJP grant programs. These deficiencies included failure to accomplish project goals, submission of inaccurate program and financial reports, questionable expenditures of about \$1.5 million, and poor monitoring of sub-recipients.

We made 15 recommendations to help OJP improve management of its grant program for human trafficking victims. OJP agreed with our recommendations.

### Audits of OJP Grants to State and Local Entities

During this reporting period, the OIG continued to conduct audits of grants awarded by OJP. Examples of findings from these audits included the following:

- ◆ OJP awarded more than \$1.5 million in funds from October 2003 to April 2008 to San Mateo County, California, for the Southwest Border Prosecution Initiative (SWBPI). Our audit found that all of the cases San Mateo claimed and was reimbursed for were ineligible under the SWBPI guidelines. In particular, San Mateo received unallowable reimbursements for 1,076 cases submitted because they were not federally initiated. OJP agreed with our recommendation to attempt to recover the more than \$1.5 million in questioned costs for the 1,076 unallowable cases that were submitted for reimbursement under SWBPI.
- ◆ As of April 15, 2008, [Humboldt County, California](#), received SWBPI funding totaling \$728,445. Our audit found that Humboldt County claimed and was reimbursed \$525,347 for cases that were ineligible under the SWBPI guidelines. We also found that Humboldt County received excess reimbursements totaling \$30,542. As a result, we identified questioned costs totaling \$555,889 and recommended that OJP attempt to recover both the \$525,347 and \$30,542 in questioned costs. OJP agreed with our recommendation to remedy the total questioned costs.
- ◆ As of September 20, 2004, OJP awarded the [City of Oakland, California](#), a Serious and Violent Offender Reentry Initiative grant totaling \$1.05 million to fund Project Choice, a reentry program. We found that Oakland did not exercise adequate programmatic oversight of Project Choice to ensure that 1) services had been rendered to eligible program participants, 2) contractors maintained accurate and complete records of program participants and their outcomes, and 3) records were retained for audit purposes. Our report

contained two recommendations due to the deficiencies identified, and we questioned the total grant amount resulting from inadequate programmatic oversight. OJP concurred with the report's recommendations.

- ◆ In September 2004, an NIJ Crime Laboratory Improvement Program cooperative agreement worth nearly \$2 million was awarded to the [New Jersey Department of Law and Public Safety](#) in Trenton, New Jersey, to purchase equipment to increase capacity, replace obsolete technologies, and improve safety conditions at New Jersey State Police forensic science laboratories. We reviewed compliance with six essential agreement conditions and found material weaknesses in four of the six areas: 1) agreement expenditures, 2) matching expenditures, 3) reporting, and 4) program performance. We determined that the New Jersey Department of Law and Public Safety charged \$13,942 in unallowable expenditures for items not budgeted and \$24,527 in unallowable indirect costs. Our audit also found \$815,960 in matching expenditures that were unsupported. As a result of these deficiencies, we questioned a total of \$854,429 in expenditures. OJP agreed with our findings.
- ◆ NIJ awarded two Convicted Offender DNA Backlog Reduction Program cooperative agreements totaling nearly \$2 million to the New Jersey Department of Law and Public Safety. Our audit found that the New Jersey Department of Law and Public Safety charged \$99,349 in unsupported overtime personnel expenditures, \$18,466 in pre-agreement personnel and fringe benefit expenditures, and \$2,527 in unallowable non-budgeted administrative equipment. We also found and recommended that \$179,899 in unspent funding from both agreements be

deobligated and put to better use because the objective of the program had been achieved. As a result of the deficiencies, we questioned a total of \$300,241 in funding. OJP agreed with our findings.

## Investigations

During this reporting period, the OIG received 17 complaints involving OJP. The most common allegations made against OJP employees, contractors, or grantees were fraud. The OIG opened 11 cases.

At the close of the reporting period, the OIG had 24 open criminal or administrative investigations of alleged misconduct related to OJP employees, contractors, or grantees. The criminal investigations included grantee fraud, contract fraud, and theft. The administrative investigations involved serious allegations of misconduct. The following are examples of cases involving OJP that the OIG's Investigations Division handled during this reporting period:

- ◆ In our March 2008 *Semiannual Report to Congress*, we reported on a joint investigation by the OIG's San Francisco Area Investigations and Audit Offices, FBI, Department of Housing and Urban Development (HUD), and IRS that led to the arrest of the former Mayor of Fairbanks, Alaska, and his wife on charges of theft of \$450,000 in federal grant funds, conspiracy, and money laundering. The investigation determined that the former Mayor and his wife used grant funds from OJP and HUD that were designated to operate a non-profit organization to purchase a flat screen television and other items for personal use and to partially fund the building of their

church. During this reporting period, the former Mayor was sentenced to 66 months' incarceration followed by 3 years' supervised release and ordered to pay restitution of \$314,000, pursuant to his conviction of theft of government funds, conspiracy, money laundering, and submitting false tax returns. His wife was sentenced to 3 years' incarceration followed by 3 years' supervised release and ordered to pay restitution of \$447,000, pursuant to her guilty plea to charges of money laundering and theft of federal funds.

- ◆ In our September 2007 *Semiannual Report to Congress*, we reported on an investigation by the OIG's Fraud Detection Office that led to the arrest and indictment in the Western District of Oklahoma of three OJP grantees on charges of conspiracy, theft, and aiding and abetting. In September 2002, OVW awarded a \$299,815 grant to the South Central Region Tribal Nations and Friends Domestic Violence Coalition to assist in its efforts to support victims of domestic violence. Our investigation determined that the executive director of the Coalition stole over \$100,000 in grant funds, and two board members of the Coalition stole approximately \$25,000 and \$37,000, respectively. All three pled guilty to charges of conspiracy to embezzle Department grant funds. During this reporting period, the executive director was sentenced to 17 months' incarceration followed by 2 years' supervised release and ordered to pay \$105,638 in restitution, the first board member was sentenced to 8 months' incarceration followed by 2 years' supervised release and ordered to pay \$25,006 in restitution, and the second board member was sentenced to 15 months' incarceration followed by 2 years' supervised release and ordered to pay \$37,816 in restitution.

## Ongoing Work

### Convicted Offender DNA Backlog Reduction

The OIG is assessing the adequacy of NIJ's grant administration and oversight of the Convicted Offender DNA Backlog Reduction Grant Program. We are evaluating the extent to which grantees have administered the grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards; the adequacy of NIJ's oversight of vendors as well as vendor compliance with contractual obligations; and whether the program is accomplishing its stated mission to reduce the convicted offender backlog.

### OJJDP's Grant and Contract Award Procedures

The OIG is reviewing the policies and procedures used by OJJDP to solicit, assess, and award discretionary grants in FY 2007. This audit stems from allegations that the OJJDP Administrator and his executive staff bypassed several highly rated proposals for the National Juvenile Justice Program in favor of lower-rated ones.

### NIJ's Grant and Contract Award Practices

The OIG is determining whether competitive NIJ grants and contracts awarded in the last 3 fiscal years were awarded based on fair and open competition. We also are examining the administrative costs related to NIJ grants and contracts.

# Federal Bureau of Prisons



The BOP operates a nationwide system of prisons and detention facilities to incarcerate individuals imprisoned for federal crimes and detain those awaiting trial or sentencing in federal court. The BOP has approximately 36,000 employees and operates 114 institutions, 6 regional offices, and 2 staff training centers. The BOP is responsible for the custody and care of approximately 202,000 federal offenders, 166,000 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.

## Investigations

During this reporting period, the OIG received 2,549 complaints involving the BOP. The most common allegations made against BOP employees were official misconduct, abuse, and rights violations. The vast majority of complaints dealt with non-criminal issues that the OIG referred to the BOP's Office of Internal Affairs for review.

At the close of the reporting period, the OIG had 238 open cases of alleged misconduct against BOP employees. The criminal investigations covered a wide range of allegations, including introduction of contraband, bribery, and sexual abuse. The following are examples of cases involving the BOP that the OIG's Investigations Division handled during this reporting period:

- ◆ A joint investigation by the OIG's Miami Field Office and the FBI led to the arrest of an inmate and his civilian brother on

charges relating to a money laundering conspiracy. The investigation reviewed allegations that two inmates corrupted staff at the Federal Correctional Complex in Coleman, Florida, by providing financial advice in exchange for favorable treatment. We determined that the inmates were using the BOP e-mail, telephone, and mail systems to carry out their scheme to launder more than \$5.7 million in illicit assets. The funds were laundered through a complex scheme using offshore accounts to invest in movies produced through a California-based production company, with profits returned to the inmates' family. Additionally, bulk cash was invested in a New York-based warehousing company as well as Florida-based real estate ventures. The indictment seeks the forfeiture of the interests of the brothers in real estate, bank accounts, and business ventures held in the names of the subjects or their nominees. To date, the

investigation has located approximately \$3.7 million in real estate, bank accounts, and substitute assets available for forfeiture. The original allegation concerning staff corruption is ongoing. The civilian brother has pled guilty. Judicial proceedings against the previously arrested inmate and the second inmate continue.

- ◆ An investigation by the OIG's San Francisco Area Office led to the arrest of a BOP lieutenant on charges of deprivation of rights under color of law and falsification of a report in order to obstruct an investigation. OIG investigators determined that the lieutenant beat an inmate with a flashlight and then falsely reported to the BOP and OIG that the inmate's injuries were self-inflicted. The lieutenant resigned from his position with the BOP as a result of our investigation. Two other correctional officers were given 30-day suspensions for failure to report and providing false information regarding the incident. Judicial proceedings continue for the lieutenant.
- ◆ An investigation by the OIG's Miami Field Office led to the arrest and guilty plea of a BOP correctional officer on charges of conspiracy, bribery, and introduction of contraband into a federal correctional facility. OIG investigators determined that the correctional officer conspired with an inmate and the inmate's girlfriend to introduce tobacco and a knife into the facility in exchange for approximately \$5,600. The correctional officer was sentenced to 41 months' incarceration followed by 36 months' supervised release. The correctional officer also was terminated from his position with the BOP as a result of the investigation. Sentencing for the inmate is pending.

- ◆ In our March 2008 *Semiannual Report to Congress*, we reported on an investigation by the OIG's New York Field Office that led to the conviction of 10 BOP correctional officers charged with violating the civil rights of inmates at the Metropolitan Detention Center in Brooklyn, New York. In the first incident in November 2002, five correctional officers participated in a planned beating of an inmate and then attempted to disguise the attack by planting a noose in the inmate's cell and claiming in written reports that the inmate became combative as they attempted to prevent him from committing suicide. A second incident occurred in April 2006 where five correctional officers, including one who participated in the previously described attack, physically assaulted a different inmate in an elevator while escorting him to a special housing unit within the facility.

During this reporting period, a BOP captain involved in the November 2002 attack and subsequent cover-up was sentenced to 51 months' incarceration followed by 3 years' supervised release. Two correctional officers involved in this attack, who eventually cooperated with the government, pled guilty and were sentenced during this reporting period. The first correctional officer was sentenced to 6 months' home confinement followed by 5 years' probation, and ordered to pay a \$5,000 fine for violating the civil rights of an inmate and conspiracy to obstruct justice. The second correctional officer was sentenced to 5 years' probation and ordered to perform 500 hours of community service for violating the civil rights of an inmate and providing false statements. Also during this reporting period, two correctional officers involved in the April 2006 attack and cover-up were



sentenced to 41 months' and 36 months' incarceration, respectively, followed by 36 months' supervised release. In addition, a BOP lieutenant was sentenced to 15 months' incarceration and a correctional officer was sentenced to 9 months' incarceration followed by 6 months' home confinement. The last correctional officer, who also cooperated in the investigation, was sentenced to 4 years' probation and ordered to perform 300 hours of community service and pay a \$3,000 fine pursuant to his guilty plea to a false statement charge. All defendants in this case have been sentenced and either resigned or were terminated from their positions with the BOP.

- ◆ In our September 2007 *Semiannual Report to Congress*, we reported on an investigation by the OIG's Miami Field Office that led to the arrest of four BOP correctional officers assigned to the Rivers Correctional Institution in Winton, North Carolina. The investigation determined that the four correctional officers assaulted an inmate during a dispute regarding a food tray and submitted memoranda to the BOP that contained false information related to the incident. During this reporting period, two of the correctional officers were convicted by a jury trial on charges of deprivation of rights under color of law, conspiracy, and false statements. They each were sentenced to 30 months' incarceration followed by 3 years' supervised release and ordered to pay \$3,701 in restitution. The third correctional officer pled guilty to deprivation of rights under color of law and was sentenced to 6 months' incarceration followed by 2 years' supervised release and was ordered to pay \$3,701 in restitution. The fourth correctional officer pled guilty to

making a false statement and was sentenced to 24 months' probation and ordered to pay a \$500 fine. All four correctional officers resigned from their positions with the BOP as a result of the investigation.

- ◆ An investigation by the OIG's Houston Area Office led to the arrest of a BOP employee services specialist pursuant to an indictment for theft of public money. OIG investigators found that the employee services specialist stole \$65,155 from the BOP by submitting fraudulent claims for overtime. The employee resigned from her position with the BOP as a result of our investigation. Judicial proceedings continue.
- ◆ A joint investigation by the OIG's Chicago Field Office and the FBI led to the arrest of two BOP correctional officers on charges of civil rights violations, conspiracy, and smuggling a weapon into a federal prison. The investigation determined that the correctional officers taunted an inmate in the segregated housing unit, doused him with water, and verbally threatened his life. One of the correctional officers also entered the inmate's cell with a knife. Judicial proceedings continue.
- ◆ An investigation by the OIG's Chicago Field Office led to the arrest of a BOP licensed practical nurse and nursing assistant in the District of Minnesota charging each with sexual abuse of a ward. OIG investigators determined that both the nurse and nursing assistant had an ongoing sexual relationship with a male inmate under their custodial supervision and control. Both resigned from their positions with the BOP as a result of our investigation. Judicial proceedings continue.

- ◆ An investigation by the OIG's Dallas Field Office led to the arrest of two BOP correctional officers and a cook foreman on charges of sexual abuse of a ward. OIG investigators determined that the subjects sexually abused inmates incarcerated at the Big Spring Correctional Center, a BOP contract facility located in Big Spring, Texas. During subject interviews, one correctional officer admitted to sexually abusing an inmate 20 to 30 times; the second correctional officer admitted to sexually abusing two separate inmates; and the cook foreman admitted to sexually abusing an inmate more than 20 times. Judicial proceedings continue.
- ◆ An investigation by the OIG's Washington Field Office led to the arrest of a BOP senior correctional officer on charges of bribery of a public official, sexual abuse of a ward, conspiracy to possess contraband in a federal prison, and possession of contraband in a federal prison. OIG investigators determined that the senior correctional officer accepted cash payments and jewelry from an inmate in exchange for sex and provided contraband to

the inmate, including marijuana, prescription drugs, alcohol, and cigarettes. The inmate previously pled guilty and was sentenced to 2 years' incarceration. The senior correctional officer pled guilty to charges of bribery of a public official and to carnal knowledge with an inmate. Sentencing is pending.

## Ongoing Work

### The BOP's Administration of the Witness Security Program

The Witness Security Program (WITSEC) provides protection to federal witnesses and their family members who agree to testify against drug traffickers, terrorists, members of organized crime enterprises, and other major criminals. The OIG previously examined the USMS's and the Criminal Division's roles in the WITSEC program. Our third audit in this series is assessing the BOP's role in WITSEC, including the BOP's security for WITSEC prisoners in its custody.

# Other Department Components

## Office of the Attorney General

### Reports Issued

#### Mishandling of Classified Documents by Attorney General Alberto Gonzales

The OIG's Oversight and Review Division investigated allegations that former Attorney General Alberto Gonzales mishandled classified documents while serving as the Attorney General. The allegations concerned Attorney General Gonzales's mishandling of classified notes that he drafted to memorialize a meeting with congressional leaders about the intelligence program generally referred to as the NSA surveillance program. Attorney General Gonzales, who was the White House Counsel at the time, said President Bush directed him to memorialize the meeting. The notes contained Top Secret/Sensitive Compartmented Information (SCI) about the program.

Our investigation concluded that Attorney General Gonzales took the classified notes about the NSA program with him from the White House to the Department on February 3, 2005, the day he was sworn in as Attorney General. When Attorney General Gonzales arrived at

the Department, he received a briefing from the Department's Security and Emergency Planning Staff on the proper handling of Top Secret/SCI information. The briefers informed him that Top Secret/SCI information must be kept in a Sensitive Compartmented Information Facility (SCIF), and that the Department's Command Center was available to store such information after hours. Despite this briefing, the Attorney General took the notes home with him in his briefcase that evening and did not store them in a safe at his residence. Our investigation found that he kept the notes at his residence for an indeterminate period of time before returning them to the Department.

During our investigation, Attorney General Gonzales said he did not remember whether he took the notes home or how he stored them if he did bring them home. He also said he did not know the notes contained classified information. However, we found that he wrote "AG – EYES ONLY – TOP SECRET" on the outside of an envelope containing the notes, and we concluded that he knew or should have known that the notes contained classified information. The evidence showed that he did, in fact, take the classified notes home. Attorney General Gonzales admitted to a Department official

and to White House attorneys that he may not always have maintained the notes in a safe and may have taken the notes to his residence. Our investigation also determined that, although Attorney General Gonzales had a safe at his home, he did not use it because he did not remember its combination. In addition, the safe was not authorized to hold SCI documents.

We also found that even when Attorney General Gonzales returned the notes to the Department, he mishandled them by keeping them in a safe outside his office rather than in a SCIF, as required by Department regulations. Several members of his staff who were not cleared to see documents related to the NSA surveillance program had regular access to the safe. Moreover, we found evidence that at least two employees conducted a search of Attorney General Gonzales's safe in response to a *Freedom of Information Act* request. The two employees were instructed to search the safe "document by document," including any classified materials, and one employee said they "looked through every single thing in the safe."

During the course of the OIG investigation, we also learned of other classified documents

that Attorney General Gonzales mishandled. We determined that he did not store at least 17 other SCI documents in a SCIF, as required by Department regulations. Instead, he stored these documents in the safe outside his office where several employees without the appropriate clearances had access to the documents. Most of these additional SCI documents also related to the NSA surveillance program, while others pertained to a classified detainee interrogation program. Attorney General Gonzales's handling of these classified documents also violated Department regulations and procedures governing the proper handling of classified material.

In light of Attorney General Gonzales's mishandling of SCI documents, and in particular the notes that he improperly brought to his residence, we provided our report to the Department's National Security Division for its review. After reviewing the matter, the National Security Division declined prosecution. We also provided our report to the Department's Security and Emergency Planning Staff and to the NSA for their review and any actions related to our findings that these entities consider appropriate.

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## U.S. Attorneys' Offices

### Ongoing Work

#### Review of USAOs' Resource Management

The OIG is examining the allocation of resources to and within the 94 USAOs. In

particular, we are examining the allocation and utilization of federal prosecutors within USAOs, as well as assessing the process by which personnel resources are allocated among USAOs, the accuracy and completeness of USAO utilization of resource and case data, and the changes in USAO cases from FY 2003 through FY 2007.

# Criminal Division

## Reports Issued

### Equitable Sharing Audits

Under the Department's Forfeiture Program, state and local law enforcement agencies receive equitable sharing assets when participating directly with the Department's law enforcement components in joint investigations that lead to the seizure or forfeiture of cash and property. To be eligible to receive equitable sharing proceeds, law enforcement agencies must submit a sharing request within 60 days of an asset seizure.

During this reporting period, the OIG's Audit Division audited the Detroit, Michigan, Police Department's use of equitable sharing revenues and the Virginia State Police's use of equitable sharing cash and property.

◆ The [Detroit Police Department](#) was awarded \$1.3 million in equitable sharing revenues from July 1, 2004, through October 30, 2007, to support law enforcement operations. Our audit identified weaknesses in the Detroit Police Department's Federal Annual Certification Reports, its tracking and reconciliation of sharing requests, and its use of equitable sharing revenues. Specifically, the Detroit Police Department did not comply with equitable sharing guidelines recommending the use of federal equitable sharing funds within a 2-year period. As a result, it accumulated but did not spend \$5,168,636 over the past 10 years. In addition, we found that the Federal

Annual Certification Reports for FYs 2005 through 2007 contained reporting errors. In accordance with our recommendations, the Criminal Division's Asset Forfeiture and Money Laundering Section will be assisting the Detroit Police Department with its spending plan to ensure that it is in compliance with equitable sharing guidelines and regulations.

◆ The [Virginia State Police](#) received more than \$3 million in equitable sharing cash and property to support law enforcement operations from FYs 2005 to 2007. Our audit found that the Virginia State Police generally complied with equitable sharing guidelines with respect to accounting for equitable sharing receipts, use of equitably shared property, interest earned on equitable sharing funds, and supplanting. However, we found weaknesses related to the tracking of sharing requests and the use of equitable sharing revenues resulting in over \$80,000 in unallowable equitable sharing fund expenditures. We recommended that the Criminal Division ensure that the Virginia State Police update its electronic tracking log to record the share amount requested and the corresponding amount received, ensure that the Virginia State Police develop and implement procedures that prevent using equitable sharing funds to pay for current personnel salaries, and remedy \$80,000 in questioned costs due to unallowable salary payments. The Criminal Division agreed with the recommendations and is working with the Virginia State Police to address them.

## Investigations

The following is an example of a case that the OIG's Investigations Division handled during this reporting period:

- ◆ A joint investigation by the OIG's Dallas Field Office and the Texas Rangers led to the arrest of the chief of police in Troy, Texas, on state theft charges. According to the investigation, the police department

received almost \$43,000 in equitable sharing funds derived from a \$537,030 DEA drug investigation currency seizure. The police chief misused approximately \$12,000 of these funds to purchase items for personal use, including a motorcycle and related accessories for his wife, an insurance policy, five cellular telephones, MP-3 players, an embroidery machine, and a family vacation. The police chief was fired by the city for these unauthorized expenditures. Judicial proceedings continue.

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# Office of Community Oriented Policing Services

## Reports Issued

### COPS Grant Audits

During this reporting period, the OIG audited various grants awarded by COPS. The purpose of our audits is to determine whether the costs reimbursed under the grants were allowable; supported; and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant. The following is an example of findings from OIG audits issued during this reporting period:

- ◆ COPS awarded the [Benton Harbor \(Michigan\) Police Department](#) a total of \$1 million to hire eight new, full-time police

officers for 3 years starting September 2004. We found Benton Harbor to be in material non-compliance with COPS' grant requirements for each of the grant conditions, including budgeting for local officer positions, hiring of additional officers, sourcing of local match requirements, requesting reimbursements, retaining officer positions, and community policing strategies. For example, the Police Department was below the target level for on-board officers for 22 of the 39 months during the period of September 2004 through November 2007, resulting in \$107,134 in questioned costs. Because of this and other deficiencies, we questioned a total of \$743,701 in reimbursements received by the Benton Harbor Police Department. COPS agreed with our recommendations.

## Investigations

The following is an example of a case that the OIG's Investigations Division handled during this reporting period:

- ◆ A joint investigation by the OIG's Denver Field Office, the FBI, and the IRS resulted in the arrest of the former president of the San Juan Southern Paiute Tribe pursuant to an indictment charging her with making false statements, theft of public money, theft from an Indian tribal organization, theft from an Indian tribal government receiving federal funds, and money laundering. The investigators developed evidence that the tribal president obtained a COPS grant totaling \$224,997 to hire three police officers. However, she failed to hire the police

officers and instead converted \$174,997 of the federal funds for her own use and made false representations to the COPS program regarding the hiring of the police officers. The tribal president also converted for her own use approximately \$579,412 of a COPS grant during 2005. Judicial proceedings continue.

## Ongoing Work

### COPS' Grant Program Management

The OIG is evaluating the effectiveness of COPS' grant program management. Specifically, we are assessing the effectiveness of COPS' controls over awarding grants, grant recipient monitoring, and efforts to ensure the success of grant programs.

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# U.S. National Central Bureau

## Ongoing Work

### Coordination with Interpol

The OIG is evaluating the level of cooperation between the U.S. National Central Bureau

(USNCB) and INTERPOL, as well as the USNCB's efforts to ensure participation and information sharing among federal, state, local, and tribal law enforcement agencies. We also are reviewing the USNCB's processes and whether requests for assistance and information are handled in an appropriate and timely manner.

# Top Management and Performance Challenges

The OIG has created a list of top management and performance 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 2008, is to the right. We believe that all are critical management and performance issues facing the Department, and thus the challenges are not presented in order of priority. However, it is clear that the top challenge facing the Department is its ongoing response to the threat of terrorism. In addition, many of the other top challenges are closely related to and impact directly on the Department's counterterrorism efforts.

## Top Management and Performance Challenges in the Department of Justice - 2008

1. Counterterrorism
2. Sharing of Intelligence and Law Enforcement Information
3. Information Technology Planning, Implementation, and Security
4. Civil Rights and Civil Liberties
5. Restoring Confidence in the Department of Justice
6. Violent Crime
7. Cybercrime
8. Grant Management
9. Detention and Incarceration
10. Financial Management and Systems

Detailed information about these management and performance challenges can be found online at <http://www.usdoj.gov/oig/challenges/index.htm>.



# Congressional Testimony

On [April 15, 2008](#), the Inspector General testified before the House Committee on the Judiciary, Subcommittee on the Constitution, Civil Rights, and Civil Liberties, concerning the FBI's use of national security letters and section 215 orders for business records.

On [June 4, 2008](#), the Inspector General testified before the House Committee on Foreign Affairs, Subcommittee on International Organizations, Human Rights, and Oversight concerning the role of the FBI in detainee interrogations at Guantanamo Bay.

On [June 10, 2008](#), the Inspector General testified before the Senate Committee on the Judiciary concerning the OIG report entitled, "A Review of the FBI's Involvement in and Observations of Detainee Interrogations in Guantanamo Bay, Afghanistan, and Iraq."

On [July 30, 2008](#), the Inspector General testified before the Senate Committee on the Judiciary concerning the investigation of politicized hiring at the Department of Justice.

On [October 3, 2008](#), the Inspector General testified before the House Committee on the Judiciary concerning the investigation into the removal of nine U.S. Attorneys in 2006.

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## 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 commented on the IG Reform Act, which contained a variety of proposed amendments to the IG Act designed to strengthen the independence and accountability of Inspectors General. Among the provisions included in the final version of the IG Reform

Act, as enacted on October 14, 2008, were the establishment of a statutory Council of the Inspectors General on Integrity and Efficiency; a requirement that each Inspector General obtain legal advice from a counsel that reports directly to the Inspector General or another Inspector General; and a provision allowing for comments under certain circumstances by Inspectors General on their proposed budgets submitted to Congress. However, a provision contained in the House-passed version of the IG Reform Act that would have provided the OIG with full jurisdiction over allegations throughout the Department – including allegations that are currently within the jurisdiction of the Department's Office of Professional Responsibility – was deleted from the final bill prior to its passage and enactment.

# Statistical Information

## Audit Statistics

### Audit Summary

During this reporting period, the OIG's Audit Division issued 98 audit reports, which contained more than \$10 million in questioned costs and more than \$185,000 in funds to be put to better use and made 217 recommendations for management improvement. Specifically, the

Audit Division issued 12 internal audit reports of Department programs funded at more than \$100 million; 24 external audit reports of contracts, grants, and other agreements funded at more than \$16.7 million; and 62 *Single Audit Act* audits funded at more than \$451 million. In addition, the Audit Division issued eight Notifications of Irregularities and one Investigative Assistance Memorandum.

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	3	\$3,051,384
Issued during period	2	\$185,383
Needing management decision during period	5	\$3,236,767
Management decisions made during period:		
◆ Amounts management agreed to put to better use <sup>1</sup>	2	\$185,383
◆ Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	3	\$3,051,384

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

<b>Audits with Questioned Costs</b>			
<b>Audit Reports</b>	<b>Number of Audit Reports</b>	<b>Total Questioned Costs (including unsupported costs)</b>	<b>Unsupported Costs</b>
No management decision made by beginning of period	18	\$8,247,145	\$2,256,756
Issued during period	26	\$10,071,248	\$7,153,307
Needing management decision during period	44	\$18,318,393	\$9,410,063
Management decisions made during period:			
◆ Amount of disallowed costs <sup>1</sup>	41	\$11,289,201	\$8,077,157
◆ Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	3	\$7,029,192	\$1,332,906
<sup>1</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.			

<b>Audits Involving Recommendations for Management Improvements</b>		
<b>Audit Reports</b>	<b>Number of Audit Reports</b>	<b>Total Number of Management Improvements Recommended</b>
No management decision made by beginning of period	21	63
Issued during period	77	217
Needing management decision during period	98	280
Management decisions made during period:		
◆ Number management agreed to implement <sup>1</sup>	97	279
◆ Number management disagreed with	0	0
No management decision at end of period	1	1
<sup>1</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.		

## National Defense Authorization Act

### OIG Reporting Required by the National Defense Authorization Act for FY 2008

The *National Defense Authorization Act* for FY 2008 requires all Inspectors General appointed under the IG Act to add an annex to their Semiannual Reports: 1) listing all contract audit reports issued during the reporting period containing significant audit findings; 2) briefly describing the significant audit findings in the report; and 3) specifying the amounts of costs identified in the report as unsupported, questioned, or disallowed. This Act defines significant audit findings as unsupported, questioned, or disallowed costs in excess of \$10 million or other findings that the IG determines to be significant. It defines contracts as a contract, an order placed under a task or delivery order contract, or a subcontract.

The OIG did not issue any audits that fit these criteria during this semiannual reporting period.

## Audit Follow-up

### OMB Circular A-50

OMB Circular A-50, *Audit Followup*, requires audit reports to be resolved within 6 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, 2008, the OIG closed 115 audit reports and was monitoring the resolution process of 331 open audit reports.

## Unresolved Audits

### Audits Over 6 Months Old without Management Decisions

As of September 30, 2008, the following audits had no management decision or were in disagreement:

- ◆ COPS Grants to the Passamaquoddy Tribe and Pleasant Point Reservation Police Department, Perry, Maine
- ◆ Oversight of Intergovernmental Agreements by the USMS and the Office of the Federal Detention Trustee
- ◆ USMS Intergovernmental Service Agreement for Detention Facilities with the Blount County, Tennessee, Sheriff's Office
- ◆ USMS Intergovernmental Service Agreement for Detention Facilities with the Central Virginia Regional Jail
- ◆ USMS Intergovernmental Service Agreement for Detention Facilities with the Cumberland County Jail, Portland, Maine
- ◆ USMS Intergovernmental Service Agreement for Detention Facilities with the Hamilton County, Tennessee, Silverdale Correctional Facility
- ◆ USMS Intergovernmental Service Agreement for Detention Facilities with the Western Tidewater Regional Jail, Suffolk, Virginia

## Evaluation and Inspections Statistics

The chart below summarizes the Evaluation and Inspections Division's (E&I) accomplishments for the 6-month reporting period ending September 30, 2008.

<b>E&amp;I Workload Accomplishments</b>	<b>Number of Reviews</b>
Reviews active at beginning of period	4
Reviews initiated	4
Final reports issued	1
Reviews active at end of reporting period	7

### Unresolved Reviews

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the OIG*, requires reports to be resolved within 6 months of the report issuance date. As of September 30, 2008, one report, "The United States Marshals Service Judicial Security Process," had one unresolved recommendation. The OIG continues to work with the USMS to resolve it.

## Investigations Statistics

The following chart summarizes the workload and accomplishments of the Investigations Division during the 6-month period ending September 30, 2008.

### Source of Allegations

Hotline (telephone and mail)	777
Other sources	4,370
Total allegations received	5,147

### Investigative Caseload

Investigations opened this period	163
Investigations closed this period	194
Investigations in progress as of 9/30/08	382

### Prosecutive Actions

Criminal indictments/informations	62
Arrests	59
Convictions/Pleas	52

### Administrative Actions

Terminations	26
Resignations	68
Disciplinary action	29

### Monetary Results

Fines/Restitutions/Recoveries	\$1.3 million
Seizures	\$2,460
Civil Penalties	\$3.2 million

### Integrity Awareness Briefings

OIG investigators conducted 93 Integrity Awareness Briefings for Department employees throughout the country. These briefings are designed to educate employees about the misuse of a public official's position for personal gain and to deter employees from committing such offenses. The briefings reached more than 2,942 employees.

# Appendix 1

## Acronyms and Abbreviations

The following are acronyms and abbreviations widely used in this report.

<b>ATF</b>	Bureau of Alcohol, Tobacco, Firearms and Explosives	<b>FY</b>	Fiscal year
<b>AUSA</b>	Assistant U.S. Attorney	<b>IG Act</b>	<i>Inspector General Act of 1978</i>
<b>BOP</b>	Federal Bureau of Prisons	<b>IT</b>	Information technology
<b>CODIS</b>	Combined DNA Index System	<b>IRS</b>	Internal Revenue Service
<b>COPS</b>	Office of Community Oriented Policing Services	<b>JMD</b>	Justice Management Division
<b>DEA</b>	Drug Enforcement Administration	<b>NSA</b>	National Security Agency
<b>Department</b>	U.S. Department of Justice	<b>OIG</b>	Office of the Inspector General
<b>DOD</b>	Department of Defense	<b>OJP</b>	Office of Justice Programs
<b>EOUSA</b>	Executive Office for U.S. Attorneys	<b>OLA</b>	Office of Legislative Affairs
<b>FBI</b>	Federal Bureau of Investigation	<b>OPR</b>	Office of Professional Responsibility
		<b>OVC</b>	Office for Victims of Crime
		<b>USAO</b>	U.S. Attorneys' Offices
		<b>USMS</b>	U.S. Marshals Service

# Appendix 2

## Glossary of Terms

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

**Combined DNA Index System:** A distributed database with three hierarchical levels that enables federal, state, and local forensic laboratories to compare DNA profiles electronically.

**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 IT, and financial statements. Internal audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

**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 specifically are identified.

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

**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 3

## Evaluation and Inspections Division Reports

April 1, 2008 - September 30, 2008

Investigation of Allegations of Politicized Hiring in the Department of Justice Honors Program and the Summer Law Intern Program

## Oversight and Review Division Reports

April 1, 2008 - September 30, 2008

An Investigation into the Removal of Nine U.S. Attorneys in 2006

Politicized Hiring by Monica Goodling and Other Staff in the Office of the Attorney General

Review of the FBI's Involvement in and Observations of Detainee Interrogations in Guantanamo Bay, Afghanistan, and Iraq

Mishandling of Classified Documents by Attorney General Alberto Gonzales



# Appendix 4

## Audit Division Reports

April 1, 2008 - September 30, 2008

### INTERNAL AND EXTERNAL AUDIT REPORTS

Audit of Legislative and Public Affairs Expenses in the Department

ATF's Controls Over its Weapons, Laptop Computers, and Other Sensitive Property

Compliance with Standards Governing Combined DNA Index System Activities at the Alabama Department of Forensic Services Huntsville Laboratory, Huntsville, Alabama

Compliance with Standards Governing Combined DNA Index System Activities at the Illinois State Police Forensic Science Center, Chicago, Illinois

COPS Grant to the Benton Harbor, Michigan, Police Department

Independent Evaluation of the FBI's Application Server Farm Pursuant to FISMA, FY 2007

Independent Evaluation of the FBI's Combined DNA Index System Pursuant to FISMA, FY 2007

Independent Evaluation of the FBI's Information Security Program Pursuant to FISMA, FY 2007

Independent Evaluation of JMD's Civil Applicant System Pursuant to FISMA, FY 2007

Independent Evaluation of JMD's Information Security Program Pursuant to FISMA, FY 2007

Independent Evaluation of USMS's Information Security Program Pursuant to FISMA, FY 2007

Independent Evaluation of USMS's Warrant Information Network Pursuant to FISMA, FY 2007

Limited Scope Audit of Oktibbeha County Board of Supervisors Tri-County Narcotics Task Force, Starkville, Mississippi

Limited Scope Audit of the City of Woodburn, Oregon

Limited Scope Audit of the Henderson, Nevada, Police Department

Limited Scope Audit of the Leflore County, Mississippi, Board of Supervisors, North Central Narcotics Task Force

Limited Scope Audit of the Oakland County, Michigan, Transitional Options Program

Limited Scope Audit of the Old Town Christian Ministries, Bellingham, Washington

Limited Scope Audit of the Wellspring Alliance for Families, Inc.

Management of OJP's Grant Programs for Trafficking Victims

OJP BJA Grants Awarded to the City of Fort Worth, Texas

OJP BJA Grants to Stop the Silence: Stop Child Sexual Abuse, Inc.

OJP NIJ Convicted Offender DNA Backlog Reduction Program Cooperative Agreements to the North Dakota Office of the Attorney General

OJP NIJ Convicted Offender DNA Backlog Reduction Program Cooperative Agreements to the Kansas Bureau of Investigation

OJP NIJ Convicted Offender DNA Backlog Reduction Program Cooperative Agreements to the

New Jersey Department of Law and Public Safety,  
Trenton, New Jersey

OJP NIJ Convicted Offender DNA Backlog  
Reduction Program Cooperative Agreements to the  
New York State Police Forensic Investigation Center,  
Albany, New York

OJP NIJ Cooperative Agreements Awarded to the  
Palm Beach County Sheriff's Office, West Palm  
Beach, Florida

OJP NIJ Cooperative Agreements Awarded to the  
Georgia Bureau of Investigation, Decatur, Georgia

OJP NIJ Crime Laboratory Improvement Program  
Cooperative Agreement to New Jersey Department  
of Public Law and Safety, Trenton, New Jersey

OJP Serious and Violent Offender Reentry Initiative  
Grant Awarded to the City of Oakland, California

OJP Southwest Border Prosecution Initiative  
Funding Received by Humboldt County, California

OJP Southwest Border Prosecution Initiative  
Funding Received by San Mateo County, California

The DEA's Use of Intelligence Analysts

The FBI's Security Check Procedures for  
Immigration Applications and Petitions

Use of Equitable Sharing Funds by the Detroit,  
Michigan, Police Department

Use of Equitable Sharing of Revenues by the  
Virginia State Police

## **Single Audit Act Reports of Department Activities**

**April 1, 2008 - September 30, 2008**

Administration of Corrections, San Juan,  
Puerto Rico

American Prosecutors Research Institute,  
Alexandria, Virginia

Bristol County, Taunton, Massachusetts

Calcasieu Parish Sheriff, Lake Charles, Louisiana

Children's Health Care, Roseville, Minnesota

City of Aberdeen, South Dakota

City of Augusta, Georgia

City of Berwyn, Illinois

City of Dallas, Texas

City of East Point, Georgia

City of Fairfax, Virginia

City of Flint, Michigan

City of Jonesboro, Arkansas

City of Macon, Georgia

City of Milwaukee, Wisconsin

City of Pontiac, Michigan

Commonwealth of Massachusetts, Boston,  
Massachusetts

Council on Crime and Justice, Minneapolis,  
Minnesota

County of Loudoun, Leesburg, Virginia

County of Salem, Salem, New Jersey

Coyote Valley Band of Pomo Indians,  
Redwood Valley, California

Crime Victims Reparation Commission,  
Albuquerque, New Mexico

Department of Community Health, Lansing, Michigan

Department of Human Services, Lansing, Michigan	Oglala Sioux Tribal Department of Public Safety, Pine Ridge, South Dakota
Department of Justice, San Juan, Puerto Rico	Oglala Sioux Tribe, Pine Ridge, South Dakota
Detroit Rescue Mission Ministries, Detroit, Michigan	Pretrial Services Resource Center, Washington, D.C.
District of Columbia Government, Washington, D.C.	Pueblo of Pojoaque, Santa Fe, New Mexico
Family Development Foundation, Las Vegas, Nevada	Pueblo of Zuni, New Mexico
Girl Scouts of the United States of America, New York, New York	Puerto Rico Police, San Juan, Puerto Rico
Home for Women and Children, Shiprock, New Mexico	Pyramid Lake Paiute Tribe, Nixon, Nevada
Howard University, Washington, D.C.	South Dakota Coalition Against Domestic Violence and Sexual Assault, Pierre, South Dakota
I Have A Dream Foundation, New York, New York	State of Louisiana, Baton Rouge, Louisiana
International Institute of Boston, Inc., and Affiliate, Boston, Massachusetts	State of Mississippi, Jackson, Mississippi
Itasca County, Grand Rapids, Minnesota	State of Texas, Austin, Texas
Local Initiative Support Corporation, New York, New York	The Port Authority of New York and New Jersey, Jersey City, New Jersey
Michigan Department of State Police, East Lansing, Michigan	Tom Green County, San Angelo, Texas
Municipality of Barceloneta, Puerto Rico	Torrance County, Estancia, New Mexico
Municipality of Mayaguez, Puerto Rico	Town of Cumberland, Rhode Island
National Children's Alliance, Washington, D.C.	Utah Legal Services, Inc., Salt Lake City, Utah
New York City Gay and Lesbian Anti-Violence Project, Inc., New York, New York	Village of Monticello, New York
New York State Coalition Against Sexual Assault, Inc., Albany, New York	Wallowa County, Enterprise, Oregon
	White Buffalo Calf Woman Society, Inc., Mission, South Dakota
	Williamson County Government, Marion, Illinois
	Wisconsin Coalition Against Domestic Violence, Inc., Madison, Wisconsin

## Audit Division Reports

April 1, 2008 - September 30, 2008

Quantifiable Potential Monetary Benefits			
Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
City of Augusta, Georgia	\$241,695		
City of Berwyn, Illinois	\$762,793	\$558,408	
COPS Grant to the Benton Harbor, Michigan, Police Department	\$743,701	\$491,750	
Council on Crime and Justice, Minneapolis, Minnesota	\$116,834	\$116,834	
Department of Human Services, Lansing, Michigan	\$2,366,028	\$2,366,028	
Detroit Rescue Mission Ministries, Detroit, Michigan	\$5,291	\$5,291	
District of Columbia Government, Washington, D.C.	\$44,386	\$44,386	
Girl Scouts of the United States of America, New York, New York	\$35,105	\$35,105	
Itasca County, Grand Rapids, Minnesota	\$10,553	\$10,553	
Oglala Sioux Tribal Department of Public Safety, Pine Ridge, South Dakota	\$999	\$999	
Oglala Sioux Tribe, Pine Ridge, South Dakota	\$32,655	\$32,655	
OJP BJA Grants Awarded to the City of Fort Worth, Texas			\$5,484
OJP BJA Grants to Stop the Silence: Stop Child Sexual Abuse, Inc.	\$9,273		
OJP NIJ Convicted Offender DNA Backlog Reduction Program Cooperative Agreements to the New Jersey Department of Law and Public Safety, Trenton, New Jersey	\$120,342	\$99,349	\$179,899

<b>Quantifiable Potential Monetary Benefits</b>			
<b>Audit Report</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>	<b>Funds Put to Better Use</b>
OJP NIJ Crime Laboratory Improvement Program Cooperative Agreement to New Jersey Department of Public Law and Safety, Trenton, New Jersey	\$854,429	\$854,429	
OJP Serious and Violent Offender Reentry Initiative Grant Awarded to the City of Oakland, California	\$1,052,000	\$1,052,000	
OJP Southwest Border Prosecution Initiative Funding Received by Humboldt County, California	\$555,888		
OJP Southwest Border Prosecution Initiative Funding Received by San Mateo County, California	\$1,520,999		
Pueblo of Zuni, New Mexico	\$32,755		
Puerto Rico Police, San Juan, Puerto Rico	\$602,215	\$602,215	
Pyramid Lake Paiute Tribe, Nixon, Nevada	\$93,957	\$93,957	
South Dakota Coalition Against Domestic Violence and Sexual Assault, Pierre, South Dakota	\$40,394	\$40,394	
State of Louisiana, Baton Rouge, Louisiana	\$81,097	\$81,097	
Torrance County, Estancia, New Mexico	\$412,266	\$412,266	
Use of Equitable Sharing of Revenues by the Virginia State Police	\$80,002		
Utah Legal Services, Inc., Salt Lake City, Utah	\$165,632	\$165,632	
Wallowa County, Enterprise, Oregon	\$89,959	\$89,959	
<b>Total</b>	<b>\$10,071,248</b>	<b>\$7,153,307</b>	<b>\$185,383</b>

# 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	43
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	7-42
Section 5(a)(2)	Significant Recommendations for Corrective Actions	7-41
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	46-47
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	13-15, 20-21, 25-26, 28, 31-36, 40-41
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	51-55
Section 5(a)(7)	Summary of Significant Reports	7-41
Section 5(a)(8)	Audit Reports – Questioned Costs	45
Section 5(a)(9)	Audit Reports – Funds to Be Put to Better Use	44
Section 5(a)(10)	Prior Audit Reports Unresolved	46
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with which the OIG Disagreed	None

# Report Waste, Fraud, Abuse, or Misconduct

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

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

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

**E-mail:** [oig.hotline@usdoj.gov](mailto:oig.hotline@usdoj.gov)

**Hotline:** (800) 869-4499

**Hotline fax:** (202) 616-9881

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# Report Violations of Civil Rights and Civil Liberties

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

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

U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Room 4706  
Washington, DC 20530

**E-mail:** [inspector.general@usdoj.gov](mailto:inspector.general@usdoj.gov)

**Hotline:** (800) 869-4499

**Hotline fax:** (202) 616-9898

U.S. DEPARTMENT OF JUSTICE  
OFFICE OF THE INSPECTOR GENERAL