

October 31, 2001

The Honorable Paul H. O'Neill  
Secretary of the Treasury  
Washington, D.C. 20220

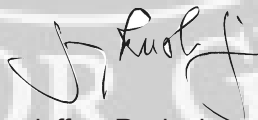
Dear Mr. Secretary:

Enclosed is my Semiannual Report to the Congress. This report summarizes the activities of the Office of Inspector General for the 6-month period ending September 30, 2001, and highlights both the important accomplishments and some serious deficiencies in the Department's programs and operations. There are three specific areas of concern that I want to bring to your attention:

- In May of 2000, I issued a report to Secretary Summers identifying serious weaknesses in the U.S. Customs Service Electronic Data Processing (EDP) disaster recovery capability. While some progress has been made, Customs EDP systems remain vulnerable to disruption, which could adversely effect law enforcement, trade, and revenue collection operations.
- The Department has not fully improved and integrated its financial management systems as envisioned by the Federal Financial Management Improvement Act of 1996 (FFMIA). The Department's remediation plans include timeframes for compliance with FFMIA that extend beyond the statutory deadlines.
- Our recently completed review under the Government Information Security Reform Act found that Treasury's information security program needs improvement. It will be difficult for Treasury to improve in this area unless the Department's Chief Information Officer can exercise more authority over compliance with information security policies in each bureau.

Our work plans will continue to address the financial management, information technology, and program management challenges facing the Department. We also plan to undertake work that will contribute to your effort to link resource allocations to results.

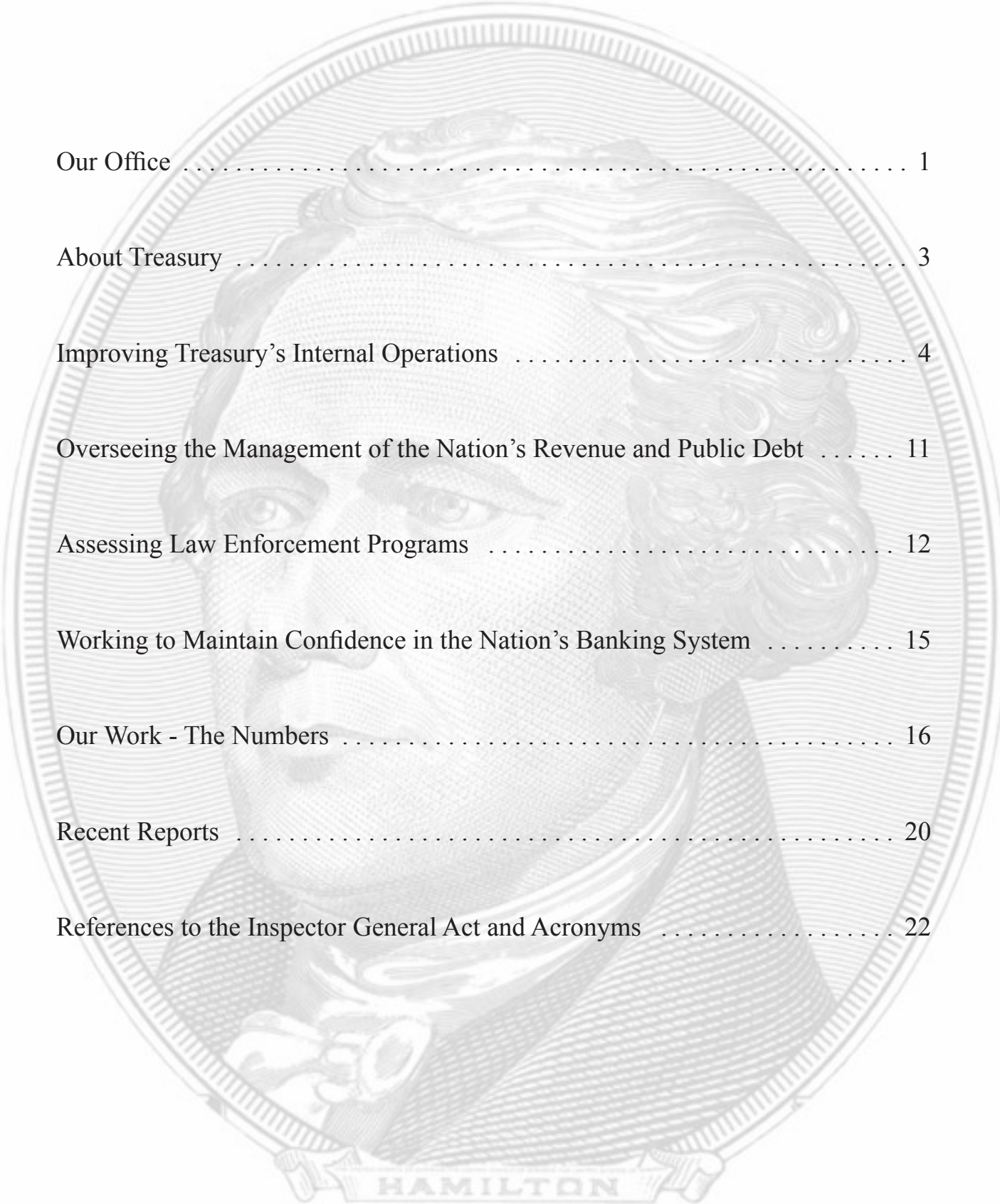
Sincerely,



Jeffrey Rush, Jr.  
Inspector General



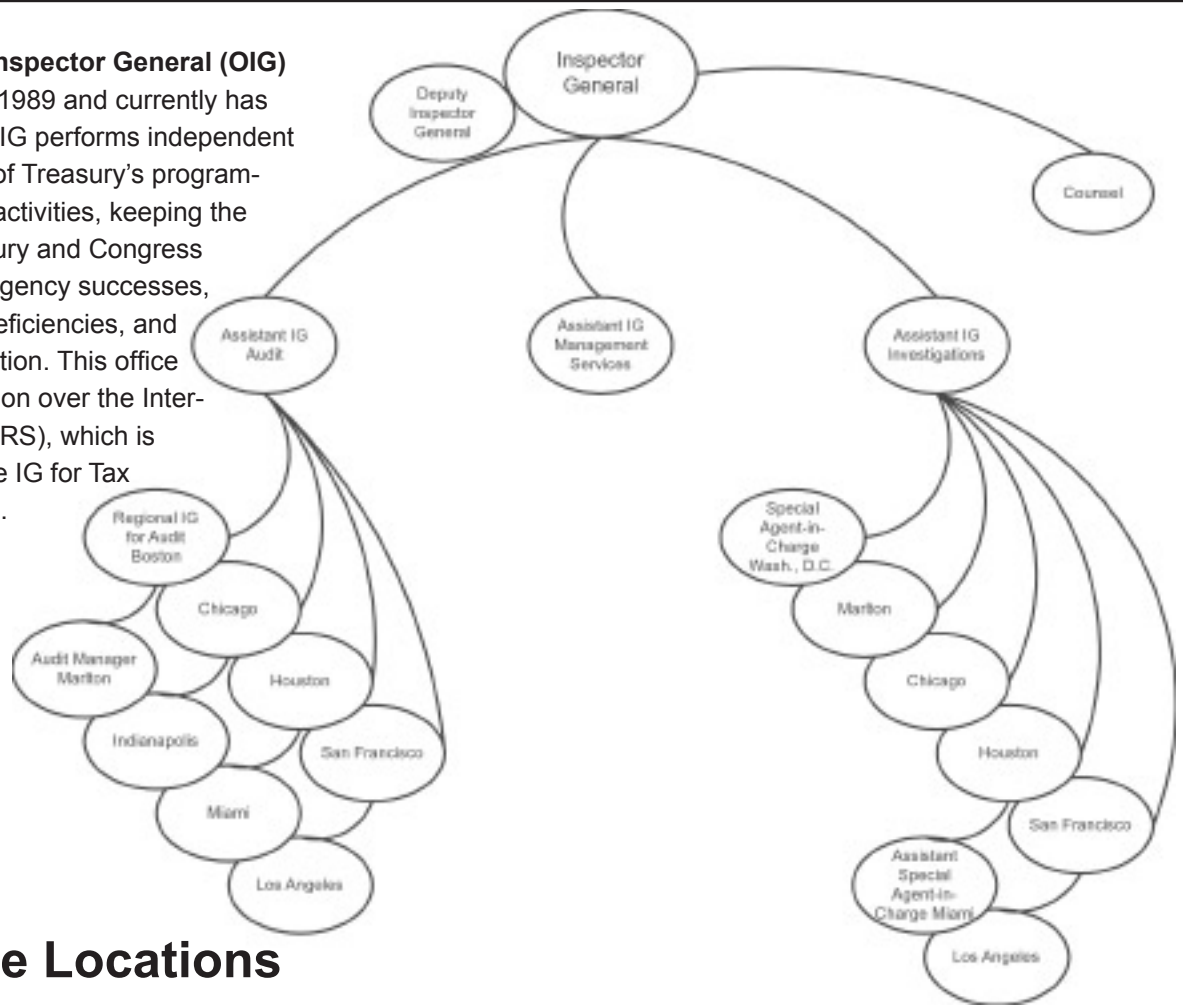
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# Our Office

**Treasury's Office of Inspector General (OIG)** was made statutory in 1989 and currently has 278 employees. The OIG performs independent and objective reviews of Treasury's programmatic and operational activities, keeping the Secretary of the Treasury and Congress informed of identified agency successes, as well as problems, deficiencies, and needs for corrective action. This office does not have jurisdiction over the Internal Revenue Service (IRS), which is overseen by a separate IG for Tax Administration (TIGTA).



## OIG Office Locations



# Our Office

**Audit** conducts or oversees program, financial, and information technology audits of Treasury operations. Its evaluations team helps officials limit program risk, measure effectiveness, and improve economy and efficiency.

**Investigations** conducts and supervises investigations of Treasury employees and programs. It oversees internal investigations by the Offices of Inspection at ATF and Secret Service, and the Office of Internal Affairs at Customs.

**Management Services** provides administrative support for OIG budget, planning, human resources, information technology, communications, procurement, and travel administration.

**Counsel** provides legal advice, represents the OIG in administrative proceedings, reviews requests for information, and coordinates ethics, disclosure, and privacy programs.

## Summary of Activities – Over the Past 12 Months

Activity	6 Months Ending March 31, 2001		6 Months Ending September 30, 2001	
	Number or Amount		Number or Amount	
Reports issued (Audits and Evaluations)	62		35	
Cases opened (Investigations)	67		64	
Oversight reviews (ATF, Customs, and Secret Service)	3		2	
Regulation and legislation reviews	22		22	
Disputed audit recommendations	0		0	
Management decisions with which the IG is in disagreement	0		0	
Significant revised management decisions	0		0	
Instances where information was refused*	0		1	
Recommended monetary benefits				
• Questioned costs		\$1,266,000		\$0
• Savings		\$0		\$8,579,000
• Revenue enhancements		\$168,663,000		\$0
<b>Total Recommended Monetary Benefits</b>		<b>\$169,929,000</b>		<b>\$8,579,000</b>

\*During this reporting period, contrary to the IG Act, 5 U.S.C.A. App. 3 and Treasury Order 114-01, we encountered a Secret Service policy hindering our access to its employees and records. Our oversight committees were notified and negotiations resulted in the revision of Secret Service's directive.

## Investigative Monetary Benefits – Over the Past 12 Months

October 1, 2000 – September 30, 2001

	Offices of Internal Affairs and Inspection				
	OIG	ATF	Customs	Secret Service	Total
Recoveries	\$14,199	\$0	\$59,354	\$0	\$73,553
Criminal penalties	\$80,000*	\$0	\$3,095	\$0	\$83,095
Administrative penalties	1	0	0	0	1
Savings	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$94,199</b>	<b>\$0</b>	<b>\$62,449</b>	<b>\$0</b>	<b>\$156,648</b>

\*Denotes money recovered from OIG Investigations

## Number of Hotline Telephone Calls that Resulted in Formal Allegations

April 1, 2001 – September 30, 2001

Activity	Disposition		
	OIG	Customs	Total
Calls referred for investigative or audit inquiry	1	246	247
Calls referred to program managers	0	310	310
Calls referred to other agencies	14	0	14
<b>Total number of calls referred</b>	<b>15 *</b>	<b>556</b>	<b>571</b>

\* Total number of OIG hotline calls - 5,154

ATF and Secret Service do not have established hotlines. Numbers do not include allegations received through other sources, inquiries on taxes and other matters referred informally to program managers or other officials, or pending allegations for which dispositions have not been determined.



# About Treasury

**Treasury's mission** is to (1) promote prosperous and stable American and world economies, (2) manage the government's finances, (3) safeguard our financial systems, (4) protect our Nation's leaders and secure a safe and drug-free America, and (5) continue to build a strong institution. Organized into offices and bureaus, the Department of the Treasury encompasses a wide range of programmatic and operational activities. More than 160,000 people make up the Department of the Treasury.

**Bureau of Alcohol, Tobacco and Firearms (ATF)** oversees and enforces firearms, explosives, alcohol, and tobacco laws.

**Bureau of Engraving and Printing (BEP)** manufactures paper currency and postage stamps.

**Bureau of the Public Debt (BPD)** manages U.S. Government borrowing and debt and processes bonds, notes, and Treasury-Bill transactions.

**Community Development Financial Institutions Fund (CDFI Fund)** expands the availability of credit, investment capital, and financial services in distressed communities.

**U.S. Customs Service (Customs)** protects the Nation's borders and facilitates international trade.

**Departmental Offices (DO)** formulates policy and manages Treasury.

**Financial Crimes Enforcement Network (FinCEN)** supports law enforcement investigative efforts against domestic and international financial crimes.

**Federal Law Enforcement Training Center (FLETC)** provides government-wide law enforcement training.

**Financial Management Service (FMS)** manages federal government financial accounts.

**Internal Revenue Service (IRS)** collects income taxes and certain other forms of federal revenue.

**U.S. Mint (Mint)** produces coins, medals, and coin-based consumer products.

**Office of the Comptroller of the Currency (OCC)** oversees and regulates all National banks and supervises the U.S. branches and agencies of foreign banks.

**Office of Inspector General (OIG)** provides independent and objective reviews of Treasury operations.

**Office of Thrift Supervision (OTS)** oversees and regulates all federal and many state-chartered thrift institutions.

**U.S. Secret Service (Secret Service)** protects National leaders and foreign dignitaries and enforces counterfeiting and financial crime laws.

**Treasury Inspector General for Tax Administration (TIGTA)** provides independent and objective reviews of IRS activities.





# Improving Treasury's Internal Operations

## **Electronic Data Processing (EDP) Controls**

Our audit of Customs EDP controls identified one material weakness and three reportable conditions. The material weakness is that Customs still does not have an adequate disaster recovery capability. Customs has measures underway to eventually provide for the needed improvements. However, until these improvements are made, both Customs law enforcement and revenue collection operations remain vulnerable to disruption. (OIG-01-082)

## **Investigation of Fatal Accident**

At the request of a member of Congress, we investigated a fatal automobile collision between a government owned vehicle (GOV) and a private commercial vehicle. One of the two Customs agents involved in the accident died as a result of injuries sustained during the collision. Customs Office of Internal Affairs (IA) had previously investigated the incident and found no misconduct on the part of the two Customs agents involved. Customs imposed minimal disciplinary action on the surviving agent, the driver of the GOV, who had exceeded the posted speed limit at the time of the accident.

Our investigation revealed that the Customs IA investigation omitted important information and contained inaccuracies and found that the driver of the GOV contributed significantly to the death of the Customs agent. Notwithstanding our findings, Customs officials indicated that additional disciplinary action could not legally be taken against the agent because no new and material evidence had been developed by the OIG. In response, we provided to Customs a legal and factual analysis of the case supporting the position that reconsideration of disciplinary action was warranted. Customs officials declined to take further action, maintaining that it would not be legally sustainable.

## **Bureau Policy to Restrict OIG Access**

During this reporting period, contrary to the IG Act, 5 U.S.C.A. App. 3 and Treasury Order 114-01, we encountered a Secret Service policy hindering our access to its employees and records. Our oversight committees were notified and negotiations resulted in the revision of Secret Service's directive.

## **Procurement and Contract Irregularities**

We conducted a joint investigation with the Library of Congress (LOC) and the Naval Criminal Investigative Service that led to a \$250,000 civil settlement agreement with the U.S. Attorney's Office and a former FMS information technology contractor concerning claims by FMS, the LOC, and the U.S. Navy. We determined that the contractor billed FMS for hours worked by independent consultants at the higher rate set for contractors, billed the LOC and Navy for hours worked by employees who were not qualified for the claimed labor categories, and billed the Navy for hours of work not chargeable to the contract. The settlement called for the former contractor to pay the U.S. Government approximately \$250,000 plus interest and withdraw two claims for over \$484,000.

## **Disability Retirement Fraud**

A joint investigation with the Department of Labor led to the indictment of a BEP employee on one count of false statement and fraud. The employee was receiving payments as a result of disability retirement from BEP since 1987. He also fraudulently received approximately 155 Federal Employees' Compensation Act benefit payments totaling about \$250,000. The employee was indicted by a federal grand jury on one count of providing a false statement to obtain compensation. Plea negotiations are currently underway and, in addition, a superceding indictment including over 100 counts of wire fraud, loan fraud, and false statements is being considered by the U.S. Attorney's Office.





### **Compensation Benefits Fraud**

We found that a former Customs employee applied for and received disability benefits while maintaining full time employment outside the federal government. The employee falsely certified that he was not employed and had no income when he applied for compensation of over \$46,000 a year. The employee received over \$14,000 in disability benefits while earning an unreported income of \$18,757. The employee was convicted of filing a false statement, sentenced to five years probation, and ordered to pay over \$14,000 in restitution.

### **Time and Attendance Abuse**

Following our investigation, a Treasury DO employee admitted to engaging in substantive time and attendance abuse. Our investigation revealed no documentation to support nearly 3,000 hours of claimed overtime occurring over a 4-year period for which the employee received over \$70,000. The investigation was accepted by the U.S. Attorney's Office.

### **Contractor Negligence**

We investigated allegations that a FLETC contractor did not pay its employees in accordance with the Davis-Bacon Act, required its employees to "kickback" portions of their pay to the foreman, made claims for employees that did not exist, and employed illegal immigrants. On several occasions, FLETC notified the contractor of numerous payroll record errors. We found that the majority of the employees were underpaid or not paid overtime and had monies extorted from them by a subcontractor. Contract employees were also threatened and coerced into lying to the labor board regarding pay and fringe benefits. Criminal prosecution was declined in favor of civil and/or administrative remedies. Civil remedies were not pursued after it was determined by FLETC that the contractor had satisfied its obligation to the government.

### **Unauthorized Possession of Information**

We conducted an investigation into allegations that a Customs employee possessed an International Merchant Purchase Authorization Card (IMPAC) number and a VISA number that were issued to other individuals. We found the credit card numbers, along with the names and addresses of the credit card holders, in a discarded cardboard box that contained documents bearing the employee's name. We determined that neither credit card was misused.

### **Unauthorized Government Commitments**

We participated in a joint investigation with FLETC's Special Investigation and Security Division into allegations that a FLETC employee exceeded the scope of his authority. The employee made changes to contracts without authorization or proper approval, made unauthorized commitments of government funds, directed contractors to start/stop work, and displayed partiality and preferential treatment to selected contractors. The employee admitted to the charges and subsequently resigned his position. The U.S. Attorney's Office declined prosecution in lieu of administrative action.

### **Inappropriate Conduct**

We received an anonymous complaint alleging that a Customs official had submitted a false voucher and received reimbursement for art that had been in the official's personal residence. The official inappropriately converted the artwork to government property and subsequently was reimbursed by Customs for its value. Our investigation also revealed that the official had improperly attempted to obtain information about the investigation. The U.S. Attorney's Office declined to pursue this issue at the federal level and the official has since resigned.





# Improving Treasury's Internal Operations

## **Government Information Security Reform Act**

In accordance with the Government Information Security Reform Act (GISRA), P.L. 106-398, we independently tested information security control techniques for Treasury's information systems. We also assessed bureaus' compliance with the GISRA requirements and related information security policies, procedures, standards, and guidelines. We found that Treasury's information systems security program needs improvement to meet the requirements of GISRA. Even though Treasury has developed appropriate policies to implement and maintain an adequate system security program, implementation of these policies is insufficient. (OIG-01-089)

## **Departmental Oversight**

During a review of automated information systems change management controls, we found the Office of the Chief Information Officer (CIO) was not performing bureau level oversight; specifically, not ensuring the resolution of weaknesses identified in prior OIG audits. In our change management reviews at Customs and Secret Service, we found conditions unresolved from previous financial statement audits. In addition, a condition related to electronic data processing general controls over financial systems identified in Treasury's FY1998 Financial Statements (OIG-99-054) was not resolved.

We recommended that the CIO update guidance addressing systemic problems regarding change management, issue and update guidance for other systemic information technology problems, strengthen the working relationship with the Internal Control Office and take steps to develop and/or expand its oversight role. (OIG-01-071)

## **Financial Statements**

The Office of D.C. Pensions received an unqualified opinion on its FY2000 financial statements. There were no reportable conditions and no instances of non-compliance with laws and regulations. (OIG-01-092)

The Mint received an unqualified opinion on its FY2000 and FY1999 financial statements. Auditors noted a reportable condition about service continuity. There were no instances of noncompliance with laws and regulations. (OIG-01-076)

BEP received an unqualified opinion on its FY2000 and FY1999 financial statements. There were no reportable conditions and no instances of noncompliance with laws and regulations. (OIG-01-067)


OTS received an unqualified opinion on its calendar year (CY) 2000 and 1999 financial statements. There were no reportable conditions and no instances of non-compliance with laws and regulations. In addition, there were no instances in which OTS financial management systems did not substantially comply with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA). (OIG-01-073)

OCC received an unqualified opinion on its CY2000 financial statements. There were two reportable conditions: inadequate controls over Time and Travel Reports disbursements and inadequate internal controls over timekeeping. OCC reported two instances in which its financial management systems did not substantially comply with the FFMIA. The instances related to federal financial management systems requirements and the U.S. Government Standard General Ledger at the transaction level. No other instances of non-compliance with laws and regulations were identified. (OIG-01-075)

## **Employment Discrimination Complaint Cases**

Our review of Customs handling of employment discrimination cases found that settlement agreements were generally properly prepared and did not compromise management's decision-making. However, we did find Customs





processing controls over these cases weak. Customs management could not assure us an accurate and complete list of settlement agreements with Customs senior management officials, and did not provide the supporting case file documentation for one of our selected agreements. Accordingly, the scope of our work was not sufficient to enable us to reach a conclusion as to whether Customs settlement agreements comply with applicable laws and regulations. We recommended Customs Equal Employment Opportunity (EEO) office create and maintain a centralized database to account for settlement agreements. We also recommended they take steps to ensure settlement agreement documentation is properly maintained and complete. (OIG-01-074)

#### **Management Process**

During our review of Treasury's Inventory, Tracking and Closure (ITC) Audit Subsystem, we focused on the Office of Accounting and Internal Control's (OAIC) development of a new ITC system. We found that the OAIC had not fully complied with information technology life cycle management and capital investment criteria establishing a new ITC system. We recommended that the Deputy Chief Financial Officer (DCFO) require the OAIC to formally document project approval, obtain a firm commitment of funds, and document a comprehensive plan before proceeding to the system design phase. (OIG-01-069)

#### **Non-Law Enforcement Reviews**

As part of our oversight responsibilities for BEP, OCC, and FinCEN, we conducted three administrative reviews. We examined the discipline process in an effort to determine the quality of management inquiries, if results were reported to the appropriate action official, and if discipline was administered consistently with bureau policy.

We found that BEP officials administered discipline timely in all cases and fairly and consistently, in general. We discovered that officials did not always include documentation, such as fact-finding efforts and comparable penalty histories, in the discipline case file to support the penalty administered.

We determined that OCC officials effectively administered discipline; however, files lacked supporting documentary evidence in regard to relevant factors in reaching a final penalty determination with comparable penalty histories. In a few cases, officials administered discipline inconsistent with penalties imposed for similar offenses. Also, we found the OCC Employee Relations database incomplete and inaccurate, and allegations of misconduct were not reported in a timely manner.

FinCEN does not conduct most formal investigations into employee misconduct, unless they initiate disciplinary action, because Customs is responsible for processing and maintaining all of FinCEN's files. However, FinCEN's Executive Assistant to the Director reviews allegations of misconduct. We examined all FinCEN discipline cases and found the allegations thoroughly investigated in a timely manner, appropriately reported, and administratively sound. We recommended that FinCEN consider tracking its allegations and notifying Customs as allegations of misconduct occur.

# Improving Treasury's Internal Operations

## Financial Statement Audits

The Chief Financial Officer Act, as amended by the Government Management Reform Act (GMRA), requires annual audits of Treasury and Office of Management and Budget (OMB) designated components. OMB designated ATF, Customs, and IRS for FY2000 financial statement audits.

## Department of the Treasury Audited Financial Statements

Entity	FY2000 Audit Results			FY1999 Audit Results		
	Opinion	Material Weaknesses	Other Reportable Conditions	Opinion	Material Weaknesses	Other Reportable Conditions
<b>Statutory Requirements (GMRA/CFO Act)</b>						
DO	UQ	2	2	Q	2	3
ATF	UQ	0	1	UQ	0	3
Customs	UQ	2	6	UQ	2	7
IRS	UQ	6	2	(A)	7	2
<b>Statutory Requirements (Other)</b>						
BEP	UQ	0	0	UQ	0	0
CDFI Fund	UQ	0	0	UQ	0	0
Office of D.C. Pensions	UQ	0	0	UQ	0	0
Exchange Stabilization Fund (ESF)	UQ	0	2	UQ	0	0
Federal Financing Bank (FFB)	UQ	0	0	UQ	0	0
OCC	UQ	0	2	UQ	0	4
OTS	UQ	0	0	UQ	0	0
Treasury Forfeiture Fund (TFF)	UQ	1	2	UQ	3	3
<b>Mint</b>						
• Financial Statements	UQ	0	1	UQ	0	1
• Custodial Gold and Silver Reserves	UQ	0	0	UQ	0	0
<b>Material to Treasury Department Financial Statements</b>						
<b>BPD</b>						
• Schedule of Federal Debt	UQ	0	0	UQ	0	0
• Government Trust Funds	UQ	0	0	UQ	0	0
• Schedule of Loans Receivable	UQ	0	0	UQ	0	1
<b>FMS</b>						
• Financial Statements	UQ	0	0	Q	3	0
• Operating Cash of Federal Government	(B)	1	0	(B)	1	1

UQ = Unqualified opinion rendered. Q = Qualified opinion rendered.

(A) IRS' FY1999 Financial Statements audit resulted in (1) an unqualified opinion on the Statement of Custodial Activity, (2) a qualified opinion on the Balance Sheet, and (3) disclaimers of opinion on the Statements of Net Cost, Changes in Net Position, Budgetary Resources, and Financing.

(B) Audit performed to verify reliability of cash balances managed by FMS. No separate audit opinion rendered.

Auditors from OIG, General Accounting Office (GAO), and Independent Public Accountants (IPAs) conducted the audits. We audited Treasury's consolidated financial statements, Customs, ESF, Office of D.C. Pensions, and the Mint Gold and Silver Reserves. GAO audited IRS' financial statements, BPD's Schedule of Federal Debt and the operating cash of the federal government managed by FMS. Additionally, OIG provided contract oversight and performed quality control reviews for audits undertaken by IPAs. IPAs audited ATF, BEP, CDFI Fund, FMS, FFB, Government Trust Funds, Mint, OCC, OTS, TFF, and the Schedule of Loans Receivable serviced by BPD.







# Improving Treasury's Internal Operations

## **Consolidated Financial Statements**

In our last Semiannual Report to Congress, we highlighted the results of the Department-wide FY2000 Financial Statements Audit, which were incorporated into the Department of the Treasury Accountability Report for FY2000. Treasury received its first unqualified opinion in FY2000. Although significant progress has been made, in certain cases (most notably Customs and IRS) unqualified opinions were achieved only through extensive efforts well after the end of the fiscal year. Material weaknesses that had to be corrected related to financial management and reporting at the IRS, and electronic data processing general controls at Customs, FMS, and IRS. Other reportable conditions addressed financial management improvements needed at Customs and other entities.

Treasury's financial management systems continue to be in substantial non-compliance with the requirements of the FFMIA. Implementing plans for correcting internal control weaknesses and non-compliance with FFMIA will be critical to meeting Treasury's overall financial management and program objectives. Customs and IRS FFMIA remediation plans will not bring their financial management systems into substantial compliance within the required 3-year time frame. However, OMB extended the time Customs and IRS have for addressing weaknesses and non-compliance.

### **Instances of Unresolved FFMIA Non-Compliance as of September 30, 2001**

Entity	Condition	Type of Non-Compliance	First Reported for FFMIA Purposes (FY)
Customs	Core financial systems do not provide complete and accurate information for financial reporting and for preparation of audited financial statements.	Federal Financial Management Systems Requirements; Standard General Ledger	1997
Customs	Weaknesses exist in EDP controls over timely restoration of its mission-critical systems; access to data files, application programs and computer-related facilities and equipment; and application software development and program modifications.	Federal Financial Management Systems Requirements	1997
FMS	Information in FMS' systems is at significant risk because of serious general control weaknesses.	Federal Financial Management Systems Requirements	1997
IRS	Lacks general ledger that conforms to the U.S. Government Standard General Ledger.	Standard General Ledger	1997
IRS	Lacks a reliable subsidiary ledger for its property and equipment.	Federal Financial Management Systems Requirements	1997
IRS	Lacks an effective audit trail from its general ledger back to subsidiary detailed records and transaction source documents.	Federal Financial Management Systems Requirements	1997
IRS	Material weaknesses including controls over refunds, property and equipment, budget and computer security are also conditions indicating that IRS' systems do not comply with Federal Financial Management Systems Requirements.	Federal Financial Management Systems Requirements; Federal Accounting Standards	1997
IRS	Cannot rely on information from its general ledger to prepare financial statements.	Federal Financial Management Systems Requirements	1997
IRS	Lacks a subsidiary ledger for its unpaid assessments.	Federal Financial Management Systems Requirements	1997

# Overseeing the Management of the Nation's Revenue and Public Debt

## **Revenue Inspection**

A follow-up to a 1994 OIG audit of ATF's revenue inspection program found that ATF had addressed each of the six recommendations in the prior report; however, additional corrective actions were still needed. For example, although ATF developed several performance measures related to its *Collect the Revenue* strategy, the measures did not specifically relate to the outcomes of the revenue inspection program. Additionally, while ATF headquarters advised and directed its field offices to better document inspection work steps, ATF did little to validate progress in that area. Finally, although ATF also contacted the Office of Personnel Management (OPM) regarding changing the qualifications for its inspectors to ensure they had more accounting knowledge, it did not conduct a full-blown study of the issue as recommended by OPM.

The follow-up report contained three recommendations to the ATF director to improve the program. ATF management concurred with the finding and recommendations, and outlined a number of actions it planned to take including: (1) developing performance measures for the revenue inspection program, (2) conducting internal operational reviews, and (3) providing advanced alcohol and tobacco training to inspectors. We believe these measures will improve the program and better address the intent of the prior recommendations. (OIG-01-083)

## **Entry Summaries**

Our review of Customs controls over entry summaries subject to antidumping or countervailing duty (AD/CV) found that they were generally adequate. However, we found that Customs officials did not always comply with liquidation laws and regulations. AD duties are assessed when merchandise is sold to purchasers in the U.S. at less than its fair market value or less than prices at which

comparable goods are sold in the domestic market of the exporter. CV duties are assessed when a foreign country pays grants (subsidies) to the manufacturer, producer, or exporter of merchandise exported to the U.S. from that foreign country. (OIG-01-063)



# Assessing Law Enforcement Programs

## **Non-Intrusive Inspection Equipment**

We reviewed Customs use of non-intrusive inspection (NII) equipment but could not determine its effectiveness. NII technology refers to a variety of advanced systems that permit inspectors to check cargo and conveyances for the presence of narcotics or other contraband without physically opening or entering the shipment. Our recommendations include establishing performance measurements, collecting and analyzing NII utilization data, taking actions to improve property inventory controls, monitoring to ensure personal radiation detectors are being used, and working with the General Services Administration to address construction issues for large NII systems. (OIG-01-084)

## **Intelligence**

We reviewed Customs intelligence program organization and data gathering activities that include a vast network of external and internal information sources, analytical resources, and communications facilities. We recommended that field intelligence analysts share their research expertise and techniques with Office of Field Operations (OFO) targeting units to enhance OFO enforcement targeting capabilities, Intelligence Collection and Analysis Teams be appropriately funded to increase their independence and flexibility, and program guidance be updated. (OIG-01-065)

## **Investigative Case and Time Data**

We found ATF's automated case and time data unreliable. Due to these deficiencies and ongoing revisions to its automated case management system, ATF has continued to use multiple data calls and manual quarterly reports from field offices to augment its automated tracking systems. We have concerns about the clarity and validity of some of these reports and measures used during the period of our review. We made seven recommendations to enhance controls over the reliability of

automated case and time data, and improve the clarity and validity of informational statistics and performance measures. (OIG-01-077)

## **Forensic Science Laboratories**

We found that ATF's forensic science laboratories did not adequately manage workloads in FY1998 and FY1999 leading to untimely service, a large case backlog, the assignment of questionable priorities to evidence submissions, and non-compliance with established case file management controls. While we could not quantify the impact these problems had on ATF investigations, special agents indicated long processing delays adversely affected their cases by making it difficult to track leads and find witnesses. We recommended corrective actions that included: ensuring adequate laboratory staffing, coordinating the outside work performed by laboratory employees, establishing a workload priority system, ensuring agents adequately justify and obtain proper supervisory approval for expedited requests, and ensuring employees follow appropriate case file management controls. (OIG-01-068)

## **Alcohol and Tobacco Laboratory Review**

Annually, ATF's alcohol and tobacco laboratories test thousands of products for compliance with labeling requirements, tax classification, and unauthorized substances or contaminants. The laboratories also review and approve formulas used by manufacturers for non-beverage products to ensure that the products are unfit for beverage use. We found that these laboratories generally provided timely and responsive service; however, ATF program managers did not use a significant number of test results provided. Similarly, we noted a lack of follow-up for violations identified from product samples through compliance inspections and the Certificate of Label Approval (COLA) program's pre-import sampling. Additionally, we determined that these laboratories' review of all







non-beverage alcohol and specially denatured alcohol formulas did not appear necessary to achieve the same results.

We recommended that ATF review its laboratory testing and formula approval requirements and increase the use of test results. ATF plans to finalize guidelines for beverage sampling, monitor test results on compliance inspections, and modify procedures on pre-import sampling. (OIG-01-090)

#### **Counterterrorism Funding Reports**

Our review of Treasury's counterterrorism funding reports submitted to OMB found the submissions included inaccuracies. Possible reasons for these errors include personnel at the Departmental and bureau levels did not work together to prepare the reports, bureaus may have used unreliable methods for estimating counterterrorism funding, inadequate oversight and review of the reports, and report compilers lacked guidance. Four recommendations were made to improve the accuracy of these reports. (OIG-01-081)

#### **Tracking Reimbursements**

We audited TFF reimbursements to Puerto Rico to determine if the reimbursements were valid, properly controlled, and used in accordance with the Executive Office for Asset Forfeiture (EOAF) requirements. We found reimbursements invalid, uncontrolled, and misused. Puerto Rican Law Enforcement Agencies (LEA) paid agents for overtime hours that were different than those reimbursed by EOAF. Local agents received overtime payments 2 to 20 months late. EOAF reimbursements were deposited inappropriately into a general fund suspense account. This commingling caused delayed disbursements by the Puerto Rican Treasury. One Puerto Rican LEA used at least four vehicles purchased with TFF monies for non-enforcement purposes.

We made five recommendations to strengthen the program in Puerto Rico which included

ensuring that the LEAs comply with their signed agreements to pay overtime to their agents, make overtime payments in a timely manner, establish the proper accounting mechanism to track TFF funds, and follow guidelines for the permissible use of assets purchased with TFF funds. (OIG-01-095)

#### **Certificate of Label Approval**

Our review of ATF's COLA program found that, while the program adequately ensures manufacturer compliance, several weaknesses could impact its overall effectiveness. The COLA program was established to protect the public from false or misleading alcoholic beverage labels. Our recommendations for corrective actions include issuing a label approval manual with detailed COLA operating procedures, ensuring the timeliness and accuracy of the tracking system, and maintaining more complete COLA documentation. (OIG-01-066)

#### **Fund Integrity**

We performed an audit to determine if funds from Customs Operation Hard Line were being used as intended. Our review found that from FY1995 through FY1998, \$155.3 million in "no year" funds had been provided for Operation Hard Line with several earmarks made by Congress. At the end of FY1998, Customs unliquidated obligations totaled \$16.3 million with almost 88 percent of the obligations over 12 months old. As of December 2000, Customs reduced its unliquidated obligations by \$7.8 million. We recommended deobligating the remaining \$8.5 million for use on other enforcement priorities.

We also found that the FY1999 Spending Plan for Crime Bill Carryover Funds was commingled with other monies. Since the combined funds could no longer be identified and tracked for specific initiatives, we had limited assurance that any remaining funds initially earmarked for Operation Hard Line activities would be spent as intended.



# Assessing Law Enforcement Programs

We made three recommendations for improving the effectiveness of management controls over initiative funding which included improving documentation and controls, performing timely reviews of unliquidated obligations, and improving controls over carryover funds. (OIG-01-096)

## **Law Enforcement Reviews**

As part of our oversight responsibilities for the Offices of Inspection at Secret Service and ATF, we conducted two administrative reviews. We examined efficiency and effectiveness of the field office inspection program by assessing management structure, thoroughness, level of independence, and quality control.

We found the Secret Service's planning and preparation adequate, inspectors independent, and the inspections thorough. The results of the office inspections were appropriately reported and follow-ups on critical areas had taken place. However, the physical files lacked sufficient supporting evidence concerning investigative case reviews.

We found ATF inspections carried out in a professional manner, the categories covered thoroughly reviewed, and findings reported appropriately. We concluded that ATF's outstanding inspection program procedures ensure accountability and standardized performance. The documentation of results and corrective actions were complete.



# Working to Maintain Confidence in the Nation's Banking System

## Material Loss Review

As mandated under Section 38(k) of the Federal Deposit Insurance Act, we are required to review certain thrift and national bank failures that had been supervised by either OCC or OTS. On July 31, 2001, OTS closed the \$2.3 billion asset Superior Bank FSB in Hinsdale, Illinois. Superior is the largest thrift failure in the last two years and could end up costing the Federal Deposit Insurance Corporation hundreds of millions of dollars to resolve.

Superior had been heavily engaged in sub-prime lending and had retained large positions in pools of risky loans that had been sold in the securitized-assets market. Regulators have been concerned with these so-called residual interests because they are difficult to value and were associated with the costly failures of Keystone National Bank in West Virginia and Pacific Thrift and Loan in California. Two of the issues our mandated review will address are why the thrift failed and the adequacy of OTS supervision. We expect to complete our review in January 2002.



# Our Work - The Numbers

## Investigative Caseload

April 1, 2001 – September 30, 2001

	Offices of Internal Affairs and Inspection				Total
	OIG	ATF	Customs	Secret Service	
Cases at the beginning of the period	157	34	1,723	38	1,952
Cases opened during the period	64	60	474	17	615
Cases closed during the period	56	57	596	32	741
Cases remaining open at the end of the period (Figures adjusted from previous Semiannual Report)	165	37	1,601	23	1,826

## Number and Nature of Allegations for Opened Investigative Cases

April 1, 2001 – September 30, 2001

	Offices of Internal Affairs and Inspection				Total
	OIG	ATF	Customs	Secret Service	
Bribes, graft, kickbacks	1	0	32	0	33
Procurement and contract irregularities	7	1	0	0	8
Assaults/threats	1	1	0	2	4
False statements and claims	9	2	17	0	28
Theft/misuse of funds/property	17	19	63	3	102
Drug abuse and control	0	3	1	0	4
Impersonating a Government official	0	0	0	0	0
Criminal – Other	2	2	106	2	112
Sexual harassment	0	5	18	2	25
Improper conduct or disclosure	19	21	25	4	69
Non-Criminal - Other	8	6	212	4	230
<b>Total Allegations</b>	<b>64</b>	<b>60</b>	<b>474</b>	<b>17</b>	<b>615</b>

## Administrative Sanctions

April 1, 2001 – September 30, 2001

	Offices of Internal Affairs and Inspection				Total
	OIG	ATF	Customs	Secret Service	
Personnel Actions	7	0	233	12	252
Suspensions and Debarments	0	0	N/A	0	0

## Prosecutive Actions

April 1, 2001 – September 30, 2001

	Offices of Internal Affairs and Inspection				Total
	OIG	ATF	Customs	Secret Service	
Cases pending prosecutive decision at start of period	0	0	22	0	22
Cases referred to prosecutive authorities	3	3	18	8	32
Cases accepted for prosecution	2	0	6	6	14
Cases declined	1	3	15	2	21
Cases pending prosecutive decision at end of period	0	0	19	3	22
Successful prosecutions*	2	0	12	3	17

\*Includes those found guilty by a federal or state court, accepted for pretrial diversion agreements by the Department of Justice, or granted plea bargaining agreements.

### Audit Reports with Questioned Costs for the Period April 1, 2001 – September 30, 2001

Category	Number of Reports	Questioned Costs*	Unsupported Costs
For which no management decision had been made by beginning of reporting period	17	\$4,830,000	\$0
Which were issued during the reporting period	0	0	0
<b>Subtotals</b>	<b>17</b>	<b>4,830,000</b>	<b>0</b>
For which a management decision was made during the reporting period	5	2,412,000	0
dollar value of disallowed costs:	2(a)	914,000	0
dollar value of costs not disallowed	4(a)	1,498,000	0
For which no management decision has been made by the end of the reporting period	12	2,418,000	0
For which no management decision was made within six months of issuance	12	\$2,418,000	\$0

\* Questioned costs include unsupported costs. (a) One report was partially agreed to and partially not agreed to. "Questioned costs" denotes that one or more of the following three situations exist: (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, 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.

### Audit Reports with Recommendations that Funds be Put to Better Use for the Period April 1, 2001 – September 30, 2001

Category	Number of Reports	Total	Savings	Revenue Enhancements
For which no management decision has been made by the beginning of the reporting period	0	\$0	\$0	\$0
Which were issued during the reporting period	3	8,579,000	8,579,000	0
<b>Subtotals</b>	<b>3</b>	<b>8,579,000</b>	<b>8,579,000</b>	<b>0</b>
For which a management decision was made during the reporting period	1	8,500,000	8,500,000	0
• dollar value of recommendations agreed to by management	1	8,500,000	8,500,000	0
• based on proposed management action	1	8,500,000	8,500,000	0
• based on proposed legislative action	0	0	0	0
• dollar value of recommendations not agreed to by management	0	0	0	0
For which no management decision has been made by the end of the reporting period	2	79,000	79,000	0
For which no management decision was made within six months of issuance	2	79,000	79,000	0

Recommendation that funds be put to better use denotes funds could be used more efficiently if management took actions to implement and complete the recommendation including: (1) reduction in outlays, (2) de-obligations of funds from programs or operations, (3) costs not incurred by implementing recommending improvements related to operations, (4) avoidance of unnecessary expenditures noted in pre-award review of contract agreements, (5) any other savings which are specifically identified, or (6) enhancements to revenues.

### Contract Audits Completed April 1, 2001 – September 30, 2001

Entity	Pre-Award Proposal Audits		Overhead Audits		Other Contract Audits	
	Number Completed	Funds to be Put to Better Use	Number Completed	Questioned Costs	Number Completed	Questioned Costs
ATF	1	\$0	0	\$0	0	\$0
BEP	3	79,104	2	0	0	0
Customs	1	0	3	0	1	0
<b>Totals</b>	<b>5</b>	<b>\$79,104</b>	<b>5</b>	<b>\$0</b>	<b>1</b>	<b>0</b>

Audits performed by Defense Contract Audit Agency (DCAA). All Treasury bureau requests for pre-award, cost incurred, and other contract audits are referred to the OIG. The OIG has the option to perform the audits, refer the audits to DCAA and other cognizant government audit agencies, or contract with an Independent Public Accountant (IPA). DCAA performed 11 contract audits, which questioned \$79,000 in Treasury contractor costs. Contracting officers agreed to savings and disallowed costs of approximately \$2.4 million including amounts that were questioned prior to April 1, 2001. An additional \$3.9 million in potential monetary benefits, including amounts that were questioned prior to April 1, 2001, are awaiting completion of negotiations with the contractors.

# Our Work - The Numbers

## Reports with Pending Management Decisions \* Undecided for Over Six Months as of September 30, 2001

Title and Date Issued	Report Number	Amount**
Costs Incurred Under Contract TOS-91-31 for Calendar Year 1991, 3/12/96 b/	OIG-96-042	\$5,404
Direct and Indirect Costs and Rates Claimed Under Contract TC-89-047 for Calendar Year Ended December 31, 1993, 10/10/96 a/	OIG-97-002	135,662
Final Procurement Determined Indirect Cost Rates Claimed Under Contract TC-89-047 for Contractor FY-Ended December 31, 1992, 7/23/97 a/	OIG-97-113	33,774
Final Procurement Determined Indirect Cost Rates Claimed Under Contract TC-89-047 for Contractor FY-Ended December 31, 1993, 7/23/97 a/	OIG-97-114	112,884
Direct and Indirect Costs and Rates Claimed Under Contract TC-89-047 for FY Ended December 31, 1994, 9/15/97 a/	OIG-97-132	37,716
Direct and Indirect Costs and Rates Claimed Under Contract TC-89-047 for FY Ended December 31, 1995, 12/10/97 a/	OIG-98-025	39,071
Contractor's FY Ended December 31, 1992 through 1994 Applicable to Contracts TOS-91-31 and TOS-94-25, 2/25/98 b/	OIG-98-045	562,205
Revised Direct and Indirect Costs and Rates Claimed Under Contract TC-89-047 for FY Ended December 31, 1994 1/7/99	OIG-99-028	27,366
Incurred Costs for Contractor's FY Ended December 31, 1997, 8/23/99 b/	OIG-99-108	196,527
Incurred Cost for Contract TOS-92-20 for FY 1997, 10/17/01 a/	OIG-00-030	584,192
Costs Claimed Under Contract TSW-87-0228, 10/17/01 a/	OIG-01-010	269,817
Direct and Indirect Costs and Rates Incurred Under Contract TC-94-027 for Contractor's FY 1993, 2/2/01 b/	OIG-01-037	412,890
<b>Totals</b>	<b>12 reports</b>	<b>\$2,417,508</b>

\* Management decision refers to the evaluation by management of the findings and recommendations included in a report and the issuance of a final decision. \*\* Amount indicates questioned costs and/or revenue enhancements. Contract negotiations have not yet been held or completed. a/ Contract negotiations have not yet been held or completed. b/ The final contract acceptance amount has not yet been determined.

## Significant Unimplemented Recommendations as of September 30, 2001

Report Number	Issue Date	Report Title/Potential Monetary Benefits and Recommendation Summary
OIG-94-048 (99-200S)*	1/94	Department of the Treasury Forfeiture Fund Annual Financial Statements for the Year Ended September 30, 1993. Ensure that accounting records are maintained on an accrual basis of accounting as required and an integrated financial system is implemented that will capture all transactions related to activities in the general ledger. (Two recommendations)
OIG-95-130	9/95	Audit of Customs FY1994 Financial Statements. Improve and integrate core financial systems by including a "customer-based" accounts receivable subsidiary ledger, identifying the modifications necessary to the general ledger systems to capture all financial transactions as they occur, and implementing supervisory controls over critical Automated Commercial System warning messages and other edit checks that can be over-ridden.
OIG-96-098	9/96	Audit of Customs FY1995 Consolidated Financial Statements. Analyze options to ensure capacity to fully recover high priority applications, expeditiously implement an approach, and fully test the disaster recovery plan.
OIG-97-133	9/97	Audit of Secret Service's FY1996 Statement of Financial Position. Ensure that the seized property system captures all seized property data necessary to generate a complete analysis of changes in seized and forfeited property.



OIG-98-066S fully	9/98	Supplement to Report on the Department of the Treasury's FY1997 Custodial Schedules and Administrative Statements. Ensure that the IRS develops and implements an appropriate corrective action plan that will address the material weaknesses and reportable conditions identified in the audits of its financial statements. Provide effective oversight to ensure that the specific recommendations related to EDP general control weaknesses detailed in the component entity reports (particularly IRS, Customs, and FMS), and the related plans for corrective actions are implemented completely and timely by the various bureaus. (Two recommendations)
OIG-99-018	12/98	Allegations Concerning ATF's Administration of the National Firearms Registration and Transfer Record. Ensure that report to monitor pending workloads and identify registration activity is fully developed. (Three recommendations)
OIG-99-039	2/99	Treasury Communications System (TCS) Automated Information Security Program. DO should prepare and test continuity of operations plans that meet the requirements of TCS user agencies. (Three recommendations)
OIG-99-123	9/99	ATF's Controls Over Tax Free Spirit Exports. ATF should amend 27 CFR to include specific timeframes for Distilled Spirits Plants to submit documents that support claimed exports and additional guidance defining export evidence.
OIG-00-036	2/00	Customs Performance Data for Commercial Activity. Customs should direct the correction of the use of inappropriate confidence levels in the Results Act information provided in the FY2000 budget justification. (Three recommendations)
OIG-00-047	2/00	Opportunities for BEP to Improve the Processing of Mutilated Currency. BEP should install an automated system to track mutilated currency cases, analyze data, and assess the efficiency and effectiveness of the program.
OIG-00-066	3/00	Customs Automated Commercial System Cargo Selectivity. The Assistant Commissioner, Office of Field Operations, should instruct Port Directors to establish procedures ensuring that reasons for overriding intensive cargo examinations are properly documented.
OIG-00-077	3/00	Information Technology Management Reform Act (ITMRA) Audit. Treasury should issue formal directives to further progress in implementing ITMRA.
OIG-00-080	4/00	ATF's Compliance Inspection Strategy for Firearms and Ammunition Excise Taxes Period. Internal reviews should be performed to gauge the effectiveness of ATF's inspection selection process and ensure that taxpayers from various risk groups are represented. (Two recommendations)
OIG-00-085	9/00	Customs Automated Information Systems – Computer Security Safeguards Need Improvement. The Commissioner of Customs should ensure that the Automated Information Systems Security Branch has sufficient authority to enact the required information security controls for Customs.
OIG-00-098	6/00	Office of the Comptroller of the Currency: Supervision of Banks Selling Insurance. The Comptroller of the Currency should develop supervisory and examination procedures to ensure adequate and uniform coverage over national bank's insurance activities. (Three recommendations)
OIG-00-111	7/00	Customs Has Undercharged Couriers for the Cost of Inspector Services. The Commissioner of Customs needs to ensure that Customs amends its regulations to increase the computational charge for recovering the cost of services provided. (Three recommendations)
OIG-00-119	8/00	ATF's Implementation of the Youth Crime Gun Interdiction Initiative (YCGII). The Director should ensure that performance measures are developed for YCGII that better gauge the program's impact on violent youth crime rates.
OIG-00-121	9/00	Contract Performance Related to Seized Property. Customs should revise its statement of work to include a provision for establishing disposition order cut-off dates for placing property in an auction sale. (Three recommendations)

This list of unimplemented recommendations in OIG audit reports is based on information in Treasury's automated tracking system, which is maintained by Treasury management officials. \*TFF findings and recommendations were subsequently consolidated in the Treasury tracking system with an assigned number of 99-200S. This assigned number is not an OIG report number.



## Recent Reports

The following reports were issued during the period of April 1, 2001, through September 30, 2001. Each entry in the list contains the name of the report, report number, issue date, and if applicable, the amount of revenue enhancements (R), savings (S), and questioned costs (Q).

### Improving Treasury's Internal Operations

**BEP**, Financial Management: Audit of the Bureau of Engraving and Printing's Fiscal Year 2000 Financial Statements, OIG-01-067, 4/30/01

**Customs**, General Management: Customs Service Employment Discrimination Complaint Cases Generally Prepared According to Regulations and Procedures, OIG-01-074, 5/29/01

**Customs**, Financial Management: Audit of the U.S. Customs Service's Disaster Recovery and EDP General Controls, OIG-01-082, 7/27/01

**DO**, General Management: The Office of Accounting and Internal Control's Management Process Related to an Information Technology Project, OIG-01-069, 5/1/01

**DO**, Information Technology: Change Management Controls Lack Departmental Oversight, OIG-01-071, 5/3/01

**DO**, Information Technology: Treasury's Implementation of the Government Information Security Reform Act for Fiscal Year 2001, OIG-01-089, 9/9/01

**DO**, Financial Management: Audit of the Department of the Treasury's Office of District of Columbia Pensions' Fiscal Year 2000 Financial Statements, OIG-01-092, 9/21/01

**Mint**, Financial Management: Audit of the United States Mint's Fiscal Years 2000 and 1999 Financial Statements, OIG-01-076, 6/27/01

**OCC**, Audited Financial Statements of the Office of the Comptroller of the Currency for Calendar Year 2000, OIG-01-075, 6/7/01

**OTS**, Audited Financial Statements of the Office of Thrift Supervision for Calendar Years 2000 and 1999, OIG-01-073, 5/8/01

### Overseeing the Management of the Nation's Revenue and the Public Debt

**ATF**, Revenue Collection: Additional Corrective Actions Needed to Improve ATF's Revenue Inspection Program, OIG-01-083, 8/1/01

**Customs**, Financial Management: Review of Controls Over Entry Summaries Subject to Antidumping or Countervailing Duty, OIG-01-063, 4/20/01

### Assessing Law Enforcement Programs

**ATF**, Improvements Needed in the Bureau of Alcohol, Tobacco and Firearms' Administration of the Certificate of Label Approval Program, OIG-01-066, 4/25/01

**ATF**, Criminal Enforcement: ATF Forensic Science Laboratories Need to Improve Workload Management, OIG-01-068, 4/30/01

**ATF**, Protecting the Public: Bureau of Alcohol, Tobacco and Firearms' Investigative Case and Time Data Needs Improvement, OIG-01-077, 6/27/01

**ATF**, Protecting the Public: Increased Benefits Possible from ATF's Alcohol and Tobacco Laboratories, OIG-01-090, 9/14/01

**Customs**, Financial Management: Review of Assertions Included in the United States Customs Service's Fiscal Year 2000 Annual Reporting of Drug Control Funds, OIG-01-064, 4/20/01

**Customs**, U.S. Customs Service's Intelligence Program, OIG-01-065, 4/24/01

**Customs**, Narcotics Interdiction: Customs Management Action Needed to Ensure Benefits of Non-Intrusive Inspection Technology are Fully Realized, OIG-01-084, 8/10/01

**Customs**, Narcotics Interdiction: United States Customs Service Needed Better Controls Over Operation Hard Line Funds, OIG-01-096, 9/27/01, **\$8,500,000 S**

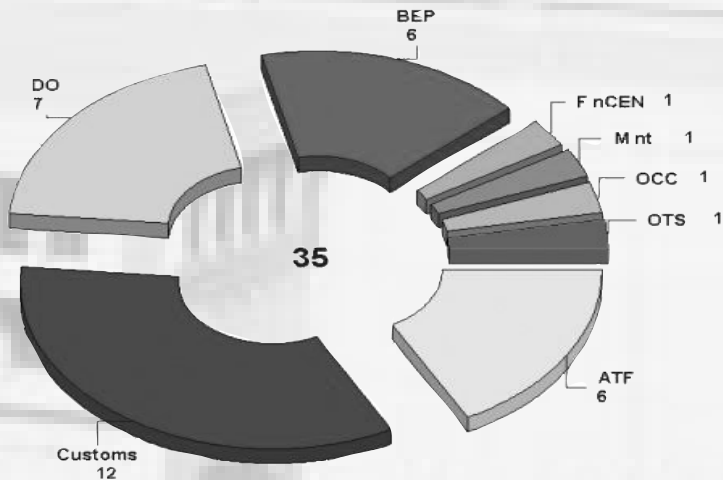
**DO**, Financial Management: Review of Assertions Included in the Interagency Crime and Drug Enforcement's Fiscal Year 2000 Annual Report of Drug Control Funds, OIG-01-062, 4/19/01

**DO**, Protecting the Public: Treasury's Counterterrorism Funding Reports Were Inaccurate, OIG-01-081, 7/26/01  
**DO**, Narcotics Interdiction: Treasury Forfeiture Fund Reimbursements to Puerto Rico, OIG-01-095, 9/26/01  
**FinCEN**, Money Laundering: Review of the Financial Crimes Enforcement Network Use of Artificial Intelligence to Combat Money Laundering, OIG-01-091, 9/18/01

**Supervised Contract Audits**

**ATF**, Direct and Indirect Cost Rates Submitted Under Contracts TATF-98-5 and TATF-98-6, OIG-01-087, 8/28/01  
**BEP**, Contractor's Price Proposal Submitted Under Contract TEP-01-21 for Off-line Currency Inspections Systems, OIG-01-072, 5/3/01, **\$24,600 S**  
**BEP**, Contractor's Price Proposal Submitted Under Contract TEP-96-32(TN) for Counterfeit Deterrence Technology Development and Assessment, OIG-01-078, 7/18/01, **\$54,500 S**  
**BEP**, Contractor's Price Proposal Submitted Under Contract TEP-01-22 for Off-line Currency Inspection, OIG-01-080, 7/19/01  
**BEP**, Contract Audit Closing Statement for Contract TEP-95-36-(TN), OIG-01-085, 8/13/01  
**BEP**, Costs Incurred Under Contract TEP-96-14 for Contractor's Fiscal Years Ended December 31, 1996, 1997, 1998, and 1999, OIG-01-093, 9/25/01  
**Customs**, Contractor's Price Proposal Submitted in Response to Solicitation CS-01-005 for Flight Management Display System, OIG-01-079, 7/18/01  
**Customs**, Direct and Indirect Costs and Rates Incurred Under Contract TC-96-020 for Contractor's Fiscal Year 1997, OIG-01-086, 8/24/01  
**Customs**, Forward Pricing Rate Proposal for Fiscal Year 2002 Forward Pricing Indirect Rates and Factors, OIG-01-088, 9/6/01  
**Customs**, Incurred Costs Under Contracts TC-93-029 and TC-98-016 for Contractor's Fiscal Year Ending December 31, 1998, OIG-01-070, 5/1/01  
**Customs**, Incurred Costs for Contractor's Fiscal Years Ended December 31, 1999 and 2000, OIG-01-094, 9/25/01

**Number of OIG Reports Issued (By Entity) April 1, 2001 - September 30, 2001**





# References to the Inspector General Act and Acronyms

## References to the Inspector General Act of 1978, as amended

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Section 5(a)(10)	Summary of audit reports issued before the beginning of the reporting period for which no management decision has been made (Reports with Pending Management Decisions)	18
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## Acronyms

AD/CV	antidumping or countervailing	IPA	Independent Public Accountant
ATF	Bureau of Alcohol, Tobacco and Firearms	IRS	Internal Revenue Service
BEP	Bureau of Engraving and Printing	IT	information technology
BPD	Bureau of the Public Debt	ITC	inventory, tracking, and closure
CDFI Fund	Community Development Financial Institutions Fund	LEA	law enforcement agency
CFO	Chief Financial Officer	LOC	Library of Congress
CIO	Chief Information Officer	Mint	U.S. Mint
COLA	Certificate of Label Approval	NII	non-intrusive inspection
Customs	U.S. Customs Service	OAIC	Office of Accounting and Internal Control
CY	calendar year	OCC	Office of the Comptroller of the Currency
DCAA	Defense Contract Audit Agency	OFO	Office of Field Operations
DCFO	Deputy Chief Financial Officer	OIG	Office of Inspector General
DO	Departmental Offices	OMB	Office of Management and Budget
EOAF	Executive Office for Asset Forfeiture	OTS	Office of Thrift Supervision
ESF	Exchange Stabilization Fund	Results Act	Government Performance and Results Act
EDP	Electronic Data Processing	Secret Service	U.S. Secret Service
EEO	Equal Employment Opportunity	TCS	Treasury Communications System
FFB	Federal Financing Bank	TFF	Treasury Forfeiture Fund
FFMIA	Federal Financial Management Improvement Act of 1996	TIGTA	Treasury Inspector General for Tax Administration
FinCEN	Financial Crimes Enforcement Network		
FLETC	Federal Law Enforcement Training Center		
FMS	Financial Management Service		
FY	fiscal year		
GAO	General Accounting Office		
GISRA	Government Information Security Reform Act		
GMRA	Government Management Reform Act		
IA	Office of Internal Affairs		



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